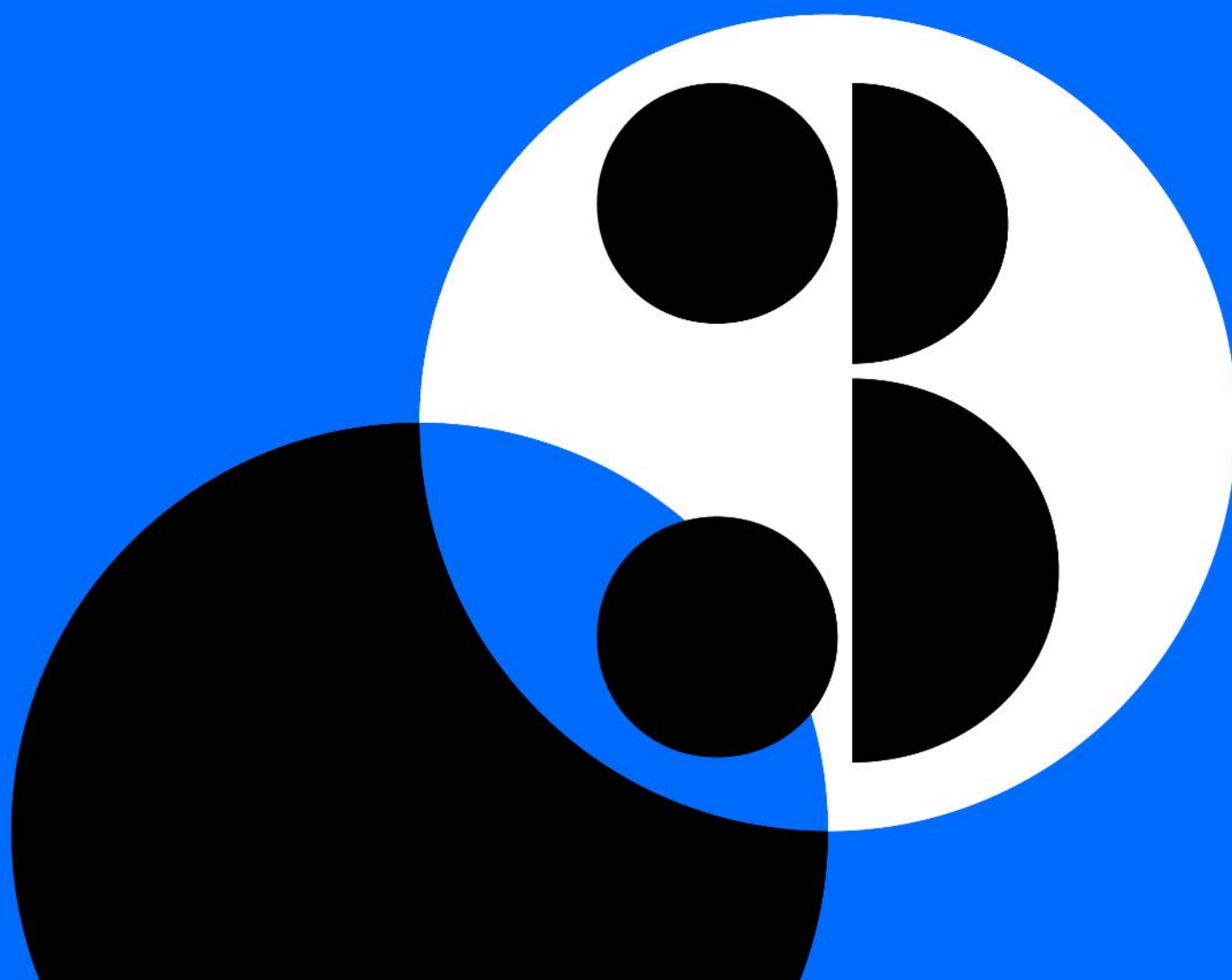
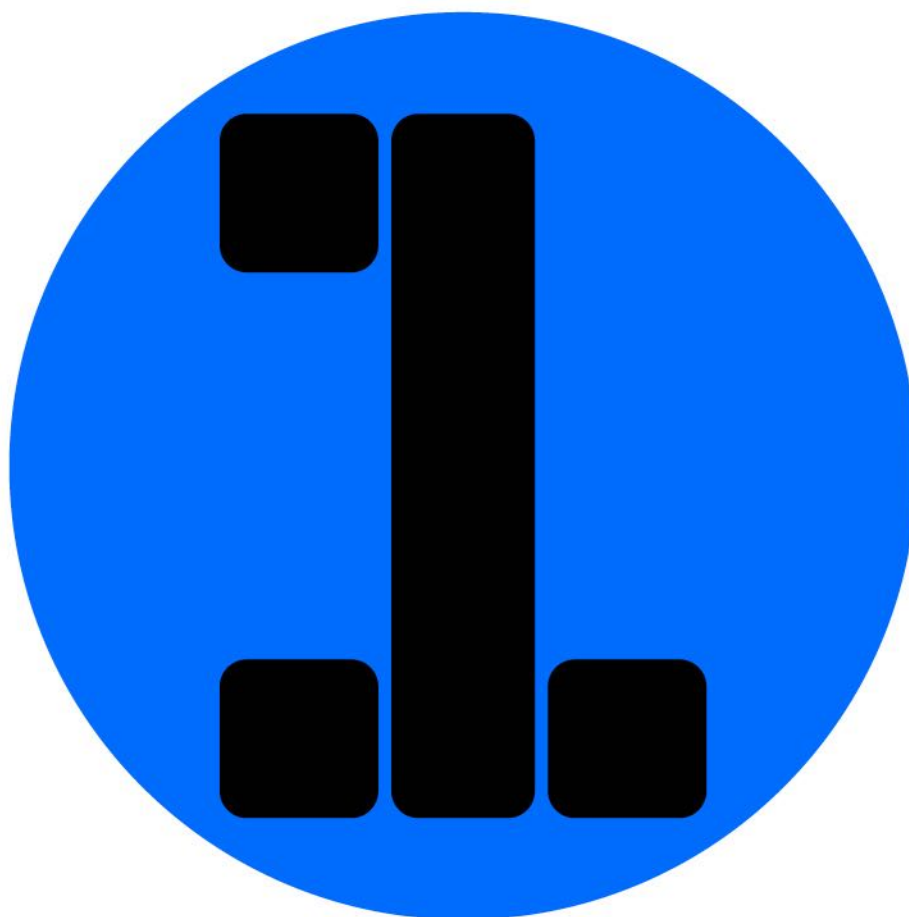


# Consolidated directors report



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# Banco Sabadell Group



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# Banco Sabadell Group

Banco de Sabadell, S.A. (hereinafter also referred to as Banco Sabadell, the Bank, the Company, or the Institution), with tax identification number (NIF) A08000143 and with registered office<sup>1</sup> in Sabadell, Plaça de Sant Roc, 20, engages in banking business and is subject to the standards and regulations governing banking institutions operating in Spain. It has been subject to prudential supervision on a consolidated basis by the European Central Bank (ECB) since November 2014.

The Bank is the parent company of a group of entities whose activity it controls directly and indirectly and which comprise, together with the Bank, Banco Sabadell Group. Banco Sabadell is formed of different financial institutions, brands, subsidiaries and investees that cover all aspects of financial business. It operates mainly in Spain, the United Kingdom and Mexico.

In 2024, the Group's organisation was structured around the following businesses:

- Banking Business Spain groups together the Retail Banking, Business Banking and Corporate Banking business units, with Retail Banking and Business Banking managed under the same branch network:
  - Retail Banking: offers financial products and services to individuals for personal use. These include investment products and medium- and long-term finance, such as consumer loans, mortgages, leasing and rental services, as well as other short-term finance. Funds come mainly from customers' term and demand deposits, savings insurance, mutual funds and pension plans. The main services also include payment methods such as cards and various kinds of insurance products.
  - Business Banking: offers financial products and services to companies and self-employed persons. These include investment and financing products, such as working capital products, revolving loans and medium- and long-term finance. It also offers custom structured finance and capital market solutions, as well as specialised advice for businesses. Funds mainly come from customers' term and demand deposits and mutual funds. The main services also include collection/ payment solutions such as cards and PoS terminals, as well as import and export services. This business unit further includes Private Banking, which offers personalised expert advice, backed by specialised and high-value product capabilities for customers.
  - Corporate Banking: through its presence in Spain and in a further 11 countries, it offers financial and advisory solutions to large Spanish and international corporations and financial institutions. It structures its activity around two pillars, the first of which is the customer. It aims to serve its customers who are natural persons to meet the full range of their financial needs. This pillar is determined by the nature of those customers and includes large corporations classed under the Corporate Banking umbrella, financial institutions, Private Banking customers in the United States and the venture capital business carried out through BS Capital. The second pillar is specialised business, which encompasses the activities of Structured Finance, Treasury, Investment Banking, and Trading, Custody & Research. Its goal is to advise, design and execute custom

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<sup>1</sup> The Board of Directors of Banco Sabadell, in its meeting held on 22 January 2025, resolved to amend Article 2 of the by-laws to set the registered office at Sabadell, Plaça de Sant Roc no. 20. The registered office was previously located in Alicante, at Avenida Óscar Esplá, 37.

operations that anticipate the specific financial needs of its customers, be they companies or individuals, with its scope of activity ranging from large corporations to smaller companies and customers, insofar as its solutions are the best way to meet their increasingly complex financial needs.

- Banking Business UK: the TSB franchise covers business conducted in the United Kingdom, which includes current and savings accounts, loans, credit cards and mortgages.
- Banking Business Mexico: offers banking and financial services for Corporate Banking, Commercial Banking and Retail Banking.

Banco Sabadell is the parent undertaking of a group of companies that, as at 31 December 2024, numbered a total of 84. Of these, aside from the parent company, 61 are considered subsidiaries and 22 are considered associates (as at 31 December 2023, there were 83 companies: the parent company, 60 subsidiaries and 22 associates).





# 1.1 Mission, values and business model

## Mission and values

Banco Sabadell helps people and businesses bring their projects to life, anticipating their needs and helping them make the best economic decisions. It does this through environmentally and socially responsible management.

This is Banco Sabadell's *raison d'être*: to help its customers make the best economic decisions so that they may see their personal and/or business projects take shape. To that end, it gives customers the benefit of the opportunities offered by big data, digital capabilities and the expertise of its specialists.

The Bank and those who form part of it share the values that help to accomplish this mission, however, wherever and whenever that may be.

Banco Sabadell accomplishes its mission while staying true to its values:

- Commitment and Non-Conformism, values that define its way of being.
- Professionalism and Effectiveness, values that define its way of working.
- Empathy and Openness, values that define its way of interacting.

## Business model, main objectives achieved and actions taken

The Institution's business model is geared towards profitable growth that generates value for shareholders. This is achieved through a strategy of business diversification based on criteria related to profitability, sustainability, efficiency and quality of service, together with a conservative risk profile, while maintaining high standards of ethics and professional conduct combined with sensitivity to stakeholders' interests.

The Bank's management model focuses on a long-term vision of customers, through constant efforts to promote customer loyalty by adopting an initiative-based and proactive approach to the relationship through the various channels that the customers of the Bank have at their disposal. The Bank offers a comprehensive range of products and services, qualified personnel, an IT platform with ample capacity to support future growth, and a relentless focus on quality.

Over the last thirteen years, Banco Sabadell has expanded its geographical footprint in Spain and increased its market share with a series of acquisitions, the most significant of which was its acquisition of Banco CAM in 2012. In 2013, Banco Sabadell was able to undertake other corporate operations as part of the restructuring of banks under suitable economic terms, such as the acquisition of the branch network of the former Caixa d'Estalvis del Penedès in Catalonia and Aragon and the acquisitions of Banco Gallego and Lloyds' business in Spain.

As a result of these acquisitions and the organic growth of recent years, Banco Sabadell has strengthened its position in some of Spain's most prosperous regions (Catalonia, Valencian Community and Balearic Islands) and it has also increased its market share in other key areas. According to the most recent information available, Banco Sabadell has a market share of 8% in loans and 7% in deposits at the domestic level. Banco Sabadell also has a good market share in other products, such as

financing granted to non-financial corporations at 9%, mutual funds at 5% and PoS turnover at 17%.

With regard to international business, Banco Sabadell has always been a benchmark. This has not changed in 2024 and Banco Sabadell continues to be present in strategic areas, supporting companies in their international activity. Over the last few years, Banco Sabadell has expanded its international footprint. The main milestones have been the acquisition of British bank TSB in 2015 and the creation of a bank in Mexico in 2016.

With these developments, the Group has become one of the largest institutions in Spain's financial system. It has a geographically diverse business (74% in Spain, 23% in the UK and 3% in Mexico) and its customer base is now six times larger than it was in 2008. It has achieved all of this whilst safeguarding its solvency and liquidity.

2024 was a year characterised, in economic terms, by an acute contrast between the economic performance of the United States, which was better than initially expected, and that of the Eurozone, weighed down by weakness in Germany, which experienced an all but stagnant economy. Spain, for its part, continued to perform well, with robust growth. Inflation also continued to converge with central bank targets throughout 2024, allowing central banks to begin cutting official interest rates towards the middle of the year, although they indicated that they would continue to follow a cautious approach to interest rate adjustments going forward. 2024 was also a year marked by political and geopolitical events, such as the conflict in the Middle East and Trump's victory in the US presidential elections, Geopolitical risks thus increased, generating an additional source of uncertainty for the economic environment. Lastly, in relation to the financial markets, 2024 was once again a positive year, particularly for risk assets.

Against this backdrop, in year-on-year terms, Banco Sabadell significantly increased its net profit, supported by good performance both in Spain and in the UK (TSB). It is worth noting the year-on-year growth of net interest income, the reduced cost of risk, the active and growing commercial momentum, and the contained increase in costs.

Banco Sabadell conducts its business in an ethical and responsible manner, gearing its commitment to society in a way that ensures its activities have a positive impact on people and the environment. Each and every person in the organisation plays their part in applying the principles and policies of corporate social responsibility, ensuring a high-quality and transparent customer service.

In addition to complying with applicable regulations and standards, Banco Sabadell has a set of policies, internal rules and codes of conduct that guarantee ethical and responsible behaviour at all levels of the organisation and in all Group activities.

## 1.2 Strategic priorities

In 2024, Banco Sabadell Group's strategic priorities were to (i) continue strengthening the Bank's competitive position in the domestic market and (ii) keep on improving the profitability of its businesses abroad, both in the United Kingdom and in other geographies, in addition to efficient cost control and adequate risk management.

By business line, in Retail Banking, the approach involved continuing with the profound transformation undertaken in recent years, which has resulted in a profound change in the products and services on offer and in the customer relationship model, consolidating a fundamentally digital and remote offering of products for which the customer wants autonomy, immediacy and convenience, such as consumer loans, accounts and cards. For more complex products, such as mortgages, insurance and savings/investment products, where the customer requires support, the approach is to reinforce the role of product specialists and offer multichannel support, along with greater process digitalisation.

As at the end of 2024, mortgages specialists generated over 50% of the total new business in this product. On the other hand, digital sales of consumer loans represented over 83% of the total, while pre-approved loans accounted for 87% of total new lending. Furthermore, 54% of new customers registered using the digital channel.

The goal in Retail Banking is to increase the customer base, responding better to their needs and being the main bank of more customers.

In Business Banking, the goal was to strengthen the Bank's sizeable franchise in this segment by establishing specific levers to achieve profitable growth, such as sector-specific solutions for businesses, support for customers in their internationalisation process and the expansion of specialised solutions for SMEs. This is to be reinforced with an optimal risk management framework, complementing the insights of risk experts and business experts with new business intelligence and data analytics tools. In terms of capabilities, a digital account was launched for self-employed professionals and the middle market team was bolstered to broaden the knowledge base already in use in Corporate Banking.

In 2024, the granting of new lending items continued to be steered better, so that more than 80% were granted to priority customers and sectors, and the 34 sector-specific product and service offerings for businesses and self-employed professionals were consolidated, delivering a significant increase in new business acquired from those sectors. The market share of Point-of-Sale (PoS) terminals rose to over 20%.

Private Banking already has 500 personal bankers assigned to it, and the product offering and advice tools have been enhanced with a clear growth objective for both turnover and customers.

The goal in Business Banking is to drive growth while safeguarding credit quality and boosting profitability.

The approach in Corporate Banking Spain was to develop plans to improve the profitability of each customer and increase the contribution of specialised product units to the generation of income. To that end, greater focus was placed on the continuous monitoring of customer profitability, measuring that profitability as the risk-adjusted return for each customer, and action plans were set in motion to increase profitability. As at the end of 2024, around 75% of customers had a Risk-Adjusted Return On Capital (RAROC) above 10%.

The goal in this business line is to obtain adequate profit per customer and to meet their needs.

TSB's priority was to focus on what it does best and what it is known for in the market: retail mortgages. TSB has an excellent platform, with

high operational capabilities for mortgage management and a well-established network of brokers, a key factor in the British market where a substantial portion of new mortgages are arranged through this channel.

After radically turning around its financial results in recent years, TSB remains focused on its core business and on reducing costs. To that end, it has launched an efficiency plan in order to increase its contribution to the Group's profitability.

In the Group's other international businesses, the priority was to actively manage the capital allocated to them by the Group. Supplementary to this, specific priorities have been defined for each geography: in Mexico, the aim is to increase profitability, focusing on improving its cost of risk and reducing its cost of funding in pesos, launching the Sabadell Mexico digital account to that end. In the case of Miami, the goal is to further strengthen the Private Banking business, while other foreign branches will prioritise the provision of support to Spanish customers in their international activities.

## The financial targets for 2024 have been met.

Upon conclusion of the strategic plan for 2021-2023, whose financial targets were amply met, at the start of the year Banco Sabadell disclosed its guidance for 2024. Economic and financial developments unfolded against a backdrop of interest rates that were, on average, lower than in the previous year, although they remained at levels that were ideal for banking intermediation activity and for the recovery of demand for credit.

## The Institution remains firmly committed to shareholder remuneration.



The guidance set out in the Group's business plan was reflected in the following way in the income statement for this year:

Net interest income posted growth in the mid-single digits, as estimated in June, having improved the target to twice the one set at the beginning of the year. This positive change is explained by the positive contribution of the customer margin at the ex-TSB level, thanks to upward repricing of the loan book during the first half of the year and a cost of deposits that remained at contained levels. In addition, the positive evolution of lending activity began to come through this year, driving up net interest income, and it is expected to drive it up even further in 2025. In the meantime, at TSB, net interest income gradually recovered with each passing quarter, although it ended the year with a drop in the low single digits, as expected. All in all, the target was met, since net interest income went up by 6.3% in the year at the Group level.

In terms of fees and commissions, these were expected to record a drop of around 3%, explained by weaker performance of service fees, particularly those associated with current accounts, in a context of high interest rates. This target was upgraded after the sale of the merchant acquiring business was postponed due to the tender offer put forward by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). Lastly, fees and commissions were down by 2%, a slight improvement on the guidance for the year.

In terms of costs, an annual increase in recurring costs of around 2.5% was estimated; this cost containment is mainly explained by the savings delivered by the efficiency plan in TSB announced in 2023. Annual recurring costs at the Group level increased by 2.7%, as expected. It should be noted that in 2024, 21 million euros of extraordinary costs were recognised in connection with TSB's new efficiency plan.

Furthermore, the total cost of risk target was upgraded twice during the year, thanks to a diversified balance sheet, risk management actions and improved asset quality. In September, it was estimated that it would end the year at levels of around 45 basis points. That target was met, as total cost of risk stood at 42 basis points in 2024, equivalent to 714 million euros of provisions and impairments.

Similarly, profitability recorded for 2024, measured in terms of Return on Tangible Equity (ROTE), was 14.9%, in line with the profitability or ROTE target of >13%, which was also upgraded several times during the year. In addition, in 2025, the resilience of the Group's income statement is expected to allow it to keep its profitability at around 14%, measured in terms of tangible equity.

Lastly, in relation to shareholder remuneration, Banco Sabadell's Board of Directors confirmed its shareholder remuneration commitment, committing to distribute, on a recurrent basis, its excess capital above the 13% CET1 ratio (post- impact of Basel IV<sup>2</sup>). Assuming fulfilment of the current business plan, it is thought that the excess capital generated in 2024 and 2025, along with recurring dividends and the buyback of shares pending execution following the tender offer announced by BBVA, will reach 3.3 billion euros (0.61 euros gross per share), of which 2,098 million euros or 0.3913 euros (gross) per share would correspond to 2024 and around 1,200 million euros or 0.22 euros (gross) per share would correspond to 2025, equivalent to more than 32% of the market capitalisation<sup>3</sup>. This represents a material improvement on the 2.9 billion euros (0.53 euros gross per share) announced previously, although part of the remuneration for 2025 may be subject to supervisory approval and to delivering on that business plan.

The remuneration in 2024 alone represents around 64% of the total committed shareholder remuneration amount for the next two years.

Therefore, the main financial targets set at the start of the year had been amply surpassed by the end.

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<sup>2</sup> Basel IV marks the final phase of the Basel III standards.

<sup>3</sup> Data as at 2024 year-end.

# 1.3 Banco Sabadell share performance and shareholders

As at 31 December 2024 and 2023, the Bank's share capital stood at 680,027,680.875 euros and was represented by 5,440,221,447 registered shares with a par value of 0.125 euros each.

On 29 January 2025, the Board of Directors of Banco Sabadell agreed to reduce the Bank's share capital in the amount of 6,566 thousand euros, through the redemption of all the treasury shares acquired under the Share Buyback Programme approved on 10 April 2024 at Banco Sabadell's Annual General Meeting, until the suspension of that programme on 9 May 2024, i.e. 52,531,365 shares. As at the sign-off date of the consolidated annual financial statements, the entry into the Companies Register of the public deed for this capital reduction remained pending.

2024 was marked by the start of an accommodative cycle by central banks, with inflation on a downward path and macroeconomic indicators in the main developed economies giving mixed signals throughout the year, due to a generally more negative bias. In geopolitical terms, the war in Ukraine remained stagnant while tensions rose in the Middle East. In the United States, Donald Trump emerged as the clear winner of the presidential elections, which heightened the uncertainty surrounding the possible establishment of tariffs and restrictions on global trade.

In Spain, economic activity continued to be dynamic, with GDP growth far above the average of countries in the European Union and with upward revisions for the coming years. In addition, the unemployment rate fell to a ten-year low, while inflation was below 2%.

In financial markets, the first half of the year was characterised by a very positive tone, specifically in the financial sector. However, as the year went on and as a result of inflation rapidly dropping closer to central banks' targets, together with macroeconomic indicators that fuelled fears of a recession, central banks began a cycle of interest rate cuts. Against this backdrop, the financial sector underwent a stock market correction given the volatility of interest rate curves, which priced in an accelerated pace of interest rate cuts as well as a lower terminal rate.

In the Eurozone, the European Central Bank began its accommodative monetary policy in June, introducing four interest rate cuts from that month onwards and reducing the deposit facility rate by 100 basis points to 3.00%. In addition, the 12-month Euribor ended the year at around 2.5%.

Similarly, the Bank of Spain, in line with the majority of the Eurozone economies, activated the countercyclical buffer (CCyB), placing it at 0.5%, which will be applicable as from October 2025. Thereafter, if the cyclical systemic risks remain, the plan is to raise the CCyB to 1% as from October 2026.

All in all, over the year the banking industry's profitability continued to converge towards levels close to the cost of capital that banks are required to attain, thanks to higher levels of profit, in turn explained by an interest rate environment that has offered increased capacity to intermediate in the economy.

As regards Banco Sabadell's share price performance, it kept the good tone of recent years, with a revaluation, adjusted to account for dividends, of +79% in the year, ranking second on the IBEX 35 in 2024. On a like-for-like basis, the market revaluation was above the European banking industry benchmark (STOXX Europe 600 Banks), which rose by +35.4%, and also above general indices such as EURO STOXX 50 and IBEX 35, which cumulatively increased by +5.3% and +14.8%, respectively, over the year. In this respect, the factors pertaining to the

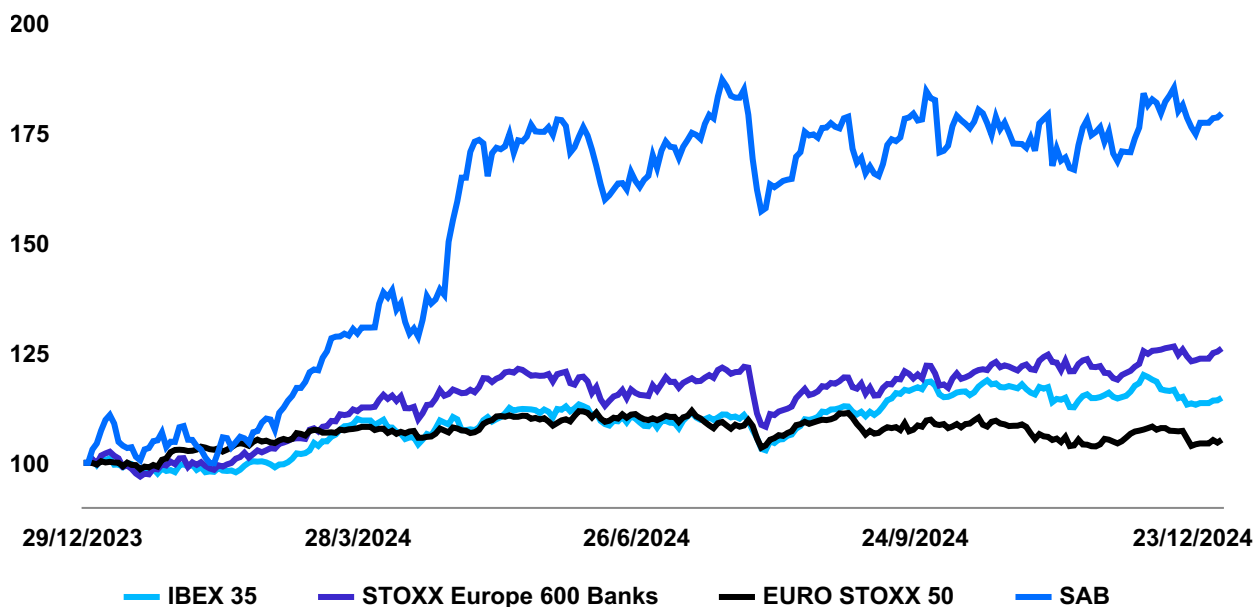


economic and financial environment mentioned above significantly influenced the share price performance. Similarly, in relation to the idiosyncratic factors of Banco Sabadell, certain influencing factors worth noting include, on one hand, the Institution's improved financial position and profit estimations and, on the other, since 9 May, everything related to the events in connection with the

tender offer put forward by Banco Bilbao Vizcaya Argentaria, S.A.

As at the end of 2024, 100% of equity analysts covering Banco Sabadell had a Buy or Hold recommendation on the stock.

Banco Sabadell's market capitalisation stood at 10,063 million euros at year-end, with a Price/Tangible Book Value (P/TBV) ratio of 0.78.



	Million	Million euro	Euro	Million euro	Euro
	Average number of shares (*)	Profit attributable to the Group	Profit attributable to the Group, per share	Own funds	Book value per share
2021	5,586	530	0.080	13,357	2.39
2022 (**)	5,594	889	0.140	13,635	2.43
2023	5,401	1,332	0.225	14,344	2.65
2024	5,376	1,827	0.322	15,389	2.87

(\*) The average number of shares is shown net of the treasury stock position.

(\*\*) La información correspondiente al año 2022 ha sido reexpresada teniendo en consideración la aplicación de la NIIF 17 (véase nota 1.4 de las Cuentas anuales consolidadas de 2023).

# Share performance

Below are a number of indicators of the Bank's share performance:

	2024	2023	Year-on-year change (%)
<b>Shareholders and trading</b>			
Total number of shares outstanding (million) (*)	5,361	5,403	(0.8)
Average daily trading (million shares)	23	30	(22.0)
<b>Share price (euro)</b>			
Opening	1.113	0.881	—
High	2.050	1.364	—
Low	1.105	0.873	—
Closing	1.877	1.113	—
Market capitalisation (million euro)	10,063	6,014	—
<b>Market ratios</b>			
Earnings per share (EPS) (euro)	0.32	0.23	—
Book value per share (euro)	2.87	2.65	—
P/TBV (price/tangible book value per share)	0.78	0.51	—
Price/earnings ratio (share price/EPS)	5.84	4.94	—

(\*) Total number of shares minus final treasury stock position (including shares in buyback programmes, where applicable).

## Shareholder remuneration in cash increased by 241% in the year, distributing 60% of 2024 earnings.

The Bank's shareholder remuneration commitment, in accordance with its Articles of Association, is proposed by the Board of Directors and submitted to the Annual General Meeting for approval every year. In addition, Banco Sabadell has a Shareholder Remuneration Policy that lays down the principles that determine the shareholder remuneration framework.

In the meeting held on 22 July 2024, Banco Sabadell's Board of Directors agreed to set the percentage of profits to be distributed to shareholders, in other words the Group's payout ratio, at 60% of the Group's net attributable profit for 2024. This payout ratio is at the top of the range established by the Group's Shareholder Remuneration Policy.

In addition to setting a payout ratio of 60%, the Board of Directors agreed to distribute an interim dividend in cash, to be paid out of its earnings of 2024, of 0.08 euros (gross) per share, which was paid on 1 October 2024.

The Board of Directors also updated the potential shareholder remuneration amount to be distributed charged to earnings in the 2024 and 2025 financial years to 2,650 million euros (0.49 euros per share), part of it subject to the supervisor's approval.

In line with the request received from the CNMV on 13 May 2024, the Bank released an Other Relevant Information disclosure regarding the interim suspension of the share buyback programme in light of the publication of the prior announcement of the tender offer put forward by Banco Bilbao Vizcaya Argentaria, S.A. The operation of the buyback programme was paused when approximately 27.31% of the buyback programme's maximum pecuniary amount had been executed, meaning that approximately 72.69% of the aforesaid maximum amount remains pending execution (see Note 3 to the annual financial statements). If one considered the currently suspended share buyback programme, this would raise the potential total shareholder remuneration over the next two years to 2.9 billion euros (0.53 euros gross per share).

Later, on 6 February 2025, Banco Sabadell's Board of Directors agreed to submit a proposal for the distribution of a final dividend of 0.1244 euros (gross) per share, to be approved at the next Annual General Meeting. This, together with the interim dividend of 0.08 euros (gross) per share, entail a total cash dividend to be paid out of the earnings of 2024 of 0.2044 euros (gross) per share, equivalent to a 60% payout ratio, representing an increase in cash-based shareholder remuneration of 241% compared to 2023.

In the aforesaid meeting of 6 February 2025, the Board of Directors of Banco Sabadell, having obtained prior authorisation from the competent authority, agreed to submit a proposal at the next Annual General Meeting to distribute the excess capital above the 13% CET1 ratio (post-impact of Basel IV<sup>4</sup>) through a treasury share buyback programme for the subsequent redemption of those shares for an amount of 755 million euros, equivalent to 0.1408 euros (gross) per share and resuming execution of the treasury share buyback programme in the amount of 247 million euros, equivalent to 0.0461 euros (gross) per share, which was temporarily suspended due to publication of the announcement of the tender offer put forward by Banco Bilbao Vizcaya Argentaria, S.A.

Based on the foregoing, total shareholder remuneration in 2024 will amount to 2,098 million euros, or 0.3913 euros (gross) per share, of which 1,096 million euros (0.2044 euros gross per share) correspond to the cash dividend and 1,002 million euros (0.1869 euros gross per share) correspond to buyback programmes.

Thus, Banco Sabadell's Board of Directors seized the opportunity and updated its total shareholder remuneration for the next two years, improving it from the previously announced 2.9 billion euros (0.53 euros gross per share) to 3.3 billion euros (0.61 euros gross per share) of which, as mentioned, 2,098 million euros (0.3913 euros gross per share) would correspond to 2024 and around 1.2 billion euros (0.22 euros gross per share) would correspond to 2025).

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<sup>4</sup> Basel IV marks the final phase of the Basel III standards.

# Credit ratings

In 2024, the four agencies that assessed Banco Sabadell's credit quality were S&P Global Ratings, Morningstar DBRS, Fitch Ratings and Moody's Investors Service.

On 29 April 2024, S&P Global Ratings affirmed Banco Sabadell's long-term issuer rating at 'BBB+', improving the outlook to positive from stable, reflecting the possibility that it could raise the long-term rating over the next 18-24 months if industry risks for banks operating in Spain were to ease and, at the same time, Banco Sabadell strengthens its financial ratios further. The short-term rating was also maintained at 'A-2'.

On 10 May 2024, Morningstar DBRS confirmed Banco Sabadell's long-term issuer rating at 'A (low)' with a stable outlook, reflecting the significantly improved profitability and the restructuring plan that the Bank has implemented, enabling it to boost its operating efficiency. It also praised its good access to wholesale markets and liquidity, as well as its solid capitalisation. The short-term rating remained at 'R-1 (low)'. The full report on the revision was published on 7 June.

On 8 October 2024, Moody's Investors Service affirmed Banco Sabadell's long-term deposit rating at 'Baa1' and its long-term senior unsecured debt rating at 'Baa2', maintaining the positive outlook for both ratings. The affirmed ratings reflect the strength of the Bank's credit profile, with stronger asset-quality metrics and improved profitability during the first quarter of 2024. The short-term rating was kept at 'P-2'. The full report on the revision was published on 15 October.

On 10 January 2025, Fitch Ratings upgraded Banco Sabadell's long-term rating to 'BBB+' from 'BBB' and maintained the stable outlook. The upgrade was driven by the strengthening of Banco Sabadell's asset quality, profitability and capitalisation, as well as the improved assessment of the operating environment for Spanish banks. Prior to this upgrade, on 29 May 2024, Fitch Ratings had already improved Banco Sabadell's long-term rating to 'BBB' from 'BBB-' and its short-term rating to 'F2' from 'F3'.

During 2024, Banco Sabadell has been in continuous contact with the four agencies. In its meetings with analysts from those agencies, both face-to-face and virtual meetings, aspects such as progress with results, capital, liquidity, risks, credit quality, and management of NPAs were discussed.

The table below details the current ratings and the last date on which any publication reiterating this rating was made.

	Long-term	Short-term	Outlook	Last updated
S&P Global Ratings	BBB+	A-2	Positive	29/04/2024
Morningstar DBRS	A (low)	R-1 (low)	Stable	07/06/2024
Moody's Investors Service	Baa2	P-2	Positive	15/10/2024
Fitch Ratings	BBB+	F2	Stable	10/01/2025

# 1.4 Corporate governance

Banco Sabadell has a solid corporate governance structure that ensures effective and prudent management of the Bank, in which it prioritises ethical, sound and transparent governance, taking into account the interests of shareholders, customers, employees and the general public in the geographies in which it operates.

The internal governance framework, which gives details, among other aspects, about its shareholding structure, the governing bodies, the Group's structure, the composition and operation of corporate governance, the internal control functions, key governance matters, the risk management framework, the internal procedure for the approval of credit transactions granted to directors and their related parties and the Group's policies, is published on the corporate website:

[www.grupbancsabadell.com](http://www.grupbancsabadell.com) (see section "Corporate Governance and Remuneration Policy – Internal Governance Framework").

As required by Article 540 of the Spanish Capital Companies Act, Banco Sabadell Group has prepared the Annual Corporate Governance Report for the year 2024, which, in accordance with Article 49 of the Spanish Commercial Code, forms part of the consolidated Directors' Report for 2024. It includes a section on the extent to which the Bank follows recommendations on corporate governance currently in existence in Spain.

As it has done on previous occasions, Banco Sabadell has opted to prepare the Annual Corporate Governance Report in free PDF format, in accordance with CNMV Circular 2/2018 of 12 June, in order to explain and publicise, with maximum transparency, the main aspects contained therein.



# Annual General Meeting 2024

The Bank's main governing body is the Annual General Meeting, in which shareholders decide on matters attributed to the Meeting by law, the Articles of Association (available on the corporate website under "Corporate Governance and Remuneration Policy – Articles of Association") and its own Regulation, as well as any business decisions that the Board of Directors considers to be of vital importance for the Bank's future and corporate interests.

The Annual General Meeting has adopted its own Regulation, which sets out the principles and basic rules of action (available on the corporate website under "Shareholders' General Meeting – Regulations of the Shareholders' Meeting"), safeguarding shareholder rights and transparency.

At the Annual General Meeting, shareholders may cast one vote for every thousand shares that they own or represent. The Policy for communication and contact with shareholders, institutional investors and proxy advisors, approved by the Board of Directors and compliant with the Good Governance Code of Listed Companies of June 2020, aims to promote the transparency of public information and build trust while safeguarding, at all times, the legitimate interests of institutional investors, shareholders and proxy advisors and of all other stakeholders of Banco Sabadell.

The Bank has maintained the highest standards of transparency and participation to improve and promote the participation of shareholders at the Annual General Meeting of 10 April 2024, so that they were able to attend in person as well as remotely through a live broadcast, continuing the approach adopted in 2022, vote on motions on the agenda and speak during question time. To that end, the Bank reiterated that it has set up electronic channels through Banco Sabadell's websites (corporate website and BSONline) and its mobile app (BSMovil) so that shareholders can delegate and cast their vote in advance of the Annual General Meeting.

Those channels are embedded on the Bank's website and they provide a fast and straightforward experience to customers who are shareholders and to shareholders in general, in addition to making interactions easier.

The Annual General Meeting for 2024, convened on 22 February 2024, took place on 10 April 2024, on second call.

The Ordinary Annual General Meeting, held on 10 April 2024, approved all items on the agenda, among them the annual financial statements and corporate management corresponding to the financial year 2023 and, in relation to appointments, the re-election as member of the Board of Directors of Mireya Giné Torrens, in the capacity of Independent Director. On 13 February 2024, José Manuel Martínez Martínez resigned from his role as Independent Director of Banco Sabadell, effective from the date of the next Ordinary Annual General Meeting. To fill this vacancy, during the aforesaid Annual General Meeting, at the proposal of the Board Appointments and Corporate Governance Committee, shareholders agreed to appoint Ana Colonques García-Planas as Independent Director, who joined the Board for the first time at the meeting of 30 May 2024, having received the corresponding regulatory authorisations.

In the interest of complying with the aforementioned principle of transparency, and in response to the participation of investors and proxy advisors in the corporate governance roadshows, in 2023 the Bank approved a new Director Remuneration Policy and announced several new measures, including new remuneration for the Chief Executive Officer for his executive duties. This new remuneration was reported in the Director Remuneration Report of 2023, which was put to an advisory



vote at the 2024 Annual General Meeting, receiving 96.91% of votes in favour.

The aforesaid Annual General Meeting approved, under item four of the agenda and with 99.23% of votes in favour, a resolution to reduce Banco Sabadell's share capital by the par value of the treasury shares that may be acquired by the Institution under the share buyback programme, against earnings for 2023, for a maximum pecuniary amount of 340 million euros.

On 25 April 2024, Banco Sabadell released an Inside information disclosure entered in the CNMV's register under number 2,203 to announce the terms and commencement of the share buyback programme approved by the Board of Directors on 24 April 2024. On 13 May 2024, pursuant to the request received from the CNMV on that same date, Banco Sabadell released an Other Relevant Information disclosure, entered in the CNMV's register under number 28,561, giving notice of the interim suspension of the aforementioned share buyback programme in light of the publication of the prior announcement of the voluntary tender offer put forward by BBVA for the acquisition of Banco Sabadell shares representing its total share capital.

The operation of the buyback programme was discontinued before the opening of the session of 9 May 2024, the amount paid for the shares purchased under the buyback programme up to (and including) 8 May 2024 being 92,864,152.55 euros, representing approximately 27.31% of the maximum pecuniary amount of the buyback programme, therefore approximately 72.69% of the said maximum amount remains to be executed.

At its meeting of 29 January 2025, the Bank's Board of Directors agreed to partially execute the capital reduction resolution approved by the Annual General Meeting on 10 April 2024, in the amount of 6,566,420.625 euros, through the redemption of the 52,531,365 shares acquired by virtue of the aforesaid buyback programme up to the time of its suspension. The aforesaid resolution already envisaged the possibility of it not being executed or only partially executed it due to unforeseen circumstances. As at the date of this report, the public deed for the capital reduction had not yet been entered in the Companies Register.

As regards sustainability, it is also important to note that for the fourth consecutive year, Banco Sabadell has obtained certification of its Annual General Meeting as a "Sustainable Event", having satisfactorily met the sustainability criteria for certification and having passed the preliminary assessment process and the in-person audit conducted by Eventsost, a comprehensive sustainability certification platform for events. The certification is based on the event sustainability standards considered in the Eventsost certification scheme for sustainable events, and on alignment with the Sustainable Development Goals of the UN's 2030 Agenda applied to event production.

In addition, an external consultant verified the procedures established for preparing and holding the Annual General Meeting for 2024. The external consultant carried out an individual analysis of each of the phases into which the review was divided (phase I: pre-Meeting, phase II: Meeting, and phase III: post-Meeting), concluding that, from a technical, procedural and legal point of view, all requirements, internal procedures and applicable regulations had been complied with in the three phases analysed.

Information regarding the 2024 Annual General Meeting is published on the corporate website: [www.grupbancsabadell.com](http://www.grupbancsabadell.com) (see section "Shareholders and Investors - Shareholders' General Meeting").

# Composition of the Board of Directors

With the exception of matters reserved to the Annual General Meeting, Banco Sabadell's Board of Directors is the most senior decision-making body of the Company and its consolidated Group, as it is responsible, under the law and the Articles of Association, for the management and representation of the Bank. The Board of Directors acts mainly as an instrument of supervision and control, delegating the management of ordinary business matters to the Chief Executive Officer.

The Board of Directors is subject to well-defined and transparent rules of governance, in particular to the Articles of Association and the Regulation of the Board of Directors (available on the corporate website under "Corporate Governance and Remuneration Policy – Regulation of the Board of Directors"), and it conforms to best practices in the area of corporate governance.

As at 31 December 2024, the Board of Directors was formed of 15 members: its Chairman (in the capacity of Other External Director), ten Independent Directors, two Executive Directors, one Other External Director and one Proprietary Director. The composition of the Board keeps an adequate balance between the different director categories that comprise it.

The Board of Directors has a diverse and efficient composition. It is of the appropriate size to perform its duties effectively by drawing on a depth and diversity of opinions, enabling it to operate with a good level of quality and effectiveness and in a participatory way. Its members are suitably diverse in terms of skill sets, professional background, origin and gender, and they have extensive experience in banking, finance, anti-money laundering & counter-terrorist financing, digital transformation & IT, insurance, risk & auditing, in regulatory affairs and the law, in academia, human resources & consultancy, responsible business practices & sustainability, as well as in international business. The Board's Matrix of Competences and Diversity can be consulted on the website in Banco Sabadell's Internal Governance Framework (see corporate website section "Corporate governance and Remuneration Policy – Internal Governance Framework").

Banco Sabadell has had this competences and diversity matrix in place since 2019, which is reviewed annually by the Board of Directors, following a favourable report from the Board Appointments and Corporate Governance Committee, and which was last reviewed on 24 April 2024, as a result of the most recent Board appointment of Ana Colonques García-Planas.

As at 2024 year-end, there were six female Directors, including five female Independent Directors out of a total of ten Independent Directors and one female Other External Director. Women account for 40% of the Board of Directors, with this percentage having been attained ahead of the timeframes provided in Organic Law 2/2024 of 1 August on equal representation and balanced presence of women and men, and fulfilling the Bank's commitment stated in Sabadell's Commitment to Sustainability for 2024. Similarly, the presence of a new female director adds to the age diversity of the Board of Directors.

In relation to knowledge, skills and experience, the incorporation of Ana Colonques García-Planas has increased and reinforced the diversity of banking knowledge and experience and, in particular, the financial profile with executive and business experience, with knowledge about accounting and auditing, risk management and control, planning and strategy, corporate governance and sustainability and the ability to apply such knowledge and skills to the banking business. All of that, combined with the multi-disciplinary and executive capabilities of the new female Director, have helped to consolidate the collective suitability of the Board of Directors and to maintain its collective ability to challenge the Bank's

## Board of Directors

31 de diciembre de 2024

### Presidente

Josep Oliu Creus

### Vicepresidente

Pedro Fontana García

### Consejero Delegado

César González-Bueno Mayer

### Female directors

Aurora Catá Sala

Ana Colonques García-Planas

María José García Beato

Mireya Giné Torrens

Laura González Molero

Alicia Reyes Revuelta

### Male directors

Lluís Deulofeu Fuguet

David Martínez Guzmán

Manuel Valls Morató

Pedro Viñolas Serra

### Consejero Independiente

#### Coordinador

George Donald Johnston III

### Consejero Director General

David Vegara Figueras

### Secretario no Consejero

Miquel Roca i Junyent

### Vicesecretario no Consejero

Gonzalo Baretino Coloma

executives and to perform its overarching supervisory and control functions.

The Banco Sabadell Director Selection Policy of 25 February 2016 (amended on 29 September 2022 and reviewed with no amendments on 19 September 2024) establishes the principles and criteria that should be taken into account in selection processes and also, therefore, in the initial fit and proper assessment and ongoing assessments of the members of the Board of Directors, as well as in the re-election of members of the management body in order to ensure their smooth succession, the continuity of the Board of Directors and the suitability of all its members.

The process for selecting candidates to sit on the Board of Directors and for re-electing existing Directors is governed, among other things, by the diversity principle, fostering the diversity of the Board of Directors in order to promote a diverse pool of members, and ensuring that a broad set of qualities and competences is engaged when recruiting members, to achieve a variety of views and experiences and to facilitate independent opinions and sound decision-making within the Board of Directors.

The Board of Directors should ensure that the procedures for selecting its members apply the diversity principle and favour diversity in relation to aspects such as age, gender, disability, geographical provenance and educational and professional background, as well as any other aspects deemed suitable to ensure the suitability and diversity of its pool of members. Furthermore, it should ensure that such procedures are free from implicit bias that may entail any degree of discrimination and, in particular, that they facilitate the selection of female directors in the number required to achieve a composition that is balanced between women and men.

The Board of Directors has a Lead Independent Director who, in accordance with the Articles of Association, may ask the Board of Directors to call a meeting, request the inclusion of new items on the agenda, coordinate and convene Non-Executive Directors, voice the opinions of External Directors and lead, where applicable, the regular appraisal of the Chairman of the Board of Directors. In addition, the Lead Independent Director coordinates the Succession Plan for the Chairman and Chief Executive Officer, approved in 2016 and reviewed in January 2024, and leads meetings with investors and proxy advisors.

To ensure better and more diligent performance of its general supervisory duties, the Board of Directors undertakes to directly perform the responsibilities provided by law. These include:

- those deriving from generally applicable rules on corporate governance;
- approving the Company's general strategies;
- appointing and, where necessary, removing directors of subsidiaries;
- identifying the Company's main risks and implementing and monitoring the appropriate internal control and reporting systems;
- drawing up policies on the disclosure of information and communication with shareholders, markets and the general public;
- setting policy on treasury stock in accordance with any guidelines laid down at the Annual General Meeting;
- approving the Annual Corporate Governance Report;
- authorising the Company's transactions with directors and significant shareholders that may lead to conflicts of interest; and
- generally deciding on business or financial transactions that are of particular importance for the Company.

# Board Committees

Pursuant to the Articles of Association, the Board of Directors has the following Board Committees:

- The Board Strategy and Sustainability Committee.
- The Delegated Credit Committee.
- The Board Audit and Control Committee.
- The Board Appointments and Corporate Governance Committee.
- The Board Remuneration Committee.
- The Board Risk Committee.

The organisation and structure of the Board Committees are set out in the Articles of Association, in the Regulation of the Board of Directors and in the respective Regulations of the Board Committees, which set forth rules for their composition, operation and responsibilities (see corporate website section “Corporate Governance and Remuneration Policy – Regulations of the Committees”), and also develop and supplement the rules of operation and basic functions set forth in the Articles of Association and in the Regulation of the Board of Directors.

Board Committees have sufficient resources to perform their duties and they may seek external professional advice and information on any aspect of the Institution, having unrestricted access both to Senior Management and Group executives and to all information and documentation, of any kind, held by the Institution on matters within their remit.

On 10 April 2024, José Manuel Martínez Martínez ceased to be a member of the Board Appointments and Corporate Governance Committee and of the Board Remuneration Committee following his resignation from the role of Director. At its meeting held on that same date, the Board of Directors agreed to appoint Independent Director and Deputy Chair of the Board of Directors, Pedro Fontana García, as Chair of the Board Appointments and Corporate Governance Committee, while in parallel he ceased to be a member of the Board Audit and Control Committee, a position he had held since December 2017.

At its meeting of 30 May 2024, the Board of Directors agreed, following a report from the Board Appointments and Corporate Governance Committee, to change the composition of the Board Committees. The changes were made after Ana Colonques García-Planas joined the Board of Directors as Independent Director and after the analysis carried out by the Board Appointments and Corporate Governance Committee of the composition of the Board Committees in order to continuously improve the Institution’s corporate governance arrangements.

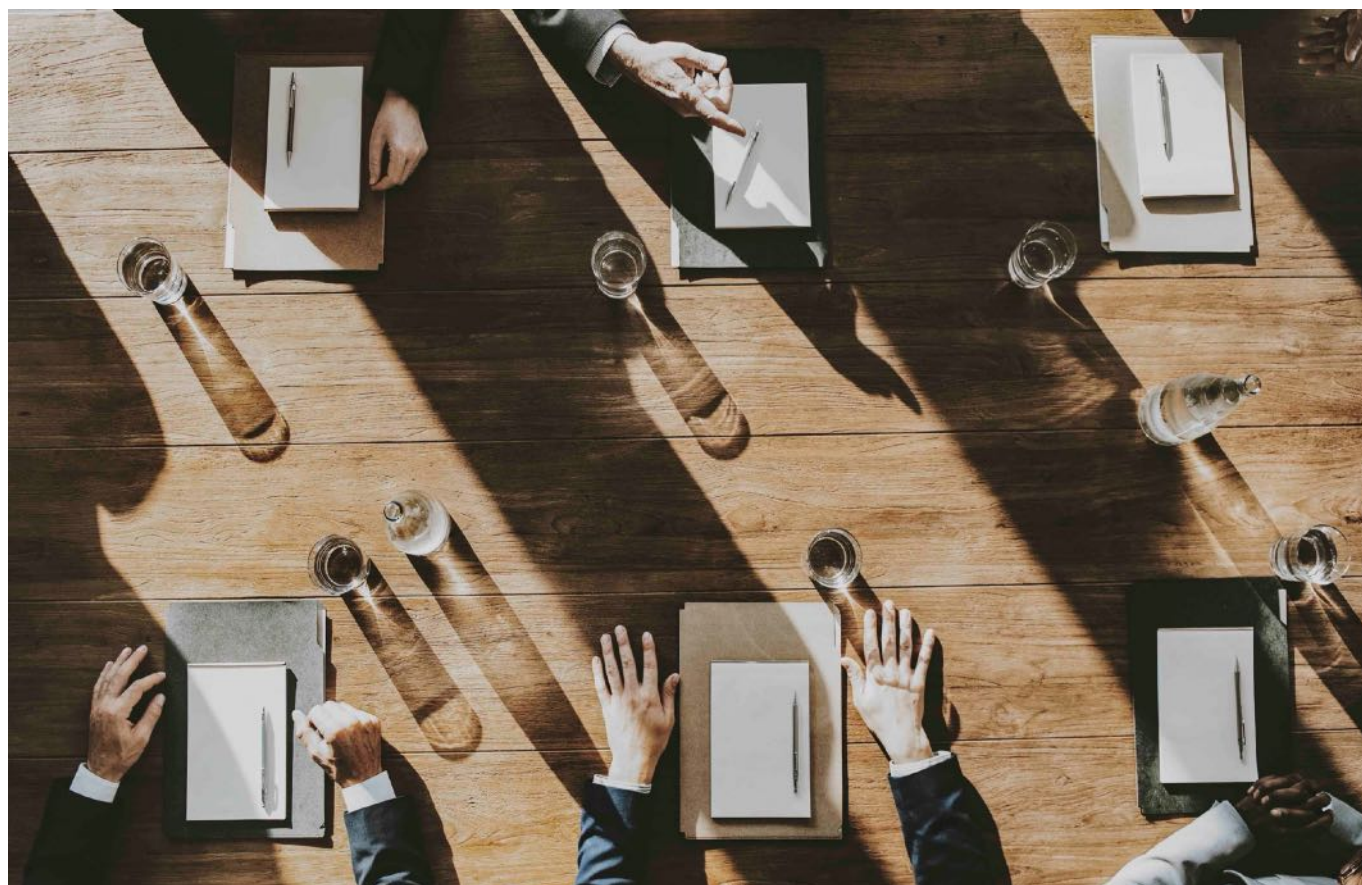
Ana Colonques García-Planas was appointed voting member of the Board Audit and Control Committee and voting member of the Board Remuneration Committee, given her skills in accounting and auditing, human resources, culture, talent and remuneration, as well as her valuable business experience in these Board Committees. As a result, the presence of women, as the under-represented sex, has increased, as has the age diversity of those occupying the roles.

The composition and number of meetings of these Board Committees as at 31 December 2024 are shown in the table below:

#### Composition of the Board Committees

Position	Strategy and Sustainability	Delegated Credit	Audit and Control	Appointments & Corporate Governance	Remuneration	Risk
Chair	Josep Oliu Creus	Pedro Fontana García	Manuel Valls Morató	Pedro Fontana García	Mireya Giné Torrens	George Donald Johnston III
Voting member	Lluís Deulofeu Fuguet	Lluís Deulofeu Fuguet	Ana Colonques García-Planas	Aurora Catá Sala	Ana Colonques García-Planas	Aurora Catá Sala
Voting member	Pedro Fontana García	César González- Bueno Mayer	Laura González Molero	María José García Beato	Laura González Molero	Alicia Reyes Revuelta
Voting member	María José García Beato	Alicia Reyes Revuelta	Pedro Viñolas Serra	Mireya Giné Torrens		Manuel Valls Morató
Voting member	César González- Bueno Mayer (*)	Pedro Viñolas Serra				
Voting member	George Donald Johnston III					
Secretary Non-voting member	Miquel Roca i Junyent	Gonzalo Baretino Coloma	Miquel Roca i Junyent	Miquel Roca i Junyent	Gonzalo Baretino Coloma	Gonzalo Baretino Coloma
Meetings in 2024	15	35	11	13	12	11

(\*) Member for matters of strategy only.



# Board Strategy and Sustainability Committee

The Board Strategy and Sustainability Committee was set up in 2021 and is formed of five Directors: three Independent, one Other External and its Chair (in the capacity of Other External Director), who is the Chairman of the Board of Directors. On matters of strategy, the Chief Executive Officer takes part in the meetings, with full voting and speaking privileges, meaning that on such matters this Board Committee has six members.

With regard to strategy, the Board Committee's main responsibilities are to evaluate and propose strategies to the Board of Directors for the Company's business growth, development, diversification and/or transformation, and to report to and advise the Board of Directors on matters related to the Company's long-term strategy, identifying new opportunities to create value and bringing corporate strategy proposals to the Board's attention in relation to new investment or divestment opportunities, financial transactions with a material accounting impact, and significant technological transformations. It is also responsible for studying and putting forward recommendations and improvements to the strategic plans and their updates which may be brought before the Board at any time, and for issuing and submitting a report to the Board on an annual basis containing the proposals, assessments, studies and work carried out during the year.

With regard to sustainability, the Board Committee has the following responsibilities: review the Institution's sustainability and environmental policies; report to the Board of Directors on potential modifications and regular updates of the sustainability strategy; review the definition and amendment of the policies on diversity and inclusion, human rights, equal opportunities and work-life balance and periodically evaluate the level of compliance therewith; review the Bank's strategy for social action and its sponsorship and patronage plans; review and give status reports on the Institution's Consolidated Non-Financial Disclosures and Sustainability Disclosures Report of Banco de Sabadell, S.A. and subsidiaries (Sustainability Report), prior to its review and related reporting by the Board Audit and Control Committee and before its subsequent submission to the Board of Directors; and receive information related to reports, documents or communications from external supervisory bodies with regard to the responsibilities of this Board Committee.

## Delegated Credit Committee

The Delegated Credit Committee is formed of five Directors: one Executive and four Independent (one of whom is its Chair). Its main duties are to analyse and, where appropriate, resolve credit operations, in accordance with the assumptions and limits established by express delegation of the Board of Directors, and to prepare reports on matters within its area of activity that may be required of it by the Board of Directors. Furthermore, it shall have all the responsibilities ascribed to it by law, the Articles of Association and the Regulation of the Board of Directors.



## Board Audit and Control Committee

The Board Audit and Control Committee is formed of four Independent Directors, its Chair being an audit expert. It aims to oversee the effectiveness of the Bank's internal control, internal audit and risk management systems, supervise the process for preparing and disclosing regulated financial information, report on the Bank's annual accounts and interim financial statements, manage relations with statutory auditors, and ensure that appropriate measures are taken in the event of any improper conduct or methods. It also ensures that the measures, policies and strategies defined by the Board of Directors are duly implemented.

## Board Appointments and Corporate Governance Committee

The Board Appointments and Corporate Governance Committee is formed of three Independent Directors (one of whom is its Chair) and one Other External Director. Its main duties are to exercise vigilance to ensure a compliant qualitative composition of the Board of Directors, evaluating the suitability and necessary skills and experience of the members of the Board of Directors; escalate proposals for the appointment of Independent Directors; report on proposals for the appointment of the remaining Directors; report on proposals for the appointment and removal of senior executives and members of the Identified Staff; report on the basic terms of the contracts of Executive Directors and senior executives; and examine and organise the succession of the Bank's Chairman of the Board and Chief Executive Officer and, where appropriate, put forward proposals to the Board so that the aforesaid succession may take place in an orderly and planned manner. It should also set a target for representation of the under-represented sex on the Board and produce guidelines on how to achieve that target.

In matters related to corporate governance, it is responsible for informing the Board of Directors of the Company's corporate policies and internal regulations, unless they fall within the remit of other Board Committees; supervising compliance with the Company's corporate governance rules, except for those that fall within the remit of other Board Committees; submitting the Annual Corporate Governance Report to the Board of Directors for its approval and annual publication; supervising, within its sphere of competence, the Company's communications with shareholders and investors, proxy advisors and other stakeholders and reporting to the Board of Directors on these communications; and any other actions that may be necessary to ensure good corporate governance in all of the Company's activities.

## Board Remuneration Committee

The Board Remuneration Committee is formed of three Independent Directors. Its main responsibilities are to put forward proposals to the Board of Directors on the remuneration policy for Directors and General Managers, as well as on individual remuneration and other contractual terms of Executive Directors, and to ensure compliance therewith. Additionally, it provides information for the Annual Report on Director Remuneration and reviews the general principles concerning remuneration and the remuneration schemes applicable to all employees, ensuring transparency in remuneration matters.

## Board Risk Committee

The Board Risk Committee is formed of four Independent Directors. Its main responsibilities are to supervise and ensure that all risks of the Institution and its consolidated Group are appropriately taken, controlled and managed, and to report to the full Board on the performance of its duties, in accordance with the law, the Articles of Association, the Regulation of the Board of Directors and that of the Board Committee itself.

## Chairmanship of the Bank

Article 55 of the Articles of Association stipulates that the Chairman shall perform his duties as a Non-Executive Director. The Chairman is the most senior representative of the Bank and has the rights and obligations inherent in that representation. The Chairman, through the performance of his duties, is ultimately responsible for the effective operation of the Board of Directors and, as such, he represents the Bank in all matters and signs on its behalf, convenes and chairs meetings of the Board of Directors, sets the meeting agenda, leads discussions and deliberations during Board meetings and ensures the fulfilment of the resolutions adopted by the Board of Directors.

## Chief Executive Officer

Pursuant to Article 56 of the Articles of Association, the Chief Executive Officer is ultimately responsible for managing and directing the business and will be the Bank's representative in the absence of the Chairman. The Board of Directors shall also delegate to the Chief Executive Officer, on a permanent basis, all the powers that it sees fit from among those that may be legally delegated.

## Control units

The Internal Audit division and the Risk Control & Regulation division have access and report directly to the Board of Directors and its Committees, specifically, to the Board Audit and Control Committee and the Board Risk Committee, respectively.

The Bank publishes the Annual Corporate Governance Report (which includes detailed information on the Bank's corporate governance arrangements), the Annual Report on Director Remuneration and the Sustainability Report, which form part of this Directors' Report, on the website of the Spanish National Securities Market Commission (CNMV) and on Banco Sabadell's corporate website [www.grupbancsabadell.com](http://www.grupbancsabadell.com).



# 1.5 Customers

**Banco Sabadell has made customer experience a part of each of the Company's strategic forums and each of its decisions related to the design of both the products and services that it offers to its customers.**

In a context of lower inflation and the ensuing commencement of interest rate cuts introduced by both the United States Federal Reserve (Fed) and the ECB, and despite the uncertainty of the current geopolitical landscape (war in Ukraine, Israel conflict in the Middle East, presidential elections in the US), Spain's economic performance has been positive, with GDP rising above the EU average, driven by positive developments in the external sector and the good performance of internal demand.

Spanish banks, including Banco Sabadell, have helped to boost the Spanish economy by providing companies and households with cheaper borrowing costs thanks to the lower price of money. This translated into an increase in lending through mortgages and consumer loans granted to individuals and credit granted to companies.

All of these efforts were made whilst upholding Banco Sabadell's values of placing customers at the core every time they interact with the Bank using any of its channels and adapting products to their needs.

Banco Sabadell was the bank that recorded the biggest growth in its main customer experience indicator through the Net Promoter Score (NPS) over the past three years in Retail Banking. It is particularly worth noting that it was the bank most recommended by companies<sup>5</sup>.

Banco Sabadell has made customer experience a part of each of the Company's strategic forums and each of its decisions related to the design of both the products and services offered to customers. The objective is clear: to offer products and services that can be adapted to customers' needs, through what is called a customer-centric approach, offering a wide range of products for each type of customer and combining this with an omnichannel experience between physical and digital channels.

Knowing customers at every stage of their relationship with Banco Sabadell is crucial, which is why new methodologies have been developed using Artificial Intelligence (AI), allowing the Bank to listen to what customers are saying, to measure and determine the main reasons for customer satisfaction and dissatisfaction and to ascertain how near or far it is from meeting customers' expectations. The ultimate goal is to implement courses of action that make it possible not only to improve customers' experience but to also try to surpass their expectations.

These methodologies make it possible to transform and adapt processes by making them more customer-centric in order to improve the experience of customers.

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<sup>5</sup> According to the survey's last edition of the year (Accenture survey, September-December 2024) for companies with turnover in excess of 2 million euros.

# Measuring customer experience

Understanding the behaviours and needs of customers through customer insights is key for Banco Sabadell.

Measuring customer experience involves understanding the market, consumers and customers, using a number of different qualitative and quantitative analytical methodologies to that end.

## Qualitative analysis

In order to better understand the environment and the customers within it, different qualitative studies and research projects are undertaken using different methodologies. The aims pursued include:

- Listening carefully, actively and constantly to what customers have to say, so as to ascertain how they experience their relationship with the Bank at different touchpoints.
- Understanding the concerns, worries and attitudes of consumers and their current and future needs.
- Identifying the more emotional and least explicit part of consumer decision-making.
- Defining *ad hoc* value propositions for each type of customer.

A variety of techniques are used, ranging from conventional in-depth interviews and segment-specific focus groups to more innovative methodologies based on behavioural economics and the detection of the deepest emotions and motivations of consumers. All of them help the Bank to identify the needs of its customers and to innovate by offering them products and services that meet their current expectations.

In 2024, Banco Sabadell secured a position as one of the banks with the best mortgage offers, both fixed-rate and variable-rate, offering one of the most competitive interest rates in the market both for first-time buyers and for those wishing to purchase a second home. All of this was achieved by adapting to the needs of customers, through the offer of in-person support at branches and also through the various remote channels, which this year were the key to enriching the customer experience throughout the process.

2024 was also vital for Banco Sabadell, as it continues to be one of the leading banks when it comes to innovation, having become the first bank in Spain to include the option to finance purchases made using bank cards issued by any institution directly from the dataphone. Thanks to the new InstantCredit application created by Sabadell Consumer Finance, the Group's consumer finance specialist, merchants that have a Banco Sabadell Smart PoS device and which have opted into that service can offer their customers the option to finance their purchases in a quick, secure and 100% digital manner, regardless of whether they are customers of the Bank or not.

## Quantitative analysis

Banco Sabadell also analyses the experience of its customers through quantitative studies. Some of these are more closely related to the traditional concept of customer satisfaction, while others incorporate more emotional aspects of customers, to make the organisation more aware of the importance of considering customers in its decision-making, so as to make meaningful improvements.

## 1. Net Promoter Score (NPS)

The Net Promoter Score (NPS), considered to be the benchmark indicator in the market used to measure customer experience, allows Banco Sabadell to be compared against its peers and even against companies in other sectors, both nationally and internationally.

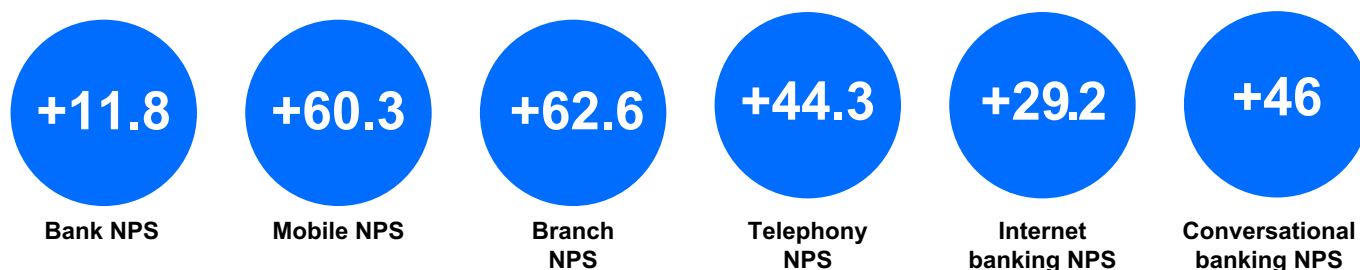
### Banco Sabadell Spain's position in the ranking



Source: Accenture benchmarking of major Spanish financial institutions (2024 data).

In light of the digital transformation, the measurement of customer satisfaction in digital channels has become more important. The mobile app NPS for the Retail segment reached 50% (increase of 6 percentage points compared to 2023), while the telephony channel NPS was 19% (increase of 10 percentage points compared to 2023).

### TSB data



Source: Internal NPS tracking studies, December 2024, 13-week rolling score

The results obtained during 2024 confirm that Banco Sabadell is on the right track. With regard to Banco Sabadell Spain, those results were very positive in relation to customer satisfaction.

Stemming from the focus on always offering the best possible experience to each customer group, one of the Bank's objectives is to continuously improve its NPS, both in terms of Key Performance Indicators (KPIs) and in terms of its position compared to other banks.

## 2. Satisfaction surveys

The overall customer experience measurement and management model of Banco Sabadell Spain is based on different indicators obtained from around 900,000 surveys and at more than 20 touchpoints. The results of the various surveys allow it to ascertain the level of satisfaction of its customers and to identify areas where specific processes and contact channels could be improved. For each of these surveys and studies, the Bank sets itself improvement targets and continuously monitors progress.

In a multichannel environment, the surveys related to specialised customer service, both in branches and in the digital sphere, are becoming increasingly relevant. For Banco Sabadell, the use of digital channels is a moment of truth, which is why it has focused its efforts on measuring customer satisfaction and improving their experience with online banking for individuals (*BSOnline Particulares*) and for businesses



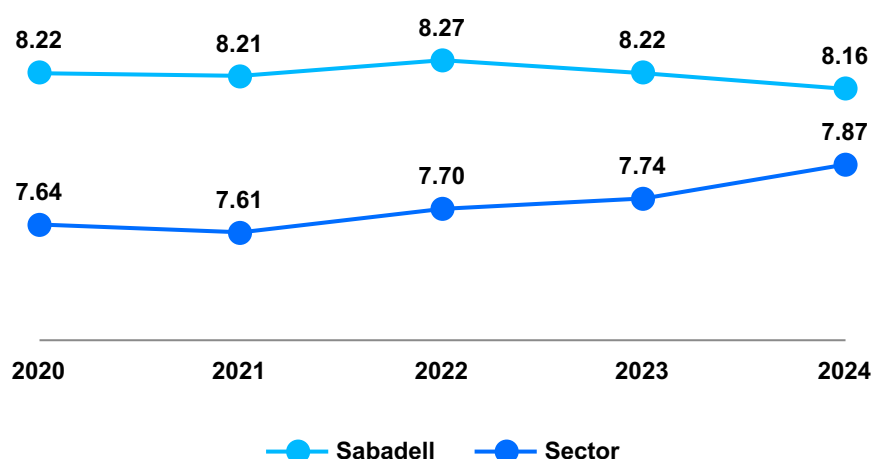
(BSOnline Empresas), with the mobile app, etc. In particular, it is worth noting the outstanding results of the internal NPS survey, in which both the retail banking segment and the business banking segment improved by 13 percentage points.

### 3. Branch quality surveys

In addition to analysing customer perceptions, Banco Sabadell also carries out objective studies using approaches such as the mystery shopping technique, where an independent consultant poses as a buyer to assess the quality of service and the commercial approach to potential customers followed by the sales team.

EQUOS RCB (Stiga) is the market benchmark survey that evaluates the quality of service offered by Spanish financial institutions through the mystery shopping technique. Banco Sabadell ranks among the leading players and continues to stand out in terms of quality with respect to the sector.

Level of service quality



## Customer Care Service (*Servicio de Atención al Cliente*, or SAC)

The Customer Care Service of Banco de Sabadell, S.A. conforms to the provisions of Ministry of the Economy Order 734/2004 of 11 March, the guidelines issued by the European Banking Authority (EBA) and the European Securities Market Authority (ESMA), and the Banco Sabadell regulation for the protection of customers and users of financial services. The most recent amendment to that regulation was approved by the Bank of Spain in December 2023.

In accordance with its Terms of Reference, Banco Sabadell's SAC handles and resolves complaints and claims received from customers and users of Banco Sabadell's financial services and those of its associated institutions: Sabadell Asset Management, S.A., S.G.I.I.C. Sociedad Unipersonal, Urquijo Gestión, S.G.I.I.C, S.A. and Sabadell Consumer Finance, S.A.U.

In addition, the SAC can issue recommendations or suggestions derived from the analysis of complaints and claims received by the SAC.

In order to ensure its decision-making autonomy, the SAC is independent of the Bank's operational and business lines and it has the necessary resources to deal appropriately with complaints and claims, under the principles of transparency, independence, effectiveness, coordination, speed and security. The SAC also has sufficient authority to access all the necessary information and documentation in order to

analyse each case, and the operational and business units are obliged to cooperate diligently in this regard. Banco Sabadell's regulation on the protection of customers and users of financial services ensures compliance with the above-mentioned requirements.

In 2024, 104,621 complaints and claims were received: 99,558 processed in the first instance by the SAC, 4,289 through the Customer Ombudsman, 750 through the Bank of Spain and 24 through the CNMV. This year, 105,355 complaints were managed, of which 55,429 were accepted for processing and resolved, 49,740 were not accepted for processing as they did not meet the requirements set in the Regulation, and 186 complaints were pending submission of allegations.

See Note 42 to the consolidated annual financial statements for further details.



## Multichannel strategy

During 2024, Banco Sabadell consolidated its multi-channel strategy, mainly by supporting the development of new capabilities in its digital and in-person channels, while various improvements were made in the current digital customer onboarding process. This, together with the launch of the digital onboarding offer for self-employed professionals, cemented Banco Sabadell's position as one of the leading players in terms of onboarding at the domestic level, in a highly competitive environment. All of this made it possible to meet the ambitious targets for newly onboarded customers set by the Group at the start of the year.

In parallel, more intensive action was taken to activate and engage digital customers, focusing heavily on providing customers with what they

initially need from the Bank. In addition, powerful campaigns were launched to attract salary and Bizum payments, aimed at digital customers and customers of the branch network, which substantially increased the ratio of salaries paid into customer accounts, as well as the number of customers with Bizum registered with the Institution.

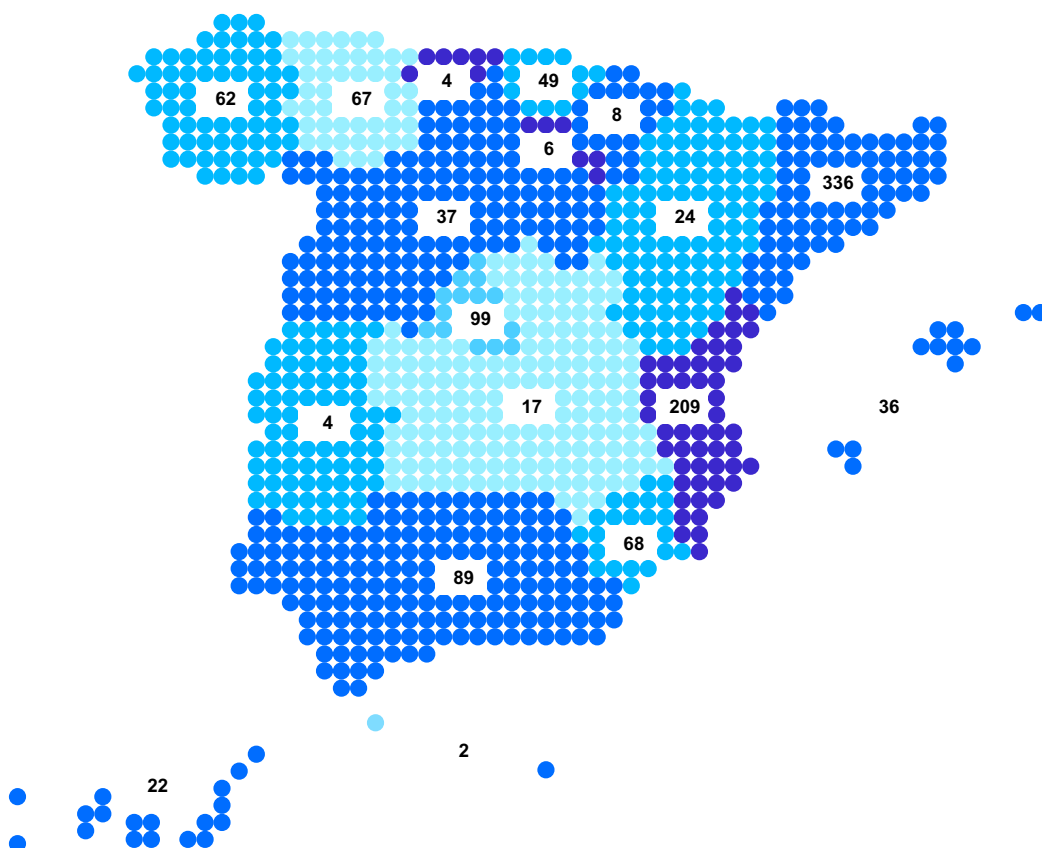
All this was further supported by the consolidation of several teams of specialists in savings & investment and mortgages & insurance, with the aim of helping and advising customers in matters that may require greater specialisation and expertise, thus enabling customers to make the best decisions.

## Branch network

The Group ended 2024 with a network of 1,350 branches, representing a reduction of 70 branches with respect to 31 December 2023.

Of the total number of branches and offices in Spain of Banco Sabadell and its Group, 842 operate under the Sabadell brand (including 25 business banking branches and 2 corporate banking branches), 62 operate as SabadellGallego (3 business banking branches), 85 as SabadellHerrero in Asturias and Leon (3 business banking branches), 62 as SabadellGuipuzcoano (5 business banking branches) and 7 as SabadellUrquijo, with a further 81 branches operating under the Solbank brand. The other 211 branches and offices make up the international network, of which 186 correspond to TSB and 12 to Mexico.

### Number of branches, by autonomous community



## Banco Sabadell in the world



## ATM network

Banco Sabadell ended the year with a fleet of 2,351 ATMs in Spain, including 1,745 in-branch and 606 out-of-branch ATMs. Compared to 2023, the number of ATMs decreased by 5%, mainly due to the sale of out-of-branch ATMs and branch closures.

In terms of ATM transactions carried out in 2024, the downward trend observed during the previous year continued, with approximately 72 million transactions carried out, which is a decrease of approximately 6.7% in the total number of transactions.

Deposits and withdrawals were the most commonly used types of transactions and, in both cases, there was a slight decrease compared to the previous year.

The main goals for 2024 were to improve the overall availability of the fleet, modernise the technology by upgrading around 100 ATMs, thereby complying with the updated European Accessibility Act (Law 11/2023 on the transposition of EU Directives, which transposed Directive 2019/882), enhance customer experience and, above all, review the appearance and cleanliness of ATMs.

## Companies Hub (*Hub Empresa*)

The Companies Hub is Banco Sabadell's centre for business connections, an initiative that reinforces the Bank's position as the banking institution that best understands the challenges of transformation faced by companies and the one that can best help them with that process, showcasing Banco Sabadell's specialisation in the world of business and its close relationship with customers.

The Companies Hub comprises:

- A digital environment with activities organised by the Bank's experts and external professionals. In 2024, 102 activities took place (46 webinars, 48 in-person events live-streamed from the Companies Hub in Valencia, and 8 in-person events streamed from other regions), in which over 15,000 professionals took part. The recordings also had more than 20,000 post-event viewings.
- An important physical space for companies in the heart of Valencia, with workspaces for business meetings. In 2024, 104 activities were held (in-house, co-hosted and third-party events), which more than 4,500 people attended in person. In addition, 3,400 people booked meeting rooms at the Companies Hub in Valencia (897 room bookings) and more than 1,815 external professionals took part in activities organised by business banking customers.

In 2024, it is worth highlighting some events that made it possible to explore other formats, such as the live broadcast of radio programmes and the recording of business podcasts. Similarly, the in-person format that is permanently used in the Companies Hub in Valencia was carried over to other regions, organising five events in Madrid, Barcelona and Seville.

In total, the number of participants this year came to 25,108, and the number of organised in-house activities was 121. Companies continue to rate the activities very highly, with an average overall rating of 9.12 out of 10 (4,135 surveys answered).

The impact of the activities is amplified with the creation of articles or videos that are distributed through the press and social media: 70 summary videos of the activities were created for the Bank's social media and it also collaborated in more than 26 articles and news publications in print and digital media. All of this resulted in 197 news articles being published in media (both print and digital) and 794 mentions in social networks.

All of the activities are designed based on the key thematic areas agreed on by the Editorial Committee which meets at the start of the year. It is worth noting the "Inspiring stories" (*Historias inspiradoras*) cycle of conferences held with customers such as Olivé Slowfoods, DornaSports (Moto GP), Carmencita and Kampaoh.

We continue to hold cycles of conferences on Next Generation EU funds, Artificial Intelligence, Internationalisation and Sustainability as well as others on current topics such as electronic invoices, pension plans for the self-employed, solutions for the hotel and catering industries and the special DANA cycle related to the assistance measures put in place to help those affected by the flash floods, which attracted a lot of interest.

# Direct Branch

During 2024, Direct Branch (DB) contacts decreased by 4.24% compared to those recorded in 2023 and numbered 4.4 million contacts, including phone calls, social media interactions and contacts by email and through the web chat service.

This reduced number of contacts compared to the previous year is due to the drop in the number of phone calls in relation to certain topics in the Servicing Programme (11%), the smaller number of social media interactions (20%) and the reduced use of the email channel (58%).

Of the total number of remote interactions with customers, 89% took place through the telephony channel. Considering the importance of that channel, one of the priorities for 2024 was to boost customer experience through various initiatives aimed at reducing wait times and improving the resolution capacity on first contact, to avoid customers having to visit the branch network.

As regards service levels, the Service Level Agreement (SLA) percentage for telephone enquiries was above 95%, followed by the chat service at 87% and the email channel at 79%.

Also in 2024, Direct Branch carried out a segmentation project between business banking and retail banking customers, to ensure customers receive specialised assistance and enjoy an improved experience on the telephony channel. This new customer service model was completed in November.

In relation to preferential services (SAP and SAPE), in 2024 the volume increased by 65% (65,137 calls) compared to the same period in 2023, reaching an SLA percentage of over 96%. This growth was due to:

- The routing of calls from customers in the Private Banking, Wealth Management and Large Corporates segments who contacted the branch, in order to relieve the branch of these customer service tasks.
- The segmentation of generic telephone helplines and customer identification (by phone or with their tax identification number), so that target customers who had previously contacted the Bank using other services could be correctly rerouted to preferential services.
- The promotion and dissemination of the service by branches and units, thanks to the team's high level of expertise and resolution capacity, particularly in time-critical and high-value cases.

In addition, the following aspects should be noted:

- Digital support for companies: this service, under the responsibility of the SAPE team, includes supporting customers the first time they use online banking features and offering them assistance and troubleshooting when sending files (among others, for reverse factoring, factoring, transfers, and direct debits).
- Corporate Banking and Business Operations Centres (BOCs): the specialist team at SAPE uses specific mailboxes to resolve highly critical cases involving customers in the Large Corporates segment with turnover in excess of 100 million euros.
- Customer Care Space: the first secure text-based customer service channel exclusively for use by business banking customers was set up in October 2023. This channel has been gradually rolled out to more customers and, although the process is still ongoing, in 2024 interactions were up by 137% (5,624 interactions) compared to 2023.

## Social media

Banco Sabadell is active on five social media channels: X, Facebook, LinkedIn, YouTube and Instagram, with 20 different profiles at the national level, positioning itself as one of the financial institutions with the best digital reputations in the sector.

One of the most prominent KPIs in global social media ranking reports is the Service Level Agreement (SLA) ratio, at 98%.

Another text-based customer care service that Banco Sabadell offers is its web chat service, which this year recorded a 14% increase in usage by customers compared to 2023. This is further proof of the growing importance of this service as the preferred channel of interaction among our digital customers, a group whose number continues to steadily grow with each passing year.

Among the improvements introduced to this web chat service is the expansion of the chatbot autonomy, to avoid having to divert customers to other channels such as the telephony channel or their local branch. The resolution capacity is expected to continue improving throughout 2025.

## Digital transformation and customer experience

In banking, as in many other businesses, the digitalisation of consumer habits is profoundly transforming the sector. Interactions that previously took place in person at branches are now increasingly taking place online. Banco Sabadell Group believes that it is necessary to offer its customers an optimal level of digital services to enable them to do their banking using their mobile device if they wish, while continuing to offer in-person services through its network of branches and specialists when it really matters to its customers. For that reason, in recent years Banco Sabadell Group has made considerable efforts to equip itself with the best possible technological infrastructure, developing a scalable and efficient platform with recognised levels of cybersecurity.

After several years of preparation, developing its technology platform, Banco Sabadell is now better positioned to offer its customers the best digital services. This is reflected in the increased number of digital retail banking customers, which grew by 66.6% in 2024 (an increase of 2.5 percentage points compared to 2023), which translates into 2.6 million customers who contacted the Bank through a digital channel in the last three months of 2024.

It is also worth mentioning other examples of the increased level of digitalisation of customers in other areas:

- Customer acquisition: 54% of new customers acquired through digital channels.
- Issuance of debit cards: 51% through digital self-service channel.
- Loans to retail banking customers: 83% through remote channels.

Digitalisation also opens new avenues for improving processes, making it possible to offer superb customer experience in processes that are currently seen as cumbersome. The Group already has good examples of this, such as the process for requesting certificates, which can be completed from start to finish on the app; the 100% online customer registration process, which is already available for self-employed customers; and the possibility of applying for a personal loan or a credit card entirely through digital channels.

## Sabadell Digital

Sabadell Digital is Banco Sabadell Group's IT subsidiary. Its mission is to develop the best technological solutions to allow the Bank to drive forward its digital transformation. Sabadell Digital's contribution to the Group is based on three principles:

- Focus on customers' needs through proximity and empathy. This makes it possible to deliver the best technological and digital solutions to meet customers' needs.
- Smart innovation, to innovate, adapt to change and challenge the status quo through experience-based decisions.
- Digital talent community as a source of knowledge shared between digital and technology experts, focusing especially on collaboration and mutual trust among the people that make up Sabadell Digital.

Since the creation of Sabadell Digital in 2023, the management of technological and digital talent has been one of the priorities. Thanks to the initiatives introduced in 2023 and 2024, this year Sabadell Digital has been able to attract new digital talent through an ambitious plan, under which 90 new employees joined the workforce in 2024.

## Main deliveries in 2024

### Digital onboarding

New customers acquired through the digital onboarding process numbered more than 184,000 in 2024 (growth of 7% compared to 2023) and currently represent 54% of the total new customers acquired by the Institution.

The process was improved in 2024, expanding the online application feature to the self-employed segment and allowing those with joint contracts to be digitally onboarded and perform digital banking. Digitally onboarded customers with joint contracts already account for 3% of all newly onboarded customers. Digital onboarding has therefore become a key element for processes to apply for the Institution's other core products, such as mortgages.

In addition, the incorporation of self-employed professionals seeking products, services or accounts for business purposes, which represent approximately 25% of the new customers in this segment in 2024, and the possibility of registering as a customer with new identity documents, such as a passport in the case of foreign residents, has made it possible to access a wider range of potential market segments, with these representing approximately 7% and 10% of newly onboarded customers, respectively.

In the same way, in 2024 the Institution focused on promoting the engagement and activation of these new digital customers. As a result, 36% of customers brought their salary or regular income payments to the Bank, 43% used their debit cards, and 33% linked Bizum, thus boosting transaction numbers and its image as their main bank.

### Transformation of the mortgage model

In 2024, the Group continued with the digital transformation of its mortgage model, with two very clear focus areas:

- The customer: focus on optimising and improving the digital process, making it easier and more convenient for customers, making improvements to the stream to increase customer conversion rates.
- The support model: the Group improved efficiency to allow relationship managers to devote their time and effort to value-added tasks for customers.



This year, digital transformation made it possible to increase new mortgage loans granted on digital channels by 100%, but the biggest impact is expected to come through in 2025, with a focus on digitalisation and support from specialists as part of an omnichannel mortgage application process.

## Digital loans

Digital loans are one of the main pillars of the sales model transformation in the retail banking customer segment.

Over the past two years, the Bank has made huge efforts to turn digital channels into the main source of consumer loan sales.

From 2022 to the end of 2024, the volume of loans originated digitally increased by almost 223% and the digital conversion rate per single customer was up by over 50%. Total retail loans taken out in remote channels represented more than 83% of the total loans taken out.

This year, the Bank improved the process, broadening its scope and optimising the experience:

- Developing a new process to apply for pre-approved loans with a new bespoke system, substantially improving customer experience and delivering the main improvements proposed by customers in relation to the previous stream.
- Improving the stream for reactive loans, making it a more frictionless process by reducing the number of questions and necessary fields, expanding the perimeter of customers and improving the design.

## Servicing Programme

The Servicing Programme aims to offer the best customer experience by giving customers the option to do their banking whenever and wherever they want. The transformation being carried out is having a very material impact on the programme's key indicators:

- Service activities in branches have been reduced by 15%, allowing the branch network to focus on value-added commercial operations.
- Calls to Direct Branch have fallen by 11% thanks to enhanced self-service digital capabilities. The operational model is more efficient and significant improvements have been made in the daily banking of customers, introducing features that give them greater control over their money, such as the new system to search for specific transactions and the improved identification of purchases through the geolocation of retail outlets.
- Customers' experience with the Banco Sabadell mobile app has significantly improved. The benchmark satisfaction indicator, NPS, went up by 6 basis points from 44% in 2023 to 50% in 2024.

## Marketing tools in digital processes

The personalisation of content according to customer profiles in the digital channel is key to conveying a proposed offering that is suitable for each customer, which can improve conversion rates and increase the volume of digital sales. This project promotes the integration of marketing tools on Banco Sabadell's mobile app, enabling the app to show personalised content, segmented by stakeholder groups and geared towards customers' needs, thus improving marketing efficiency and user satisfaction.

The Group is also using marketing tools to optimise its commercial and customer service processes by implementing A/B testing, with continuous improvement forming the foundation of all digital platform developments. Ongoing testing through personalisation tools helps to identify and/or rule out improvements in usability and navigation prior to

going live, thus saving time and resources in the process of continuous development.

## **Evolution of the design system: Galatea**

The Bank's design system was further developed and expanded in 2024, with expected savings at the end of the year of 3.9 million euros and 87,000 hours of work. The projects used pre-existing components in 97% of cases, resulting not only in improved efficiency but also in more consistency across digital channels.

Similarly, the functional development of the current design system through tokenisation will make it possible to reuse more components and increase the profitability of the system, as it will allow it to be used in other channels, such as, PoS terminals or ATMs, and in other geographies, such as Mexico.

## **File management**

File management is a key aspect of companies' day-to-day business. Initiatives aimed at improving experience and usability were launched in 2024. Improvements centred on viewing files in both BSOonline and BSMovil and on the generation of files in BSOonline, enhancing transaction banking in digital channels by companies.

## **Customer Care Space**

The Customer Care Space was launched in 2024. It is a text-based customer service channel where self-employed professionals, businesses and corporates can interact with the Bank in a secure and swift manner. Customers can chat to customer care teams through the BSOonline and BSMovil services for business banking customers, or through WhatsApp. They can also exchange documentation, see the contact details of their relationship manager or local branch and book appointments to see them.

## **Digital applications and services for business banking customers**

In 2024, Banco Sabadell expanded its capabilities for digital applications and services to include key products such as business loans, business credit cards, factoring, reverse factoring, pension plans for self-employed professionals and savings/investment products. These new capabilities allow self-employed professionals, businesses and corporates to access the offering of financial products and services on an autonomous basis, which improves user experience and increases the use of digital channels.

## 1.6. Other information (tender offer)

### Voluntary tender offer for the acquisition of shares of Banco Sabadell put forward by Banco Bilbao Vizcaya Argentaria, S.A.

As explained in Note 1.5 to the annual financial statements for 2024, in an Inside Information disclosure dated 30 April 2024, entered in the register of the Spanish National Securities Market Commission (CNMV) under number 2,227, Banco Sabadell confirmed that it had received, on that same day, an indicative written proposal from Banco Bilbao Vizcaya Argentaria, S.A. for a merger (the Proposal). On 6 May 2024, through a separate Inside Information disclosure entered in the CNMV's register under number 2,234, Banco Sabadell submitted a press release on the decisions taken by its Board of Directors on that date, informing that Banco Sabadell, in fulfilment of its duties and with the assistance of financial advisors and a legal advisor, had carefully considered the Proposal and believed that it significantly undervalued the potential of Banco Sabadell and its standalone growth prospects. The press release also stated that the Board of Directors was highly confident in Banco Sabadell's growth strategy and its financial targets and was of the view that Banco Sabadell's standalone strategy would create superior value for its shareholders. Therefore, based on the detailed assessment of the Proposal, the Board of Directors had concluded that it was not in the best interest of Banco Sabadell and its shareholders and had therefore rejected BBVA's Proposal; this decision was, moreover, thought to be aligned with the interest of Banco Sabadell's customers and employees.

Furthermore, as part of its strong commitment to shareholder value creation and supported by the Company's business plan and solid capital generation, the Board of Directors reiterated its commitment to distribute, on an ongoing basis, any excess capital above the 13% CET1 ratio pro forma Basel IV<sup>6</sup> to its shareholders. The overall excess capital amount to be generated over 2024 and 2025, together with recurrent dividends during this period according to a successful completion of the current business plan, was projected to be 2.4 billion euros, with part of the distribution to shareholders potentially subject to supervisory approval.

In addition, on 8 May 2024, through an Inside Information disclosure entered in the CNMV's register under number 2,240, with regard to the news published in the press on that same day, and to ensure that the market had complete and transparent information in respect thereto, the Bank published the verbatim text of the communication which, without any prior contact or exchange between the parties, was received by the Chairman of the Board of Directors of Banco Sabadell from the Chairman of the Board of Directors of BBVA on 5 May 2024. In that communication, the Chairman of BBVA's Board of Directors stated that, in connection with the terms of the proposed merger, BBVA had no room to improve its economic terms.

On 9 May 2024, BBVA sent the CNMV the prior announcement of a tender offer (the Offer) for the acquisition of all shares issued by Banco Sabadell, conditional upon its acceptance by 50.01% of the share capital of Banco Sabadell (subsequently amended to acceptance of the tender offer for a number of shares that allows BBVA to acquire at least more than half of the effective voting rights of Banco Sabadell, excluding any treasury shares held by Banco Sabadell at that time, which BBVA undertakes to redeem at the bank's first General Meeting of Shareholders

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<sup>6</sup> Basel IV marks the final phase of the Basel III standards.

following the tender offer) further conditional upon approval by the General Shareholders' Meeting of BBVA of the increase of its share capital through the issuance of new ordinary shares with non-cash contributions in an amount sufficient to fully cover the consideration offered, and further conditional upon obtaining authorisation by the National Markets and Competition Commission (CNMC) in Spain and by the Prudential Regulation Authority (PRA) in the United Kingdom. The transaction also requires approval by the CNMV and a statement of non-opposition from the European Central Bank.

On 24 May 2024, BBVA filed an application for authorisation of the tender offer with the CNMV, which was admitted for processing by the latter on 11 June 2024. The aforesaid offer initially consisted of one newly issued BBVA share for every 4.83 shares of Banco Sabadell.

On 1 October 2024, BBVA released an Other Relevant Information disclosure entered in the CNMV's register under number 30,745 announcing the adjustment of the consideration under the tender offer in the terms set forth in section 8 of the prior announcement of the offer, establishing, as from 10 October 2024 and following payment by Banco Sabadell and BBVA of their respective interim cash dividends charged to 2024, an exchange ratio of one newly issued ordinary share of BBVA and 0.29 euros in cash for every 5.0196 ordinary shares of Banco Sabadell that accept the offer.

On 5 July 2024, during the BBVA Extraordinary General Shareholders' Meeting, shareholders approved an increase of its share capital through the issuance of ordinary shares, up to a maximum nominal amount of 551,906,524.05 euros, with non-cash contributions in order to cover the consideration in kind of the voluntary tender offer put forward by BBVA for the acquisition of up to 100% of Banco Sabadell's shares.

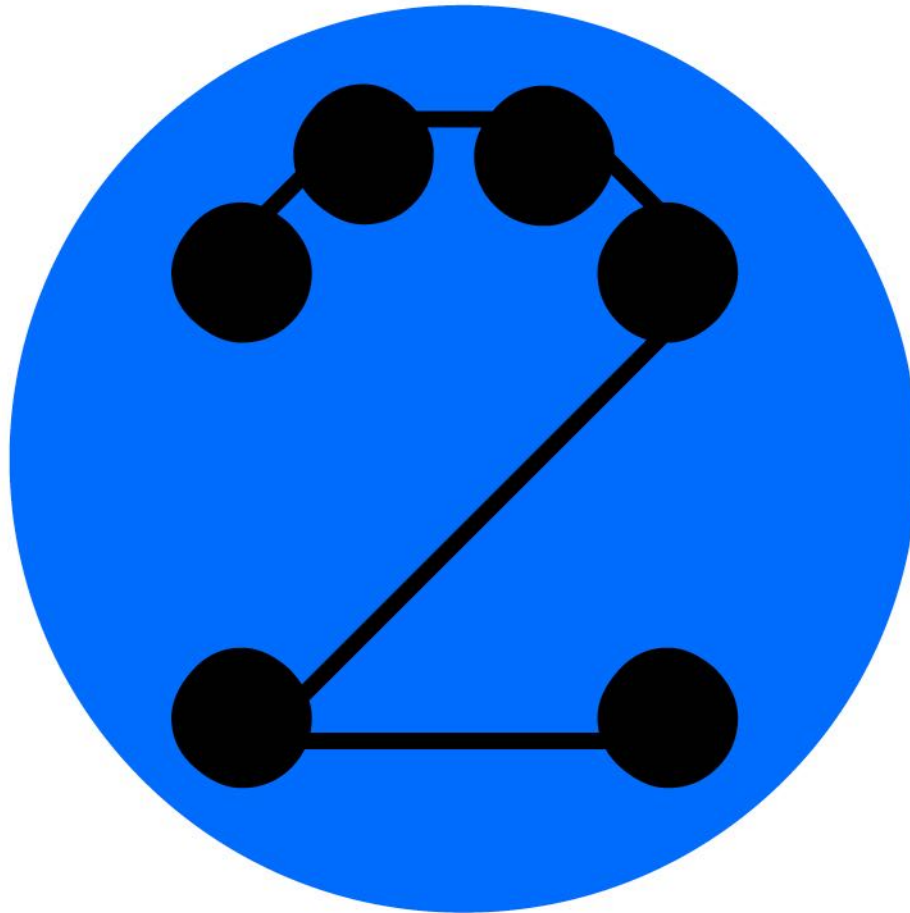
In September 2024, BBVA obtained authorisation from the PRA in relation to the acquisition of indirect control over TSB and the ECB's decision not to oppose the takeover of Banco Sabadell.

As at the sign-off date of this consolidated Directors' Report, the tender offer remains pending receipt of regulatory authorisation from the CNMC (which on 12 November 2024 announced that its concentration analysis was moving to phase 2) and from the CNMV. It also remains pending acceptance of the offer by a number of shares a number of shares that allows BBVA to acquire at least more than half of the effective voting rights of Banco Sabadell at the end of the offer acceptance period (therefore excluding any treasury shares held by Banco Sabadell at that time), in accordance with the amended offer released by BBVA on 9 January 2025 through an Inside Information disclosure entered in the CNMV's register under number 2,544.

For as long as the tender offer remains pending, it will generate uncertainty for the Group, which is inherent in the very nature of the offer put forward. At the present time, there can be no certainty as to the duration of the regulatory review process or of how long it will take for the tender offer to be authorised, nor of the ultimate outcome of the tender offer, if approved.



# Economic, sectoral and regulatory environment



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70	Vision for 2025



# Economic, sectoral and regulatory environment

## 2.1 Economic and financial environment

**2024 was once again marked by a difference in growth between the United States and the Eurozone.**

2024 was a year characterised, in economic terms, by an acute contrast between the economic performance of the United States, which was better than initially expected, and that of the Eurozone, which was weighed down by high political uncertainty in France and weak activity in Germany, which recorded a slight contraction for the second year in a row. Spain, for its part, continued to perform well and ended the year with growth above 3%.

Inflation continued moving towards central banks' targets during the year, although the services component showed some stickiness and remained relatively high. Central banks gained confidence about inflation moderation and at the mid-year mark started to cut official interest rates. In spite of this, they were cautious about the future evolution of interest rates.

2024 was also a year marked by political and geopolitical events. In the Middle East, the conflict between Israel and Iran escalated on several occasions and, in general, the situation in the region got gradually worse as the year progressed, with the involvement of several regional players such as Iran and the armed militia Hezbollah in Lebanon. In terms of domestic politics, more than 70 countries (the equivalent of around half of the world's population) held elections during 2024. Most notably, the United States held its presidential elections, with Donald Trump returning to the White House, which opens a new source of uncertainty akin to what happened during his first term. The elections held in France and Mexico also added to the political noise.

Lastly, in relation to the financial markets, 2024 was once again a positive year, particularly for risk assets. The various episodes of a geopolitical or financial nature (such as the summer disruption due to the reversal of carry trade positions in yen) only caused isolated instability, which subsequently faded away.

## Political and geopolitical environment

Geopolitical events were still a source of uncertainty for the markets and the global economy in 2024. First, the conflict in the Middle East, which broke out with Hamas' attack on Israel in October 2023, escalated regionally throughout 2024. Against this backdrop, Israel and Iran exchanged direct attacks on their respective territories, something that had not happened until now. As a result, risks mounted, despite the fact that there were no disruptions to the flow of oil and gas coming from the Middle East nor significant consequences for these markets.

### **Geopolitical events and the domestic policy of several countries remained a focus of attention during the year.**

Second, the conflict in Ukraine continued. Although Russia's advances in eastern Ukraine were limited, Russian attacks knocked out much of Ukraine's energy infrastructure, while Ukraine responded with attacks on oil refineries on Russian territory. The G7 continued to provide financial support to Ukraine, but pressures in the West to move towards ending the conflict mounted.

Third, strategies to reduce trade reliance on China continued on both sides of the Atlantic. The United States kept setting limits on trade with China and technology transfers to this country, while Europe joined in by approving additional tariffs on imports of electric vehicles from the Asian giant. China responded by adopting retaliatory measures against Europe, affecting specific sectors.

Meanwhile, domestic politics was also a significant focus point during 2024 in several countries. In the United States, Donald Trump won the presidential elections, creating a new source of uncertainty as a result of his aggressive stance on foreign trade and immigration.

In France, the political noise was very high. Following the snap elections, Parliament was divided into practically three blocs, with no political force achieving an absolute majority. After tough negotiations, an executive branch led by Barnier was formed. His term abruptly ended a few months later, after the opposition tabled a motion of censure. Macron then appointed the liberal Bayrou as the new prime minister, who formed a new government whose main task will be to draw up a budget for 2025.

In Mexico, the internal political noise led to a deteriorated economic outlook for the country. The elections that took place in June resulted in a reinvigorated government with a qualified majority in the parliamentary chambers and with the desire to implement reforms that are viewed negatively by investors and that could lead to negative actions by credit rating agencies, especially if fiscal discipline were to come into question.



# Economic activity and inflation

During 2024, the global economy saw a pronounced difference between the momentum of the United States' economy, which performed better than expected, and the economy of the Eurozone, which was particularly weighed down by Germany's weakness. Spain continued to outperform other Eurozone countries, while China continued to be affected by the impact of its real estate sector adjustment.

## Inflation continued moving towards central banks' targets in 2024.

In the Eurozone, activity continued to show signs of weakness in an environment of restrictive interest rates, and in which Germany continued to experience significant weaknesses stemming from the energy shock and greater competition from China. This is dragging its exports and its industrial sector, particularly the automotive industry and the most electro-intensive sectors.

The European periphery, on the other hand, showed increased momentum, driven by the strong recovery of the tourism industry and the injection of the Next Generation European Union (NGEU) funds.

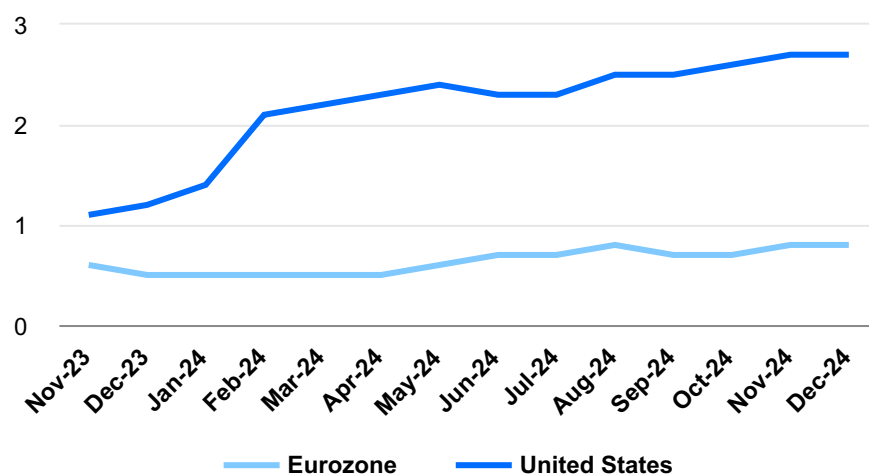
As for taxation, the European Union (EU) opened an excessive deficit procedure against France and Italy for breaching fiscal rules. Both countries have high public deficits, and the expectation is that their public debt will increase in the coming years.

In the United Kingdom, activity was somewhat more dynamic than in 2023. Household confidence regained ground thanks to more contained inflation. Lower interest rates led to a strong performance of the real estate sector, which built up gradually during the year, recording house price increases and a rebound in the number of transactions.

In the United States, activity was robust. GDP continued to climb at high rates despite a still restrictive monetary policy. The labour market remained resilient, although it showed some signs of a slowdown. The unemployment rate, despite having increased slightly compared to 2023, remained near the record low.

### Evolution of the economic growth forecast for 2024 between the Eurozone and the United States

Source: Consensus Economics.



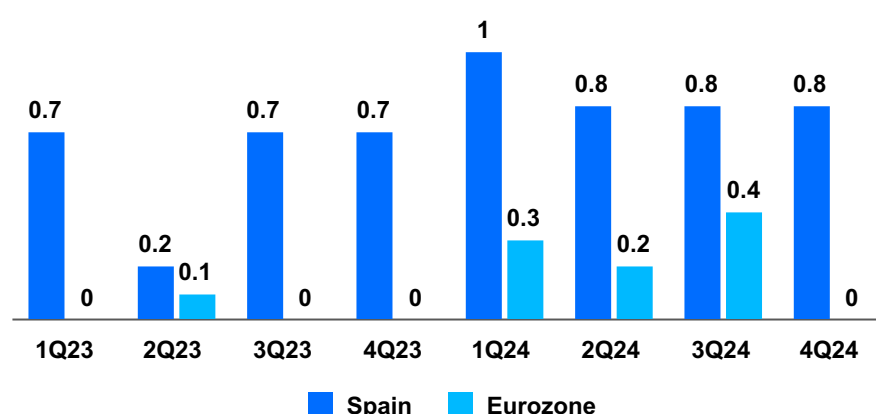
# Spain's economy continued to stand out in a positive light in the Eurozone.

Spain continued to outperform other Eurozone countries, with high levels of growth that surprised to the upside and with continuous upward revisions of growth forecasts by the consensus and various institutions. The composition of growth was favourable, with private consumption and tourism exports standing out, which benefited from greater geographical and seasonal diversification. Lending, on the other hand, was less dynamic.

In the labour market, job creation continued to increase at a robust rate with employment levels reaching a new all-time high, while business confidence in both the services and manufacturing sectors continued to rise throughout practically the whole year, despite the aftermath of DANA, which affected the province of Valencia, among other regions.

## GDP growth of Spain vs Eurozone (quarterly variation, %)

Source: Eurostat.



Growth in Spain was underpinned by several factors such as significant flows of immigration, the recovery of real incomes, the good financial situation of households and businesses, interest rate cuts and the ongoing injection of NGEU funds.

### Total number of people employed in Spain (in millions).

Source: Spanish Office for National Statistics (Instituto Nacional de Estadística, or INE)



In the area of economic policy, a number of actions were taken, including (i) the mobilisation by the government of 40 billion euros under the recovery plan addendum to be channelled into five funds through a variety of financial instruments, such as second-floor facilities with financial institutions, direct loans and equity investments in certain companies, (ii) the approval of a deal between the Official Credit Institute (ICO) and the government under which the ICO will give guarantees of 2 billion euros for the development of homes to be rented out under affordable housing schemes, (iii) the extension of the VAT cut on certain food products until September and its partial recovery in October, (iv) the unemployment benefit reform to increase its amount and make it compatible with work, (v) the submission to the European Commission of the Fiscal Structural Plan for the 2025-2028 period, in which deficit targets in line with the new European fiscal rules were set out, and (vi) several aid packages aimed at mitigating the economic impact of the DANA emergency.

In Mexico, activity was subdued, clearly losing traction against the pace of growth seen in 2022 and 2023. Economic growth was weighed down by the drawn-out restrictive monetary policy and domestic and foreign political uncertainty.

Beyond Mexico, the emerging economies, in general, continued to show resilience, despite the high interest rate environment at a global level. Greater trade fragmentation and global investment helped these countries. The less restrictive monetary policy was also a support factor, as some emerging countries began cutting official interest rates before developed countries. This resilience was felt despite the economic downturn in China, due to the tighter adjustment to the real estate sector. As a result, at the end of September, the Chinese authorities announced a package of wide-ranging stimulus policies aimed at containing the decline of the real estate sector and boosting household confidence, all with the aim of stabilising the economy.

Inflation in the main developed economies moved closer towards the targets set by central banks during 2024, although the services component continued to be sticky.

In the Eurozone, inflation continued to ease, with the year-on-year rate falling below the 2.0% target for the first time since mid-2021, thanks mainly to the energy component. In any event, inflation in the services sector remained at historically high levels.

In the United Kingdom, headline inflation receded to almost target levels, due to a correction in energy prices, fuels in particular. Core inflation improved somewhat, although it still shows signs of stickiness, especially in the services sector.

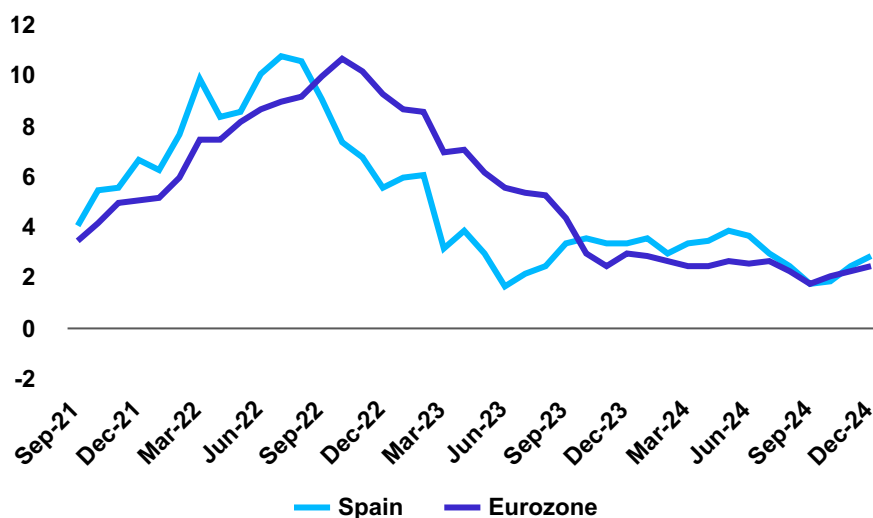
In the United States, inflation continued to gradually cool off, with headline inflation close to the target and core inflation somewhat above. Broken down by components, pressure on services eased off in the last few months of the year, but housing continued to drive prices up, while goods and energy contributed favourably to falling inflation. Similarly, the disinflationary process continued in Mexico, although the services component was somewhat sticky.

In Spain, prices were underpinned by persistent services inflation, especially those related to the tourism industry. This was compounded in the first half of the year by the rapid acceleration of energy prices, due to base effects stemming from tax changes in the price of electricity and some rebound of fuel prices. From June onwards, inflation started to moderate, driven by lower prices of energy and certain food items, standing at 1.7% year-on-year in September. Thereafter, inflation rebounded to 2.8% in December due to, among other factors, the base effect of energy prices. The inflation figure for the entire year stood at 2.9%, down from 3.4% in 2023.

House price growth continued to show strong momentum, accelerating its pace to levels above 8% year-on-year on the back of rising demand and relatively tight supply.

#### HICP for Spain vs Eurozone (year-on-year change in %)

Source: Eurostat.



## Monetary policy

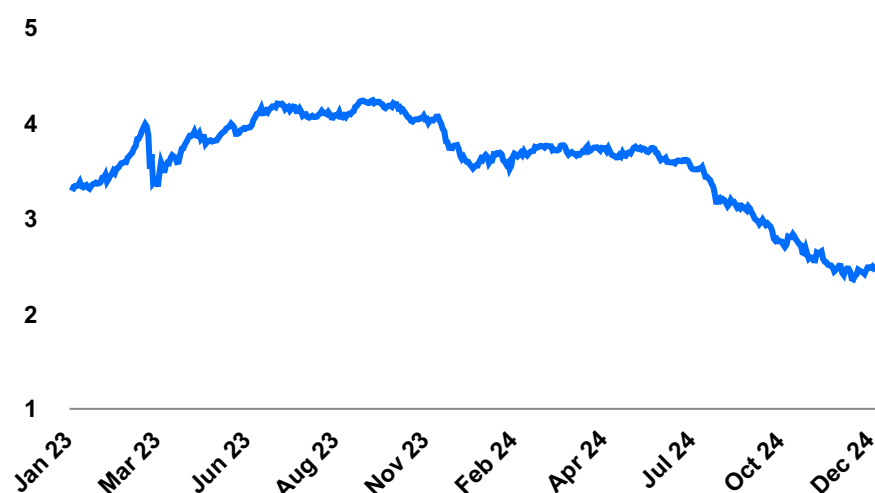
During 2024, the central banks of developed countries embarked upon a series of interest cuts in a context of more moderate inflation.

### Central banks began cutting official interest rates in the middle of the year.

In the Eurozone, the European Central Bank (ECB) launched its series of cuts in June and set the deposit rate at 3.00% (down from 4.00%) amidst economic weakness and with inflation close to its target. Meanwhile, the ECB sped up the reduction of asset holdings by ceasing to reinvest maturities under its Pandemic Emergency Purchase Programme (PEPP). Moreover, banks repaid all the liquidity injected through TLTRO III refinancing operations.

#### 12M Euribor (%)

Source: Refinitiv.



In the United States, the Federal Reserve (Fed) reduced the target range of the Fed funds rate by 100 basis points to 4.25-4.50%, in a context in which the central bank observed cooling in the labour market and was more confident that inflation is nearing the 2% target. It also signalled that inflationary risks had become broadly balanced. Going forward, the central bank indicated that it will maintain a data-dependent stance and that the series of cuts will be staggered.

In the United Kingdom, the Bank of England (BoE) began bringing down interest rates, slashing the base rate by 25 basis points in August and November to 4.75%. The central bank appeared in favour of gradually reducing interest rates, with a meeting-by-meeting approach, and it reiterated its message that monetary policy will need to remain restrictive for long enough to allow inflation risks to dissipate. On the topic of balance sheet policies, a decision was made to reduce the BoE's bond holdings by 100 billion pounds over the coming year, in line with the previous two years.

In Mexico, the central bank commenced a series of cuts to the policy rate in the first quarter of the year carrying out five cuts during the year of 25 basis points to the policy rate, which stood at 10.00%. Furthermore, Banxico left the door open to potentially greater cuts in the future. Banxico acknowledged the progress made with disinflation, though it still considered that inflation risks were tilted to the upside, and it expressed concern over weak activity, considering that the balance of risk was weighted to the downside.

Meanwhile, other Latin American countries, such as Colombia, Chile, Peru and Brazil, remained on the path of interest rate cuts embarked on in 2023, but were more cautious in the second half of the year. In Brazil in particular, fiscal noise and worsening inflation expectations led the central bank to reassess its cuts trajectory and, in September, it started to hike interest rates, becoming the only central bank in the region to raise official interest rates. The Brazilian central bank carried out three consecutive hikes of 175 basis points in total, to 12.25%, and anticipated further hikes during its next two meetings. In Turkey, the central bank continued the aggressive path of monetary policy tightening that it began in June 2023, taking the official rate to 50% in March 2024, holding it at this level almost all year long on the back of double-digit inflation. In December, the Turkish central bank cut the policy rate by 250 basis points to 47.50% in view of the improved inflationary outlook. Meanwhile, the Chinese authorities adopted monetary easing measures to support the economic recovery.

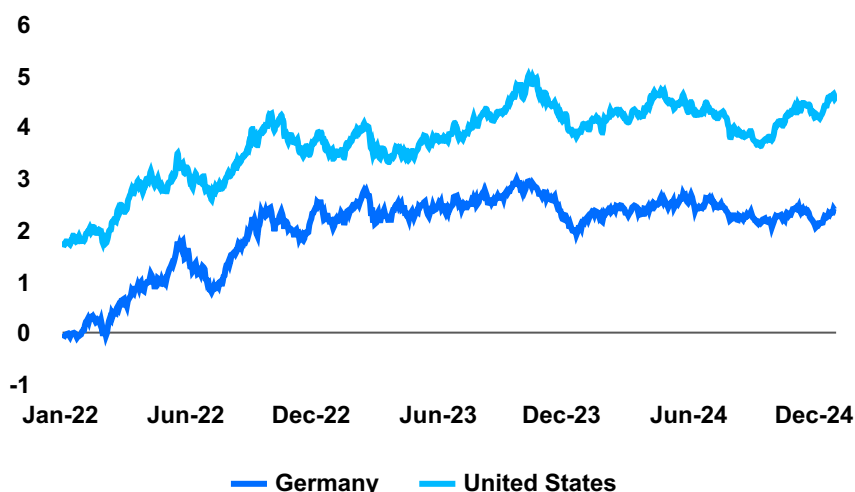
## Financial markets

# 2024 was another positive year for the financial markets, especially for risk assets.

Financial markets once again performed well in 2024, building up from last year's positive performance. Risk assets rose in an environment in which the United States' economy was resilient, the disinflationary trend in the main developed economies was confirmed, and the central banks began their respective interest rate cuts. Various stock market indices reached new record highs driven by the good performance of tech stocks on the back of the development of generative AI. Meanwhile, spreads on corporate bonds and periphery public debt premiums remained very contained. Government bond yields of developed countries, for their part, saw several swings during the year, in an environment in which the markets gradually adjusted their official rate cuts expectations. Finally, the euro ended the year with a strong depreciation against the dollar, impacted by differences in monetary policy between the Eurozone and the United States and, above all, the victory of Donald Trump in the US presidential elections.

Yields on long-term government bonds ended the year at levels above those of 2023 year-end on both sides of the Atlantic, although with clear signs of volatility during the year as the market progressively adjusted its policy rate expectations.

**US and German 10-year government bond yields (%)** *Source: Refinitiv.*

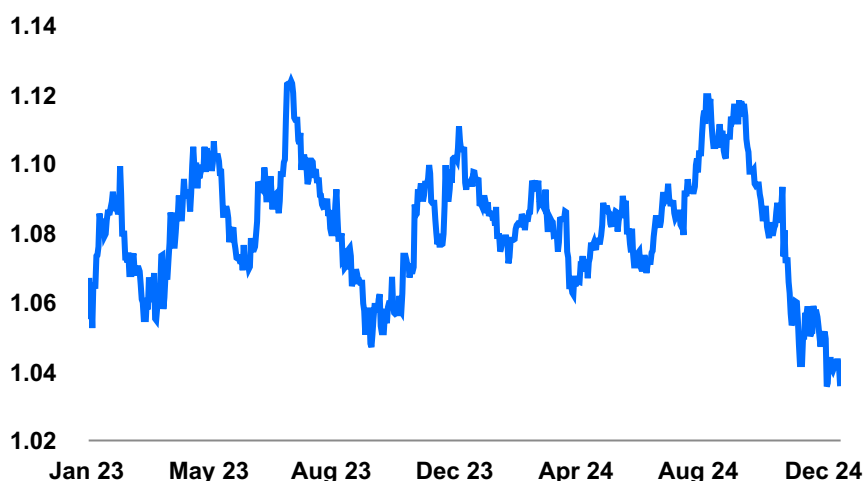


The risk premiums on peripheral sovereign debt stood at levels lower than those seen at the end of 2023, underpinned by credit rating agencies' positive actions, healthy activity data, the ECB's emergency programmes and the disbursement of the NGEU funds.

Meanwhile, France's risk premium rebounded significantly in the face of considerable political uncertainty, the poor shape of its public finances and the negative actions of credit rating agencies.

As regards the currencies of developed countries, the price of the dollar during most of the year ranged between 1.06-1.12 USD/EUR, mainly driven by changes in short-term interest rate spreads. Following Trump's victory during the US presidential elections, the parity broke out of this range and ended the year at 1.04 USD/EUR, a level not seen since 2022. The pound sterling, in its currency pair against the euro, appreciated thanks to the BoE's more tension-ridden stance compared to the ECB's.

**USD/EUR** *Source: Refinitiv.*



Equity markets performed very well. Most stock market indices rose remarkably. For example, the Stoxx 600 increased 6% year-on-year, while the IBEX 35 managed to post a gain of almost 15%. Stock market increases were especially significant in the United States, above all in the case of tech companies (the S&P 500 and the Nasdaq managed to gain over 20%).



In the emerging countries, sovereign risk premiums rose slightly, in an environment in which tax risks continued to attract attention in countries such as Brazil and Colombia and in which political uncertainty increased in Mexico. This, compounded by falling oil prices and the result of the elections in the United States, also weighed on these countries' currencies. Moreover, uncertainty regarding Trump's agenda weighed negatively on the yuan, despite the shift to a more expansionary economic policy announced by the Chinese authorities towards the end of the year. To the contrary, Turkey did see its risk premium decrease on the back of the implementation of more orthodox policies. Long-term domestic government bond yields, in general, shifted upwards over the year, the main exception being China, where bond yields were dragged down by signs of economic unrest and expected interest rate cuts.

Crypto-asset markets, for their part, gained strong momentum at the beginning of the year with the approval and issuance in the United States of ETFs that invest in spot bitcoin. These products attracted a lot of interest from institutional investors, and from the end of July, ETFs that invest in spot Ethereum were also approved and issued. All of this combined with the bitcoin halving at the end of April (a process that occurs every four years, whereby the reward miners receive for mining bitcoin in the blockchain is cut in half) and Donald Trump's victory after a favourable electoral campaign for the crypto ecosystem contributed to the price of bitcoin rising against the dollar to new record highs, in excess of 100 thousand dollars. The valuation of the crypto market as a whole exceeded 3.7 trillion dollars in December, which is an all-time high.





## 2.2 Financial sector environment

### Banking sector

**The banking industry recorded higher profitability thanks to improved net interest income and fee and commission income.**

Risks to the banking industry associated with the Commercial Real Estate (CRE) sector materialised in the first half of the year. CRE is undergoing an adjustment process compounded by rising interest rates. Several banks recognised losses associated with the exposure of the offices segment, increased the provisions of CRE loans and adopted various measures. The situation of New York Community Bancorp (NYCB), an American regional bank, revived fears of the March 2023 episode of bank stress. The negative events related to NYCB were due to loss recognition and increased provisions associated with the offices segment, as well as higher regulatory requirements as a result of its larger size after buying Signature Bank (one of the banks that collapsed in 2023). Some other regional banks were affected, but the situation remained contained. In Europe, several small-sized German banks specialised in the real estate sector, such as Deutsche Pfandbriefbank and Aareal Bank, reported exposure to both domestic and United States CRE. The banks of other countries such as Japan, Sweden and Switzerland also took actions to combat the deteriorated CRE sector in the United States and Europe. Authorities were not forced to take measures as during the episode that affected the banking industry in 2023, but they did intensify their communication policy and stated that risk concentration was high in some banks and in the non-bank financial sector.

Despite these events, the banks' overall situation continued to improve in 2024, buoyed by a favourable economic environment and still high interest rates. The capital ratio increased in the banks of the main developed economies, which, according to the authorities, would be capable of facing an adverse scenario. Banks' profitability continued to be resilient, while the cost of funding for banks became more expensive. The repayment of the liquidity associated with TLTRO III did not have a significant impact on European banks' regulatory liquidity ratios. Asset quality remained strong, but showed some signs of deterioration in the European Union, especially in Germany. In general, the conditions applicable to bank loans in the main developed economies eased gradually during the year, as the central banks implemented interest rate cuts.

As for the Spanish banking sector, the landscape continued to be favourable, with high profitability above the cost of capital (between 8% and 11%, according to the Bank of Spain), driven by the positive evolution of net interest income and net fees and commissions. The solvency position of Spanish banks, measured by the CET1 ratio, continued to be below the European average. The average cost of interest on deposits continued to rise in the first half of 2024. Subsequently, the cost of interest on business deposits began to decrease while the cost of interest on retail deposits remained stable. The liquidity position of Spanish banks continued to be comfortable, despite the TLTRO III repayments to the ECB, which in turn increased the amount of collateral available for banks.

The banking supervisor of the Eurozone, the Single Supervisory Mechanism (SSM), included geopolitical risks more explicitly in its supervisory priorities for the 2025-2027 period, focusing particularly on how banks must manage these risks. On the other hand, the entry into force of Basel III had several setbacks. In the European Union, the regulation will apply in general as from 2025, although some rules have been delayed to 2026. In the United Kingdom, its implementation has been delayed again to 1 January 2027 to allow for more time to gain clarity on the United States' plan, where Trump's presidency may entail a new wave of financial deregulation and, consequently, there are increasing doubts as regards the implementation of Basel III.

During most of 2024, there was lingering uncertainty regarding the introduction of fiscal measures on the banking sector in several countries, in order to increase government revenue collection. As for matters of taxation, the case of Spain is noteworthy. The country created a new bank tax that replaced the temporary levy of credit institutions and financial credit establishments, albeit changing its configuration in certain aspects, such as the elimination of the 800 million threshold corresponding to 2019 and the establishment of a progressive tax scale of between 1% and 7%. Revenues from this tax will be distributed among the autonomous communities according to the size of their GDP. According to the Bank of Spain's financial stability report published in autumn 2024, the extraordinary bank levy decreased the Return on Equity (RoE) by 0.6 percentage points to 13.9% as at June 2024. On the other hand, the ECB, in its report dated 17 December 2024, reiterated the need to constantly monitor the implications of the new tax from a financial stability standpoint, recommending a deep dive into its impact on profitability and the capital base over the longer term, access to loans, the potential impact on liquidity, the granting of new loans and competition in the market.

## Financial stability and macroprudential policy

Throughout 2024, the financial authorities deemed that the risks associated with global financial stability had moderated. The main concerns revolved around financial and geopolitical factors, while strictly macroeconomic concerns started to fade away. The main vulnerabilities mentioned by the authorities were the propagation of shocks from the non-bank financial sector, how the CRE sector is going to evolve, the accumulation of public and private debt, the increase in the sovereign-bank link, the surge of private credit and cyber-risks.

In Europe, several countries implemented a restrictive macroprudential policy. In Spain, the Bank of Spain activated the countercyclical buffer (CCyB), placing it at 0.5% as from 1 October 2025. The second increase to the CCyB, to 1% in October 2026, is pending confirmation in a new decision at the end of 2025. The Bank of Spain put out the methodological framework for setting the CCyB for public consultation, which establishes a level of 1% when cyclical systemic risks are at a standard level. The authority estimated that a CCyB of 1% decreases the CET1 capital ratio of Spanish banks by 0.4-0.5 percentage points. The Bank of Portugal took a similar measure to Spain, by increasing the CCyB to 0.75% and reviewing the methodological framework for setting the CCyB. In addition, it activated a sectoral systemic risk buffer on residential mortgage exposures of 4% from October 2024. Italy also opted to establish a systemic risk buffer of 0.5% as from January 2025 and of 1% as from July 2025. The Bank of Spain decided to reciprocate the activation of these macroprudential buffers in Portugal and Italy, which affected Spanish banks with exposures in these countries.

# Banking Union and Capital Markets Union

In terms of European integration, some notable progress was made, and the number of proposals relevant to the European agenda increased following the formation of the new European Parliament.

Regarding the Banking Union, the European Parliament's Committee on Economic and Monetary Affairs approved the proposal of a draft regulation establishing the first phase of the European Deposit Insurance Scheme (EDIS I). In this phase, the national Deposit Guarantee Schemes (DGSs) will still be needed to deal with possible bank resolutions. At the same time, they agreed to prioritise gradually building up the European Deposit Insurance Fund (DIF), through contributions from the various national DGSs. In addition, progress was made on the negotiations on the crisis management framework for medium-sized banks (Crisis Management and Deposit Insurance, or CMDI), the final approval of which will depend on the final agreements of the trilogues. Another initiative adopted by the European Parliament was the package of measures against money laundering, which includes the creation of the European Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA).

Furthermore, the Enrico Letta and Mario Draghi reports were published. These reports advocated for a deployment of the Capital Markets Union (CMU), rebranded as the Savings and Investments Union (SIU). They also made a series of proposals, notably including the need to reform the securitisation markets, boost European savings with tax incentives, improve European pension schemes and transform the European Securities and Markets Authority (ESMA), giving it more power and centralising the supervision of the most systemic agents of the financial market.

## Challenges for the banking industry

Sustainability was still one of the focal points of financial authorities, despite the fact that the US and European election results were not favourable to advancing the green transition. Financial authorities' increased focus on matters related to protecting the environment and biodiversity was also noteworthy.

In the United States, the Fed published the first climate-related scenario analysis, which studied the impacts on the probability of default of loans to enterprises and households based on the exposures of the six main banks. Just like similar exercises in other jurisdictions, it had no implications for capital or banks' supervision.

Europe approved practically all pending regulations, so that in 2025 new reporting and transparency requirements will come into effect. The European Banking Authority (EBA) showed concern over the impact of greenwashing on reputational and operational risks and recommended that banks introduce a series of improvements in the area of governance, data and reporting. Furthermore, in 2024, European banks started to publish their green asset ratio that ranged between 2% and 10% depending on the bank, which are levels below those estimated by the EBA. The ratio was criticised for its design.

For its part, the ECB published its climate and nature plan 2024-2025 and climate risks continued to be one of the supervisory priorities of the SSM in 2024. As a result of a lack of climate stress tests by supervisors during 2024, the ECB concluded that companies that are more engaged in the green transition benefit from lower interest rates when searching for bank loans. The ECB's lending survey also showed that climate change, especially physical risks, contributed to toughening lending conditions for the most polluting companies.

As regards the measures to be adopted to tackle the financial risks stemming from climate change, the European Systemic Risk Board (ESRB) advocated for complementarity between micro- and macroprudential policies, so that these do not entail more requirements for banks.

At the financial industry level, the Glasgow Financial Alliance for Net Zero, the leading financial services sector coalition, announced changes to its organisation as several large US banks started to leave the alliance. Pressure from the US Republican Party on this coalition in recent months has been compounded by the Trump presidency, who is opposed to the fight against climate change.

Digitalisation processes in the financial sector continued at an increasingly fast pace, giving rise to several focus areas. On the one hand, the trend seen in previous years regarding the advance of Big Tech in the financial services sector continued. The banking sector kept making calls for regulations that adhere to the principle of “same activity, same risk, same regulation”. On the other hand, the proliferation of cyberattacks, which are becoming more frequent and more severe, also continues to cause concern. With regard to cyber-risk, it was noteworthy that the ECB carried out its first cyber resilience stress test and concluded that, in general, banks have response and recovery frameworks in place, although it recommended some areas for improvement.

As regards regulations for digitalisation, the Markets in Crypto-Assets (MiCA) regulation was phased in but will not be fully implemented until 2025. Several financial institutions have announced the launch of new services related to crypto-assets once this regulation has been fully implemented.

The authorities in the United Kingdom also made progress in these matters, albeit rather more slowly. In the United States, legislative proposals to regulate these markets did not make any progress, but the federal agencies continued to put regulatory pressure on the main crypto-asset exchanges and, in numerous cases, began legal proceedings against these entities. The Basel Committee, for its part, published the final draft of the disclosure framework for banks’ exposures to crypto-assets and amendments to its standard on their prudential treatment in July. Banks will have to apply these two standards to their crypto-asset exposures starting on 1 January 2026.

With regard to central banks’ digital currencies, these plans continue to be implemented. In particular, the digital euro project made progress in 2024. The ECB carried on with the preparation phase, which started in autumn 2023 and is scheduled to last two years. This phase includes finalisation of the rules of operation and the selection of service providers that could develop the platform and infrastructure. Meanwhile, the European Commission brought back the proposed regulatory framework for the digital euro that began with the previous administration.

China continued to move forward with the digital yuan, expanding its use, albeit with some challenges. The United Kingdom continued to work on a potential digital pound, but its project is progressing more slowly than that of the digital euro. Meanwhile, the United States kept its digital dollar project on the back burner and with Trump’s victory it became even more unlikely. Furthermore, the United States Congress approved a law that requires the Federal Reserve to obtain parliamentary approval before issuing the digital dollar.

Meaningful progress also continued to be made in experimenting with the possibilities of interoperability between digital currencies of different central banks and tokenised deposits of commercial banks, including Project Agorá led by the Bank for International Settlements (BIS) that began this year. In parallel, the BIS and the International Monetary Fund (IMF) kept pushing for the development of public financial infrastructures in Distributed Ledger Technology (DLT), under rules to be established by the central banks, and the tokenisation of traditional financial assets.

## 2.3 Vision for 2025

Global economic growth in 2025 is expected to be impacted by uncertainty and Trump's protectionist policies. Trump's arrival at the White House compounds other dragging structural factors that a, including the following: (i) the turbulent geopolitical environment and its consequences on international trade and value chains, (ii) structural weaknesses of economies such as China, Germany and Italy, and (iii) the fiscal situation of some large developed economies, especially the United States, France and Italy. In Mexico, growth may be below that of the last three years, negatively affected by restrictive monetary policy, uncertainty over constitutional reforms, the T-MEC review and the fiscal adjustment that the government must implement.

The geopolitical environment is expected to become more complicated with Trump's arrival. Trump is expected to impose tariffs on the United States' trade partners, especially China. He would seek to negotiate measures with the Chinese authorities that benefit the US economy. Thus, uncertainty and a trend towards greater protectionism in several regions would mount. Preference for reducing external dependence and improving autonomy in strategic sectors (e.g. technology) could also be a factor in favour of adopting protectionist policies. Moreover, Trump's isolationist policy undermines major multilateral consensus, accentuating a lack of international cooperation in different areas (in addition to international trade, also in climate, technology regulation, cybersecurity, etc.).

The volatile and erratic nature of inflation is expected to be accentuated by new supply shocks (new tariffs, more volatile energy prices, reconfiguration of production chains, convulsive geopolitics, climate shocks, etc.) and an expansionary fiscal policy. In the Eurozone, inflation could be somewhat below the target due to economic weakness in the region. In the United States on the other hand, inflation is expected to remain somewhat above central banks' targets and to swing within wider ranges.

In terms of economic policy, the monetary policy gap between the United States and the Eurozone is expected to widen. The Federal Reserve might be more cautious with its monetary policy, and the target interest rate is forecast to remain at relatively high levels amidst more erratic fiscal policy, sustained growth and higher inflation. The ECB is expected to cut the policy rate below monetary neutrality, in response to a scenario of greater deterioration in activity. In the medium term, it is expected to maintain the policy rate around the estimates of monetary neutrality due to the rising risk of inflation.

In relation to the financial markets, yields on long-term government bonds are expected to remain at relatively high levels, due to a higher term premium on the back of volatility in growth and inflation figures and high sovereign financing needs, among other factors. Sovereign debt risk premiums in the European periphery might remain at contained levels and in line with their respective ratings.

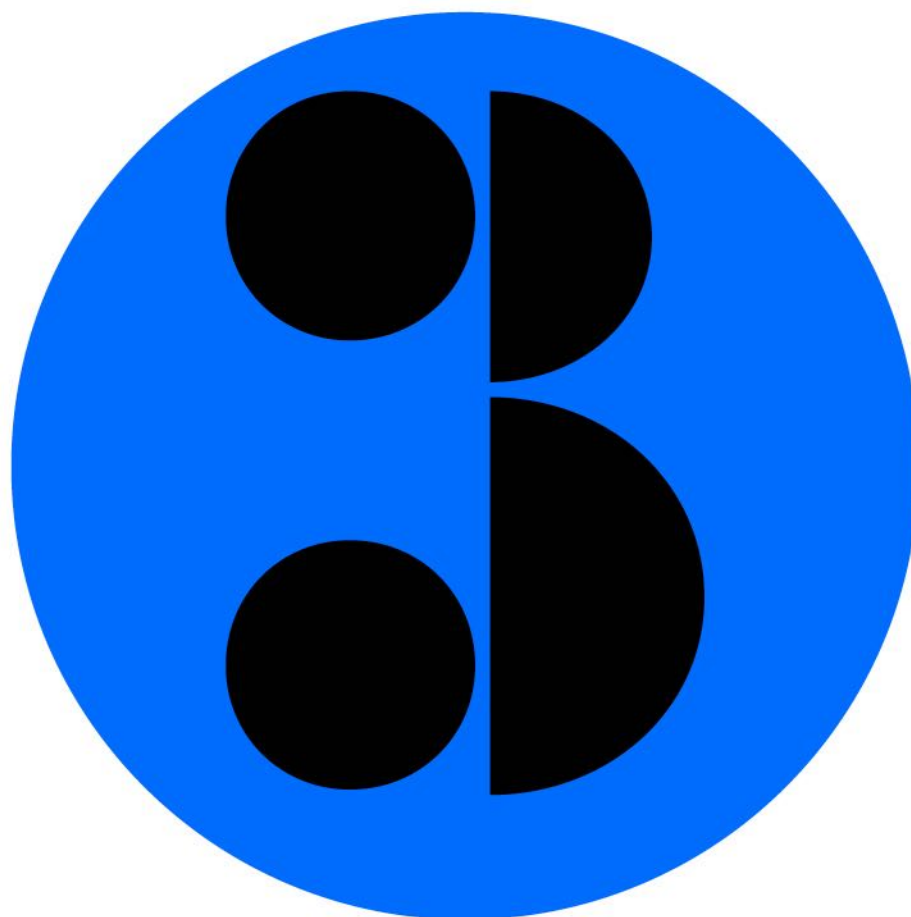
On the currency market, the dollar is expected to show further strength, due to the widening of the pro-US rate differential, the improved performance of the US economy and the uncertainty caused by political and geopolitical risks.

In Spain, the economy is expected to continue to grow above its potential in the first years of the forecast horizon and to show more momentum than in the Eurozone. After a period in which the external sector has played a prominent role, domestic demand may take on a bigger role. Activity will be underpinned by the increase in population (a consequence of migration), the favourable evolution of the labour market, the absence of imbalances in private agents' balance sheets and in the

external sector, lower interest rates and a greater rollout of NGEU funds. The rating of Spanish government bonds is estimated to remain in the A-/A range, in an environment in which public debt will still remain at high levels. This will contribute to the risk premium remaining at contained levels.

Within the financial environment, the profitability of the banking industry is forecast to remain resilient amidst the reactivation of credit and containment of delinquency rates. The capital and liquidity position is expected to remain robust. The entry into force of Basel III, the management of geopolitical risks, the implementation of new digital regulations (Digital Operational Resilience Act, or DORA, and MiCA), ESG matters, cyber threats, the impact of potential adjustments to the non-bank financial sector and the adjustment of commercial real estate will be areas to focus on.

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# Financial information

## 3.1 Key figures in 2024

The Group's main figures, which include financial and non-financial indicators that are key to determine the direction in which the Group is moving, are set out here below:

	2024	2023	Year-on-year change (%)
<b>Income statement (million euro)</b> (A)			
Net interest income	5,021	4,723	6.3
Gross income	6,337	5,862	8.1
Pre-provisions income	3,254	2,847	14.3
Profit attributable to the Group	1,827	1,332	37.1
<b>Balance sheet (million euro)</b> (B)			
Total assets	239,598	235,173	1.9
Gross performing loans	156,913	149,798	4.7
Gross loans to customers	161,717	155,459	4.0
On-balance sheet customer funds	169,557	160,888	5.4
Off-balance sheet funds	46,171	40,561	13.8
Total customer funds	215,729	201,449	7.1
Funds under management and third-party funds	243,431	226,682	7.4
Equity	15,033	13,879	8.3
Shareholders' equity	15,389	14,344	7.3
<b>Profitability and efficiency (%)</b> (C)			
ROA	0.76	0.54	
RORWA	2.29	1.70	
ROE	12.40	9.49	
ROTE	14.93	11.50	
Cost-to income with amortisation/depreciation	48.66	51.44	
<b>Risk management</b> (D)			
Stage 3 exposures (million euro)	4,844	5,777	(16.2)
Non-performing assets (million euro)	5,680	6,748	(15.8)
NPL ratio (%)	2.84	3.52	
Stage 3 coverage ratio, with total provisions (%)	61.7	58.3	
NPA coverage ratio (%)	58.6	55.6	
<b>Capital management (*)</b> (E)			
Risk-weighted assets (RWAs) (million euro)	80,559	78,428	
Common Equity Tier 1 phase-in (%) (1)	13.02	13.19	
Tier 1, phase-in (%) (2)	15.19	15.42	
Total Capital ratio, phase-in (%) (3)	17.60	17.76	
Leverage ratio, phase-in (%)	5.20	5.19	
<b>Liquidity management</b> (F)			
Loan-to-deposit ratio (%)	93.2	94.0	
<b>Shareholders and shares (as at reporting date)</b> (G)			
Total number of shares outstanding (million) (*)	5,361	5,403	
Share price (euro)	1.877	1.113	
Market capitalisation (million euro)	10,063	6,014	
Earnings per share (EPS) (euro) (**)	0.32	0.23	
Book value per share (euro)	2.87	2.65	
P/TBV (price/tangible book value per share)	0.78	0.51	
Price/earnings ratio (P/E)	5.84	4.94	
<b>Other data</b>			
Branches and offices	1,350	1,420	
Employees	18,769	19,316	

(\*) Information corresponding to the consolidated annual financial statements for the year ended 31 December 2024.

(\*\*) Total number of shares minus final treasury stock position (including shares in the buyback programme, where applicable).

(\*\*\*) This gives the ratio of net profit attributable to the Group, adjusted by the amount of the Additional Tier 1 coupon over the past twelve months, relative to the average number of shares outstanding over the past twelve months (average number of total shares minus average treasury stock, including buyback programmes, where applicable).

(A) This section sets out the margins of the income statement that are thought to be the most significant over the last two years.

(B) These key figures are presented in order to provide a concise overview of the year-on-year changes in the main items of the Group's consolidated balance sheet, focusing particularly on items related to lending and customer funds.

(C) These ratios have been provided to give a meaningful picture of profitability and efficiency over the past two years.

(D) This section shows the key balances related to risk management in the Group, as well as the most significant ratios related to risk.

(E) These ratios have been provided to give a meaningful picture of solvency over the past two years.

(F) The aim of this section is to give a meaningful insight into liquidity over the past two years.

(G) The purpose is to provide information regarding the share price and other indicators and ratios related to the stock market.

(1) Common equity capital / Risk-Weighted Assets (RWAs).

(2) Tier one capital / Risk-Weighted Assets (RWAs).

(3) Capital base / Risk-Weighted Assets (RWAs).

## 3.2 Profit/(loss) for the year

**Record-breaking Group net profit, amounting to 1,827 million euros as at the end of 2024, placing the Group's ROTE at 14.9%.**

Million euro

	2024	2023	Year-on-year change (%)
<b>Net interest income</b>	<b>5,021</b>	<b>4,723</b>	<b>6.3</b>
Fees and commissions, net	1,357	1,386	(2.1)
<b>Core revenue</b>	<b>6,378</b>	<b>6,109</b>	<b>4.4</b>
Profit or loss on financial operations and exchange differences	87	68	27.4
Equity-accounted income and dividends	166	131	26.5
Other operating income and expenses	(294)	(447)	(34.3)
<b>Gross income</b>	<b>6,337</b>	<b>5,862</b>	<b>8.1</b>
Operating expenses	(2,583)	(2,496)	3.5
Staff expenses	(1,531)	(1,495)	2.5
Other general administrative expenses	(1,051)	(1,002)	5.0
Depreciation and amortisation	(501)	(519)	(3.5)
Total costs	(3,084)	(3,015)	2.3
<i>Memorandum item:</i>			
Recurrent costs	(3,062)	(2,982)	2.7
Non-recurrent costs	(21)	(33)	(35.2)
<b>Pre-provisions income</b>	<b>3,254</b>	<b>2,847</b>	<b>14.3</b>
Provisions for loan losses	(567)	(813)	(30.3)
Provisions for other financial assets	(69)	(18)	287.7
Other provisions and impairments	(78)	(80)	(1.9)
Capital gains on asset sales and other revenue	(26)	(46)	(43.0)
<b>Profit/(loss) before tax</b>	<b>2,514</b>	<b>1,891</b>	<b>33.0</b>
Corporation tax	(685)	(557)	23.0
Profit or loss attributed to minority interests	2	1	28.1
<b>Profit attributable to the Group</b>	<b>1,827</b>	<b>1,332</b>	<b>37.1</b>
<i>Memorandum item:</i>			
Average total assets	242,145	245,173	(1.2)
Earnings per share (euros)	0.32	0.23	

The average exchange rate used for the cumulative balance of TSB's income statement is GBP 0.8463 (GBP 0.8706 in 2023).

# Net interest income

Net interest income followed a positive trend, reaching 5,021 million euros as at the end of 2024, representing year-on-year growth of 6.3%, mainly due to a higher loan yield and increased revenue from the fixed-income portfolio, underpinned by higher interest rates, all of which served to offset higher cost and volume of deposits and wholesale funding.

Consequently, the net interest margin as a percentage of average total assets stood at 2.07% in 2024 (1.93% in 2023).

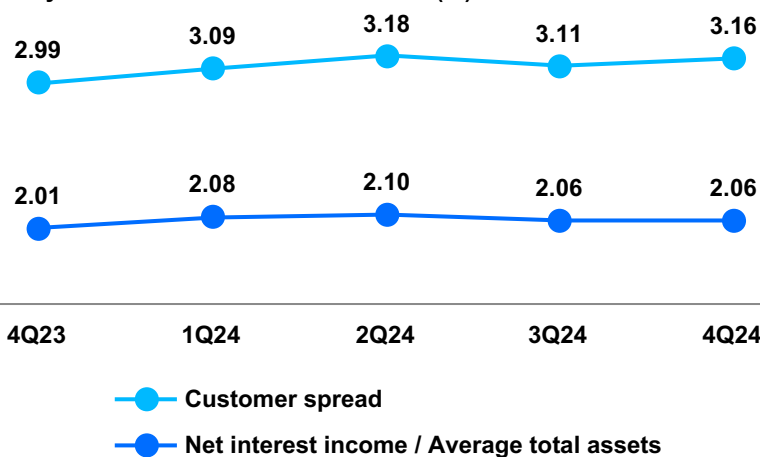
The breakdown of net interest income for the years 2024 and 2023, as well as the different components of total investment and funds, was as follows:

Thousand euro

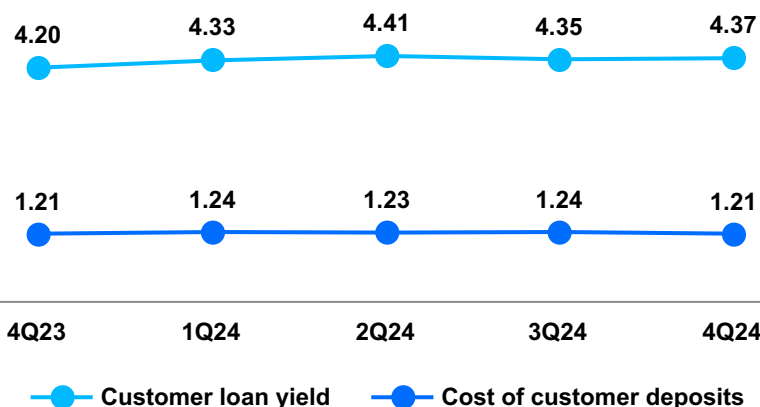
	2024			2023			Change			Effect	
	Average balance	Profit/(loss)	Rate %	Average balance	Profit/(loss)	Rate %	Average balance	Profit/(loss)	Rate %	Volume	Days
Cash, central banks and credit institutions	37,770,825	1,496,204	3.96	42,117,993	1,476,738	3.51	(4,347,168)	19,466	151,291	(135,900)	4,075
Loans and advances to customers	154,131,178	6,726,169	4.36	153,978,221	5,839,767	3.79	152,957	886,402	836,163	40,347	9,892
Fixed-income portfolio	30,756,499	1,053,155	3.42	28,531,645	832,967	2.92	2,224,854	220,188	193,126	25,450	1,612
<b>Subtotal</b>	<b>222,658,502</b>	<b>9,275,528</b>	<b>4.17</b>	<b>224,627,859</b>	<b>8,149,472</b>	<b>3.63</b>	<b>(1,969,357)</b>	<b>1,126,056</b>	<b>1,180,580</b>	<b>(70,103)</b>	<b>15,579</b>
Equity portfolio	1,000,799	—	—	859,258	—	—	141,541	—	—	—	—
Tangible and intangible assets	4,497,961	—	—	4,576,149	—	—	(78,188)	—	—	—	—
Other assets	13,987,412	436,450	3.12	15,110,214	508,059	3.36	(1,122,802)	(71,609)	—	(71,609)	—
<b>Total investment</b>	<b>242,144,674</b>	<b>9,711,978</b>	<b>4.01</b>	<b>245,173,480</b>	<b>8,657,531</b>	<b>3.53</b>	<b>(3,028,806)</b>	<b>1,054,447</b>	<b>1,180,580</b>	<b>(141,712)</b>	<b>15,579</b>
Central banks and credit institutions	26,372,582	(1,045,965)	(3.97)	31,484,501	(1,064,832)	(3.38)	(5,111,919)	18,867	(229,133)	251,329	(3,329)
Customer deposits	162,250,211	(1,997,041)	(1.23)	160,564,046	(1,432,303)	(0.89)	1,686,165	(564,738)	(430,055)	(130,997)	(3,686)
Capital markets	26,668,161	(1,105,456)	(4.15)	26,379,723	(876,225)	(3.32)	288,438	(229,231)	(204,199)	(22,663)	(2,369)
<b>Subtotal</b>	<b>215,290,954</b>	<b>(4,148,462)</b>	<b>(1.93)</b>	<b>218,428,270</b>	<b>(3,373,360)</b>	<b>(1.54)</b>	<b>(3,137,316)</b>	<b>(775,102)</b>	<b>(863,387)</b>	<b>97,669</b>	<b>(9,384)</b>
Other liabilities	12,485,224	(542,181)	(4.34)	13,183,674	(560,954)	(4.25)	(698,450)	18,773	—	18,773	—
Own funds	14,368,496	—	—	13,561,536	—	—	806,960	—	—	—	—
<b>Total funds</b>	<b>242,144,674</b>	<b>(4,690,643)</b>	<b>(1.94)</b>	<b>245,173,480</b>	<b>(3,934,314)</b>	<b>(1.60)</b>	<b>(3,028,806)</b>	<b>(756,329)</b>	<b>(863,387)</b>	<b>116,442</b>	<b>(9,384)</b>
<b>Average total assets</b>	<b>242,144,674</b>	<b>5,021,335</b>	<b>2.07</b>	<b>245,173,480</b>	<b>4,723,217</b>	<b>1.93</b>	<b>(3,028,806)</b>	<b>298,118</b>	<b>317,193</b>	<b>(25,270)</b>	<b>6,195</b>

Financial income or expenses arising from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes negative interest on the balances of credit institutions on the liabilities side, the most significant item being TLTRO III borrowing in 2023.

Quarterly evolution of net interest income (%)



Quarterly evolution of customer margin (%)



**Core results performed well in the year,<sup>7</sup> growing by 6.0% due to higher net interest income and improved provisions.**

## Gross margin

Net fees and commissions reached 1,357 million euros as at the end of 2024, representing a decline of 2.1% year-on-year, which was mainly due to lower service fees, especially payment card and current account fees.

Profit or loss on financial operations and exchange differences reached a total of 87 million euros, representing an increase compared to the end of 2023, mainly due to higher gains on derivatives.

Dividends received and earnings of companies consolidated under the equity method amounted to 166 million euros, compared with 131 million euros in the previous year due to a higher contribution from the insurance business and greater earnings from BSCapital investees.

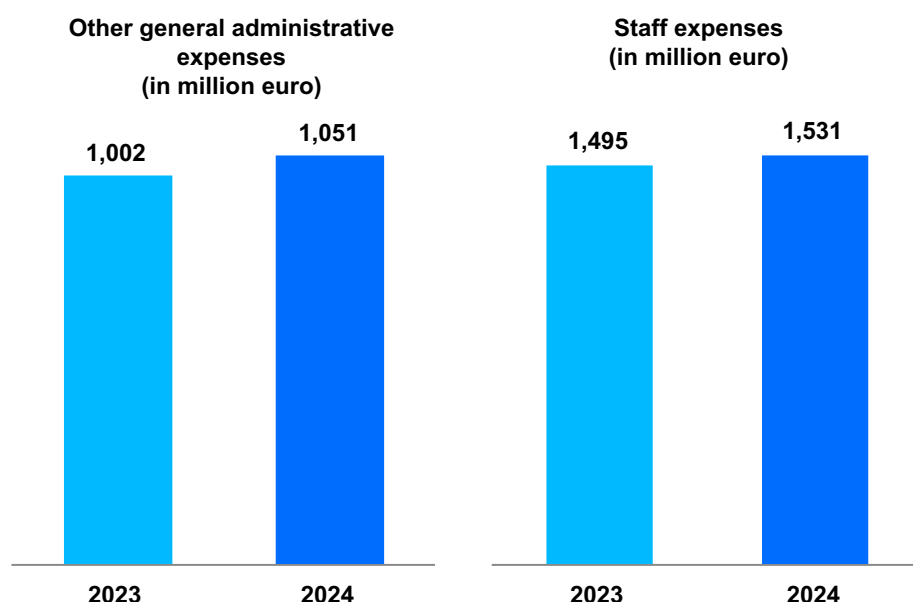
Other operating income and expenses amounted to -294 million euros, compared to -447 million euros in 2023. The positive year-on-year

<sup>7</sup> Net interest income + fees and commissions – recurrent costs

variation is mainly explained by the fact that in the previous year -132 million euros were recognised for the contribution to Banco Sabadell's Deposit Guarantee Fund (DGF) and -76 million euros for the contribution to the Single Resolution Fund (SRF), which offset the negative variation caused by the recognition of a more severe impact of the bank levy in 2024, which was -192 million euros compared to -156 million euros recognised in the previous year.

## Pre-provisions income

Total costs stood at -3,084 million euros as at year-end 2024, representing an increase of 2.3% year-on-year. Recurring costs rose by 2.7% year-on-year, due to an increase in both staff expenses and general expenses, which partially counterbalanced the reduction in amortisation/ depreciation.



The cost-to-income ratio including amortisation/depreciation for 2024 improved, standing at 48.7% compared to 51.4% in 2023.

Core results (net interest income + fees and commissions – recurrent costs) improved in the year, standing at 3,315 million euros as at 2024 year-end, having grown by 6.0% year-on-year as a result of the good evolution of net interest income.

Total provisions and impairments amounted to -714 million euros as at the end of 2024, compared to -910 million euros at the end of the previous year, representing a reduction of 21.6%, mainly due to fewer provisions for loan losses.

Capital gains on asset sales and other revenue amounted to -26 million euros as at the end of 2024. The positive year-on-year change is due to the recognition of lower IT asset write-offs.

## Profit attributable to the Group

After deducting corporation tax and minority interests, net profit attributable to the Group amounted to 1,827 million euros as at the end of 2024, growing 37.1% year-on-year.





## 3.3 Balance sheet

Million euro

	2024	2023	Year-on-year change (%)
Cash, cash balances at central banks and other demand deposits	18,382	29,986	(38.7)
Financial assets held for trading	3,439	2,706	27.1
Non-trading financial assets mandatorily at fair value through profit or loss	168	153	9.9
Financial assets at fair value through other comprehensive income	6,370	6,269	1.6
Financial assets at amortised cost	196,520	180,914	8.6
Debt securities	24,876	21,501	15.7
Loans and advances	171,644	159,413	7.7
Investments in joint ventures and associates	525	463	13.4
Tangible assets	2,078	2,297	(9.5)
Intangible assets	2,549	2,483	2.7
Other assets	9,567	9,902	(3.4)
<b>Total assets</b>	<b>239,598</b>	<b>235,173</b>	<b>1.9</b>
Financial liabilities held for trading	2,381	2,867	(16.9)
Financial liabilities at amortised cost	220,228	216,072	1.9
Deposits	186,341	183,947	1.3
Central banks	1,697	9,776	(82.6)
Credit institutions	14,822	13,840	7.1
Customers	169,823	160,331	5.9
Debt securities issued	27,437	25,791	6.4
Other financial liabilities	6,450	6,333	1.8
Provisions	478	536	(10.8)
Other liabilities	1,477	1,818	(18.8)
<b>Total liabilities</b>	<b>224,565</b>	<b>221,294</b>	<b>1.5</b>
Shareholders' equity	15,389	14,344	7.3
Accumulated other comprehensive income	(391)	(499)	(21.6)
Minority interests (non-controlling interests)	34	34	0.6
<b>Equity</b>	<b>15,033</b>	<b>13,879</b>	<b>8.3</b>
<b>Total equity and total liabilities</b>	<b>239,598</b>	<b>235,173</b>	<b>1.9</b>
Loan commitments given	28,775	27,036	6.4
Financial guarantees given	1,980	2,064	(4.1)
Other commitments given	9,366	7,943	17.9
<b>Total memorandum accounts</b>	<b>40,121</b>	<b>37,043</b>	<b>8.3</b>

The EUR/GBP exchange rate used for the balance sheet was 0.8292 as at 31 December 2024.

Gross performing loans to customers ended the year 2024 with a balance of 156,913 million euros, growing by 4.7% year-on-year, driven both by good performance in Spain, where it is particularly worth noting the growth of lending to corporates and individuals, and by the businesses abroad, particularly Miami and TSB, in the latter case positively impacted by the appreciation of the pound sterling.

Home equity loans formed the largest single component of gross loans and receivables, amounting to 89,185 million euros as at 31 December 2024 and representing 57% of total gross performing loans to customers.

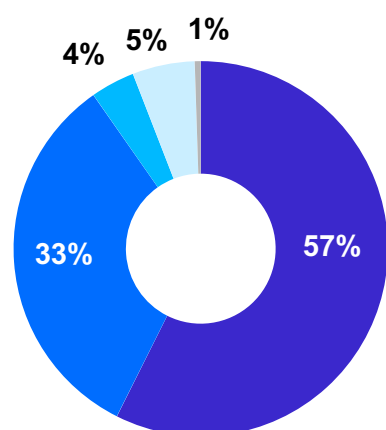


Million euro

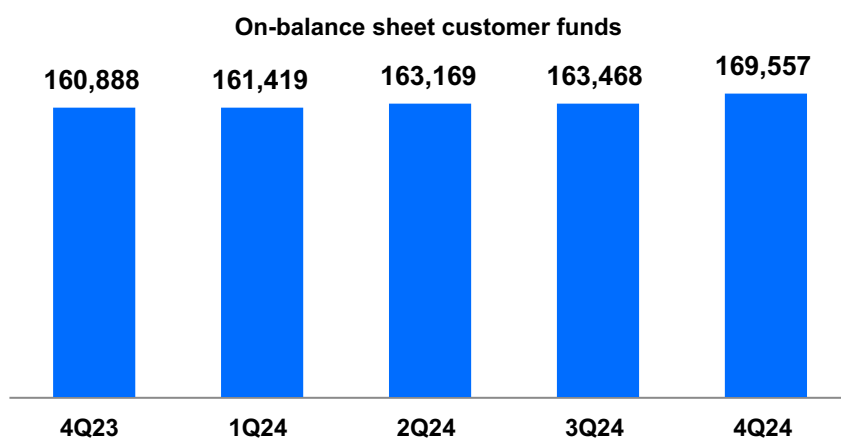
	2024	2023	Year-on-year change (%)
Loans and credit secured with mortgages	89,185	86,162	3.5
Loans and credit secured with other collateral	5,924	5,064	17.0
Trade credit	8,356	7,465	11.9
Finance leases	2,376	2,236	6.3
Bank overdrafts and other short-term borrowings	51,071	48,870	4.5
<b>Gross performing loans to customers</b>	<b>156,913</b>	<b>149,798</b>	<b>4.7</b>
Stage 3 assets (customers)	4,595	5,472	(16.0)
Accrual adjustments	208	172	21.3
<b>Gross loans to customers, excluding reverse repos</b>	<b>161,717</b>	<b>155,442</b>	<b>4.0</b>
Reverse repos	—	17	(100.0)
<b>Gross loans to customers</b>	<b>161,717</b>	<b>155,459</b>	<b>4.0</b>
Reserve for loan losses and country risk	(2,844)	(3,199)	(11.1)
<b>Loans and advances to customers</b>	<b>158,872</b>	<b>152,260</b>	<b>4.3</b>

The EUR/GBP exchange rate used for the balance sheet was 0.8292 as at 31 December 2024.

The composition of loans and advances to customers by type of product is shown in the following figure (not including stage 3 assets or accrual adjustments):



- Home equity loans and credit lines
- Overdrafts and other short-term borrowings
- Loans and credit secured with other collateral
- Trade credit
- Finance leases

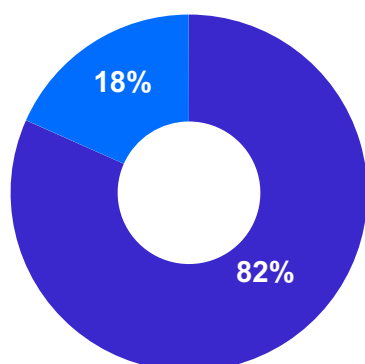


As at the end of 2024, on-balance sheet customer funds amounted to 169,557 million euros, compared to 160,888 million euros as at the end of 2023, increasing by 5.4% due to a higher volume of both demand deposits and term deposits.

Demand deposit balances amounted to 138,347 million euros, representing an increase of 3.1% compared to 2023.

Term deposits came to a total of 31,047 million euros, representing growth of 21.3% year-on-year.

The breakdown of customer deposits as at 2024 year-end is shown below:



■ Demand deposits

■ Term deposits

Total off-balance sheet customer funds came to 46,171 million euros as at the end of 2024, reflecting an increase of 13.8% in year-on-year terms, driven by the good performance of mutual funds, mainly as a result of a positive level of net inflows.

Total funds under management as at 31 December 2024 amounted to 243,431 million euros, compared to 226,682 million euros as at 31 December 2023, representing a year-on-year increase of 7.4%, due to the growth of both on-balance sheet and off-balance sheet customer funds mentioned above.

Million euro

	2024	2023	Year-on-year change (%)
<b>On-balance sheet customer funds (*)</b>	<b>169,557</b>	<b>160,888</b>	<b>5.4</b>
Customer deposits	169,823	160,331	5.9
Current and savings accounts	138,347	134,243	3.1
Term deposits	31,047	25,588	21.3
Repos	—	200	--
Accrual adjustments and hedging derivatives	429	299	43.3
Borrowings and other marketable securities	23,345	22,198	5.2
Subordinated liabilities (**)	4,092	3,593	13.9
<b>On-balance sheet funds</b>	<b>197,260</b>	<b>186,122</b>	<b>6.0</b>
Undertakings for collective investment in transferable securities	28,308	24,093	17.5
UCITS managed	674	589	14.5
UCITS sold but not managed	27,634	23,504	17.6
Assets under management	4,729	3,598	31.4
Pension funds	3,352	3,249	3.2
Personal schemes	2,166	2,103	3.0
Workplace schemes	1,183	1,141	3.7
Collective schemes	4	5	(21.8)
Insurance products sold	9,782	9,621	1.7
<b>Off-balance sheet customer funds</b>	<b>46,171</b>	<b>40,561</b>	<b>13.8</b>
<b>Funds under management and third-party funds</b>	<b>243,431</b>	<b>226,682</b>	<b>7.4</b>

(\*) Includes customer deposits (excl. repos) and other liabilities placed via the branch network: straight bonds issued by Banco Sabadell, commercial paper and others.

(\*\*) Refers to subordinated debt securities issued.

The EUR/GBP exchange rate used for the balance sheet was 0.8292 as at 31 December 2024.

**The balance of non-performing assets was reduced by 1,068 million euros over the year, while the coverage ratio considering total provisions rose to 58.6%.**

Non-performing assets were reduced over the year 2024. The quarterly performance of these assets in 2024 and 2023 is shown below:

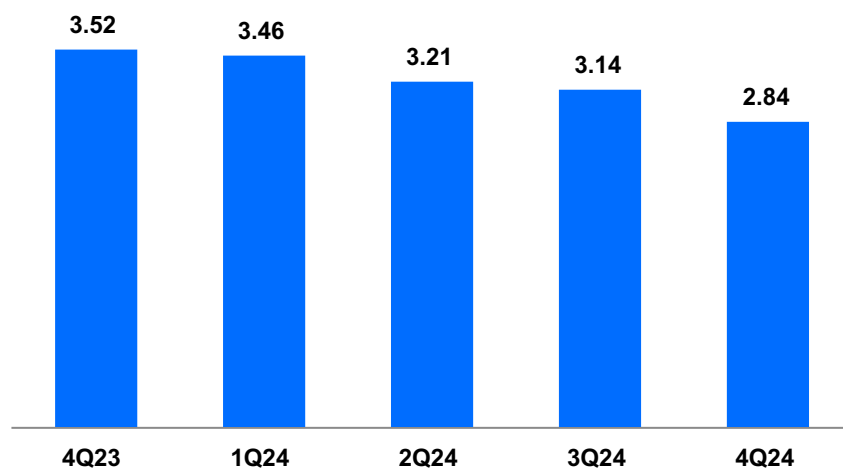
Million euro

	2024				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Ordinary net increase in stage 3 loans	40	(182)	(27)	(307)	183	111	85	(35)
Real estate asset balance variation	(32)	(36)	(31)	(36)	(40)	(34)	(44)	(68)
<b>Ordinary net increase in stage 3 loans + real estate</b>	<b>8</b>	<b>(219)</b>	<b>(58)</b>	<b>(344)</b>	<b>143</b>	<b>77</b>	<b>41</b>	<b>(103)</b>
Write-offs	100	97	128	132	106	114	82	79
<b>Ordinary QoQ change in balance of stage 3 loans and real estate</b>	<b>(92)</b>	<b>(316)</b>	<b>(186)</b>	<b>(476)</b>	<b>37</b>	<b>(37)</b>	<b>(41)</b>	<b>(182)</b>

As a result of the reduction in exposures classified as stage 3, associated with an increase in the risk base, the NPL ratio reached 2.84% as at 2024 year-end, compared to 3.52% as at 2023 year-end (decrease of 68 basis points). The stage 3 coverage ratio with total provisions as at 31 December 2024 was 61.7% compared to 58.3% one year earlier, while the coverage ratio of non-performing real estate assets stood at 40.5% as at 31 December 2024, compared to 39.6% at the end of the previous year.

As at 31 December 2024, the balance of exposures classified as stage 3 in the Group amounted to 4,844 million euros (including contingent exposures), a decline of 933 million euros in 2024.

#### NPL ratio (\*) (%)



(\*) Calculated including contingent exposures.

The trend followed by the Group's coverage ratios is shown in the table below:

	2024				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Exposures classified as stage 3	5,718	5,439	5,283	4,844	5,891	5,888	5,891	5,777
Total provisions	3,346	3,247	3,213	2,990	3,219	3,280	3,329	3,368
<b>Stage 3 coverage ratio, with total provisions (%)</b>	<b>58.5</b>	<b>59.7</b>	<b>60.8</b>	<b>61.7</b>	<b>54.6</b>	<b>55.7</b>	<b>56.5</b>	<b>58.3</b>
Stage 3 provisions	2,433	2,399	2,365	2,245	2,328	2,361	2,402	2,445
<b>Stage 3 coverage ratio (%)</b>	<b>42.5</b>	<b>44.1</b>	<b>44.8</b>	<b>46.3</b>	<b>39.5</b>	<b>40.1</b>	<b>40.8</b>	<b>42.3</b>
Non-performing real estate assets	939	902	872	836	1,117	1,083	1,039	971
Provisions for non-performing real estate assets	370	356	352	338	429	419	404	385
<b>Non-performing real estate coverage ratio (%)</b>	<b>39.4</b>	<b>39.5</b>	<b>40.3</b>	<b>40.5</b>	<b>38.4</b>	<b>38.7</b>	<b>38.9</b>	<b>39.6</b>
Total non-performing assets	6,657	6,341	6,155	5,680	7,008	6,971	6,930	6,748
Provisions for non-performing assets	3,715	3,604	3,564	3,329	3,648	3,699	3,733	3,752
<b>NPA coverage ratio (%)</b>	<b>55.8</b>	<b>56.8</b>	<b>57.9</b>	<b>58.6</b>	<b>52.1</b>	<b>53.1</b>	<b>53.9</b>	<b>55.6</b>

Includes contingent exposures.

## 3.4 Liquidity management

### The Group's liquidity position is sound, with a balanced funding structure.

During 2024, the funding gap turned positive, with a sharper increase in customer funds than in lending. Funding in capital markets increased at the level of both securitisations and debt issuances compared to 2023, senior non-preferred debt and subordinated debt being the items with the greatest net increase, in order to keep an adequate level of own funds and eligible liabilities above the applicable regulatory requirement (Minimum Requirement for own funds and Eligible Liabilities, or MREL). The Group's Loan-to-Deposit (LTD) ratio as at 31 December 2024 was 93.2% (94.0% as at 31 December 2023).

The Institution has made use of the different issuance windows to access the capital markets at different times in the year, successfully completing the issuance plan, in an environment in which inflation continued to cool off and central banks have eased their monetary policies by cutting interest rates. Maturities and early repayments in capital markets over the year amounted to 4,088 million euros (net). On the other hand, Banco Sabadell carried out two issues under the current Base Prospectus of Non-Equity Securities amounting to a total of 1.75 billion euros, specifically the following: one issue of mortgage covered bonds on 5 June 2024 for 1 billion euros with a 10-year maturity, and another issue of mortgage covered bonds on 15 October 2024 for 750 million euros with a 5.5-year maturity. Furthermore, under the EMTN Programme, Banco Sabadell carried out five issues for a total amount of 2,793 million euros, specifically the following: one issue of senior preferred debt on 15 January 2024 for 750 million euros with a 6-year maturity and an early call option in favour of Banco Sabadell in the fifth year; one issue of senior non-preferred debt on 13 March 2024 for 500 million euros with a 6.5-year maturity and an early call option in favour of Banco Sabadell in the second half of the fifth year; one issue of Tier 2 subordinated bonds on 27 March 2024 for 500 million euros with a 10.25-year maturity and an early call option in favour of Banco Sabadell in the fifth year; its first-ever issue in pounds sterling of senior preferred debt on 13 September 2024 for 450 million pounds with a 5-year maturity; and one issue of senior non-preferred debt on 27 November 2024 for 500 million euros with a 6.5-year maturity and an early call option in favour of Banco Sabadell in the second half of the fifth year. In addition, TSB Bank carried out two issues of mortgage covered bonds: its first-ever issue in euros for 500 million with a 5-year maturity on 5 March 2024, and another issue for 500 million pounds sterling with a 5-year maturity on 11 September 2024.

During 2024, having obtained the corresponding authorisation, Banco Sabadell exercised the early redemption option on the Senior Debt 2/2019 series amounting to 500 million euros on 7 November 2024. Furthermore, having obtained the corresponding authorisation, Banco Sabadell released an announcement to the market in November regarding the early redemption of the Subordinated Debt 1/2020 series in the amount of 300 million euros, which was subsequently exercised on 17 January 2025.

In relation to securitisation transactions, on 23 May 2024, TSB Bank set up the securitisation fund of residential mortgage loans, Duncan Funding 2024-1 PLC, through which it securitised one portfolio of

mortgage loans in the amount of 557.7 million pounds sterling. The entire senior tranche of 500 million pounds was placed on the market.

On 26 September 2024, Banco Sabadell disbursed the traditional securitisation Sabadell Consumo 3, F.T. under its consumer loan securitisation programme. This is the third operation of the programme enabling the credit risk of a 750 million euro consumer loan portfolio to be financed and transferred. The issue consists of seven classes of bonds that were placed on the market, with the exception of the first loss tranche of 9.2 million euros to fund the reserve fund and initial expenses, and 76.3 million euros from the senior series which was subscribed by Banco de Sabadell, S.A.

The Institution has maintained a liquidity buffer in the form of liquid assets to meet potential liquidity needs.

In terms of the LCR, since 1 January 2018, the regulatory required minimum LCR has been 100%, a level amply surpassed by all of the Institution's LMUs. The TSB and Banco Sabadell Spain LMUs have a level of 200% and 248%, respectively, as at 31 December 2024. At the Group level, the Institution's LCR remained well above 100% on a stable basis at all times throughout the year, ending 2024 at 210%. As for the Net Stable Funding Ratio (NSFR), which came into force on 28 June 2021, the Institution has remained steadily above the minimum requirement of 100% in all LMUs. As at 31 December 2024, the NSFR stood at 153% for the TSB LMU, 137% for Banco Sabadell Spain and 142% for the Group.

The key figures and basic liquidity ratios reached at the end of 2024 and 2023 are shown here below:

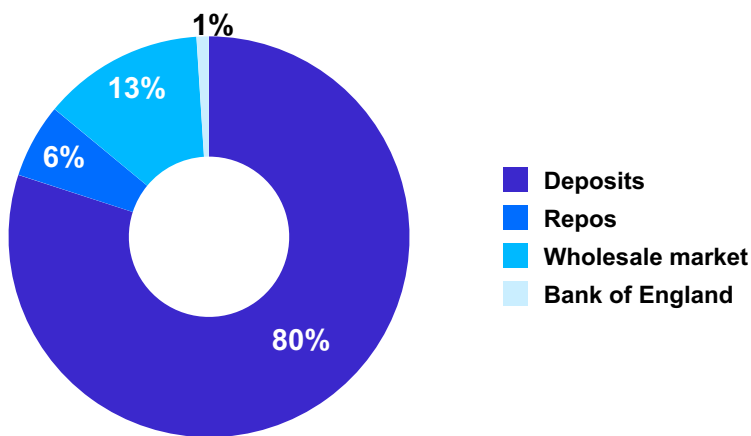
Million euro

	2024	2023
Gross loans to customers, excluding reverse repos	161,717	155,442
Impairment allowances	(2,844)	(3,199)
Brokered loans	(884)	(953)
<b>Net loans and advances excluding ATAs, adjusted for brokered loans</b>	<b>157,988</b>	<b>151,290</b>
On-balance sheet customer funds	169,557	160,888
<b>Loan-to-deposit ratio (%)</b>	<b>93</b>	<b>94</b>

The EUR/GBP exchange rate used for the balance sheet is 0.8292 as at 31 December 2024 and 0.8691 as at 31 December 2023.

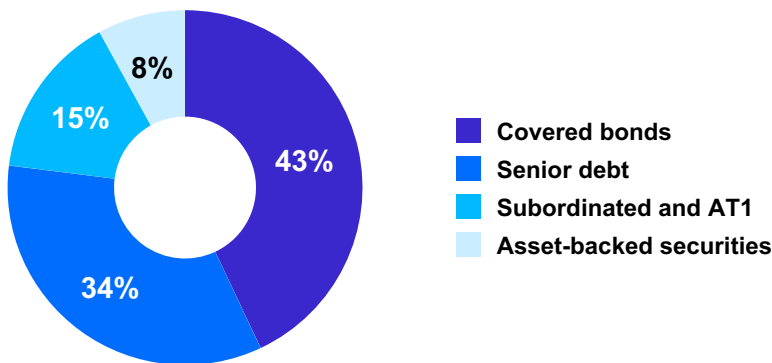
The main sources of funding as at 2024 year-end are shown below according to the type of instrument and counterparty (in %):

Funding structure (\*)



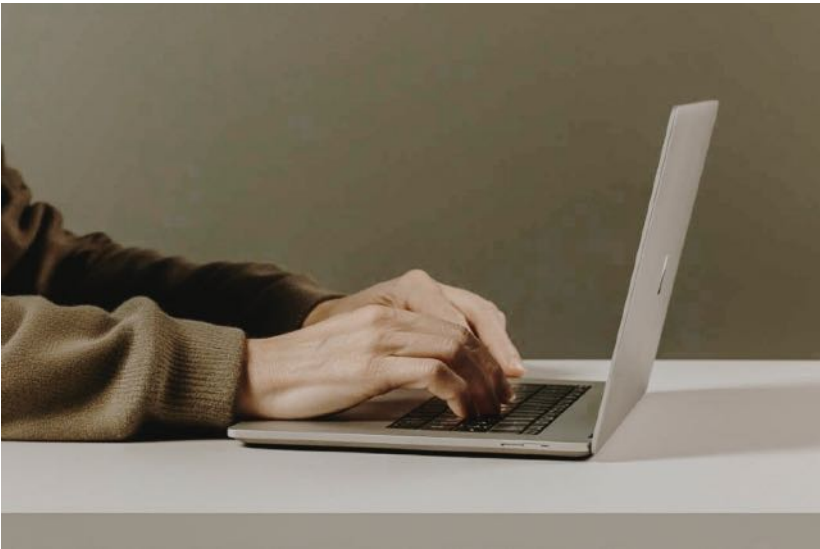
(\*) Without accrual adjustments or hedging derivatives.

Loans and advances



(\*) Without accrual adjustments or hedging derivatives.

For further details about the Group’s liquidity management, liquidity strategy and liquidity performance during the year, see Note 4 to the 2024 consolidated annual financial statements.





## 3.5 Capital management

### Key capital figures and solvency ratios

Thousand euro

	31/12/2024		31/12/2023	
	Fully-loaded	Phase-in	Fully-loaded	Phase-in
Common Equity Tier 1 (CET1) capital	10,484,954	10,484,954	10,346,761	10,346,761
Tier 1 (T1) capital	12,234,954	12,234,954	12,096,761	12,096,761
Tier 2 (T2) capital	1,945,862	1,945,862	1,829,460	1,829,460
Total capital (Tier 1 + Tier 2)	14,180,816	14,180,816	13,926,221	13,926,221
Risk weighted assets	80,559,227	80,559,227	78,427,616	78,427,616
CET1 (%)	13.02%	13.02%	13.19%	13.19%
Tier 1 (%)	15.19%	15.19%	15.42%	15.42%
Tier 2 (%)	2.42%	2.42%	2.33%	2.33%
Total capital ratio (%)	17.60%	17.60%	17.76%	17.76%
Leverage ratio	5.20%	5.20%	5.19%	5.19%

In 2018, following the entry into force of IFRS 9, the Group opted to apply the transitional arrangements established in Regulation (EU) 2017/2395. In 2023 and 2024, the transitional arrangements arising as a result of IFRS 9 and still in effect had no impact on the Institution's solvency ratios.

During 2024, the Group increased its capital base by 255 million euros in fully-loaded terms.

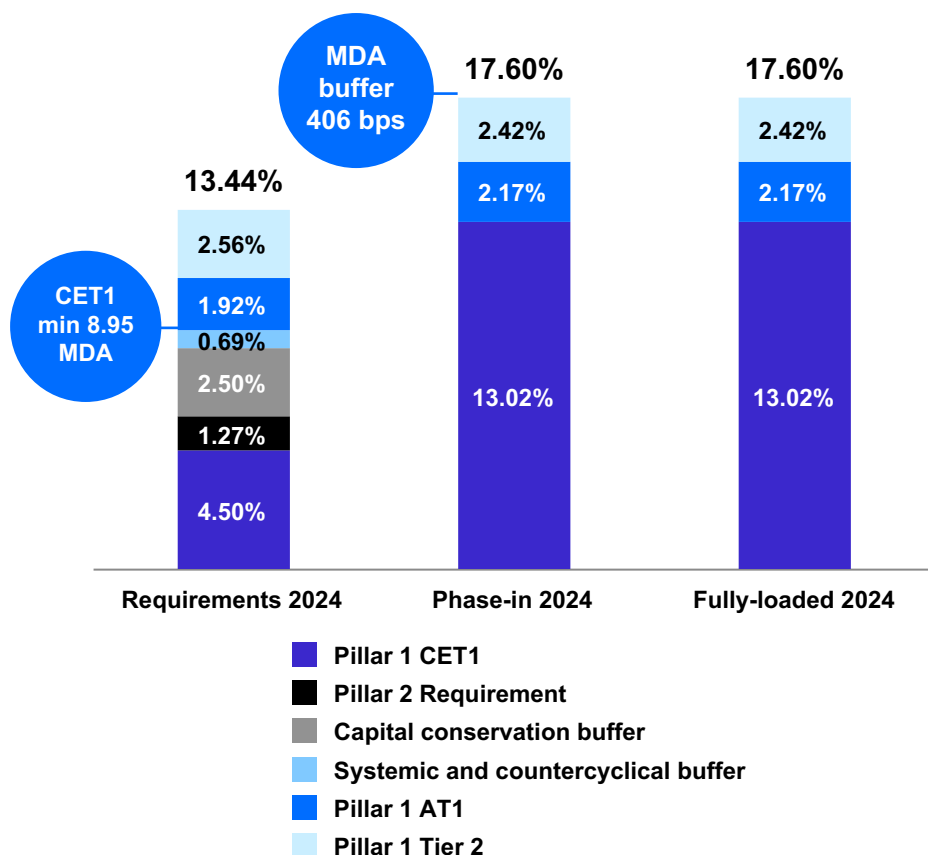
In 2024, the Bank carried out the issue of Subordinated Debt 1/2024 for 500 million euros on 27 March 2024. The loss of eligibility of the Subordinated Debt issue 1/2020 in the amount of 300 million euros also occurred, after it was announced, on 18 November 2024, that the early redemption option was to be exercised on 17 January 2025, in accordance with the issue's terms and conditions.

In terms of Risk-Weighted Assets (RWAs), three securitisation operations were carried out during the year: one synthetic securitisation carried out in June 2024 on a 1.1 billion euro project finance portfolio; one traditional securitisation carried out in September 2024 on a 750 million euro consumer loan portfolio; and one synthetic securitisation carried out in December 2024 on a 1.23 billion US dollar portfolio of corporate loans and project finance.

Furthermore, at Banco Sabadell ex-TSB, the increase in credit RWAs is noteworthy due to the growth in lending and the implementation of new models for corporates and groups and for retail card and loan exposures. In addition, market risk grew over the period mainly as a result of the increased open forex position. Finally, the update to operational RWAs led to a rise in RWAs, given the increase in the material risk indicator in 2024.

As a result, the fully-loaded CET1 ratio stood at 13.02% as at year-end 2024.

As at 31 December 2024, the Group had a phase-in CET1 capital ratio of 13.02%, well above the requirement established in the Supervisory Review and Evaluation Process (SREP), which for 2024 was 8.95%, meaning that the aforesaid ratio is 406 basis points above the minimum requirement.



Minimum capital requirements have been calculated taking into account capital requirements in effect as at 2024 year-end for Pillar 1 (8%) and Pillar 2R (2.25%), as well as the capital conservation buffer (2.5%), countercyclical buffer (0.44%) and the buffer for other systemically important institutions (0.25%).

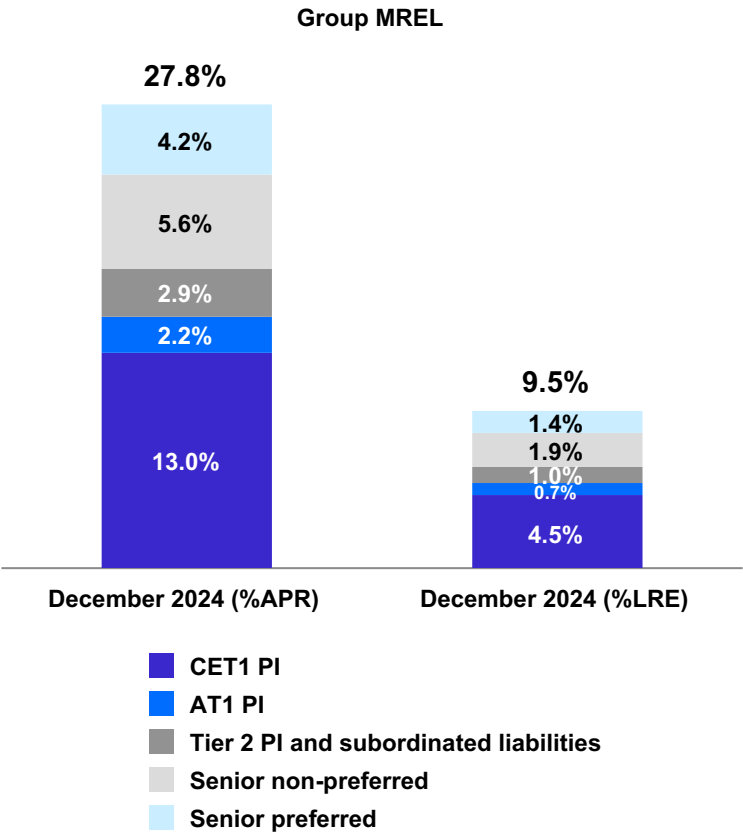
In May 2024, the SRB published the MREL Policy under the Banking Package, which integrates the regulatory changes of the aforesaid resolution framework reform. The new requirements from the SRB are based on balance sheet data as at December 2023 and set the final MREL target, which is binding from 17 December 2024, the same day that Banco Sabadell received a communication from the Bank of Spain regarding the decision made by the Single Resolution Board (SRB) concerning the Minimum Requirement for own funds and Eligible Liabilities (MREL) and the subordination requirement applicable to the Institution on a consolidated basis.

The requirements that must be met from 17 December 2024 are as follows:

- The MREL is 22.14% of the Total Risk Exposure Amount (TREA) and 6.39% of the Leverage Ratio Exposure (LRE).
- The subordination requirement is 15.84% of the TREA and 6.39% of the LRE.

The own funds used by the Institution to meet the Combined Buffer Requirement (CBR), comprising the capital conservation buffer, the systemic risk buffer and the countercyclical buffer, will not be eligible to meet the MREL and subordination requirements expressed in terms of the TREA.

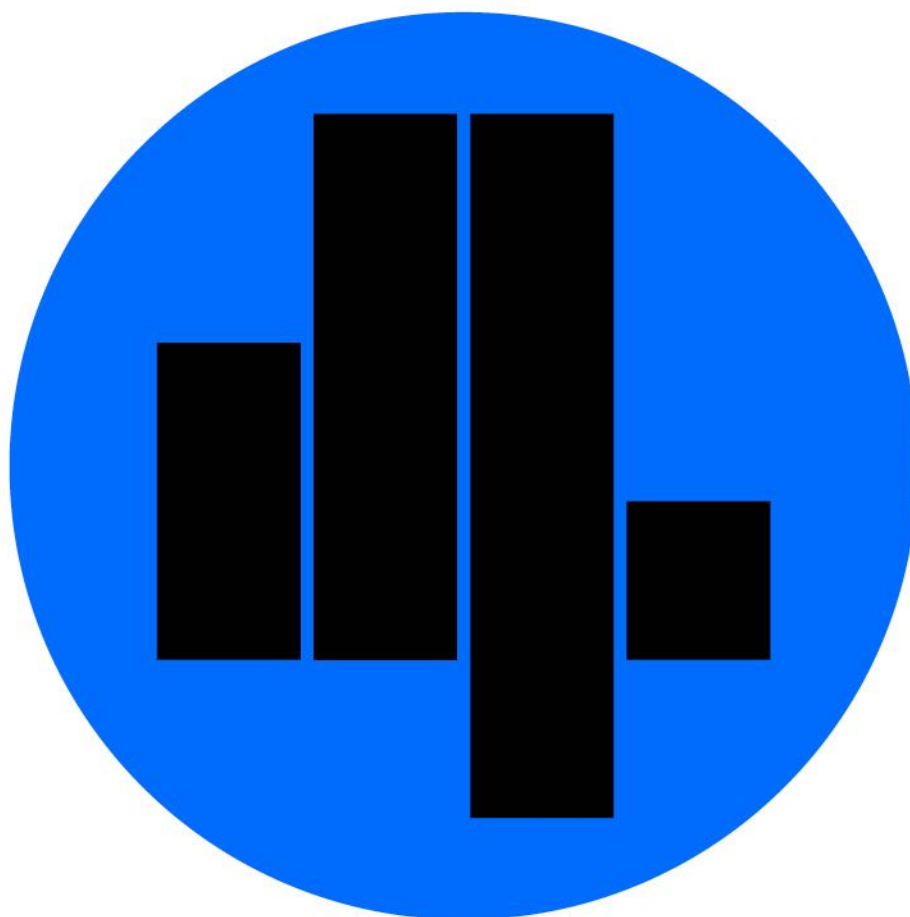
As at the end of 2024 and 2023, Banco Sabadell meets the applicable requirements. Furthermore, the Institution's Funding Plan anticipates that it will continue to comply, comfortably, with the current requirements.



The RWAs percentage includes the capital earmarked to meet the Combined Buffer Requirement (CBR). This serves as a mechanism to accumulate capital to protect against cyclical and structural systemic risks, in order to build up own funds during periods of prosperity and thus be able to protect the regulatory minimum during periods of adverse economic conditions.



# Businesses



91	Banking Business Spain
123	Banking Business UK
126	Banking Business Mexico

# Businesses

The key financial figures associated with the Group's largest business units are shown hereafter, in line with the segment reporting in Note 38 to the consolidated annual financial statements for the financial year 2024.

## 4.1 Banking Business Spain

### Key figures

Net profit as at the end of 2024 amounted to 1,517 million euros, representing a year-on-year increase of 38.7%, mainly driven by the positive trend in net interest income and fewer provisions.

Net interest income amounted to 3,652 million euros as at 2024 year-end, a year-on-year increase of 8.9% driven by the collection of 36 million euros in extraordinary late payment interest stemming from the debt recovered following a favourable ruling in a legal dispute. Excluding that effect, growth stood at 7.8% driven by higher loan yields and higher earnings on the fixed-income portfolio, underpinned by interest rates, all of which offset the higher cost and volume of both deposits and wholesale funding.

Net fees and commissions stood at 1,231 million euros, 1.3% less than at the end of 2023, mainly due to the drop in service fees, heavily impacting payment card and demand deposit fees.

Profit or loss on financial operations and exchange differences amounted to 36 million euros, which represents a year-on-year reduction mainly due to higher gains on derivatives.

Dividends and earnings of companies consolidated under the equity method increased by 26.5% in year-on-year terms, mainly due to the higher contribution from the insurance business and higher earnings from BSCapital investees.

The positive variation in the Other income and expenses heading is mainly explained by the fact that in the previous year -132 million euros were recognised for the contribution to Banco Sabadell's Deposit Guarantee Fund (DGF) and -76 million euros for the contribution to the Single Resolution Fund (SRF), which offset the negative variation caused by the recognition of a more severe impact of the bank levy in 2024, which was -192 million euros compared to -156 million euros in the previous year.

Total costs recorded a year-on-year increase of 5.4%, due to higher staff expenses and an increase in general expenses.

Provisions and impairments amounted to 652 million euros, down by 20.1% year-on-year, mainly due to improved provisions for loan losses. 2024 saw the release of 54 million euros related to the debt recovered following a legal dispute and to provisions allocated for the impact of DANA.

Corporation tax in 2024 includes a positive impact of c.50 million euros, mainly due to tax deductions for R&D+i (research, development and innovation) activities.

Million euro

	2024	2023	Year-on-year change (%)
<b>Net interest income</b>	<b>3,652</b>	<b>3,353</b>	<b>8.9</b>
Fees and commissions, net	1,231	1,247	(1.3)
<b>Core revenue</b>	<b>4,883</b>	<b>4,601</b>	<b>6.1</b>
Profit or loss on financial operations and exchange differences	36	45	(19.9)
Equity-accounted income and dividends	166	131	26.5
Other operating income and expenses	(249)	(404)	(38.3)
<b>Gross income</b>	<b>4,836</b>	<b>4,372</b>	<b>10.6</b>
Operating expenses, depreciation and amortisation	(2,071)	(1,965)	5.4
<b>Pre-provisions income</b>	<b>2,765</b>	<b>2,407</b>	<b>14.9</b>
Provisions and impairments	(652)	(816)	(20.1)
Capital gains on asset sales and other revenue	(14)	(27)	(47.2)
<b>Profit/(loss) before tax</b>	<b>2,098</b>	<b>1,564</b>	<b>34.2</b>
Corporation tax	(579)	(469)	23.5
Profit or loss attributed to minority interests	2	1	28.1
<b>Profit attributable to the Group</b>	<b>1,517</b>	<b>1,093</b>	<b>38.7</b>
<b>Cumulative ratios</b>			
ROTE (net return on tangible equity)	15.9 %	12.0 %	
Cost-to-income (general administrative expenses / gross income)	35.1 %	37.2 %	
NPL ratio	3.3 %	4.3 %	
Stage 3 coverage ratio, with total provisions	66.3 %	59.9 %	

Gross performing loans increased by 5.3%, driven by the growth in lending to corporates and individuals, notably the positive evolution of the mortgage book, as well as the healthy performance of foreign branches, included in this perimeter, particularly Miami.

On-balance sheet customer funds increased by 5.4% year-on-year, while off-balance sheet funds grew by 13.8%, mainly due to mutual funds, as a result of a positive level of net inflows.

Million euro

	2024	2023	Year-on-year change (%)
<b>Assets</b>	<b>177,348</b>	<b>173,648</b>	<b>2.1</b>
Gross performing loans to customers	109,291	103,830	5.3
Non-performing real estate assets, net	497	586	(15.2)
<b>Liabilities and Equity</b>	<b>177,348</b>	<b>173,648</b>	<b>2.1</b>
On-balance sheet customer funds	124,235	117,820	5.4
Wholesale funding in capital markets	21,135	19,949	5.9
Allocated own funds	12,161	11,345	7.2
<b>Off-balance sheet customer funds</b>	<b>46,171</b>	<b>40,561</b>	<b>13.8</b>
<b>Other indicators</b>			
Employees	13,525	13,455	0.5
Branches and offices	1,152	1,194	(3.5)

Details of the main business lines within Banking Business Spain are given here below.

# Retail Banking

## Business overview

Retail Banking is Banco Sabadell's business unit that offers financial products and services to individuals for personal use. The business is based on a banking model that combines processes typical of a digital bank for interactions that require the autonomy, immediacy and simplicity that only digital channels can offer with specialised and personalised commercial management for those interactions where expert support is needed, provided through the branch network, both in brick-and-mortar branches and remotely. Among the main products offered, it is worth noting investment and financing products in the short, medium and long term such as consumer loans, mortgages and leasing/rental services. As for funds, the main products on offer are customer term and demand deposits, savings insurance, mutual funds and pension plans. Additionally, the main services also include payment methods such as cards and various kinds of insurance products.

## Management milestones in 2024 and priorities for 2025

During 2024, Retail Banking based its activity on the following pillars that contribute to the objective of increasing the base of transactional customers, growing market share in key products and providing first class service to customers:

- Organisation according to products, which makes it possible to focus on customers' needs and to offer specialised and personalised products and services, enabling greater autonomy, immediacy, agility and simplicity.
- The specialised sales force, supported by the branch network, allows a superior customer support model to be offered for products where customers require more advice or support from experts, such as mortgages, protection insurance and savings/investment.
- The development of digital capabilities in relation to servicing, the attraction of digital demand and the generation of digital sales in self-service and remote channels.

In that regard, in 2024 the Retail Banking business has continued with its transformation, moving forward in the following areas:

- Customer-focused growth, increasing engagement with the Bank and with more than half of new customers currently registered through the digital channel according to 2024 closing data.
- Continue with the change in the sales distribution mix, increasing, in turn, the sales volumes of key products. The specialists model was also evolved, increasing their contribution to the business.
- Serve the Bank's customers through their preferred channel. The mobile app has gained prominence, consolidating itself as the main interaction channel for serving customers.
- A remarkable improvement in customer experience rankings on the back of enhancing the quality of interactions with them, which forges long-lasting and quality relationships, whilst promoting the brand, increasing its visibility and awareness to grow market share.

The priorities for 2025 focus on boosting customer acquisition by leveraging digital channels and increasing penetration during the first months of the business relationship. The Bank also seeks to promote key products, improve the brand's appeal and the customer experience across all channels, as well as enhance talent and data management.



## Main products

The main Retail Banking products are described here below:

### Mortgages

The evolution of the mortgage market during 2024 was characterised by growth in the first quarter of the year, with a yearly increase of 18%. Starting in the second quarter, growth was around 20%, with a record month of increases in July. This increase was driven by cuts to interest rates, the 12-month Euribor and declining mortgage rates, slightly lowering monthly payments and encouraging the moderate recovery of the real estate market, seen in the increase in new build permits, although the lack of supply limits growth.

Fixed-rate mortgages were the leading product of 2024, a clear consequence of the current market interest rates, with the Euribor still at high levels.

Against this backdrop, the Bank continued to make progress on:

- The cumulative market share, which has grown significantly given the Institution's good product positioning in the market.
- The mortgage specialists' distribution model, with all branches included in the model, focusing on remote management (209 remote specialists covering 100% of branches).
- The transformation of the mortgage process, with outsourcing of administrative tasks to focus on the commercial function of specialists and increase capacity to generate and manage demand, reduce processing lead times and improve the customer experience.
- Improving the digital experience in the mortgage application process, optimising mortgage switching and making efficiency gains. In particular, the focus has been upstream in the digital journey, where technological, intelligence and commercial systems capabilities have been deployed to allow better prioritisation of commercial opportunities.

### Consumer loans

In consumer loans, 2024 was characterised by a 36% increase in volume, driven by the expansion and improvement of digital product arrangement capabilities and the adaptation of the product offer to the needs of the end consumer, whilst always ensuring adequate risk management and segmentation.

Currently, 83% of all products are applied for through the digital channels, and pre-approved loans account for 87% of all new loans.

### Payment services

2024 was a good year for growth in card transactions, with an 8% increase in purchases, which reached 21,225 million euros. Card finance volume reached 389 million euros, representing a year-on-year increase of 9%.

On the other hand, the instant card issuance process was consolidated, allowing customers to use their new card immediately in e-commerce and mobile payment transactions following application. The percentage of card activations executed via digital channels accounted for 52% of total activations, while mobile payments represented 30% of purchases.

With regard to the Bizum payment system, Banco Sabadell has more than 1.6 million registered users.

## Demand deposit accounts

Banco Sabadell has a digital onboarding process that has allowed it to boost its acquisition of digital customers since 2023, improving productivity and the customer experience.

In 2024, the Sabadell Online Account was overhauled once again, extending its use to the self-employed segment, in order to become their preferred bank for both personal and professional transactions. This overhaul is another boost to continue growing Retail Banking profitably.

The main demand deposit accounts offered are the following:

- Sabadell Online Account: for new retail customers, opened digitally.
- Sabadell Account: for retail customers.
- Sabadell Premium Account: exclusively for Private Banking customers.
- Key Account: exclusively for non-resident foreign customers.

The main product offer is supplemented with the products aimed at customers with specific needs: non-residents, minors under the age of 18, and the basic payment account for those at risk of exclusion.

## Savings and investment

Market volatility and interest rates affected asset performance and, consequently, mutual fund returns.

In mutual funds, the main milestones during the year were the following:

- The mutual funds offering was adapted to the market situation and to customer demand by incorporating the following types of products:
  - Guaranteed products: during 2024, guaranteed fund programmes were marketed. These products combine fixed and variable return funds, namely: Sabadell Capital Extra No. 3, Sabadell 12M Garantizado and Sabadell 12M Garantizado Diciembre.
  - Stable return products: a new product in the Bank's fixed income category launched in September, Sabadell Gobiernos Corto Plazo, FI, which is a new fund that is marketed all year round.
  - Target return products: Sabadell Horizonte 11 2026 and Sabadell Horizonte 06 2025 were launched in January and May, respectively. These products offer a target, not guaranteed, return to recover 100% of the initial investment plus a return on maturity.
  - Discretionary portfolio management: portfolio management service focused on those customers who want specialists to be in charge of their investments, according to their risk profile and objectives. Therefore, three different types of portfolios are available to start investing with the option of choosing between five strategies with different levels of risk.
    - Sabadell Portfolio (*Cartera Sabadell*): with a percentage of equities of 25%, 50% and 75%.
    - Sabadell Plus Portfolio (*Cartera Sabadell Plus*): with a percentage of equities of 10%, 25%, 50% and 75%.
    - Sabadell Private Portfolio (*Cartera Sabadell Privada*): with a percentage of equities of 10%, 25%, 50%, 75% and 90%.

An exclusive investment option for Sabadell Private portfolios (profiles: 50, 70 and 90) and Sabadell Plus portfolios is also now available.

- Charitable products: in order to boost the Sabadell Inversión Ética y Solidaria charitable fund, given the increased interest in this type of

fund, its contribution to charitable initiatives has been increased, while the management fee percentage has been reduced, thereby offering customers more opportunities to increase their returns.

- Workflows have been initiated to enhance the customer experience of the digital channel.

With regard to guaranteed return insurance plans, the high-interest rate environment boosted customer interest in these products.

Specifically, life-contingent annuities saw a significant increase in premiums compared with previous years. In July 2024, a new savings insurance product with regular contributions (Sabadell Savings Insurance) was launched to drive sales of this line of business of regular savings with guaranteed returns.

This activity was also seen in the unit-linked savings insurance product which involves assets linked to structured deposits with a capital guarantee and fixed coupon. Specifically, two multi-asset investment issues with an 18-month maturity were carried out, in which the linked assets are deposits issued by Banco Sabadell.

With regard to the pensions business, as in the case of guaranteed return insurance plans, the rise in interest rates increased demand for Insured Retirement Plans (IRPs), particularly those with a payback period of less than five years. This led to the launch of issues of IRPs with these payback periods, mainly channelled towards transfers from pension schemes or short-term IRPs, due to the higher return offered. However, growth in the pensions business is influenced by the application of a cap on the maximum annual contribution. The marketing of the simplified occupational pension plans for the self-employed began at the end of last year. These plans allow contributions higher than those of individual plans and are promoted by the Professional Union of Self-Employed Workers (Unión Profesional de Trabajadores Autónomos, or UPTA) and the General Council of Economists (Consejo General de Economistas).

It is worth highlighting that specialists continued to be deployed in 2024. As at the end of December 2024, the cumulative contribution to new business of in-branch specialists was 30% and that of branches whose employees included a specialist was 73%.

As for deposits, the focus in 2024 was on maintaining products adapted to customers' needs. To that end, the range of products available at the branches was expanded with new products, and the digital product arrangement channel was opened, aimed mainly at digitally savvy customers.

The main milestones during the year were the following:

- Launch of products available at the branches:
  - Depósito Crecimiento 12 meses, which complemented the current offer at that time (Depósito Crecimiento 18 meses).
  - Depósito Sabadell Bonificado, a 12-month deposit based on an initial interest rate, which may be increased depending on the customer's current holding and/or new arrangement of a series of products/services.
- With regard to online deposits, during 2024 and in accordance with the digital transformation strategy, the offer has been expanded with new terms, consolidating the digital application process as a lever for growth in retail customer deposits thanks to how easy they are to arrange as well as the interest paid. The online process allows the Bank to improve productivity and the customer experience.

Lastly, the offering of structured deposits was maintained over the year.

## Protection insurance

The Group's insurance business is based on a comprehensive offering that meets customers' personal needs and cash requirements. The subscription itself is carried out through insurers in which the Group holds a 50% stake through the agreement between Zurich Group, BanSabadell Vida and BanSabadell Seguros Generales. The first of these insurers, which has the largest business volume, occupies the top spots in insurance firm rankings, based on premiums issued.

The strategy for the insurance business in Retail Banking consists of offering the Bank's customers the best option for protection insurance. To that end, a product offering is proposed, adapted to the needs of each type of customer, to ensure customer satisfaction every time they interact with the Bank. Commercial actions are mainly carried out through the insurance specialist, providing services to the Institution's different customer segments.

In 2024, the business has continued to grow in spite of the complicated and uncertain environment that exists at present. The main products that contribute to the insurance business are life insurance, home insurance and health insurance. Specifically, the strong growth experienced in premiums in the area of health insurance products (19%) was the result of the agreement with the company Sanitas reached at the end of 2020. It is also worth noting Banco Sabadell's promotion of Blink insurance products, specifically, home insurance and vehicle insurance, which are arranged remotely.

In addition, with the aim of offering customers quality solutions, significant improvements have been made to life insurance and home insurance products, with new levels of cover adapted to customers' current needs, such as serious illness, assistance in the event of unlawful occupation or free home repair service.

BanSabadell Seguros Generales sells a funeral insurance product, through an agreement with the company Meridiano, a leading institution in this field.

## Sabadell Consumer Finance

Sabadell Consumer Finance is the Group's company specialising in consumer finance at the point of sale. It carries out its activity through various channels and lines of business via cooperation agreements.

The activity of the automotive business in 2024 has been adapted to the market trend, maintaining a positive monthly performance in terms of new business, as well as strengthening agreements with large groups.

It is also continued to engage in digital transformation – a journey that started in 2023 – to grow with new proposals and more digital services. Instant Credit, a finance facility available directly through the Bank's PoS devices, was launched.

In 2024, Sabadell Consumer Finance executed 220,000 new transactions through more than 12,000 points of sale located throughout Spain, which translated into an inflow of new investments amounting to 1,543 million euros, placing the total outstanding exposures of Sabadell Consumer Finance at 2,743 million euros.



## Business Banking

### Business overview

The Business Banking unit offers financial products and services to legal and natural persons for business purposes, serving all types of companies with a turnover of up to 200 million euros, as well as the institutional sector. The products and services offered to companies are based on short- and long-term funding solutions, solutions to manage cash surpluses, products and services to guarantee the processing of day-to-day payments and collections through any channel and in any geographical area, as well as risk hedging and bancassurance products.

Banco Sabadell has a clearly defined relationship model for each business segment, which is innovative and sets it apart from its peers and which allows it to be very close to its customers, acquiring in-depth knowledge of its customer base whilst at the same time offering a strong level of engagement.

Companies with turnover in excess of 2 million euros are mainly managed by specialised branches. All other companies, which include SMEs, small businesses and self-employed professionals, are managed by standard branches. All of these companies have relationship managers who specialise in their respective segments, as well as access to expert advice from product and/or sector specialists.

This all enables Banco Sabadell to be a yardstick for all companies, as well as a leader in customer experience.

### Management milestones in 2024 and priorities for 2025

In 2024, the Business Banking unit focused its management efforts on strengthening the strategic courses of action established for each segment, in accordance with the Strategic Plan. This approach is reflected in a significant improvement in the profitability and specialisation of the Corporates and SMEs segments, through specialised solutions tailored to customers, and in the framework's enhancement and the risk function's rapid optimisation of the portfolio's credit profile. The branch network's specialisation has helped to evince improvements in the business's cost of risk and Return on Equity (ROE).

Furthermore, the development and enhancement of the sector's commercial offering aimed at small businesses and self-employed professionals constituted another key management milestone during 2024, successfully consolidating the Bank's position as a leading

specialist in the market for this segment. In its mission of maximising the value proposition and offering its customers a wide range of products and services, Banco Sabadell declared that it planned to close a strategic deal with Nexi, a European leader in digital payments. While awaiting receipt of the necessary regulatory authorisations to close this transaction, it is also currently pending news of the outcome of BBVA's tender offer to acquire all of the Bank's share capital.

Following the structural change implemented in the past year, the reorganisation of the Business Banking network has been successfully implemented. This model has made it possible to address customers and their needs more closely, through increased specialisation of managers and an approach focused on the needs of those customers.

In 2025, Business Banking will face a series of key challenges that will set the course for its strategy in the coming years. Efforts will be made to boost the growth of the customer base and the profitability of the various segments, endeavouring to optimise operational efficiency and the range of specialised products and services so as to meet the specific needs of each customer. Particular emphasis will be placed on improving cost of risk, implementing proactive measures to mitigate risks and make the portfolio more robust.

In addition, the Institution's commitment to excellence in customer experience will be a core pillar. Significant initiatives will be undertaken, designed to improve customer interactions and satisfaction across all segments, from corporates to self-employed persons.

Lastly, the Institution aims to consolidate and cement its position as the leading bank for its business customers. This goal will be achieved with high-quality financial solutions, the cornerstones of the approach being innovation, specialisation, and customer centricity and proximity.

The different segments, specialists and commercial products that fall within Business Banking are described here below.

## Segments

### Corporates

At the beginning of 2024 the Business Banking network was reorganised with the aim of strengthening management of these customers through increased specialisation and an approach more directly focused on their needs.

Until recently, the Business Banking network had been formed by 32 branches that provided services to large corporations, managing companies with turnover in excess of 10 million euros. These branches were supplemented by 31 new Team Managers managing around 300 new Business Banking Managers who focus on managing companies with turnover between 2 and 10 million euros. These new teams are not located in a specific branch, but manage companies that already hold an account in one of the branch network's 1000 branches. These teams also include Startup Managers, who are specialists in this customer segment.

Over the year, the skillsets of Business Banking network managers have been enhanced through a training plan providing targeted training, such as, the university-certified Advanced Business Programme, certification in Sustainable Finance, sector specialisation training, or in-house training in the middle market segment and investment banking. This specific training will continue in 2025, adapting to the needs of the branch network and the market.

This increased specialisation in management was accompanied by improved operational customer care and enhanced customer service for companies. This was achieved in 2024 through the Business Operations Centres. This new service model offers businesses a stable and trusted personal relationship with a contact person who is an expert in their field, fast and professional contact through different channels (Preferential

Care Services for Business Banking customers by phone and through the Customer Care Space, which offers a specific BSOline chat service that is also available via WhatsApp), and an immediate response in urgent and time-critical situations.

In an economic environment marked by the geopolitical situation, inflation and interest rate volatility, this comprehensive customer management service has made it possible to support companies by adapting to their circumstances. Banco Sabadell has offered customers with liquidity needs access to both basic financing solutions and complex solutions with 360° value propositions. In addition, it has proactively managed companies with surplus cash.

This increase in business financing has been reinforced by a review of risk acceptance models. The purpose of this review is to be more proactive when offering financing solutions and to respond to requests more quickly. In addition, the new financial model based on binding limits enables the Bank to respond immediately to companies with turnover of between 2 and 10 million euros when they apply to renew or increase their financing, thanks to the support provided by the model and information already available.

For customers that are growing, Banco Sabadell has remained by their side with specialised lending solutions typical of the middle market, acting either alone or in a pool with other credit institutions. In this respect, structured finance transactions have been boosted in the areas of corporate finance, property and commercial real estate finance, LBOs, and project financing for energy and infrastructure. Services in the Investment Banking area have also been expanded, offering advice in transactions involving direct lending, M&A, bonds and commercial paper, among others.

Where sustainability is concerned, Banco Sabadell has participated in the market as a key player in the drive towards a more sustainable economy, providing finance for projects developed for purposes directly or indirectly linked to environmental, social or governance improvements. Thus, in 2024, the Bank increased financing for projects that pursue a purpose aligned with the EU taxonomy and financing linked to sustainability objectives.

2024 was also a key year for reinforcing the commitment to companies. February saw the launch of the Commitment to Companies, which translates the Bank's value proposition for Business Banking customers into a written summary of seven commitments delivered day after day. These commitments address what customers have asked for. Among others, they include professionalism, with a dedicated service team to manage operations and respond to queries expeditiously; support for customers, with a specialised business manager available for customers and always at their side; speed, by responding in less than seven days to financing requests and informing customers if a longer period is required for a decision; and, providing advice, with a team of experts, such as the International team, which is on hand to offer innovative solutions.

All this has been reinforced with a Communication and Media Plan to strengthen positioning and leadership in the Business Banking segment. In addition, the Bank has kept a continuous presence in economic, national and local media and has carried out a regional external events plan, as well as delivering the annual Banco Sabadell Business and Entrepreneur Awards in partnership with different editorial groups. Finally, Banco Sabadell is to participate, as a promoting brand, in the 7th edition of the National Industry Congress organised by the Ministry of Industry and Tourism. At the congress, Banco Sabadell will participate in two round-tables related to business sustainability and internationalisation, and will have its own stand. It will also participate in a round-table for CEOs, together with other brands promoting the event.

Banco Sabadell has been by the side of corporates, managing the full gamut of needs of its customers through sector-specialist managers in



order to help them make the best financial decisions. These managers and companies have also received support from more than 200 specialists. In 2025, the sector-specific approach will be further enhanced, providing knowledge of the sector and of the market to customers, with a greater level of professionalism, adding more value and supporting companies in order to become their main financial partner.

## Business

Banco Sabadell continued to support the daily activities and new projects of self-employed workers, small retailers and businesses, focusing on the development of the customer value proposition and making a concerted effort, as it does every year, to strengthen the Bank's position as a specialist in the minds of customers of this segment, based on the promotion and consolidation of a business methodology whose key component is a differential offering specifically designed for each activity sector.

The aim is to be able to offer each customer the solution that is best suited to them based on understanding the unique factors that shape their day-to-day activities, building a product offer by actively listening to customers and branch managers, professional groups and sector representatives, and ensuring that they really meet the identified needs. At present, the catalogue of specific solutions considers 34 different activity sectors, prioritising those that offer the greatest opportunity in the current economic environment.

In accordance with this sector specialisation framework and in order to apply it to the market in a tangible way, the approach to both existing and potential customers was enhanced during 2024, with the frequent launch of sector campaigns that, on one hand, serve to galvanise the commercial activity of specialist managers and, on the other hand, help to give a much clearer and more powerful message about the Bank's value proposition for this segment, by specifically targeting an audience with common needs and interests. Examples of this in 2024 include the "Management, Consultancy and Business Services" campaign, the "Small Retailers" campaign, or the "Hospitality, Bars and Restaurants" campaign, which have made it possible to make significant year-on-year increases in customer acquisition in these sectors under the concept of customer proximity as a common denominator, supported by expansion of the product range with innovations such as the Smart PoS, a smart payment terminal that can adjust to each user combining multiple applications, reinforced this year by the launch of new devices, including the Smart Dual-Screen PoS or the Smart Mini PoS, which can be mixed and matched, thereby maximising the ability to adapt payment solutions to each business, as well as the innovative "SoftPoS" app, giving the Bank's customers a PoS at their fingertips by installing the app on their mobile phone.

In addition, during 2024, relationship managers specialised in assisting self-employed workers, small retailers and businesses were once again the most numerous and representative management figure of the entire branch network, thus demonstrating the Bank's clear vocation for and commitment to a customer segment that attaches great value to proximity and personalised assistance by an expert manager. New features were added to the management support system available to these relationship managers, designed to help them better understand the key aspects of each sector, thus providing the best response to the specific needs of each one, including a university-accredited expert training programme on how to advise businesses and self-employed professionals.

In parallel and in line with the development and consolidation of new financial service consumption habits, Banco Sabadell continued to drive the digitalisation of customers during the year, both to respond to their

needs for self-service transactions and to enable new products and services to be arranged and managed remotely. On this topic, it is worth mentioning the significance of the launch in the first quarter of a digital channel to attract and engage self-employed customers, allowing the Bank not only to significantly increase its sources of customer acquisition but also to fill a gap in the market with a 100% online process, becoming a pioneer in the sector, and with the support of a new specific online account for this segment, offering the best conditions in the market.

In 2025, the main challenges in relation to this segment are strengthening the specialisation of both the offering and managers, consolidating a digital model for the management and engagement of self-employed customers that can guarantee the best customer experience by combining it with the capillarity of the Bank's branch network, and to continue to drive forward the sophistication of the value proposition in collections and payments as a key product for this segment.

## SabadellUrquijo Banca Privada

Following the launch of a new Private Banking model in 2023, a key development in 2024 was the consolidation of that model. Banco Sabadell has set itself the objective of continuing to grow steadily in Private Banking and, to that end, it has undertaken an in-depth review of the value proposition, encompassing all products and services, making significant investments in technology, products, training and events, among other things.

The main growth vector has been the acquisition of new clients. With regard to the review of the value proposition, special attention has been paid to differentiated Private Banking products, such as alternative investments and discretionary portfolio management. In discretionary portfolio management, the launch of the *Carteras Sabadell* portfolios in April is particularly noteworthy, aimed at tailoring the service to customers' needs and upgrading its delivery relative to the Banco Sabadell Gran Selección funds, with one offer for the mass market, another for the Affluent segment and yet another specifically for Private Banking. Each one has different risk profiles and can be easily tailored to different customers, with the option of introducing a thematic bias in the portfolio and a selection of payment formulas to choose from. Improvements have also been made to the customer experience during the portfolio arrangement process and the option of setting up regular contributions has been introduced. Additionally, a new reporting regime has been launched and the process to contract the service and monitor portfolios using the internet or mobile app has been reviewed.

On the other hand, the Bank has continued to develop the advisory tool for bankers. This tool will allow us to improve the advisory services provided to customers and will also simplify the work of bankers so that they can devote more of their time to their clients.

With regard to the investment funds on offer, there are Sabadell Asset Management funds, with exclusive products for Banco Sabadell customers, and also Amundi Group funds, in addition to an extensive range of third-party funds. In 2024, the interest rate environment presented opportunities across the entire fixed income spectrum, from money market funds to target return funds. Because of this, the range of target return funds was expanded, offering different levels of risk. Additionally, a new range of 12-month guaranteed funds with daily availability of liquidity has been rolled out, which represents a novelty in the Spanish mutual fund market.

In terms of the transactional offer, products such as accounts and cards exclusively for Private Banking clients have been maintained, combined with the best services on offer in the Bank's product range. And with regard to financing products, Private Banking clients have continued

to have access to special prices, thus ensuring that these transactions remain competitive for those clients, where financing transactions are a differentiating element and help to capture new funds from those clients. In addition, the specific risk management workflows created in 2023 for staff specialised in Private Banking have been operating efficiently and with excellent transaction approval times.

Since the beginning of 2024, Urquijo Gestión, the Collective Investment Undertaking management company that offers a differentiated service to Private Banking clients, has implemented a new structure that has successfully achieved two objectives: it ensures consistency in the investment process, as investors have focused on market analysis and selection of the best investment opportunities; and, it has created a direct line of communication with each Private Banking territory. Portfolio managers in charge of client relationships have been placed on site in each territory to support the acquisition of new portfolios and to take part in periodic meetings.

These changes have enabled the attainment of some ambitious targets for asset growth and number of mandates for 2024 in the tailored discretionary portfolio management service, with the aim of increasing the prevalence of this service.

In terms of portfolio returns, the results across all risk profiles have been excellent, in both absolute and relative terms, that is, in comparison with the benchmark indices, thanks to the structural overweighting in equities and, specifically, the US stock market which has been supported by higher growth and productivity, and a careful selection of investments in both funds and securities.

Being close to clients is key for SabadellUrquijo Banca Privada. To achieve this, in 2024, more than 150 events and meetings were arranged, both in-person and online. These events addressed financial topics, through face-to-face chats and breakfast meetings where the outlook for financial markets was discussed, as well as other more leisurely events related to art, culture or sports. Many of these events took place in collaboration with Amundi and the Banco Sabadell Foundation. The Prado Museum of Madrid, the Guggenheim Museum of Bilbao and the Maestranza Theatre of Seville were some of the spaces booked for these events, which were highly rated by those taking part.

The improved value proposition has been reflected in customer satisfaction metrics that show that the level of clients' satisfaction with their asset manager has risen to 8.95 and the NPS has improved by 9 points.

This transformation was recognised by the Global Private Banker which awarded SabadellUrquijo Banca Privada the accolade of best Private Banking firm in Spain.

The Private Banking unit proved to be a driver for Banco Sabadell's growth, helping to position it as a leading institution in Spain when it comes to Private Banking.

## Institutional Business

The goal of the Institutional Business division is to develop and enhance business with public and private institutions, positioning Banco Sabadell as a leading institution in this line of business.

Managing this line of business requires the specialisation of products and services in order to offer a comprehensive value proposition to public authorities, financial institutions, insurance firms and mutual insurance companies, as well as religious and third-sector organisations.

2024 was a very busy year for all institutional businesses. The high level of lending activity to government agencies and the management of customer funds in an environment of falling interest rates were particularly noteworthy. The financial sector has been very active and competitive in terms of funds acquisition, across all institutional

businesses. To respond to this new panorama in which the spotlight was on business profitability, Banco Sabadell strengthened its position in these segments, with increased commercial activity, greater proximity and a wider range of solutions, all of which resulted in an increase in customer acquisition, business volume and in the margin generated with its offering of products with more added value for customers and for the Institution.

## **Public institutions**

Public institutions' economic activity in 2024 was marked by the growth of borrowing activity (due in large part to the needs of the autonomous communities), local authority and public entity investment plans, and by the cash surpluses held by the various government agencies.

The result was an increase in assets, as a result of greater lending activity, and a reduction in liabilities, due to high levels of competition for customer funds in the market.

## **Financial institutions and insurers**

With regard to investments, 2024 saw an increased appetite for investments of longer duration, in view of the expectations of interest rate cuts in an environment of contained inflation. Investors continued to prioritise investments in bonds over alternative investments. Interest in deposits increased, with a clear preference for longer terms, in excess of 12 months. In fixed income, investors shifted away from government bonds to corporate bonds, in both the European core and peripheral markets and in emerging markets.

The Financial Institutions and Insurers division has carried out strategic account management in this segment, adapting the new lower rate of account remuneration on a discretionary basis and according to customer interconnectedness, above all in terms of transactionality. This interconnectedness has facilitated the marketing of value added products for these institutions. Various portfolio management mandates have been obtained as a result. In 2024, both the Crisae senior debt fund and the Aurica IV private equity fund (marketed by Banco Sabadell) took positions in some interesting operations. Lastly, infrastructure operations brought to market in relation to renewables and real estate with customers in this segment are worthy of note.

## **Religious institutions and the third sector**

The Religious Institutions and Third Sector division offers customers a range of products and services adapted to the unique characteristics of these groups. They cover everything from transactions to specialist advice on financial assets.

Uptake of the DONE system for collecting charity donations, which works with contactless technology, continued to grow throughout the territory, helping non-profit organisations to raise funds for their projects.

The Religious Institutions and Third Sector division coordinated the delivery of financial aid for the charitable causes supported by the Sabadell Inversión Ética y Solidaria, FI fund, managed by Sabadell Asset Management, and it also managed the payments made together with beneficiary offices and entities. This year, support was provided to 23 charity projects selected by the Ethics Committee in 2023. A total of 234,703 euros was delivered to those projects. Furthermore, in 2024, the Ethics Committee selected a total of 24 humanitarian projects primarily focused on addressing risks of social and labour exclusion, improving the living conditions of people with disabilities and meeting their basic needs in terms of food, healthcare and education. Sabadell Asset Management will distribute this aid to these projects in 2025.



## Segment specialists

### Franchising

Banco Sabadell was the first financial institution in Spain to adopt the franchise system. For 28 years, its Franchising division has supported both franchising brands and their franchisers, consolidating itself as a leader and standard-bearer in the sector. This sector, which is becoming increasingly professionalised, has seen constant growth in revenue, job creation and number of brands.

Banco Sabadell currently has more than 11,000 franchising customers, working with more than 1,300 franchised brands, most of which have signed collaboration agreements. The Bank offers a wide range of products and services specifically designed for this sector. These collaboration agreements include preferential terms and conditions in terms of financing, transactionality and security, managed through the branch network with the support of sector-specialised franchise managers.

The Franchising division has been transformed into a partnership model that is key to business generation and customer satisfaction, in order to achieve synergies, energise the commercial offer and increase business generation. This has entailed a radical change to boost collaborative work with other cross-cutting divisions of the Bank, identifying new business opportunities and creating global value propositions for the customer.

Banco Sabadell works closely with the Spanish Franchisors' Association (Asociación Española de la Franquicia, or AEF) and was the first bank to secure a partnership with this association and together they drive this business model.

In 2024, the Sabadell Franchising division took part in several important initiatives organised for the franchising sector:

- Presence at different editions of the 'Franquishop' event, held at various locations.
- Participation in the 1st edition of the Franchise Innovation Summit (FIS).
- Sponsorship of the National Franchise Awards in Spain.
- Promotion of research, such as that carried out by the Franchise Case Law Observatory (Observatorio de la Jurisprudencia de la Franquicia).

In addition, Sabadell Franchising has published articles in the press and in specialist magazines, collaborating with different franchising experts, and has carried out numerous activities disseminated through social networks. These initiatives reinforce Banco Sabadell's renown and leadership in the franchising arena.

### Agriculture segment

In 2024, Banco Sabadell's Agriculture Segment, which includes the agriculture, livestock, fishing and forestry production subsectors and has more than 300 specialised branches, increased its customer base, as well as the portfolio of specific financial products and services with features tailored to the demands of customers in the sector.

Banco Sabadell's firm commitment to this sector, in particular through its personalised customer support, led to a significant increase in business compared to 2023, with customers continuing to put their trust in the Bank, and this has been reflected in an increase in the customer base compared to the previous year.

During 2024, Banco Sabadell's Agriculture Segment participated in three agrifood fairs and sponsored 51 events throughout the nation.

Banco Sabadell's Agriculture Segment has the clear objective of accompanying customers in this sector in their digitalisation and sustainability activities, taking advantage of the efficient lever that will be generated by the Next Generation EU funds.

## Hotel and tourism business

Back in 2013, Banco Sabadell became the first Spanish financial institution to specialise in the tourism business in order to understand, identify and adapt to the needs of Spain's top sector in terms of contribution to GDP, namely the tourism industry. The Bank has consolidated itself as one of the top banks, a leader in the sector, offering expert advice with the highest standards of quality.

The value proposition is primarily based on offering specialised financial solutions to a group that is highly fragmented and not very homogeneous. This value proposition is built on three basic pillars: expert advice, a specialised product catalogue and a rapid response.

2024 was an exceptional year for the tourism industry in Spain, with more than 88.5 million international tourists. The upshot of this has been an increase in average daily spending, number of overnight stays and occupancy rates. Banco Sabadell's Tourism Business division achieved its highest ever level of financing with more than 1 billion euros provided, and it will continue to support both new projects and the upgrading and repositioning of existing hotel sector stock.

The Tourism Business division also has the institutional recognition and participation of leading entities in the industry, as a voting member on the board of Spain's Tourism Council (Consejo Español de Turismo, or Conestur), the Tourism Commission of the Spanish Confederation of Business Organisations (Confederación Española de Organizaciones Empresariales, or CEOE) and the Tourism Commission of the Spanish Chamber of Commerce.

As it does every year, Banco Sabadell was present at the main international tourism fair (FITUR) with its own stand. More than 70 Banco Sabadell employees took part in running the stand, which received its highest ever number of visitors. These visitors hailed from companies in the hotel sector, travel agencies, hospitality sector suppliers and consulting companies.

Sustainability has been established as a core pillar of the development and transformation of the tourism industry. The Bank incentivises the tourism industry and companies operating in it to attain sustainability objectives by asking them to agree to certain commitments based on metrics linked to ESG targets by means of a document annexed to financing contracts.

## Sabadell Professional

Banco Sabadell has established itself as a leader in the management of agreements with professional and business associations and bodies at the national level. Its differentiation stems from the close relationship it has with these organisations, based on the support and commitment of Sabadell Professional managers. The core mission is to cater to the needs of professional bodies and associations and their members, through a range of specific and differentiated financial products and services.

In 2024, Banco Sabadell signed more than 400 agreements with professional associations and bodies throughout Spain, a reflection of its commitment to cooperation. It also participated in more than 700 events, forums and workshops, organised jointly with those associations and bodies. This participation not only strengthens its relationships with professional bodies and associations but also facilitates the acquisition of



new customers through the branch network and through managers, with an offer that is adapted and relevant to professional customers.

Banco Sabadell maintains strategic positioning in the homeowners' associations and licensed property management segments, which are highly profitable and important sectors for the Bank. These customers benefit from a value proposition focused on improving their day-to-day operations and offering an optimised management experience, for both customers and branch managers. Additionally, financing for property refurbishment has increased significantly, supported by the Next Generation EU funds, which has further strengthened the commitment to the sector.

The Sabadell Professional segment enjoys market recognition, particularly among professional associations, consolidating the Bank's reputation as the "professionals' bank". Over the years, it has received various awards and accolades that are testament to its commitment to the sector, reinforcing its vocation to provide services for companies and professionals. The Bank's strategic decision to focus on this segment is consistent with its mission to support Spain's economic and social development.

This commitment drives Sabadell Professional to maintain strong, close and lasting relationships with professional bodies, which are considered to be essential agents in the economic and social development of the country. This focus continues to steer the management of Sabadell Professional, establishing it as the preferred partner of professional bodies and their members throughout Spain.

## Real estate business

The Real Estate division focuses on comprehensively developing the residential real estate development business through a specialised and highly-consolidated management model.

2023 was a year marked by product shortages, affecting the level of real estate developer sales and, therefore, the volume of completed deals. By contrast, the initial forecasts were surpassed in 2024 and expectations for 2025 are promising.

The Investment Property division focuses its efforts on generating new business and consolidating the completion of residential properties so as to minimise any potential negative impact, as well as monitoring sales in progress.

The main strategy is to maintain the Bank's leading position in the sector, a position that exceeds its expected share of business in the segment, and to consolidate its market share, prioritising the best business opportunities by pinpointing the most notable projects and most solid customers, minimising risk and maximising profit for Banco Sabadell.

## BStartup

Banco Sabadell's BStartup, a pioneer in the Spanish banking industry, is a company offering financial services for startups and scaleups. A unique project launched 11 years ago, it offers a 360° service of specialised banking and equity investment and plays a very active role in the country's innovative entrepreneurial ecosystem.

Specialising in banking has been BStartup's mainstay from the outset. Its customers have a strong level of engagement, they are very international and their activities are often complex; they come from all segments and all sectors and they have differentiated business models, development pathways and financing needs. At present, the specialisation is essentially based on a team of managers dedicated exclusively to startups and scaleups in the Territorial Divisions with the highest concentration of this type of company, with its own risk

management workflow and a team of four specialists that drive the business throughout Spain.

It ended the year with the launch of the BStartup Hub Madrid, the first Banco Sabadell branch dedicated exclusively to startups and scaleups and their investors. A space of more than 600 square metres for entrepreneurs and technology, accommodating a team of 12 professionals who offer a 360° financial service and who are 100% specialised in startups at all stages. A new open multi-purpose space for Madrid's entrepreneurial ecosystem which seeks to be a meeting place for the startup community with its auditorium, meeting rooms and customer hotdesk.

In terms of equity investment activity, BStartup is aimed mainly at seed-stage tech-related companies with strong growth potential and with scalable and innovative business models. BStartup invests in all types of sectors, above all in digital companies, and focuses on two specific verticals: BStartup Green for startups which, through technology or digitalisation, are able to facilitate the transition to a more sustainable world, and BStartup Health, already a firm leader in investments in healthcare industry startups in the early stages of bringing science to market in Spain (7th call, 105 companies analysed). This year, it has invested in 7 startups, meaning that the BStartup10 portfolio of investees now totals 71 and is already yielding significant returns and a very positive valuation. During the year, three startup holdings were sold outright.

Over the year, BStartup's team organised or actively participated in 106 entrepreneurship events in 17 Spanish cities. This, together with all the activity mentioned above, continues to reinforce Banco Sabadell's reputation and positioning as a leading bank for scaleups and startups. As a reference indicator, BStartup has had 1,697 mentions in the media (print press and online), has amassed 13,710 followers on X, and BStartup has been one of the trending topics about the Bank on social media every month, always with a positive sentiment.

## Sabadell Partners

The activity of Sabadell Partners as a customer acquisition lever, through partnership agreements with referral agents, is focused on providing services to the commercial banking branch network, the business banking network and the private banking arm, offering value propositions to facilitate access to Banco Sabadell's range of financial solutions, seeking customer satisfaction and referral agent satisfaction, at all times, as well as service excellence.

The sustained growth over time of the Sabadell Partners division means that it played an essential part in the mortgage results generated in 2024, reaching 42.1% of the Bank's total mortgage origination. Sabadell Partners' top branches deserve special mention, due to the significance of their contribution to new transactions, stemming from their expert advisory services and their specialisation in managing relationships with key mortgage partners.

## Commercial products

### Business services

#### Payment services

2024 was a year of innovation in payment services. In the month of May, the Smart Mini PoS terminal and the Smart Dual-Screen PoS terminal were added to the product catalogue, thereby creating a range of smart PoS terminals that can not only manage payments but also offer add-on loyalty, order management and tax free apps, among others. Another new feature is the inclusion of Instant Credit in the Smart PoS, an application developed by Sabadell Consumer Finance which allows retailers to offer all their customers, even those who are not Banco Sabadell customers, instant credit on purchases. In October, the PoS service was incorporated into mobile phones; just using a single application, an Android phone with NFC can be converted into a PoS terminal, thereby bringing access to PoS terminals to many more customers.

The volume managed continues to grow, driven by this increase in terminals and by the boost in national consumption and international tourism, which continues to grow at double digits.

In January 2024, the PoS business was spun off to the subsidiary Paycomet, which is specialised in payment services, as a step prior to the sale of that subsidiary to Nexi under the strategic alliance agreed between Nexi and the Bank with the aim of promoting innovation in a product that is key to its customer relations. This transaction is expected to close in 2025, once the outcome of BBVA's tender offer to acquire all shares issued by the Bank is known, as indicated above in this consolidated Directors' Report.

#### Corporate credit cards

Turnover in credit card purchases and the margin on corporate credit cards continue to grow, posting a cumulative year-on-year change of 9.1% y 3.1%, respectively. As the use of cards becomes more widespread among its business customers, Banco Sabadell continues to work to offer a value proposition that is competitive in the market and that meets its customers' needs.

#### Company insurance

To maintain its position as a leading provider of risk insurance for companies, in 2024 Banco Sabadell worked to provide a comprehensive and competitive product range with high-quality service. It developed its value proposition for self-employed customers and small businesses, enhancing its specialisation in each sector and adjusting the offering to the specific needs of each industry. In particular, the specialised product offering for companies in the agricultural sector was expanded, adding new multi-risk insurance and livestock protection products. It also worked to make its multi-risk protection products for small retailers and businesses more competitive. The team of specialist managers in Company Insurance, located throughout Spain, has continued to be consolidated during the year and was also strengthened with product and support training for the existing insurance policies service.

During the year, the focus was placed on personal protection products, with life insurance and health insurance products aimed at management staff and employees of the Bank's business customers, offered in the form of both fringe benefits and flexible benefit plans. Equity protection products (multi-risk, civil liability and specialised products)

continue to be the core products for Banco Sabadell customers, essential to protect their assets and liabilities vis-à-vis third parties.

## Retirement planning

Through the Retirement Planning unit, Banco Sabadell Group offers solutions and responses to customers to help them better implement, manage and develop their retirement planning systems through pension plans and group insurance policies.

In 2024, the demand for retirement planning systems in companies continued to grow, particularly demand for collective retirement insurance and joint pension plans among small and medium-sized enterprises. Part of the business comes from tender processes and bids through consultants, with an increase seen in demand and business generated through this channel.

Both in collective retirement insurance and in pension plans, it is worth noting, as an innovative and unique solution in the market, the life cycle-based investment policies that complement its profiled investment funds.

It is also worth calling attention to the Sabadell Flex Empresa product, available across the branch network. This product consists of a fully digital platform for flexible benefit plans that allows companies to optimise their remuneration model, at very competitive prices. It is a solution that enables managers and employees to maximise their savings and increase their net disposable income by optimising its taxation.

## Business finance

In terms of short-term financing, credit facilities have evolved positively since January 2024.

With regard to other working capital financing products, in 2024 the growth of reverse factoring was noteworthy, with market share increasing in a declining segment. In particular, the signature of sustainable reverse factoring transactions was noteworthy. The needs of companies to finance their day-to-day payments and collections has led to greater use of specialist financing solutions, such as factoring and, above all, reverse factoring, which is becoming increasingly important among the different facilities used by companies. By sector, the manufacturing industry has, by far, the greatest weight in the factoring business line.

With regard to the medium and long term, new loan origination grew significantly in 2024 compared to 2023, being particularly relevant in miscellaneous loans and, specifically, in the Corporates segment and the public sector.

In terms of financing for purposes aligned with the Bank's Sustainable Financing Framework, as at year-end 2024, the Bank had mobilised 4.5 billion euros for projects related to renewable energies, energy efficiency, sustainable transportation and water & waste management in the year, surpassing the 2.4 billion euros mobilised in 2023 for the same purposes.

As part of its commitment to support businesses in their transition towards decarbonisation, Banco Sabadell also offers financing linked to the Company's sustainable development goals, which encourages the inclusion of sustainable goals in their business strategy. As at the end of 2024, more than 3 billion euros of financing of this kind had been mobilised.

Banco Sabadell works hard to ensure that customers take full advantage of European funds, through the dissemination of information at Sabadell Companies Hub sessions, or using tools such as the public aid advisory search service or agreements to facilitate guarantees and complementary financing for PERTEs (strategic projects for economic

recovery and transformation), for example in the shipbuilding industry, providing funding for innovation and sustainability projects.

## **Leasing and rental of capital goods**

Demand for leasing products in 2024 has increased considerably compared to the previous year, with a substantial increase in the Bank's market share (according to data published by the Spanish Association of Leasing and Renting, or AELR by its Spanish acronym), prompted by greater demand for business financing, by the signing of one-off high-value transactions and by the improved offer in specialised segments and in sustainability. The number of contracts has also increased since the previous year, albeit not as significantly as transaction volume.

In terms of rental of capital goods, these transactions have decreased both at the sector level and from the Bank's side, the drop being particularly significant in capital goods related to IT and tourism.

As regards sustainability, a high percentage of the investment arranged through the leasing and rental of capital goods qualified as sustainable lending.

## **Vehicle leasing**

Having brought stock levels back to normal over the year, efforts have been channelled into offering a tailored product for customers of the Bank that operate large fleets.

This offer is accompanied by advice from specialist vehicle leasing managers throughout Spain, to offer the best solution for those companies, including sustainable alternatives.

Growth has been observed in the self-employed and individual retail customer segments as a result of the uncertainty generated by the transition towards much more sustainable mobility models.

## **Official agreements and guarantees**

The Official Agreements and Guarantees division continues to manage agreements with various public bodies with which the Bank maintains a relationship. The Bank has signed new partnership agreements that enable it to meet the financing needs of its customers.

These agreements include both national bodies (ICO, mutual guarantee societies and/or autonomous community entities) and supranational institutions, such as the European Investment Bank (EIB) and the European Investment Fund (EIF).

The Bank opted in once again this year to the ICO's second-floor facilities and to the new home rehabilitation facility currently being developed for homeowners' associations, offered to the market since January 2024.

In September 2024, Banco Sabadell signed up to offer the new ICO MRR (Mechanisms for Recovery and Resilience) credit lines for Companies and Entrepreneurs and the ICO MRR Green line. Thereafter, in December, it signed up to offer the ICO MRR Social Housing Rental credit line.

Banco Sabadell was the first institution to sign credit operations using the ICO MRR credit line, for a total of 60 million euros as at 2024 year-end, implemented through 180 loan operations, and it collaborated actively with the ICO to develop the procedures for this line and the MRR Banking platform.

In November, the Bank signed up to offer the ICO DANA line, to provide solutions for customers affected by the flash floods in Valencia. This credit line was developed with the aim of making all methods of banking available to the branch network, providing direct support to the

network in order to help customers in this particularly vulnerable and sensitive situation.

The Bank's agreements with Mutual Guarantee Societies (MGSs) operating in Spain were also revised.

In 2024, a very large number of applications for the various EIB facilities made available to customers was submitted. In September 2024, a new special agreement was signed with the EIB and the EIF to offer 550 million euros of new finance to SMEs and ecological projects in Spain.

The aim for 2025 is to stand out in terms of the Bank's market share of ICO facilities through the ICO MRR lines, which enable it to offer customers products with the best terms and conditions to fund their projects.

## International

In 2024, the International Business division's activities concentrated on three major areas.

Firstly, capturing working capital transactions in the international segment, both in terms of the products most typically required by companies, such as import/export financing and international factoring, and in terms of the consolidation of working capital facilities and international guarantees covered by CESCE, which are more complex but offer more added value for businesses. This has allowed us to meet the most stringent needs of customers and to play an active part in the international collections and payments that are linked to the financing.

Secondly, improving the customer experience in digital business services with the redesign of international transfers carried out via BSOOnline, which has led to a much more intuitive interface for businesses and allows the real-time download of swift supporting documentation for customers, enabling us to improve service quality and optimise delivery times both for the businesses and managers involved. The customer experience has improved rapidly as a result.

Thirdly, mindful of the importance of specialisation and of continuous international geopolitical changes, the Bank has focused on company training with the 7th edition of the Sabadell International Business Program, which was a resounding success, as it has been every year since its inception, in which companies were taught, in a hands-on fashion, how to create an internationalisation plan. The Bank also focused on training its International Business managers who have completed the ESIC PEXNI (*Programa Experto en Negocios Internacionales*) programme, which gives them access to a unique qualification in Spain as specialists in international business, producing a very high level of expertise in the relationship between our specialists and the companies they work with.

In terms of international business in documentary transactions, the Bank continues to have a very high market share in this field, but this year it has also increased its volume of import letters of credit, demonstrating the high level of quality offered by the Institution in more complex transactions.

At the market level, it should be noted that the Bank has demonstrated that it can adapt to more complex markets, such as Algeria, which used to be a closed market for Spanish companies but which has partially opened up to certain sectors where the Bank responded quickly to win back value added transactions with customers interested in this market.

In addition, the Bank has played an active part in a new initiative of the Spanish Chamber of Commerce to develop mentoring in foreign markets, aimed at a number of Spanish companies associated with that Chamber of Commerce. The Bank developed support plans for a wide range of markets, including China, Morocco, Turkey, United Arab

Emirates and Europe. The initiative was very well received by the companies involved and the work carried out in partnership was of a very high quality.

In terms of visibility, reporting and training for companies, the Bank has pursued the dynamic of initiatives carried out by the International Business division at the Companies Hub sessions held on Wednesdays, with discussion of matters including logistics, foreign markets and foreign trade products; these events continue to generate a very high level of interest. 14 events were held with more than 4,000 participating companies.





# Corporate & Investment Banking

## Business overview

Corporate & Investment Banking is the business unit that offers financial solutions and advisory services to corporates and financial institutions, both in Spain and internationally, with a presence in 12 countries.

It is one of the Bank's three core units, alongside Retail Banking and Business Banking. It is a division structured around the different needs of customers and the capabilities of each of these three distinct banking business lines to best meet those needs.

It structures its activity around two pillars, the first of which is the customer. It aims to serve its customers who are natural persons to meet the full range of their financial needs. This pillar is determined by the nature of those customers and includes large corporations classed under the Corporate Banking umbrella, financial institutions, Private Banking customers in the United States and, secondly, the specialised businesses, which group together the venture capital business run through BSCapital, and the activities of Structured Finance, Treasury, Investment Banking, and Trading, Custody and Research. Its goal is to advise, design and execute custom operations that anticipate the specific financial needs of its customers, be they companies or individuals, with its scope of activity ranging from large corporations to smaller companies and customers, insofar as its solutions are the best way to meet their increasingly complex financial needs.

## Management milestones in 2024 and priorities for 2025

Corporate & Investment Banking remains focused on prioritising the creation of value for its customers, thus contributing to their growth and future earnings. To do this, it has continued to innovate and promote its specialist capabilities, fundamentally in the areas of investment banking and structured finance, which are able to continue meeting 100% of their customers' financial needs. The Bank's teams are constantly improving and expanding their international reach, always focusing on those markets in which its customers invest or have commercial interests.

The key areas in which it works to create value for its customers are the following:

- Knowledge: the Corporate Banking teams, located in the different countries in which the Bank operates, have not only specialisation in the large corporations segment but also knowledge and penetration differentiated by activity sectors in order to better understand and serve customers according to their own and their sector's singular characteristics.
- Coordination: unique and specialised solutions are required to meet the needs of large corporations, and these can be provided as a result of the participation and collaboration of several areas within the Bank (specialist teams and even teams operating in different geographies). Coordination between all these teams is crucial for providing and bringing value to customers.
- Specialisation: there are units that develop custom products for large corporations and financial institutions (Corporate Finance, Project Finance, Project Bonds, Syndication, Commercial Paper Programmes, Debt Issuance, M&A, Asset Finance, Derivatives, Risk Hedging, etc.). The units responsible for developing this entire range of products do so for the entire Banco Sabadell Group, extending their capabilities to the Corporate and Institutional Banking segment.
- Innovation: transitioning from idea to action is vital to grow in such a dynamic and demanding market as that of specialised lending and large corporations. The necessary spaces and mechanisms are

created to allow teams to dedicate part of their time to innovation, understood in its broadest sense: innovation in products, in operations and also in the way of collaborating and interacting with others.

- Sustainability: customers are offered support and advice to move towards a more sustainable economy, generating solutions through specialised products and services.

As regards the measurement of the key figures regarding the performance of Corporate & Investment Banking, the focus is placed on monitoring the income statement (monitoring net profit in general and the main revenue items in particular), return on capital (ROTE and RAROC metrics), strict risk tracking and monitoring, as well as proactive action when faced with early signs of potential impairment.

Lastly, the priorities for 2025 are set out in detail in the following sections of this report.

## Customer pillar

### Corporate Banking Europe

Corporate Banking Europe is the customer unit, within Corporate & Investment Banking, responsible for managing the business segment that caters to large corporations which, given their size, uniqueness and complexity, require a tailored service, complementing the range of the more traditional financial products and transaction banking products with services provided by specialised units, thereby offering an end-to-end solution to their needs. The business model is based on a close and strategic relationship with customers, providing them with end-to-end solutions adapted to their needs and requirements, taking into account the specific aspects of their economic activity sector and the markets in which they operate.

This unit covers various branches, notably including the London, Paris, Casablanca and Lisbon foreign branches, which support and cater for the international activity of domestic customers and where the international Corporate Banking business is carried out.

2024 was characterised by active customer support focused on seeking optimal solutions to restore stability to their financial profiles, adapting those solutions to their needs, in an environment of slowing inflation and gradual stabilisation of interest rates, above all in the second half of the year.

As a consequence of this active support, volumes of lending in Corporate Banking Spain have increased by 18.23% compared to the previous year. Similarly, at the international level, at year-end lending had increased by 16.31% in comparison to the previous year.

As for profitability, Corporate Banking Europe had a ROTE of 18.04% as at the end of December 2024 (an increase of 306 basis points compared to December 2023).

2025 presents a number of opportunities, among them the progressive lowering of interest rates in the Eurozone, which has already happened during 2024 as a result of the gradual containment of inflation, which directly affects consumption and production. Corporate Banking is tackling these challenges by supporting its customers at both the national and international levels, with a product offering that covers 100% of their financing requirements, both in the short and long term, to deal with this new macroeconomic situation.

The contribution of value to customers in the large corporations segment and the improved profitability for shareholders are the two fundamental management pillars of this unit, which next year will continue to focus on optimising capital consumption, with the aim of increasing the return on capital employed.

## Corporate Banking and Private Banking USA

2024 marked Banco Sabadell's thirty-first year operating in the United States through its international full service branch in Miami and through Sabadell Securities USA, which was set up in 2008 and has been operational ever since. These units manage the financial business activities of corporate banking and international private banking in the United States and Latin America.

The Banco Sabadell Miami Branch is the largest international branch in Florida. It is one of the few financial institutions in the area with the experience and capability to provide all types of banking and financial services, from the most complex and specialised services for large corporations to international private banking products, including the products and services required by professionals and businesses of all sizes.

To supplement its structure in Miami, the Bank has representative offices in New York and in the Dominican Republic.

Sabadell Securities USA, for its part, is a stockbroker and investment advisor in the securities market that complements and strengthens the business strategy aimed at private banking customers residing in the United States, meeting their needs by providing advice on investments in capital markets.

2024 unfolded in an environment of uncertainty in the US macroeconomic context, with a clear focus on the evolution of inflation and levels of unemployment, which prompted the Federal Reserve to start bringing down the official base rate. Ultimately, US interest rate cuts did not begin until the final quarter of the year.

With an asset balance that had already captured the interest rate rises from the previous year, the branch has seen its net interest income fall over the year, despite highly disciplined price control on deposits. Following on from 2023, the high level of interest paid in the banking market and the competitive rates of US treasury bills triggered a migration of balances from non-interest-bearing deposits to money market accounts, term deposits and to investments in securities that offered higher yields. This process resulted in an increasing average cost of deposits.

In addition, although the composition of customers' investment portfolios was focused on investments more heavily weighted in funds with exposure to US treasury bonds, causing a slight reduction in the average fees received on these portfolios, the international Private Banking business continued to grow its fee income through other types of fees and commissions: structured products, transaction fees and advisory services for customers.

The process of operational improvements continued during 2024, with completion of the second stage of the project to update the IT platform in order to improve the features available to customers and to the business and support units.

With regard to the key financial figures, in an environment of considerable uncertainty over the projected performance of the US economy, the volume of business increased by 10%.

The private banking business was a mixed bag, with a slight reduction in deposits and a 10% increase in portfolios of investments in securities.

As a consequence of higher interest rates, the corporate banking business was impacted by the increased volume of loan prepayments. Despite the above, this business unit increased lending by approximately 20%, meeting the targets set out in the Growth Plan to grow in target segments with appropriate profitability, which has also helped to generate fees and commissions at levels similar to the previous year.

In any event, net interest income in the year grew by 1% compared to the previous year, on the back of the growth in business volume and good liabilities management. As for the net fees and commissions generated, these have increased by around 8% compared with the previous year. All

of this benefited gross margin which, combined with a contained reduction of administrative and amortisation/depreciation expenses, had a positive impact on net profit, which grew 7% compared to the previous year.

## Specialised businesses

### Structured finance

The Structured Finance division encompasses the Structured Finance and Global Financial Institutions units. This division operates globally and has teams in Spain, the United States, the United Kingdom, Mexico and France.

Structured Finance's activity focuses on the study, design and origination of corporate finance products and transactions, leveraged buyouts (LBOs), project & asset finance, global trade finance and commercial real estate, with the capacity to underwrite and syndicate transactions at the national and international levels, as well as being active in the primary and secondary syndicated loan markets.

The Global Financial Institutions unit manages the commercial and operational relationship with the international banks with which Banco Sabadell has collaboration and correspondent agreements (some 3,000 correspondent banks around the world), thus guaranteeing maximum coverage for Banco Sabadell Group customers in their international transactions. This allows it to ensure it provides customers with optimal support in their internationalisation processes, in coordination with the Group's international network of branches, subsidiaries and investees.

In 2024, thanks to its policy of supporting customers and adapting to their needs so as to seek the best way to meet their credit requirements within the possibilities offered by the credit markets in the specific macroeconomic environment, Banco Sabadell has improved its leadership position in Spain, as well as in Mexico and the United States, and is now reviewing its positioning in UK, France and Portugal, with the aim of increasing activity in these geographies and becoming more active in European one-off transactions.

The Bank's top priority continues to be supporting customers by designing long-term financing structures for new projects, acquisitions and internationalisation, among other things, as well as syndicated transactions that ensure stable and complete debt that can be restructured, where appropriate, assessing the positive potential of possible solutions combined with investment banking, Treasury or BSCapital products, to which end the development of a better commercial system, carried out jointly with Business Banking and Corporate Banking, is essential.

### BSCapital

BSCapital carries out the Group's venture capital and private equity activities. Its activity is articulated through the acquisition of temporary shareholdings in companies and venture capital funds, with the aim of maximising the return on its investments. In addition, it also offers support to companies through alternative financing (senior debt fund, venture debt or mezzanine loans).

BSCapital actively managed its portfolio, engaging in its traditional capital and debt-related activities, with the materialisation of investment and disinvestment operations and portfolio revaluations.

It has continued to apply a strategic focus to its investments in private equity funds, the divestment of some of the most significant Aurica III fund investees being particularly noteworthy. The Aurica IV fund, of which Banco Sabadell is anchor investor, continues to make new investments.

BSCapital continues to carry out transactions guaranteed under the InvestEU programme for renewable loans, venture debt and mezzanine

facilities granted by the European Investment Fund (EIF). It is also making use of the co-investment framework with the European Investment Bank (EIB) to grant venture debt to scaleups.

In renewables, it continues to seek investment opportunities suited to the current action framework, focusing on Spain and Latin America, and it is analysing potential asset sales. It is also working on the definition of a new action framework for the next five years.

The debt fund Crisae continues to originate and execute transactions to offer funding to companies in the Spanish midmarket. Banco Sabadell Group and institutional investors have a stake in Crisae and the fund's investment commitments increased during 2024.

Throughout 2025, BSCapital will continue to invest in capital and debt, with the support of international bodies such as the EIF and the EIB, and it will continue to focus on optimising capital consumption. It will also continue to manage the current portfolio to generate long-term value.

Funding opportunities will continue to be sought, in accordance with the frameworks of investment in mezzanine debt and renewable energies, with the expansion of the latter.

Focus will be placed on venture debt activity and the rotation of the venture capital portfolio through divestments that produce capital gains.

Crisae will continue to originate and execute transactions aimed at increasing the size of the debt fund, as well as manage the current portfolio.

## Treasury & Markets

Treasury & Markets is responsible, on one hand, for structuring and selling treasury products to the Group's customers, through the Group's units assigned for this purpose, both from commercial networks and through specialists and, on the other hand, for managing the Bank's short-term liquidity, as well as managing its regulatory ratios and ensuring they are compliant. It also manages the risk associated with the trading of interest-rate, forex and fixed-income products, which mainly arises due to flows of transactions originated by the activities of the structuring and distribution units with both internal and external customers, and by activities related to short-term liquidity management.

In 2024, the Treasury and Markets division continued to work on the digitalisation and optimisation of its transactions with customers, seeking to expand its range of services and improving customer experience. Furthermore, the division continued to expand the range of products and solutions it has on offer, adapting it to new customer needs arising from a changing market. In terms of trading, the capacity to take on and control various risk factors such as currency, fixed income and interest rates was enhanced.

As for distribution activity in 2025, activity related to foreign currency products is expected to continue being a core pillar of the strategy, although work will continue to increase the range of other available underlying products so that customers may manage their risks more efficiently. With regard to commercial segments, the focus will be placed on increasing capacity in order to provide services to large enterprises and corporates. In trading activity, the aim is to continue to build up the capacity to manage risk in the Bank's own books, reducing hedging transactions with other institutions, and to continue to improve collateral management in order to obtain the highest possible returns.

## Investment Banking

Investment Banking forms part of the Corporate & Investment Banking division, which offers the Bank's customers value added products and services that do not involve the Bank's balance sheet. The activity of this division can be broken down into three different teams:

The Corporate Finance division, which combines the following activities: (i) Mergers & Acquisitions (M&A), (ii) Equity Capital Markets (ECM) and (iii) Alternative Financing.

The activity of Mergers & Acquisitions consists of offering advice on company acquisitions and sales, corporate mergers and the incorporation of new shareholders.

In an environment where differences between the price expectations of buyers and sellers were particularly high, the Bank advised in an acquisition carried out by a venture capital fund that is specialised in boosting SME growth and is a leader in its sector in Spain. Support from the Bank's different funding units in raising debt financing enabled this transaction to take place successfully.

Conversely, the sale of a company in the manufacturing sector has provided continuity to a business project faced with uncertainty around the succession of its founding shareholders, and will thus enable the business to grow.

On the other hand, the activities of the Equity Capital Markets division include, among others, activities related to corporate capital transactions and IPOs.

Particularly noteworthy in 2024 was its participation as *co-lead manager* of the underwriting syndicate in an IPO that proved to be Spain's largest since 2015, with a transaction value of approximately 2.5 billion euros, combining a capital increase and a share offering. Also noteworthy in the year was the participation in an accelerated share placement for more than 900 million euros by one of Spain's largest office owners.

Lastly, the Alternative Financing division coordinates the channelling of liquidity of institutional investors wishing to take on risk in situations where banking institutions typically do not. Investment Banking continues to focus on offering tailor-made financing solutions, in any format, in various sectors, from real estate to infrastructure, focusing particularly on renewable energy projects and corporate finance in the domestic mid-corporates segment.

All the above activities were merged into one single division, Corporate Finance, to offer Banco Sabadell customers all of the value-added solutions available according to their corporate needs, in terms of both capital and debt.

The second division, Debt Capital Markets (DCM), encompasses activities involving the origination and structuring of public instruments in trading markets. In terms of the Bank's participation in transactions involving corporates, those involving public sector and financial issuers, in both long- and short-term financing operations, with a particular focus on sustainability label issues, are considered particularly noteworthy. One of the markets in which the Bank is most active is that of commercial paper programmes, participating in the programmes of 50 different issuers. Another of the core pillars of this activity is the closing of niche transactions, such as securitisations.

In 2024, in view of expectations that interest rates would fall, the DCM division suffered the withdrawal of some investors who, in many cases, decided to postpone the issue of bonds and debentures. In addition, high interest rates have also affected investor appetite for existing commercial paper programmes, due to alternative investment products offering high yields.

However, the division has continued to make the most of opportunities that have arisen, such as the corporate activity in France, where it participated in a number of transactions, which is all the more striking in view of the limited presence of the Bank's balance sheet in that country. Also noteworthy is its participation in debt issues of the autonomous communities, where record breaking volumes were achieved.

Lastly, the third division, Syndicate and Sales (S&S), encompasses the distribution of private debt originated by Structured Finance teams among banking and institutional investors, both domestic and international, following the originate-to-distribute philosophy.

The division faced a year of stiff competition in this area of activity, as the appetite for funding bilateral transactions with corporates increased; in view of this, the division pivoted towards increasing its share of secondary market purchasing activity, thereby also increasing the credit exposure of the Bank's balance sheet.

Nevertheless, it continued to play an important role in primary market transactions, with the underwriting and sale of LBOs, or the placement of infrastructure projects among banks and underwriters.

On a separate note, it has continued to seek alternative third-party financing for certain corporate customers' investment projects, increasing the number of providers approached for this type of financing and reaching new agreements with funds to expand the range of situations in which this type of loan might be obtained (renewables, machinery, real estate, etc.)

Overall, Investment Banking continues to develop and expand its capacity to offer a broader range of value added solutions, helping the Bank to position itself as the leading financial institution for companies seeking funding in all situations.

## Trading, Custody and Research

Trading, Custody and Research (TCR) is the unit responsible, as product manager, for the Group's equities, performing equity execution through the trading desk, both in domestic markets, where it acts as a member, and in international markets, acting as a broker.

It has a research department whose aim is to offer guidance and investment recommendations in equity and credit markets. Customers can access this service through a variety of means, including *podcasts*, *webinars*, videos, daily reports, sectoral reports, company factsheets, etc.

In 2024, a number of initiatives and projects were implemented focused on improving the level of service offered to customers, increasing the range of brokerage products, attracting new customers and facilitating transaction capacity. Commercial activity with private banking customers who frequently trade in securities has continued to boost the exclusive direct access service for these customers through the equity trading desk, for both execution services and recommendations.

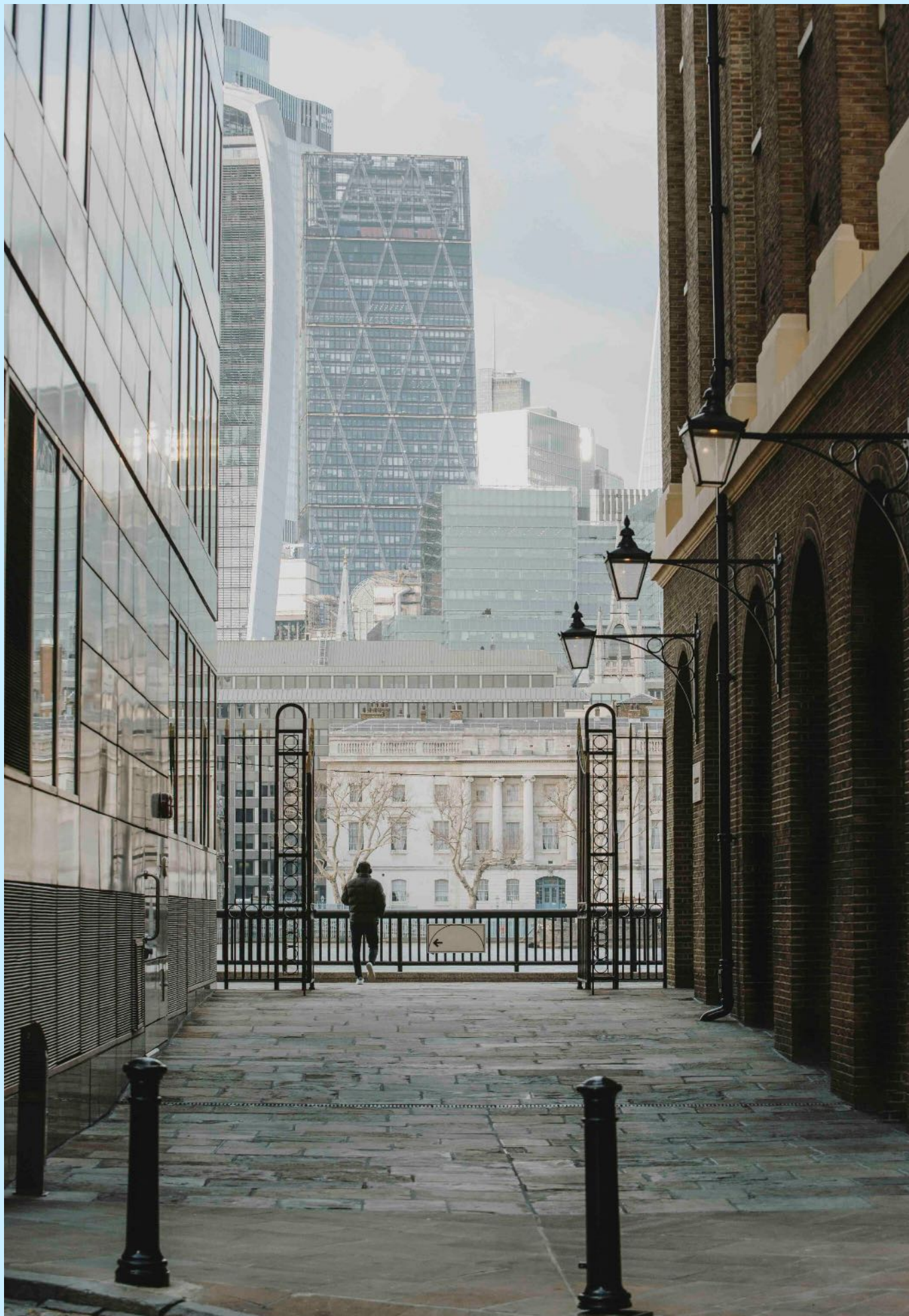
2024 has continued on the same trend observed in the previous year, with a continuing decline in the volume traded on the Spanish stock market (BME). In any event, Banco Sabadell maintains a similar market share in that market, specifically, 8.3% in 2024 compared with 8.2% in 2023.

A very high percentage of equity transactions carried out through self-service channels was observed, with 93% of orders channelled directly by customers using tools provided by Banco Sabadell, the mobile app being the preferred channel for these transactions.

The main objective for 2025 will be to increase brokerage volumes in the equity markets, both in Spain and internationally, and optimise the customer's online experience with the completion and launch of the new Sabadell Broker platform, including more analytical information and providing better and more sophisticated brokerage capabilities and services. In addition, the changes required under the Reform III project (Law 6/2023 of 17 March on Securities Markets and Investment Services) will be implemented.

In terms of income, 2024 was a positive year with fees and commissions increasing by around 10%. Furthermore, the forecasts for 2025 are optimistic and both volumes and fees & commissions are expected to grow.







## 4.2 Banking Business United Kingdom

### Business overview

TSB (TSB Banking Group plc) offers a range of retail banking products and services to individuals and small and medium-sized enterprises in the UK. The entity has a multi-channel distribution model, which includes fully digital capabilities (internet and mobile) and telephony channels, in addition to a network of branches throughout Great Britain.

The multi-channel offer enables TSB to provide a better service to its customers. Customers want a bank that gives them access to both skilled people and simple digital tools to meet their banking needs, which allows them to manage their money with more confidence. TSB continues to invest in the development of digital products and services to meet customers' current and future needs. To that end, the entity combines the best of digital banking with a revitalised presence in commercial areas of the UK, in addition to a telephone helpline and a video-call facility. All this allows TSB to serve its customers with that all-important human touch when it matters most to customers, ensuring it lives up to its purpose of "Money Confidence. For everyone. Every day".

TSB offers current and savings accounts, personal loans, mortgages and debit/credit cards for retail customers, as well as a wide range of current and savings accounts and loans for SME customers.

### Management team priorities in 2024

Throughout 2024, TSB has continued to support customers and successfully execute its 2025 Strategy, which is centred around service excellence, customer focus, simplification and efficiency and doing what matters for people and the planet.

Thanks to a clear focus on cost discipline, TSB's financial position remains strong. The entity has once again delivered an excellent set of results, with profitability improving each quarter, demonstrating the resilience that underpins its business model.

With the strong foundations put in place over recent years, TSB is well placed to realise its potential as it continues to meet the evolving needs and demands of its customers.

### Executing the strategy

TSB is a simpler, more efficient and more resilient bank and has become more streamlined in the way it supports its customers, combining modern digital services to meet growing customer demand, and efficient personal support in branch or over the phone. The continued growth of video banking provides customers with even greater convenience and choice in how they engage with the bank.

In 2024, TSB:

- Opened more than 1.19 million new products for its customers across core product lines, including 244,000 personal current accounts in a highly competitive market.
- The entity has enabled customers to perform more daily transactions whenever and wherever they find it most convenient to do so; consequently, in 2024, 91% of new products taken by TSB customers were arranged remotely.

- Further strengthened its digital banking offer, including a range of improvements to make its website and app more accessible.
- Helped more than 7,600 first-time buyers get onto the property ladder, thanks to its award-winning mortgage intermediary and operations team.
- Has the seventh largest network of physical branches in the United Kingdom, with 186 branches in commercial areas, complemented by pop-up branches and TSB pods.

With inflation now at more contained levels, the Bank of England cut the official rate twice in the second half of 2024, lowering it to 4.75%. Market expectations remain unsettled, but it is anticipated that the official rate will remain higher than it was in the years before the recent hikes.

The unemployment rate remained at relatively low levels in 2024 while house prices increased. Nevertheless, the pace of economic activity in the United Kingdom slowed during the second half of the year.

The 'money confidence' that TSB offers its customers is particularly relevant in this economic context. Its solid capital and liquidity position indicates that the entity is well positioned to reach its ambitious growth targets going forward.

## Key figures

The contribution to net profit amounted to 253 million euros as at the end of 2024, representing year-on-year growth of 29.9%.

Net interest income came to a total of 1,163 million euros, 0.9% lower than in the previous year, due to the higher cost of deposits and wholesale funding and reduced average volumes, which offset the increase attributable to the higher credit yield. However, net interest income in the last quarter of 2024 reversed this trend, rising by 3.5%.

Net fees and commissions amounted to 107 million euros as at 2024 year-end, representing a year-on-year reduction of 13.6%, due to a reduction in card fees, which incorporate an increase in costs.

Total costs amounted to 887 million euros, falling by 5.8% year-on-year due both to the reduction in staff and general expenses and a decrease in amortisation/depreciation. Total costs include -21 million euros of non-recurrent restructuring costs in 2024 and -33 million euros in 2023, and as such the reduction in recurrent costs is -4.7%.

Provisions and impairments amounted to 37 million euros, representing a year-on-year improvement due to fewer credit provisions, mainly explained by the revised macroeconomic scenario.

Million euro

	2024	2023	Year-on-year change (%)
<b>Net interest income</b>	<b>1,163</b>	<b>1,174</b>	<b>(0.9)</b>
Fees and commissions, net	107	124	(13.6)
<b>Core revenue</b>	<b>1,270</b>	<b>1,298</b>	<b>(2.1)</b>
Profit or loss on financial operations and exchange differences	39	16	141.0
Equity-accounted income and dividends	—	—	—
Other operating income and expenses	(23)	(23)	(0.4)
<b>Gross income</b>	<b>1,286</b>	<b>1,291</b>	<b>(0.4)</b>
Operating expenses, depreciation and amortisation	(887)	(941)	(5.8)
<b>Pre-provisions income</b>	<b>399</b>	<b>350</b>	<b>14.1</b>
Provisions and impairments	(37)	(75)	(50.2)
Capital gains on asset sales and other revenue	(8)	—	—
<b>Profit/(loss) before tax</b>	<b>353</b>	<b>274</b>	<b>28.8</b>
Corporation tax	(100)	(80)	26.0
Profit or loss attributed to minority interests	—	—	—
<b>Profit attributable to the Group</b>	<b>253</b>	<b>195</b>	<b>29.9</b>
ROTE (net return on tangible equity)	12.0 %	10.0 %	
Cost-to-income (general administrative expenses / gross income)	59.5 %	62.1 %	
NPL ratio	1.5 %	1.5 %	
Stage 3 coverage ratio, with total provisions	34.3 %	41.8 %	

(\*) The exchange rates applied to the income statement are EUR/GBP 0.8463 (average) and EUR/GBP 0.8706 (average) in 2024 and 2023, respectively.

Gross performing loans increased by 4.8% year-on-year, benefiting from the appreciation of the pound sterling as, considering a constant exchange rate, they remained broadly stable.

On-balance sheet customer funds increased by 5.7% year-on-year, driven by demand deposits and term deposits. At constant exchange rates, the growth was 0.8%.

Million euro

	2024	2023	Year-on-year change (%)
<b>Assets</b>	<b>55,604</b>	<b>54,855</b>	<b>1.4</b>
Gross performing loans to customers	43,380	41,381	4.8
<b>Liabilities and Equity</b>	<b>55,604</b>	<b>54,855</b>	<b>1.4</b>
On-balance sheet customer funds	42,123	39,864	5.7
Wholesale funding in capital markets	5,859	4,545	28.9
Allocated own funds	2,543	2,368	7.4
<b>Off-balance sheet customer funds</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Other indicators</b>			
Employees	4,729	5,426	(12.8)
Branches and offices	186	211	(11.8)

The EUR/GBP exchange rate used for the balance sheet is 0.8292 as at 31 December 2024 and 0.8691 as at 31 December 2023.

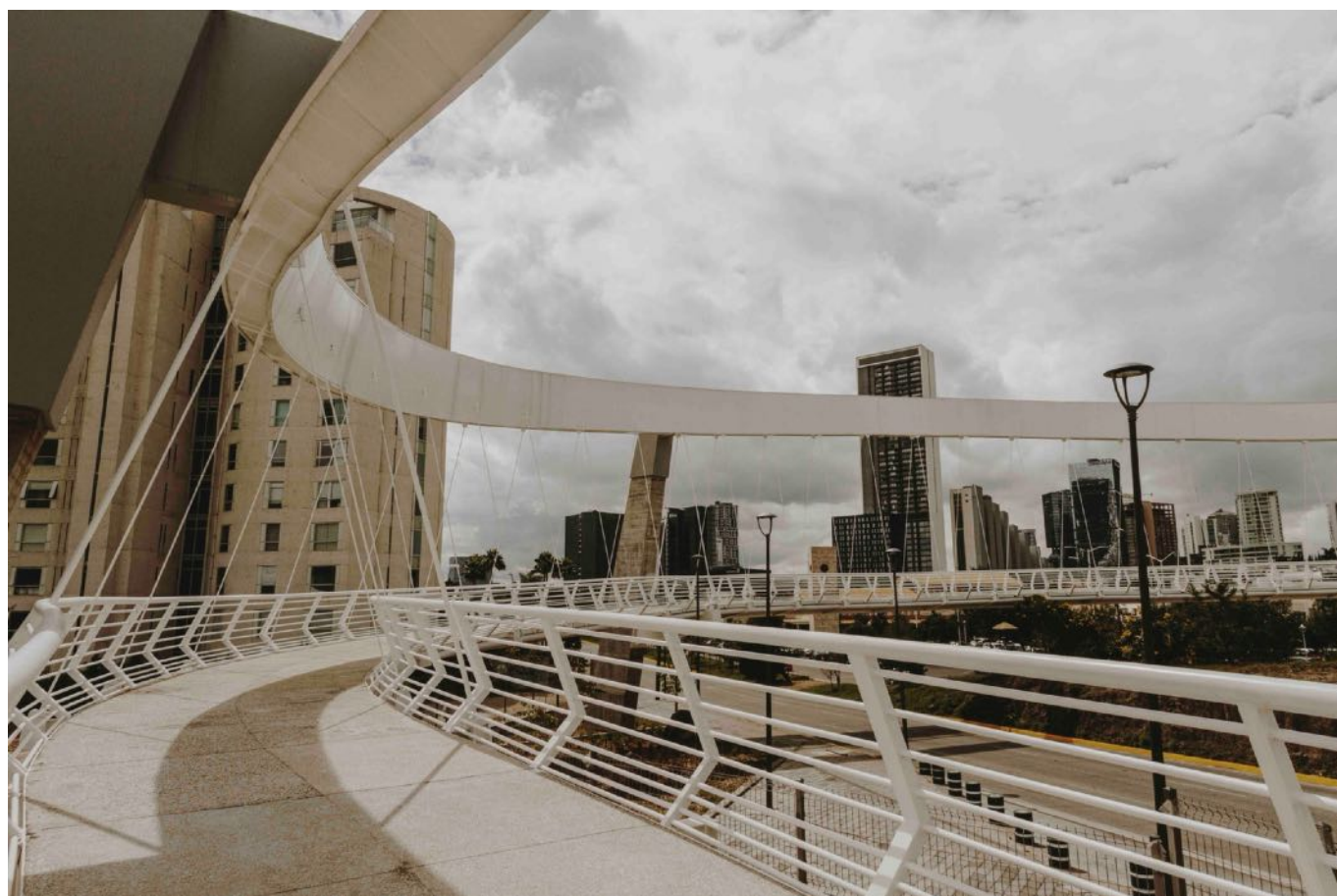
## 4.3 Banking Business Mexico

### Business overview

The business was established in Mexico through an organic project with the creation of two financial vehicles: first, a SOFOM (multi-purpose financial company), which commenced operations in 2014, and subsequently, a bank. The banking licence was obtained in 2015 and the Bank began operating in Mexico at the beginning of 2016.

Both vehicles operate under a customer-centric model, with agile processes, digital channels and no branches. The rollout of business capabilities considers the vehicles mentioned above, present in 10 Mexican banks, and the following business lines:

- Corporate Banking, aimed at corporates and large enterprises, with specialisation in different sectors.
- Business Banking, which mimics the Group's original business banking relationship model and has been consolidated year after year since its launch in 2016.
- Retail Banking, which features entirely digital customer acquisition, launched in the second half of 2024, which pays interest with no minimum balance, has zero fees and commissions and offers 24/7 availability of funds. To position the product successfully, there has been significant investment in marketing over the year.



# Management priorities in 2024

The Mexican subsidiaries (Banco Sabadell S.A., I.B.M. and Sabcapital S.A. de C.V., SOFOM, E.R.) performed well, despite an increase in administrative and marketing expenses associated with the rollout of a new source of retail deposit-taking.

During 2024, the Mexican subsidiaries continued to focus on growth, financial self-sufficiency and profitability. It is worth noting the following initiatives implemented during the year:

- In Corporate Banking, activity in Banco Sabadell's Fiduciary division stabilised as did activity involving derivative financial instruments and the rollout of currency forward transactions, leading to a more comprehensive service for structured finance transactions and strengthening the link with customers.
- In Business Banking, the improvement in transactional capabilities has been consolidated, offering an excellent service, a quality that has set it apart since the segment was first launched.
- During 2024, work was carried out on the launch of Retail Banking to attract new customers, offering attractive interest rates and the ability to access funds at any time, deploying the corresponding human and marketing resources to that end.

In 2024, a financial planning exercise in line with that of the Group was carried out to determine the main strategic courses of action for Banco Sabadell in Mexico, which will allow more value to be generated for the Group's Mexican franchise. These are summarised below:

- The rollout and promotion of Retail Banking, in order to contribute to an improved cost of funding, by marketing attractive rates for customers.
- Increasing the generation of income without capital consumption by generating more income from fees and commissions and by promoting new products, such as derivatives, currency trading and fiduciary services, among others, as well as treasury strategies to obtain a better return on investments and repo transactions.

On 1 July 2024, HR Ratings ratified the credit ratings of Banco Sabadell Mexico and Sabcapital of HR AAA long term and HR +1 short term with a stable outlook, based on the operational and financial support that it receives from the parent company in Spain, its sound solvency position, improvement in net interest margin and highly-rated Environmental, Social and Governance policies.

On 19 December 2024, S&P issued its long- and short-term credit ratings using the Mexican domestic rating scale, with the entity's long-term rating remaining at MxAA with a stable outlook and the short-term rating placed at mxA-1+, based on a positive trend in operating income thanks to the consolidation of its market position in business lending to companies in the Mexican banking system.

Looking ahead to 2025, authorisation has been obtained from the regulator to proceed with the merger of Banco Sabadell, Institución de Banca Múltiple and Sabcapital, S.A. de C.V., SOFOM, E.R., effective as from 1 January 2025. The purpose of the merger is primarily to make operational, administrative and regulatory processes more efficient by having a single vehicle, and to give the resulting entity's results and indicators market visibility.

In addition, an issue of subordinated bonds for 50 million dollars is planned in the first quarter, with the aim of mitigating possible exchange rate volatility through this private placement, which will be purchased by Banco Sabadell with the intention of treating these debt instruments as part of 'non-core basic capital'. Authorisation by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores de México) must be obtained for this issue.

# Key figures

The contribution to net profit as at 2024 year-end amounted to 57 million euros, representing year-on-year growth of 28.8%, mainly supported by core revenue growth.

Net interest income came to 206 million euros, growing by 5.0% year-on-year, mainly due to larger average volumes and a higher credit yield.

Net fees and commissions amounted to 18 million euros as at 2024 year-end, increasing by 3 million euros compared to the previous year due to increased commercial activity.

Total costs stood at 126 million euros, representing a year-on-year increase, mainly driven by higher general expenses, particularly marketing costs.

Provisions and impairments amounted to -24 million euros as at the end of 2024, representing a year-on-year increase due to the impairment of single-name borrowers.

Capital gains on asset sales and other revenue fell during the year due to fewer write-downs of IT assets.

Million euro

	2024	2023	Year-on-year change (%)
<b>Net interest income</b>	<b>206</b>	<b>196</b>	<b>5.0</b>
Fees and commissions, net	18	15	24.8
<b>Core revenue</b>	<b>224</b>	<b>211</b>	<b>6.4</b>
Profit or loss on financial operations and exchange differences	13	8	67.3
Equity-accounted income and dividends	—	—	—
Other operating income and expenses	(21)	(20)	7.6
<b>Gross income</b>	<b>216</b>	<b>198</b>	<b>8.6</b>
Operating expenses, depreciation and amortisation	(126)	(108)	15.8
<b>Pre-provisions income</b>	<b>90</b>	<b>90</b>	<b>(0.1)</b>
Provisions and impairments	(24)	(19)	27.1
Capital gains on asset sales and other revenue	(4)	(19)	(80.7)
<b>Profit/(loss) before tax</b>	<b>62</b>	<b>53</b>	<b>18.5</b>
Corporation tax	(6)	(9)	(32.8)
Profit or loss attributed to minority interests	—	—	—
<b>Profit attributable to the Group</b>	<b>57</b>	<b>44</b>	<b>28.8</b>
ROTE (net return on tangible equity)	9.7 %	8.9 %	
Cost-to-income (general administrative expenses / gross income)	51.2 %	45.7 %	
NPL ratio	2.8 %	2.4 %	
Stage 3 coverage ratio, with total provisions	59.5 %	74.3 %	

(\*) The exchange rates applied to the income statement are EUR/MXN 19.7732 (average) and EUR/MXN 19.1120 (average) in 2024 and 2023, respectively.

Performing loans fell by 7.5% year-on-year, impacted by the depreciation of the Mexican peso, the reduction at constant rates standing at 4.6%.

On-balance sheet customer funds fell by 0.2% year-on-year, while at constant exchange rates they increased by 10.5%, due to an increase in both demand deposits and term deposits.

Million euro

	2024	2023	Year-on-year change (%)
<b>Assets</b>	<b>6,646</b>	<b>6,670</b>	<b>(0.4)</b>
Gross performing loans to customers	4,242	4,587	(7.5)
Real estate exposure, net	—	—	—
<b>Liabilities and Equity</b>	<b>6,646</b>	<b>6,670</b>	<b>(0.4)</b>
On-balance sheet customer funds	3,199	3,205	(0.2)
Allocated own funds	686	631	8.7
<b>Off-balance sheet customer funds</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Other indicators</b>			
Employees	515	435	18.4
Branches and offices	12	15	(20.0)

(\*) The EUR/MXN exchange rate used for the balance sheet was 21.5504 as at 31 December 2024 and 18.7231 as at 31 December 2023.

# Risks



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# Risks

**During 2024, Banco Sabadell Group has continued to strengthen its global risk framework by making improvements to bring it in line with best practice in the financial sector.**

During 2024, Banco Sabadell Group has continued to strengthen its Global Risk Framework by making improvements to bring it in line with best practice in the financial sector.

The Group continues to have a medium-low risk profile, in accordance with the risk appetite defined by the Board of Directors.

The Group's risk strategy is fully implemented and linked to the Strategic Plan and the Group's risk-taking capacity, articulated through the Risk Appetite Statement (RAS), under which all material risks are monitored, tracked and reported, and the necessary control and remediation systems are in place to ensure compliance therewith:

## 5.1 Strategic risk management and control processes



## 5.2 Main milestones achieved in 2024 in relation to risk management and control

The most salient aspects concerning the management of the first-tier risks identified in Banco Sabadell Group's risk taxonomy and concerning the actions taken in this regard in 2024 are set out below:

### Strategic risk

Definition: the risk of losses (or negative impacts in general) materialising as a result of making strategic decisions or of their subsequent implementation. It also includes the inability to adapt the Group's business model to changes in the environment in which it operates.

Key milestones in 2024:

#### (1) Strategy and reputation

- Although there were macroeconomic factors at play in 2024 that threatened to have a negative impact on the Bank's profitability, those threats did not materialise as (i) inflation has stabilised, (ii) global growth was better than expected, (iii) the interest rate cutting cycle began, and (iv) there were signs of improvement in both demand for credit and economic activity, with a better outlook for Spain. Similarly, the successful implementation of levers by the Institution, the stronger credit profile and the delivery of record-breaking results are all reflected in several reputational indicators, for example, (i) the improved outlooks of investors and rating agencies with regard to the Institution and (ii) solid performance of the Institution's shares, which appreciated by 68.64% over the year.
- The Group is exposed to reputational risk inherent in the sector in which it operates, characterised by significant visibility among customers and the general public.
- In recent years, a series of events has led to a change in the relationship model of financial institutions with their customers and investors, with a shift towards reduced face-to-face service in retail banking which has accentuated the materiality of this risk.
- Banco Sabadell Group bases its business model on corporate values such as ethics, professionalism, rigour, transparency, quality and, in general, long-term business relationships that are beneficial to both the Group and its counterparties.

#### (2) Capital position

- The CET1 ratio stood at 13.02% as at 2024 year-end, particularly driven by organic capital generation. Regulatory requirements in relation to capital are generally being met.
- The Total Capital ratio has improved, ending 2024 at 17.60%.
- As at the end of 2024, the leverage ratio stood at 5.20%, representing an increase of 12 basis points compared to 2023.

### **(3) Profitability**

- In 2024, global growth was better than expected, inflation stabilised and the central banks began to cut interest rates. Demand for credit and economic activity also showed signs of improvement.
- With regard to the tender offer launched by Banco Bilbao Vizcaya Argentaria (BBVA) in May 2024 for the acquisition of 100% of Banco Sabadell's share capital, to date, there has been no indication that the risks posed by this situation will materialise.
- The geopolitical environment appears somewhat unstable due to the conflicts in Ukraine and in the Middle East, and because of the result of the presidential election in the United States, which could exacerbate trade and/or financial tensions at a global level.
- In 2024, the Institution successfully delivered on a number of strategic initiatives introducing, among other things, a series of improvements that have helped to reduce its cost of risk, such as the improvements made to its risk acceptance models for both companies and individuals.
- Against this backdrop, in year-on-year terms, Banco Sabadell has significantly increased its net earnings, driven by (i) sound core results, (ii) increased net interest income, (iii) reduced cost of risk, (iv) an active and growing commercial dynamic, and (v) contained growth of costs.
- All these aspects are clearly reflected in the Group's improved profitability, shown by an improvement of its ROTE, which increased from 11.50% as at 31 December 2023 to 14.93% as at 31 December 2024.

## **Credit risk**

Definition: risk of incurring losses as a result of borrowers failing to fulfil their payment obligations, or of losses in value materialising due simply to the deterioration of borrowers' credit quality.

Key milestones in 2024:

### **(1) Non-performing assets**

- During 2024, non-performing assets were reduced by 1,068 million euros. The NPL ratio for the year stands at 2.84%.

### **(2) Concentration**

- From a sectoral point of view, the loan portfolio is diversified and has limited exposure to the sectors most sensitive to the current economic environment.
- Similarly, in terms of individual concentration, the risk metrics relating to concentration of large exposures showed a slight downward trend and remained within the appetite level. The credit rating of large exposures also improved over the year.
- Geographically speaking, the portfolio is positioned in the most dynamic regions, both in Spain and worldwide. International exposures account for 37% of the loan book.

### **(3) Lending performance**

- Gross performing loans ended the year 2024 with a balance of 156,913 million euros, increasing by 4.7% year-on-year.

- In Spain, gross performing loans in year-on-year terms posted a 5.3% improvement, driven by the increase in lending to corporates and individuals, as well as the healthy performance of foreign branches.

#### **(4) TSB lending performance**

- In TSB, at a constant exchange rate, gross performing loans remained stable.

## **Financial risk**

Definition: possibility of obtaining inadequate returns or having insufficient levels of liquidity that prevent an institution from meeting future requirements and expectations.

Key milestones in 2024:

### **(1) Sound liquidity position**

- Sound liquidity position in which the Liquidity Coverage Ratio (LCR) stands at 210% at the Group level (200% at TSB LMU and 248% at Banco Sabadell Spain) and the Net Stable Funding Ratio (NSFR) stands at 142% at the Group level (153% at TSB LMU and 137% at Banco Sabadell Spain), both as at 2024 year-end, having repaid the remaining 5 billion euros of the amount drawn down from the ECB's TLTRO III facility, and having optimised long-term funding of up to 1.67 billion euros secured with the Bank of England.
- The Loan-to-Deposit ratio (LtD) as at the end of 2024 was 93.2%, with a balanced retail funding structure.
- Moreover, Banco Sabadell has fulfilled the capital markets issuance plan that it had set itself for 2024, with strong investor appetite, allowing it to optimise the associated funding costs.

### **(2) Structural interest rate risk**

- In 2024, the Institution's loan book continued to trend towards a higher proportion of fixed-rate transactions, mainly mortgages and business loans, while on the liabilities side, balances of interest-bearing demand deposits (mainly of wholesale customers) and term deposits have increased, contrasting with a reduction in the balance of non-interest-bearing demand deposits, whilst costs have been kept at low levels relative to interest rate trends over the year. In addition, other balance sheet variations in 2024 included the increase in the fixed-income portfolio on the asset side, which acts as a natural balance sheet management and coverage lever, and the implementation of management actions to defend net interest income amidst interest rate cuts.

## **Operational risk**

Definition: risk of incurring losses due to inadequate or failed internal processes, people and systems or due to external events. This definition includes but is not limited to compliance risk, model risk and Information and Communications Technology (ICT) risk and excludes strategic risk and reputational risk.

Key milestones in 2024:

- Operational risk remains a significant risk for the Group, with impacts that can be absorbed in the normal course of the business.
- The current situation of high awareness and increased regulatory pressure, aimed especially at providing greater protection for consumers and vulnerable customers, requires conduct risks to be the main focus of attention. Its current materiality and the expectation that this situation will likely continue requires the focus to remain fixed on these risks, tracking their evolution and adequately monitoring the planned mitigation measures.
- The focus remains on complaints related to floor clauses, mortgage application and arrangement fees, interest rates connected with revolving credit cards and appropriate assistance for vulnerable customers, especially in the UK, given the demanding regulatory environment.
- The creation of the new financial customer protection authority, which is not yet in operation, could have an impact on the complaints received, as it facilitates this process. The materialisation of conduct risks involves a potential reputational risk for the Institution, although it remains in line with the sector.

## Compliance risk

Definition: risk of incurring legal or regulatory sanctions, material financial loss or loss to reputation as a result of failing to comply with laws, regulations, internal rules and codes of conduct applicable to the Group's activities.

In accordance with Banco Sabadell's Compliance Policy and observing the EBA's Guidelines on Internal Governance, a Compliance Programme is drawn up, applying the principle of proportionality according to the nature, volume and complexity of activities, containing a detailed schedule of activities, including the review of policies and procedures, risk assessment, control plans and staff training in relation to compliance. This programme covers all services provided and activities carried out by Compliance and defines its priorities based on the risk assessment, in coordination with the Risk Control function. Monitoring exercises are conducted and regular reports on them are made to the Group's governing bodies in order to identify any deviations and resolve them quickly and effectively.

In 2024, efforts continued to be made to promote a culture of ethics and compliance among employees, interacting on an ongoing basis with the main supervisory authorities in connection with the Bank's compliance activity.

Priorities in 2025:

- Ensure the continuing development of the supervision model for subsidiaries and foreign branches in order to reinforce a homogeneous and grouped view of the entities under the scope of supervision.
- Continue to promote the plan to digitalise processes in the area of Anti-Money Laundering and Countering the Financing of Terrorism.
- Develop monitoring metrics to prevent compliance risks at the level of the governing bodies.
- Integrate research and the use of artificial intelligence models in the management and prevention of customer data protection risks.

# Other material disclosure



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# Other material disclosures

## 6.1 R&D and innovation

In the technological field, the focus remains on providing each geography with the functionalities that best suit their market context, supported by enhanced technological capabilities aligned with the latest market standards.

In Spain, the acceleration and digitalisation of processes and products is particularly noteworthy, especially in Retail Banking, and in the development of a new mobile app. It is also worth mentioning the improved resilience of the IT platform, with the launch of a new data centre for disaster recovery. TSB has continued to prioritise efforts to improve business capabilities, while the foundations have been laid to accommodate the technological platform's new architecture. Sabadell Mexico has focused on technological enhancement for Retail Banking activity and has continued to develop capabilities that improve transaction efficiency.

### In the domestic context

In 2024, the rollout of the catalogue of digital products and processes in different customer segments has been key, as has the introduction of new capabilities for managers in the branch network, in order to continue enhancing their efficiency. At the same time, work has continued to strengthen and increase the resilience of the technological platform.

Within Retail Banking, the expansion of the catalogue of digital products was a priority, specifically improving capabilities in mortgage and loan granting processes. In turn, other digital self-service processes have been reinforced with the aim of reducing customer dependency on non-digital channels. In Business Banking, the global move towards digitalisation, particularly in the self-employed segment, stands out, with specific new processes enabled, as in the case of digital onboarding.

Advances in the development of a new mobile app have been remarkable and the card transaction geolocation service, as well as a range of improvements in transaction monitoring, have already been rolled out. The deployment of the new architecture is planned to take place at the beginning of 2025.

In the branch network, the deployment of new capabilities for network managers stands out, which has led to the digitalisation of different processes and is aimed at improving customer service and commercial productivity.

With regard to the development of the technological platform, the focus has been on bolstering and underpinning resilience in the rollout of the new disaster recovery data centre, combined with continuous improvement of cyberdefence capabilities and protection against fraud and scams. The development of the journey to cloud, focused on multicloud training and the dynamic provision of environments, or the artificial intelligence management programme that has deployed technological capabilities to enable the industrialisation of the process to provide new semantic models, are also noteworthy.

In 2024, these investments in technology (booked in the accounts as "Other intangible assets") at the national level (including technology investments in the foreign branches) amounted to 264,359 thousand euros, which was invested in different companies, including 216,752 thousand euros in Sabadell Digital, S.A.U.

## In the international context

At TSB, a large part of activities have focused on improving the digital catalogue and the customer journey, as well as offering new multi-channel capabilities that make it possible to tailor the customer experience. Initiatives were also implemented designed to improve the quality and resilience of the IT platform.

Sabadell Mexico has focused on developing programmes to improve digitalisation in Retail Banking, including the new Unconditional Account, as well as improving internal productivity tools.

Technology investments on an international scale during 2024 (booked in the accounts under “Other intangible assets”) amounted to 54,464 thousand euros at TSB bank plc, and 27,370 thousand euros invested by the company Institución Banca Múltiple (IBM).

## 6.2 Acquisition and sale of treasury shares

See Note 23 to the consolidated annual financial statements.

## 6.3 Days payable outstanding

The average time taken to pay suppliers (days payable outstanding) by consolidated entities located in Spain was 24.51 days (22.36 days in the case of the Bank).

## 6.4 Material post-closing events

The most important developments to have occurred after 31 December 2024 are the change of location of the registered office from Alicante to Sabadell, described at the beginning of this consolidated Directors' Report, and the capital reduction described in section 3.1.



## 6.5 Other reports related to the consolidated Directors' Report

### The consolidated Non-Financial Disclosures and Sustainability Disclosures Report of Banco de Sabadell, S.A. and subsidiaries (Sustainability Report).

In accordance with the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council, of 14 December 2022, as regards corporate sustainability reporting (CSRD), Banco Sabadell Group has prepared the Group's consolidated Non-Financial Disclosures and Sustainability Disclosures Report of Banco de Sabadell, S.A. and subsidiaries (Sustainability Report) for the year 2024, which, as established in Article 44 of Spain's Commercial Code, forms part of this consolidated Directors' Report and is included as a separate accompanying document.

### Annual Corporate Governance Report

The Annual Corporate Governance Report (ACGR) corresponding to the 2024 financial year forms an integral part of the consolidated Directors' Report in accordance with the provisions of the Spanish Capital Companies Act. This report is signed off by the Board of Directors on the same date as the consolidated annual financial statements and the consolidated Directors' Report and is sent separately to the CNMV. From the date of publication of the consolidated annual financial statements and the consolidated Directors' Report, the ACGR is available on the CNMV's website ([www.cnmv.es](http://www.cnmv.es)) and on the corporate website of Banco Sabadell Group ([www.grupbancsabadell.com](http://www.grupbancsabadell.com)).

### Annual Report on Director Remuneration

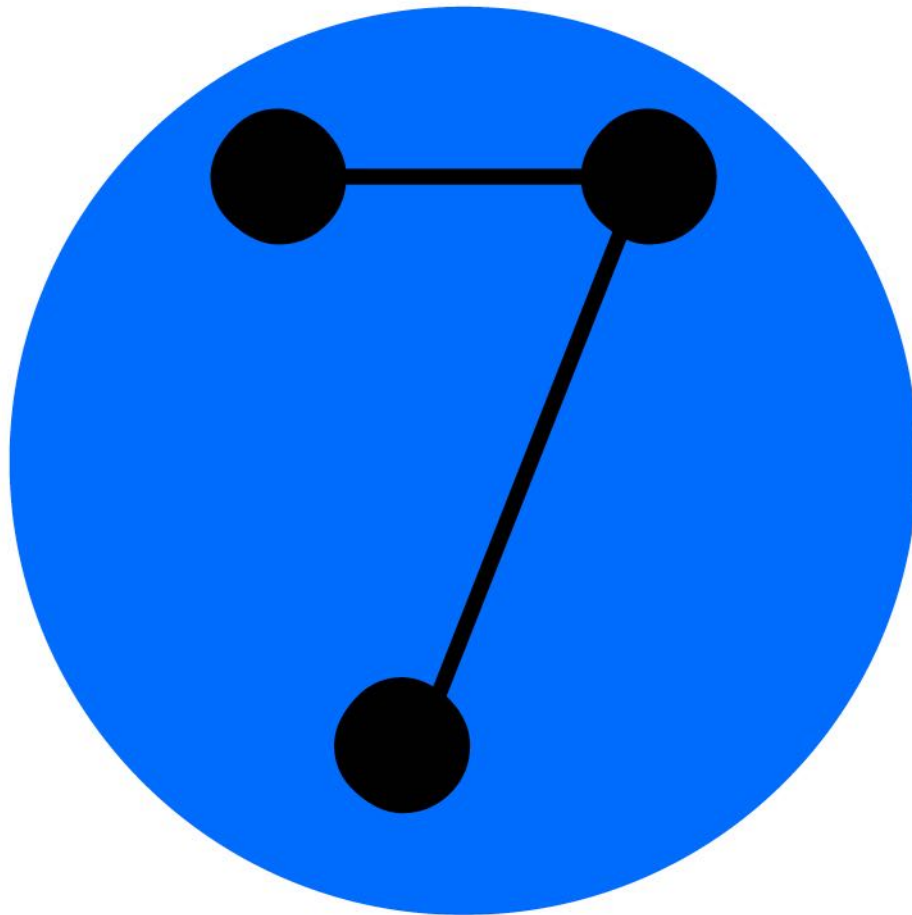
The Annual Report on Director Remuneration (ARDR) corresponding to the 2024 financial year forms an integral part of the consolidated Directors' Report in accordance with the provisions of the Spanish Capital Companies Act. This report is signed off by the Board of Directors on the same date as the consolidated annual financial statements and the consolidated Directors' Report and is sent separately to the CNMV. From the date of publication of the consolidated annual financial statements and the consolidated Directors' Report, the ARDR is available on the CNMV's website ([www.cnmv.es](http://www.cnmv.es)) and on the corporate website of Banco Sabadell Group ([www.grupbancsabadell.com](http://www.grupbancsabadell.com)).

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# [www.grupbancsabadell.com](http://www.grupbancsabadell.com)

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# Glossary of terms on alternative performance measures



# Glossary of terms on alternative performance measures

In the presentation of its results to the market, and for the purpose of monitoring the business and decision-making processes, the Group uses performance indicators pursuant to the generally accepted accounting regulations (EU-IFRS), and also uses other unaudited measures commonly used in the banking industry (Alternative Performance Measures, or APMs) as indicators to monitor the management of the Group's assets and liabilities, as well as its financial and economic situation, which facilitates its comparison with other institutions.

Following the ESMA guidelines on APMs (ESMA/2015/1415 of October 2015), the purpose of which is to promote the use and transparency of information for the protection of investors in the European Union, the Group presents in this section the definition, calculation and reconciliation for each APM.

Performance measure	Definition and calculation	Use or purpose
Gross performing loans to customers	Includes gross customer loans and advances, excluding reverse repos, assets classified as stage 3 and other valuation adjustments (interest, fees and commissions, and other).	Key figure among the main indicators of a financial institution's business, the performance of which is monitored.
Gross loans to customers	Includes loans and advances to customers excluding impairment allowances.	Key figure among the main indicators of a financial institution's business, the performance of which is monitored.
On-balance sheet customer funds	Includes financial liabilities at amortised cost, excluding non-retail liabilities, such as deposits from central banks, deposits from credit institutions, institutional issues and other financial liabilities.	Key figure in the Group's condensed consolidated balance sheet, the performance of which is monitored.
On-balance sheet funds	Includes customer deposits and debt securities issued.	Key figure among the main indicators of a financial institution's business, the performance of which is monitored.
Off-balance sheet customer funds	Includes off-balance sheet funds under management and third-party funds, such as mutual funds, assets under management, pension funds and insurance.	Key figure among the main indicators of a financial institution's business, the performance of which is monitored.
Funds under management and third-party funds	The sum of on-balance sheet funds and off-balance sheet customer funds.	Key figure among the main indicators of a financial institution's business, the performance of which is monitored.

Customer spread	<p>Difference between yield and costs of customer-related assets and liabilities, i.e. the contribution of exclusively customer-related transactions to net interest income. Calculated as the difference between the average rate that the Bank charges its customers for loans and the average rate that the Bank pays its customers for deposits.</p> <p>The average rate on customer loans and advances is the annualised ratio, in percentage terms, between financial revenues booked on customer loans and advances and the average daily balance of customer loans and advances. The average rate on customer funds is the annualised ratio, in percentage terms, between the financial cost booked on customer funds and the average daily balance of customer funds.</p> <p>The average balance is the arithmetic mean, calculated as the sum of the daily balances for the reference period and divided by the number of days in said period.</p>	Reflects the profitability of solely banking activity.
Other assets	Comprises the following headings from the asset side of the balance sheet: (i) derivatives - hedge accounting, (ii) fair value changes of the hedged items in portfolio hedge of interest rate risk, (iii) assets under insurance or reinsurance contracts, (iv) tax assets, (v) other assets, and (vi) non-current assets and disposal groups classified as held for sale.	Key figure among the main indicators of a financial institution's business, the performance of which is monitored.
Other liabilities	Comprises the following headings from the liability side of the balance sheet: (i) derivatives - hedge accounting, (ii) fair value changes of the hedged items in portfolio hedge of interest rate risk, (iii) tax liabilities, (iv) other liabilities, and (v) liabilities included in disposal groups classified as held for sale.	Key figure among the main indicators of a financial institution's business, the performance of which is monitored.
Other operating income and expenses	Comprises the following headings from the income statement: (i) other operating income, and (ii) other operating expenses.	Grouping of items used to explain part of the performance of the Group's consolidated results.
Pre-provisions income	Comprises gross margin and the following headings from the income statement: administrative expenses, and depreciation and amortisation.	One of the key figures that reflects the performance of the Group's consolidated results.
Total provisions and impairments	Comprises the following headings from the income statement: (i) provision or reversal of provisions, (ii) impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains, (iii) impairment or reversal of impairment on investments in joint ventures or associates, (iv) impairment or reversal of impairment on non-financial assets, (v) profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (excluding gains or (-) losses on the sale of interests and other items), and (vi) gains or (-) losses on derecognition of non-financial assets and interests, net (including only gains or losses on the sale of investment properties).	Grouping of items used to explain part of the performance of the Group's consolidated results.
Capital gains on asset sales and other revenue	Comprises the following headings from the income statement: (i) gains or (-) losses on derecognition of non-financial assets, net (excluding gains or losses on the sale of investment properties), and (ii) profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (including only gains or (-) losses on the sale of interests and other items).	Grouping of items used to explain part of the performance of the Group's consolidated results.

ROA	Defined as a ratio that includes, in the numerator, consolidated profit or loss (past 12 months) and, in the denominator, average total assets. Average total assets: arithmetic mean calculated as the sum of the daily balances over the past twelve months and divided by the number of days in the past twelve months.	Measure commonly used in the financial sector to determine the accounting return on Group assets.
RORWA	Defined as a ratio that includes, in the numerator, consolidated profit or loss (past 12 months) and, in the denominator, average risk-weighted assets. Average risk-weighted assets: the average, over the past twelve months, of a credit institution's total assets, multiplied by its respective risk factors (risk weights). Risk factors reflect the perceived level of risk of a particular asset class.	Measure commonly used in the financial sector to determine the accounting return on risk-weighted assets.
ROE	Defined as a ratio that includes, in the numerator, profit attributable to the Group over the past twelve months and, in the denominator, average shareholders' equity. Average shareholders' equity: average shareholders' equity calculated using the closing balance of the past twelve months.	Measure commonly used in the financial sector to determine the accounting return on the Group's shareholders' equity.
ROTE	Defined as the ratio of profit attributable to the Group over the past twelve months to average shareholders' equity over the past twelve months. The denominator excludes intangible assets and goodwill of investees. Average shareholders' equity: average shareholders' equity over the past twelve months.	Additional measure of the accounting return on shareholders' equity, but excluding goodwill and intangible assets from its calculation.
Cost-to-income ratio	Defined as the ratio of administrative expenses to adjusted gross margin. The denominator includes the accrual on a straight-line basis of contributions to the Deposit Guarantee Fund (DGF) and the Single Resolution Fund (SRF), the Spanish tax on deposits of credit institutions (IDEC), and the bank levy (BL), except at year-end. The straight-line accrual of the DGF, SRF, IDEC and BL is based on the Group's best estimates.	One of the main indicators of efficiency or productivity of banking activity.
Cost-to-income ratio with amortisation/depreciation	Defined as the ratio of administrative expenses and depreciation/amortisation to adjusted gross margin. The denominator includes the accrual on a straight-line basis of contributions to the Deposit Guarantee Fund (DGF) and the Single Resolution Fund (SRF), the Spanish tax on deposits of credit institutions (IDEC), and the bank levy (BL), except at year-end. The linear accrual of the DGF, SRF, IDEC and BL is based on the Group's best estimates.	One of the main indicators of efficiency or productivity of banking activity.
Stage 3 exposures	These include (i) assets classified as stage 3 including other valuation adjustments (accrued interests, fees and commissions, and other) classified as stage 3 of loans and advances not classified as non-current assets held for sale, and (ii) financial guarantees and other guarantees given classified as stage 3.	One of the main indicators used in the banking industry to monitor the status and performance of the quality of credit risk undertaken with customers and to assess its management.
Stage 3 coverage ratio, with total provisions	Percentage of stage 3 exposures that is covered by total provisions. Calculated as impairment allowances of loans and advances to customers (including provisions for off-balance sheet exposures) / exposures classified as stage 3.	One of the main indicators used in the banking industry to monitor the status and performance of the quality of credit risk undertaken with customers and shows the provisions that the Institution has allocated for loans classified as stage 3.

Stage 3 coverage ratio	Percentage of exposures classified as stage 3 that are covered by stage 3 provisions. Calculated as impairment allowances of stage 3 loans and advances to customers (including provisions for stage 3 off-balance sheet exposures) / exposures classified as stage 3.	One of the main indicators used in the banking industry to monitor the status and performance of the quality of credit risk undertaken with customers and shows the provisions that the Institution has allocated for loans classified as stage 3.
Non-performing assets	The sum of risks classified as stage 3 plus non-performing real estate assets. Non-performing real estate assets: foreclosed properties or properties accepted in payment of debt and properties classified in the portfolio of non-current assets and disposal groups classified as held for sale, except for investment properties with significant unrealised capital gains and those under lease for which there is a final agreement for a sale to take place following refurbishment.	Indicator of total exposure to risks classified as stage 3 and to non-performing real estate assets.
Non-performing real estate coverage ratio	Obtained by dividing provisions for non-performing real estate assets by non-performing real estate assets. Non-performing real estate assets: foreclosed properties or properties accepted in payment of debt and properties classified in the portfolio of non-current assets and disposal groups classified as held for sale, except for investment properties with significant unrealised capital gains and those under lease for which there is a final agreement for a sale to take place following refurbishment.	One of the main indicators used in the banking industry to monitor the status and performance of the quality of real estate risk and shows the provisions that the Institution has allocated for real estate exposure.
NPA coverage ratio	This ratio considers impairment allowances for customer loans and advances (including allowances for the impairment of off-balance sheet exposures) plus provisions associated with non-performing real estate in the numerator, while the denominator considers total non-performing assets.	One of the main indicators used in the banking industry to monitor the status and performance of the quality of credit risk and real estate risk, and it shows the provisions that the Institution has allocated for non-performing exposures.
NPL ratio	Calculated in the form of a ratio whose numerator includes exposures classified as stage 3 and whose denominator includes (i) gross loans to customers, excluding reverse repos or (loans and advances to customers, excluding reverse repos and without impairment allowances), and (ii) financial guarantees and other guarantees given.	One of the main indicators used in the banking industry to monitor the status and performance of the quality of credit risk undertaken with customers and to assess its management.
Credit cost of risk (bps)	Calculated as credit loss provisions / gross loans to customers, excluding reverse repos and including financial guarantees and other guarantees given. The numerator considers the straight-line annualisation of loan loss provisions, which are adjusted for costs associated with the management of stage 3 assets (NPLs).	Relative measure of risk, being one of the main indicators used in the banking industry to monitor the status and performance of the quality of credit risk through the cost or loss due to financial asset impairment that has taken place in one year.
Total cost of risk (bps)	This ratio's numerator includes total provisions and impairments, while its denominator includes gross loans to customers, excluding reverse repos and including financial guarantees and other guarantees given and non-performing real estate assets. The numerator considers the straight-line annualisation of total provisions and impairments.	Relative measure of risk, being one of the main indicators used in the banking industry to monitor the status and performance of the quality of credit risk through the cost or loss due to financial asset impairment that has taken place in one year.

Loan-to-deposit ratio	This ratio's numerator includes gross loans to customers excluding brokered loans, reverse repos and impairment allowances, while its denominator includes on-balance sheet customer funds.	Measures a Bank's liquidity as the ratio of the funds at its disposal relative to the volume of lending items granted to customers. Liquidity is one of the key aspects that define the structure of an institution.
Market capitalisation	Calculated by multiplying the share price by the number of shares outstanding (number of total shares minus closing treasury stock position, including share buyback programmes, where applicable) as at the reporting date.	An economic market measurement or market ratio that indicates the total value of a company according to the market price.
Earnings (or loss) per share	This gives the ratio of net profit attributable to the Group, adjusted by the amount of the Additional Tier 1 coupon over the past twelve months, relative to the average number of shares outstanding over the past twelve months (average number of total shares minus average treasury stock, including buyback programmes, where applicable).	An economic measurement or market ratio that indicates a company's profitability, and it is one of the measurements used most frequently to assess institutions' performance.
Book value per share	Calculated as book value / number of shares outstanding (number of total shares minus closing treasury stock position, including share buyback programmes, where applicable) as at the reporting date. The book value is the sum of shareholders' equity, adjusted to account for contributions to the Deposit Guarantee Fund (DGF) and the Single Resolution Fund (SRF), the Spanish tax on deposits of credit institutions (IDEC) and the bank levy (BL), except at year-end. The DGF, SRF, IDEC and BL accrue based on the Group's best estimates.	An economic market measurement or market ratio that indicates the book value per share.
TBV per share	Calculated as tangible book value / number of shares outstanding (number of total shares minus closing treasury stock position, including share buyback programmes, where applicable) as at the reporting date. Tangible book value: sum of shareholders' equity adjusted to account for intangible assets and goodwill of investees, as well as the accrual to date of contributions to the Deposit Guarantee Fund (DGF) and the Single Resolution Fund (SRF), the Spanish tax on deposits of credit institutions (IDEC) and the bank levy (BL), except at year-end. The DGF, SRF, IDEC and BL accrue based on the Group's best estimates.	An economic market measurement or market ratio that indicates the tangible book value per share.
P/TBV (price/tangible book value per share)	Share price or value / tangible book value per share.	Economic measurement or market ratio commonly used by the market, which represents the listed price of a share relative to its book value.
PER (share price / EPS)	Share price or value / net earnings per share.	Economic measurement or market ratio commonly used by the market to determine a company's ability to generate future earnings.

**Equivalence of headings from the income statement of businesses and management units that appear in Note 38 on “Segment information” and in the consolidated Directors’ Report with those of the consolidated income statement (\*)**

**Net fees and commissions:**

- Fee and commission income.
- (Fee and commission expenses).

**Core revenue:**

- Net interest income.
- Fee and commission income.
- (Fee and commission expenses).

**Other operating income and expenses:**

- Other operating income.
- (Other operating expenses).

**Operating expenses, depreciation and amortisation:**

- (Administrative expenses).
- (Depreciation and amortisation).

**Pre-provisions income:**

- Gross margin.
- (Administrative expenses).
- (Depreciation and amortisation).

**Provisions and impairments:**

- (Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or (-) gains).
- (Provisions or (-) reversal of provisions).
- (Impairment or (-) reversal of impairment on investments in joint ventures and associates).
- (Impairment or (-) reversal of impairment on non-financial assets).
- Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (excluding gains or (-) losses on the sale of interests and other items).
- Gains or (-) losses on derecognition of non-financial assets and interests, net (including only gains or losses on sale of investment properties).

**Provisions for loan losses:**

- (Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or (-) gains).
- (Provisions or (-) reversal of provisions) (including only commitments and guarantees given).

**Provisions for other financial assets:**

- (Provisions or (-) reversal of provisions) (excluding commitments and guarantees given).

**Other provisions and impairments:**

- (Impairment or (-) reversal of impairment on investments in joint ventures and associates).
- (Impairment or (-) reversal of impairment on non-financial assets).
- Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (excluding gains or (-) losses on the sale of interests and other items).
- Gains or (-) losses on derecognition of non-financial assets and interests, net (including only gains or losses on sale of investment properties).

**Capital gains on asset sales and other revenue:**

- Gains or (-) losses on derecognition of non-financial assets and interests, net (excluding gains or losses on sale of investment properties).
- Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (including only gains or (-) losses on the sale of interests and other items).

(\*) Headings in the consolidated income statement expressed in brackets denote negative figures.



**APMs reconciliation (data in million euros, with the exception of those shown in percentages).**

<b>BALANCE SHEET</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
<b>Gross loans to customers / Gross performing loans to customers</b>		
Loans and credit secured with mortgages	89,185	86,162
Loans and credit secured with other collateral	5,924	5,064
Trade credit	8,356	7,465
Finance leases	2,376	2,236
Bank overdrafts and other short-term borrowings	51,071	48,870
<b>Gross performing loans to customers</b>	<b>156,913</b>	<b>149,798</b>
Stage 3 assets (customers)	4,595	5,472
Other valuation adjustments (interest, fees and commissions, and other)	208	172
<b>Gross loans to customers, excluding reverse repos</b>	<b>161,717</b>	<b>155,442</b>
Reverse repos	—	17
<b>Gross loans to customers</b>	<b>161,717</b>	<b>155,459</b>
Impairment allowances	(2,844)	(3,199)
<b>Loans and advances to customers</b>	<b>158,872</b>	<b>152,260</b>
<b>On-balance sheet customer funds</b>		
Financial liabilities at amortised cost	220,228	216,072
Non-retail financial liabilities	50,671	55,184
Deposits from central banks	1,697	9,776
Deposits from credit institutions	14,822	13,840
Institutional issues	27,702	25,234
Other financial liabilities	6,450	6,333
<b>On-balance sheet customer funds</b>	<b>169,557</b>	<b>160,888</b>
<b>On-balance sheet funds</b>		
Customer deposits	169,823	160,331
Demand deposits	138,347	134,243
Deposits with agreed maturity including deposits redeemable at notice and hybrid financial liabilities	31,047	25,588
Repurchase agreements	—	200
Other valuation adjustments (interest, fees and commissions, and other)	429	299
<b>Debt securities issued</b>	<b>27,437</b>	<b>25,791</b>
Borrowings and other marketable securities	23,345	22,198
Subordinated liabilities	4,092	3,593
<b>On-balance sheet funds</b>	<b>197,260</b>	<b>186,122</b>
<b>Off-balance sheet customer funds</b>		
Mutual funds	28,308	24,093
Assets under management	4,729	3,598
Pension funds	3,352	3,249
Insurance products sold	9,782	9,621
<b>Off-balance sheet customer funds</b>	<b>46,171</b>	<b>40,561</b>
<b>Funds under management and third-party funds</b>		
On-balance sheet funds	197,260	186,122
Off-balance sheet customer funds	46,171	40,561
<b>Funds under management and third-party funds</b>	<b>243,431</b>	<b>226,682</b>

BALANCE SHEET	31/12/2024	31/12/2023
<b>Other assets</b>		
Derivatives – Hedge accounting	2,395	2,425
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(412)	(568)
Tax assets	6,441	6,838
Other assets	425	436
Non-current assets and disposal groups classified as held for sale	718	771
<b>Other assets</b>	<b>9,567</b>	<b>9,902</b>
<b>Other liabilities</b>		
Derivatives – Hedge accounting	804	1,172
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(227)	(422)
Tax liabilities	219	333
Other liabilities	652	723
Liabilities included in disposal groups classified as held for sale	30	13
<b>Other liabilities</b>	<b>1,477</b>	<b>1,818</b>
INCOME STATEMENT	31/12/2024	31/12/2023
<b>Customer margin</b>		
Loans and advances to customers (net)		
Profit/(loss)	6,726	5,840
Average balance	154,131	153,978
Annualised average rate (%)	4.36	3.79
Customer deposits		
Profit/(loss)	(1,997)	(1,432)
Average balance	162,250	160,564
Annualised average rate (%)	(1.23)	(0.89)
<b>Customer margin</b>	<b>3.13</b>	<b>2.90</b>
<b>Other operating income and expenses</b>		
Other operating income	112	91
Other operating expenses	(405)	(538)
<b>Other operating income and expenses</b>	<b>(294)</b>	<b>(447)</b>
INCOME STATEMENT	31/12/2024	31/12/2023
<b>Pre-provisions income</b>		
Gross margin	6,337	5,862
Administrative expenses	(2,583)	(2,496)
Staff expenses	(1,531)	(1,495)
Other general administrative expenses	(1,051)	(1,002)
Depreciation and amortisation	(501)	(519)
<b>Pre-provisions income</b>	<b>3,254</b>	<b>2,847</b>
<b>Total provisions and impairments</b>		
Impairment or reversal of impairment on investments in joint ventures and associates	—	—
Impairment or reversal of impairment on non-financial assets, adjusted	(42)	(22)
Impairment or reversal of impairment on non-financial assets	(45)	(26)
Gains or losses on sale of investment properties	3	4
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations, adjusted (excluding gains or (-) losses on the sale of interests and other items).	(36)	(58)
<b>Other provisions and impairments</b>	<b>(78)</b>	<b>(80)</b>
Provisions or reversal of provisions	(44)	(6)
Impairment or reversal of impairment and gains or losses on modifications of cash flows of financial assets not measured at fair value through profit or loss and net modification losses or gains	(592)	(824)
<b>Provisions for loan losses and other financial assets</b>	<b>(636)</b>	<b>(831)</b>
<b>Total provisions and impairments</b>	<b>(714)</b>	<b>(910)</b>
<b>Capital gains on asset sales and other revenue</b>		
Gains or (-) losses on derecognition of non-financial assets and interests, net, adjusted (excluding gains or losses on sale of investment properties and other items).	(26)	(44)
Gains or losses on the sale of interests and other items	—	(2)
<b>Capital gains on asset sales and other revenue</b>	<b>(26)</b>	<b>(46)</b>

PROFITABILITY AND EFFICIENCY	31/12/2024	31/12/2023
<b>ROA</b>		
Consolidated profit or loss (past 12 months)	1,829	1,334
Average total assets (past 12 months)	242,145	245,173
<b>ROA (%)</b>	<b>0.76</b>	<b>0.54</b>
<b>RORWA</b>		
Consolidated profit or loss (past 12 months)	1,829	1,334
Average risk-weighted assets (RWAs) (past 12 months)	79,693	78,519
<b>RORWA (%)</b>	<b>2.29</b>	<b>1.70</b>
<b>ROE</b>		
Net profit attributable to the Group (past 12 months)	1,827	1,332
Average shareholders' equity (past 12 months)	14,738	14,042
<b>ROE (%)</b>	<b>12.40</b>	<b>9.49</b>
<b>ROTE</b>		
Net profit attributable to the Group (past 12 months)	1,827	1,332
Average shareholders' equity excluding intangible assets (past 12 months)	12,235	11,583
<b>ROTE (%)</b>	<b>14.93</b>	<b>11.50</b>
<b>Cost-to-income ratio</b>		
Gross margin	6,337	5,862
Administrative expenses	(2,583)	(2,496)
<b>Cost-to-income ratio (%)</b>	<b>40.75</b>	<b>42.59</b>
Depreciation and amortisation	(501)	(519)
<b>Cost-to-income ratio with amortisation/depreciation (%)</b>	<b>48.66</b>	<b>51.44</b>

RISK MANAGEMENT	31/12/2024	31/12/2023
<b>Stage 3 exposures</b>		
Assets classified as stage 3 (including other valuation adjustments)	4,637	5,510
Financial guarantees and other guarantees given classified as stage 3 for off-balance sheet exposures	207	268
<b>Stage 3 exposures</b>	<b>4,844</b>	<b>5,777</b>
<b>Stage 3 coverage ratio, with total provisions</b>		
Impairment allowances	2,848	3,202
Provisions recognised on liabilities side of the balance sheet for off-balance sheet exposures	142	165
Stage 3 exposures	4,844	5,777
<b>Stage 3 coverage ratio, with total provisions (%)</b>	<b>61.7 %</b>	<b>58.3 %</b>
<b>Stage 3 coverage ratio</b>		
Impairment allowances for stage 3 assets	2,168	2,359
Provisions recognised on liabilities side of the balance sheet classified as stage 3 for off-balance sheet exposures	77	86
Stage 3 exposures	4,844	5,777
<b>Stage 3 coverage ratio (%)</b>	<b>46.3 %</b>	<b>42.3 %</b>
<b>Non-performing assets</b>		
Stage 3 exposures	4,844	5,777
Non-performing real estate assets	836	971
<b>Non-performing assets</b>	<b>5,680</b>	<b>6,748</b>
<b>NPA coverage ratio (%)</b>		
Impairment allowances	2,848	3,202
Provisions recognised on liabilities side of the balance sheet for off-balance sheet exposures	142	165
Allowances for non-performing real estate assets	338	385
Non-performing assets	5,680	6,748
<b>NPA coverage ratio (%)</b>	<b>58.6 %</b>	<b>55.6 %</b>
<b>Non-performing real estate coverage ratio</b>		
Allowances for non-performing real estate assets	338	385
Non-performing real estate assets	836	971
<b>Non-performing real estate coverage ratio (%)</b>	<b>40.5 %</b>	<b>39.6 %</b>
<b>NPL ratio</b>		
Stage 3 exposures	4,844	5,777
Gross loans to customers, excluding reverse repos	161,717	155,442
Financial guarantees and other guarantees given for off-balance sheet exposures	8,699	8,896
<b>NPL ratio (%)</b>	<b>2.8 %</b>	<b>3.5 %</b>
<b>Credit cost of risk (bps)</b>		
Provisions for loan losses	(567)	(813)
NPL expenses	(118)	(106)
Gross loans to customers, excluding reverse repos	161,717	155,442
Financial guarantees and other guarantees given for off-balance sheet exposures	8,699	8,896
<b>Credit cost of risk (bps)</b>	<b>26</b>	<b>43</b>
<b>Total cost of risk (bps)</b>		
Total provisions and impairments	(714)	(910)
Gross loans to customers, excluding reverse repos	161,717	155,442
Financial guarantees and other guarantees given for off-balance sheet exposures	8,699	8,896
Non-performing real estate assets	836	971
<b>Total cost of risk (bps)</b>	<b>42</b>	<b>55</b>
<b>LIQUIDITY MANAGEMENT</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
<b>Loan-to-deposit ratio</b>		
Gross loans to customers, excluding reverse repos	161,717	155,442
(-) Impairment allowances	2,844	3,199
(-) Brokered loans	884	953
On-balance sheet customer funds	169,557	160,888
<b>Loan-to-deposit ratio (%)</b>	<b>93.2 %</b>	<b>94.0 %</b>

SHAREHOLDERS AND SHARES	31/12/2024	31/12/2023
<b>Market capitalisation</b>		
Total number of shares issued less treasury stock (outstanding) (million)	5,361	5,403
Listed price	1.877	1.113
<b>Market capitalisation (million euro)</b>	<b>10,063</b>	<b>6,014</b>
<b>Earnings per share (EPS)</b>		
Profit attributable to the Group, adjusted (past 12 months)	1,729	1,217
Profit attributable to the Group (past 12 months)	1,827	1,332
Adjustment for accrued AT1 (past 12 months)	(98)	(115)
Average number of shares outstanding (million)	5,376	5,401
<b>Earnings per share (euro)</b>	<b>0.32</b>	<b>0.23</b>
<b>Book value per share</b>		
Shareholders' equity	15,389	14,344
Total number of shares issued less treasury stock (outstanding) (million)	5,361	5,403
<b>Book value per share (euro)</b>	<b>2.87</b>	<b>2.65</b>
<b>TBV per share</b>		
Gross carrying value	12,840	11,861
Shareholders' equity	15,389	14,344
(-) Tangible assets	2,549	2,483
Total number of shares issued less treasury stock (outstanding) (million)	5,361	5,403
<b>TBV per share (euro)</b>	<b>2.39</b>	<b>2.20</b>
<b>P/TBV</b>		
Listed price	1.877	1.113
TBV per share (euro)	2.39	2.20
<b>P/TBV (price/tangible book value per share)</b>	<b>0.78</b>	<b>0.51</b>
<b>PER</b>		
Listed price	1.877	1.113
Earnings per share (euro)	0.32	0.23
<b>PER (share price / EPS)</b>	<b>5.84</b>	<b>4.94</b>

**Consolidated Non-Financial Disclosures  
and Sustainability Disclosures  
Report of Banco de Sabadell,  
Sociedad Anónima and subsidiaries  
(Sustainability Report) corresponding  
to the year 2024**



**Consolidated Non-Financial Disclosures and  
Sustainability Disclosures Report of Banco de  
Sabadell, Sociedad Anónima and subsidiaries  
(Sustainability Report)**

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# 1. Introduction

## 1.1 BP-1: General basis for preparation of the sustainability report and BP-2: Disclosures in relation to specific circumstances

This document sets out the Consolidated Non-Financial Disclosures and Sustainability Disclosures Report of Banco de Sabadell S.A. and subsidiaries, hereinafter referred to as the Sustainability Report.

The scope of the Sustainability Report includes the entire Banco Sabadell Group, as it does in the financial statements. When the reported information does not cover the entire perimeter, this will be specifically indicated.

The regulatory framework under which this report is presented is Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (the Corporate Sustainability Reporting Directive, or CSRD). This directive, which amends Directive 2014/95/EU of 22 October 2014 as regards disclosure of non-financial and diversity information (NFRD), transposed into Spanish law by Law 11/2018 on Non-Financial and Diversity disclosures, seeks to increase the transparency and comparability of reporting by companies on their Environmental, Social and Governance (ESG) performance.

The CSRD establishes that companies falling under its scope should disclose their non-financial information in accordance with common standards. In this context, the European Financial Reporting Advisory Group (EFRAG) was designated as the European Commission's technical advisor, with responsibility for developing and issuing this new framework of standards: the European Sustainability Reporting Standards (ESRS). In this respect, EFRAG defined a total of 12 standards which encompass environmental, social and governance matters.

Section **4. Impacts, risks and opportunities management** sets out details of how Banco Sabadell addresses and meets those standards.

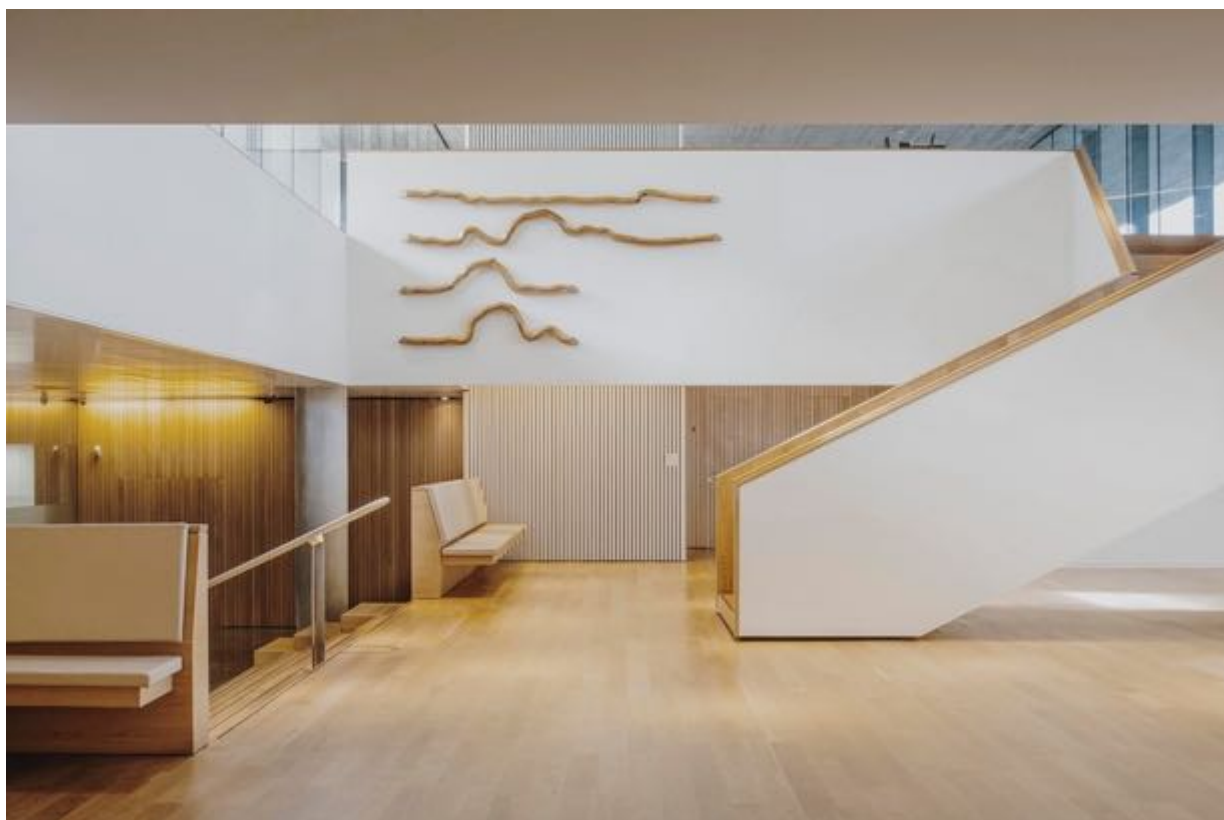
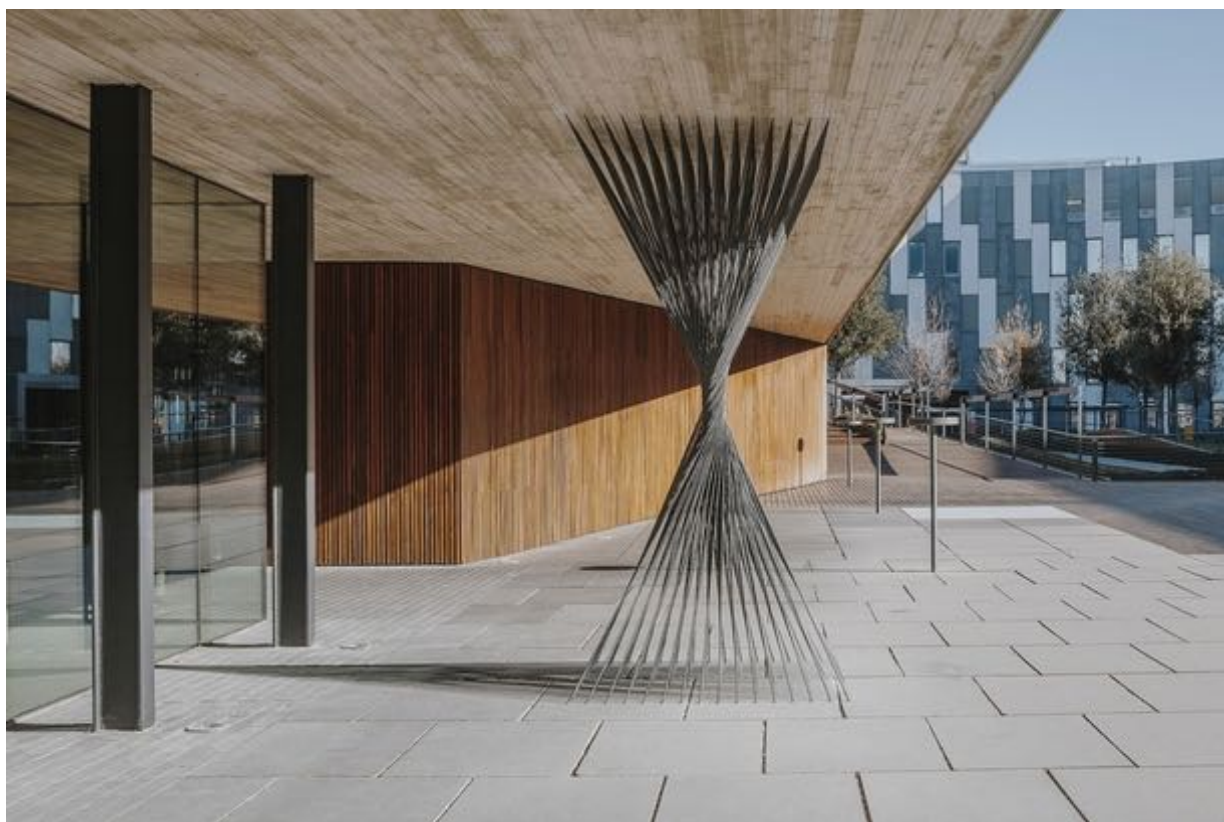
In addition, the Sustainability Report remains compliant with the general provisions published in the pre-existing Law 11/2018.

Lastly, this report includes information relating to Taxonomy-eligible exposures and/or exposures aligned with the Taxonomy Regulation (Regulation (EU) 2021/2178), which entered into force in January 2022.

Where appropriate, the Sustainability Report will contain information related to the upstream and downstream value chain. Specifically, for the topical ESRS, details are given of policies and actions related to suppliers and consumers or end-users. In this regard, both ESRS E1 related to Climate Change, which provides disclosure of the decarbonisation pathways of the financed portfolio, and ESRS S4 related to Consumers and End-Users, which sets out information related to customers, are related to the above-mentioned value chain. Similarly, ESRS G1 related to Business Conduct contains information about the management of

relationships with suppliers. In addition, where the reported information refers to a phase of the value chain, this will be specifically indicated.

Lastly, Annex [6.1 Initiatives and alliances](#) sets out other disclosure standards and alliances to which the Bank is adhered.



# 2. Governance

## 2.1 GOV-1: The role of the administrative, management and supervisory bodies

**The governance system and the organisation of the different decision-making levels are both being continuously improved and adapted to the needs that are emerging from the new sustainability environment.**

### Board of Directors

With the exception of matters reserved to the Annual General Meeting, Banco Sabadell's Board of Directors is the most senior decision-making body of the company and its consolidated Group as it is responsible, by law and pursuant to the Articles of Association, for the management and representation of the Bank. The Board of Directors acts mainly as an instrument of supervision and control, delegating the management of the Institution's ordinary business matters to the Chief Executive Officer.

The Board of Directors is subject to well-defined and transparent rules of governance, in particular to the Articles of Association and the Regulation of the Board of Directors, and it conforms to best practice in the area of corporate governance. To ensure better and more diligent performance of its general supervisory duties, the Board is directly responsible for approving the Institution's general strategies. It also approves its policies and is therefore responsible for establishing principles, commitments and objectives in the area of sustainability, and for including them in the Institution's strategy.

As at 31 December 2024, the Board of Directors is made up of fifteen members. Of these, two are Executive Directors (13.33% of the total Board) and thirteen are Non-Executive Directors, while ten are Independent Directors (66.67% of the total Board), two are Other External Directors (13.33% of the total Board) and one is a Proprietary Director (6.67% of the total Board). There is no trade union representation on the Board.

As at 2024 year-end, there were six female directors, including five female Independent Directors out of a total of ten Independent Directors and one female Other External Director. Women represent 40% of the full Board of Directors, thus bringing forward the fulfilment of the Bank's commitment stated in *Sabadell's Commitment to Sustainability* and achieving early compliance with the provisions of Organic Law 2/2024 of 1 August on equal representation and balanced presence of women and men.

The matrix of competences and diversity of members of the Board of Directors set out below shows the horizontal and sectoral skills found in the Board of Directors.

Sectoral skills	Chair	Deputy Chair	CEO	Board Member
	Josep Oliu Creus	Pedro Fontana García	César González-Bueno Mayer	Aurora Catá Sala
	Ext. Dir.	Ind. Dir.	Exec. Dir	Ind. Dir.
Retail Banking	•	•	•	
Corporate Banking	•	•	•	•
Financial and capital markets	•	•	•	•
Insurance	•	•	•	
Other financial skills	•	•	•	•
Accounting and auditing	•	•	•	•
Risk management	•	•	•	
Planning and strategy	•	•	•	•
Governance	•	•	•	•
Risk control	•	•	•	
Anti-Money Laundering and Countering the Financing of Terrorism	•		•	
Legal	•		•	
Digital and ICT (digital transformation)	•		•	•
Human resources, culture, talent and remuneration	•		•	•
Responsible business and sustainability	•		•	
International experience:				
Spain	•	•	•	•
United Kingdom	•		•	
Mexico	•		•	
Other	•	•	•	
Horizontal skills				
Governing bodies	•	•	•	•
Organisational management and leadership	•	•	•	•
Business experience	•	•	•	•
Governance and public policy	•		•	
Consultancy			•	•
Regulatory and supervisory bodies	•		•	
Academic	•		•	
Communication and institutional relations	•		•	

Sectoral skills											
	Ana Colongues García-Planas	Lluís Deulofeu Fuguet	María José García Beato	Mireya Giné Torrens	Laura González Molero	George Donald Johnston III	David Martínez Guzmán	Alicia Reyes Revuelta	Manuel Valls Morató	David Vegara Figueras	Pedro Viñolas Serra
	Ind. Dir.	Ind. Dir.	Ext. Dir.	Ind. Dir.	Ind. Dir.	Lead Ind. Dir.	Prop. Dir.	Ind. Dir.	Ind. Dir.	Exec. Dir.	Ind. Dir.
Retail Banking	•	•	•		•	•		•			
Corporate Banking			•		•	•		•			•
Financial and capital markets	•		•	•	•	•	•	•		•	•
Insurance								•	•		
Other financial skills	•	•	•	•	•	•	•	•	•	•	•
Accounting and auditing	•		•	•				•	•	•	•
Risk management	•	•	•		•	•	•	•	•	•	•
Planning and strategy	•	•	•	•	•	•	•	•	•	•	•
Governance	•	•	•	•	•	•		•		•	•
Risk control	•	•	•		•	•	•	•	•	•	•
Anti-Money Laundering and Countering the Financing of Terrorism			•		•	•		•	•	•	•
Legal			•					•			
Digital and ICT (digital transformation)		•		•				•		•	
Human resources, culture, talent and remuneration	•	•	•	•	•	•		•		•	•
Responsible business and sustainability	•		•		•			•		•	•
International experience:											
Spain	•	•	•	•	•	•	•	•	•	•	•
United Kingdom			•			•	•	•		•	
Mexico					•		•			•	
Other		•	•	•	•	•	•	•		•	•
Horizontal skills											
Governing bodies	•	•	•	•	•	•	•	•	•	•	•
Organisational management and leadership	•	•	•	•	•	•	•	•	•	•	•
Business experience	•	•	•	•	•	•	•	•	•	•	•
Governance and public policy		•	•						•	•	
Consultancy		•		•	•					•	
Regulatory and supervisory bodies			•		•			•	•	•	
Academic			•	•				•	•	•	•
Communication and institutional relations		•	•		•			•		•	•

When defining the general strategy, the business objectives and the risk management framework of the Institution, the Board of Directors considers aspects related to sustainability, including climate-related, environmental, social and governance risks, and it also effectively oversees them.

In April 2024, the Board of Directors revised its Sustainability Policy, which incorporates ESG parameters into the activities and organisation of Banco Sabadell Group. This policy establishes the core principles that guide Banco Sabadell Group in its task of addressing the challenges of sustainability, defining the management parameters, as well as the organisation and governance structure needed for its correct implementation.

In relation to the management and control of environmental risk, the Board is ultimately responsible for embedding it into the general strategy and for establishing the necessary mechanisms for its review. Its duties range from monitoring environmental risk to approving and reviewing the organisational and functional framework for managing, controlling and reporting on this risk, approving the associated policies and reviewing them on an annual basis. Lastly, it is worth noting that the Board of Directors has received specific training on climate risk management, the impact deriving from those risks, policies and regulations in that regard, as well as measurement metrics such as the carbon footprint and decarbonisation pathways.

## Board Committees

The **Board Strategy and Sustainability Committee** was set up in 2021 and is chaired by the Chairman of the Board of Directors, in the capacity of Other External Director. It is formed of five Directors: three Independent, one Other External and its Chair. This Board Committee met 15 times in 2024.

This Board Committee is responsible for analysing and reporting to the Board of Directors on environmental risk policies and for reporting to the Board of Directors on any amendments or periodic updates of the environmental risk strategy. It is also responsible for supervising the model for identifying, controlling and managing risks and opportunities in relation to sustainability including, where applicable, environmental risks.

Banco Sabadell continues to move forward with its activities and organisation to support and accelerate the important economic and social transformations that contribute to sustainable development and the fight against climate change.

Firm in its resolve, the Bank maintains its Commitment to Sustainability, approved in 2022, which sets out an action framework that integrates a forward-looking vision, for the period 2025-2050, of Environmental, Social and Governance (ESG) commitments in the Bank's strategy, aligns the Bank's business objectives with the Sustainable Development Goals (SDGs), and establishes levers to activate the transformation and promotion of initiatives in this area.

The Board Strategy and Sustainability Committee carries out regular monitoring of the Institution's progress in ESG matters through the review of the Corporate Sustainability Report, which contains information about the overall ESG environment in the context of the macroeconomic and regulatory environment, and about the Institution's ESG outlook, the integration of ESG risks into management arrangements and the priority indicators of *Sabadell's Commitment to Sustainability*.

As part of the above-mentioned regular monitoring and review of the Corporate Sustainability Report (CSR), the Board Committee was informed of the Institution's progress as a sustainable Institution through, among other things, the Sustainability Indicator and compliance with the the objectives set forth in *Sabadell's Commitment to Sustainability*, the presentation of the Institution's ESG training activities for employees, and the Institution's ESG plans, such as the 2024 ESG Communication Plan and the 2024 Activities Plan of the Internal Audit for Sustainability. In addition, through the CSR, information was also provided on progress

made to mobilise sustainable financing and on aspects related to sustainability disclosure and rating agencies.

Lastly, the Board Committee reports to the Board of Directors, on a monthly basis, on all information concerning proposals, assessments, research and work carried out by the Board Committee in relation to matters within its sphere of competence discussed at its meetings each month.

On matters of strategy, the Chief Executive Officer takes part in the meetings, with full voting and speaking privileges, meaning that on such matters this Board Committee has six members.

With regard to sustainability, the Board Committee has the following duties:

- Analyse and inform the Board of Directors about the Institution's sustainability and environmental policies.
- Inform the Board of Directors of any modifications or regular updates of the sustainability strategy.
- Analyse the definition and, where applicable, amendment of policies on diversity and integration, human rights, equal opportunities and work-life balance and evaluate the level of compliance therewith on a regular basis.
- Review the Bank's social action strategy and its sponsorship and patronage plans.
- Review and report on the Sustainability Report prior to its review and reporting by the Board Audit and Control Committee and its subsequent sign-off by the Board of Directors.
- Receive information in connection with reports, documents or communications from external supervisory bodies within the scope of responsibility of this Board Committee.

Other Board Committees are involved to various degrees in the sustainability governance arrangements:

In 2021, the **Board Appointments and Corporate Governance Committee** took on duties in relation to the disclosure of internal corporate policies and regulations, the oversight of rules on corporate governance, and the relationship with shareholders and investors, proxy advisers and other stakeholders. This Board Committee is formed of three Independent Directors and one Other External Director.

The **Board Audit and Control Committee** oversees the process to prepare and submit regulated financial and non-financial information and escalates to the Board of Directors recommendations or proposals intended to safeguard its integrity. It is also in charge of reporting to the Board of Directors, prior to publication, on the financial information and the Directors' Report, which include mandatory non-financial information that the Institution is required to disclose on a regular basis. Where necessary and in coordination with the Board Risk Committee, it oversees and assesses the effectiveness of internal policies and systems for the control and management of all risks, encompassing the Institution's financial and non-financial risks, including operational, ICT, social, environmental, policy and reputational risks or those related to corruption, and it provides oversight to ensure that the main direct or indirect risks are reasonably identified, measured and controlled. This Board Committee is formed of four Independent Directors, its Chair being an audit expert.

The **Board Risk Committee** oversees the implementation of the Institution's Global Risk Framework Policy and is responsible for advising and supporting the Board of Directors with regard to the monitoring of the Bank's risk appetite and general risk strategy, taking into account all types of risks, to ensure that they are in line with the Institution's business strategy, objectives, corporate culture and values. This Board Committee is responsible for supervising and ensuring that all of the Group's risks are properly taken, controlled and managed, in accordance with the



Group's Risk Appetite Statement, and for reporting to the Board of Directors on the performance of its duties. This Board Committee is formed of four Independent Directors.

## Internal Committees

The **Management Committee** regularly monitors the Sustainable Finance Plan and any updates to the regulatory framework. It is also in charge of overseeing the aforesaid plan and resolving any incidents.

In addition, the **Sustainability Committee**, created in 2020 and chaired since 2021 by the General Manager and head of the Sustainability and Efficiency division, is the body responsible for establishing the Bank's Sustainable Finance Plan and for monitoring its execution, for defining and disclosing the general action principles in the area of sustainability and for promoting the development of projects and initiatives. It also manages any alerts that may arise in relation to ongoing initiatives or any developments in the regulatory, supervisory or other environments. It is made up of 11 members (ensuring the representation of several areas, including Sustainability, Risk, Finance, Business, Communication, Research Service and Regulation) and it meets once a month. This composition covers all the functional areas, which enables the cross-cutting establishment and implementation of the Sustainable Finance Plan and, therefore, the execution of the Institution's ESG strategy. The Sustainability Committee met 11 times in 2024.

## Organisation

The Sustainability and Efficiency division was created in 2021 and is the unit responsible for defining and managing Banco Sabadell Group's responsible banking strategy, including the cross-cutting implementation of ESG criteria across all of the Bank's business units, affiliates and subsidiaries. The Sustainability and Efficiency Director is a General Manager who forms part of the Institution's Management Committee and reports directly to the Chief Executive Officer.

At the end of 2024, certain internal organisational changes were approved, applicable as from 1 January 2025, as a result of which the Sustainability division is to be integrated within the People division. The Director of the People and Sustainability division is a General Manager who forms part of the Institution's Management Committee and reports directly to the Chief Executive Officer.

The Sustainability division is a cross-cutting structure that has an overview of all new initiatives to be implemented in the Bank, collaborating in their definition, promoting them and taking charge of their monitoring.

Initially, the organisation focused on embedding the ESG risk strategy in its day-to-day operations, in its control arrangements and in the development of models and scenarios that consider these risks. Today, the Bank incorporates Sustainability both in its relationships with customers and suppliers and in internal processes.

As new sustainability functions are added and expanded, the Institution's structure is being adapted to include the necessary knowledge and skills in all the divisions responsible for ESG matters. The Bank is organised according to the system of the three lines of defence, and each line has teams dedicated to Sustainability-related matters.

- With regard to the first line of defence, the business areas have been reinforced by setting up specific units that coordinate with the commercial teams to create sustainable financing solutions for customers, identifying trends and new social and environmental products and services. The Business Banking and Corporate Banking portfolio management teams have joined forces to ensure closer monitoring of sustainable transactions. In addition, the risk teams have also been expanded to perform their own ESG functions in portfolio risk management.

Other teams have added new functions related to sustainability, such as the Financial division where resources have been incorporated to build and analyse Sustainability data. In this respect, the Sustainability division has developed in the area of strategy and the Purchasing division includes supplier sustainability analysis for relevant procurement items.

In order to meet the growing regulatory and supervisory demands, the Research and Models teams have also been strengthened. These are the teams that add climate scenarios to the stress testing models and the Internal Capital Adequacy Assessment Process (ICAAP).

- Similarly, new members have been added to the Compliance, Credit Risk Control, Internal Control and Models Validation teams to reinforce the second line of defence and guarantee the quality of 1LoD systems in relation to the risk management and governance of sustainability processes.
- Teams of the third line of defence were also enlarged to take on audit functions related to governance processes, risk management activities and internal control in the area of sustainability.

The Bank is moving forward by steering its activity, organisation and procedures in order to make a solid contribution to sustainability and the fight against climate change. To this end, it aligns its sustainability strategy and business model with frameworks of reference, such as the Sustainable Development Goals (SDGs), which it revisits periodically in order to bring itself closer in line with, and expedite its achievement of, the Paris Agreement and the 2030 Agenda.



## 2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The material Impacts, Risks and Opportunities (hereinafter, IROs) have been identified using the double materiality analysis and are set out in detail in section **3.3 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model**.

**The material IROs have been grouped into a total of six topics: Climate change mitigation and adaptation, Energy, Own workforce, Access to products and services and non-discrimination, Cybersecurity and data protection, and Business conduct.**

In this respect, the material IROs have been grouped into a total of six topics: Climate change mitigation and adaptation, Energy, Own workforce, Access to products and services and non-discrimination, Cybersecurity and data protection, and Business conduct. In this vein, the Management Committee is the highest level executive committee and is regularly informed of material impacts, risks and opportunities at top-level committee meetings.

The governance process for each of the above-mentioned topics is described below:

### Climate change mitigation and adaptation

All matters related to climate change (mitigation and adaptation) are regularly reviewed by the Sustainability Committee<sup>1</sup>. The Management Committee, for its part, engages in regular monitoring of the Sustainable Finance Plan and updates to the regulatory framework.

In addition, those that concern business lending are submitted to the relevant Business Committees of the Institution, while those that relate to the measurement of borrowers' climate-related and environmental risks are relayed to the Technical Risk Committee.

As for the Board Committees, in relation to that to which each topic refers:

- **Board Strategy and Sustainability Committee:** Carries out regular monitoring of the Institution's progress in ESG matters through the review of the Corporate Sustainability Report, which contains information about the overall ESG environment in the context of the macroeconomic and regulatory environment, and about the Institution's ESG outlook, the integration of ESG risks into management arrangements and the priority indicators of *Sabadell's Commitment to Sustainability*. As part of the above-mentioned regular monitoring and review of the Corporate

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<sup>1</sup> For more details, see section **2.1 GOV-1: The role of the administrative, management and supervisory bodies**

Sustainability Report (CSR), the Board Committee was informed of the Institution's progress as a sustainable Institution through, among other things, the Sustainability Indicator and compliance with the the objectives set forth in *Sabadell's Commitment to Sustainability*, the presentation of the Institution's ESG training activities for employees, and the Institution's ESG plans, such as the 2024 ESG Communication Plan and the 2024 Activities Plan of the Internal Audit for Sustainability. In addition, through the CSR, information was also provided on progress made to mobilise sustainable financing and on aspects related to sustainability disclosure and rating agencies.

- **Board Risk Committee:** One of the main responsibilities of the Board Risk Committee is that of putting forward the proposed Risk Appetite Statement (RAS) to the Board of Directors for its approval. It should be noted that the RAS has been strengthened over the past year through the inclusion of new environmental risk metrics linked to credit risk.
- **Delegated Credit Committee:** Approves or reports favourably to the Board of Directors, as applicable, on decisions concerning credit risk acceptance, credit risk refinancing and restructuring, and sales of foreclosed assets, according to the assumptions and limits established by the Board of Directors, following analysis by the Board Committee to ensure that the companies that are the subject of such decisions take sustainability indicators into account. In this respect, it reports on the company's classification and alignment with ESG guidelines through its compliance with those guidelines; its alignment with the sectoral pathway, as applicable; and its compliance with sectoral standards. It also reports on the company's ranking given by the Climate-related and Environmental Risk Indicator (CERI, referred to hereinafter in this report as IRCA, by its Spanish acronym). This indicator aims to objectively rank companies that are obliged to produce a Sustainability Report, based on their exposure to climate-related and environmental risks, and according to their maturity in terms of managing those risks.
- **Board Audit and Control Committee:** During the year, in accordance with the duties incumbent upon it, the Board Committee has monitored and analysed the sufficiency, clarity and integrity of all financial and related non-financial disclosures published by the Bank, corresponding to both the Bank and the Group, prior to their presentation to the Board of Directors and their disclosure to the market and to supervisory bodies.
- **Board of Directors<sup>2</sup>:** Responsible for approving the Institution's policies, for establishing principles, commitments and objectives in the area of sustainability, and for including them in the Institution's strategy.

When defining the general strategy, the business objectives and the risk management framework of the Institution, the Board of Directors considers environmental aspects, including climate-related and environmental risks, and it also effectively oversees them.

## Energy

Compliance with the commitments under the ESG framework, which include, among others, those related to the Institution's energy efficiency, is reported to the Sustainability Committee on an annual basis. The Sustainability Committee is the body that monitors the delivery of

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<sup>2</sup> For more details about the Board of Directors, see section [2.1 GOV-1: The role of the administrative, management and supervisory bodies](#)

commitments undertaken under the framework of *Sabadell's Commitment to Sustainability*.

The Sustainability Committee also validates proposals for improvements to the energy efficiency of the Institution's facilities, while the corresponding budget is approved by the Management Committee.

## Own workforce

In general terms, the top-level committee of the People division is the body in charge of supervising the strategy and direction of decisions that have an impact on staff, as well as conveying actions linked to the professional development of staff, the application of remuneration policies and the implementation of occupational welfare and work-life balance measures, to the governing bodies for their approval and supervision, in accordance with applicable regulations or internal policies.

Banco Sabadell also prioritises initiatives linked to reducing the gender pay gap and increasing the representation of women in management positions. In this regard, internal policies and procedures ensure that staff work in a workplace environment where equity and equality are strategic elements that guide the business culture. The Bank rolls out initiatives throughout the organisation and across all units to reduce and mitigate pay inequality between men and women and is committed to progressively reducing differences in that respect in order to move forward with its aim of supporting the economic and social transformation of our environment.

The monitoring and control of gender representation and the gender pay gap is a priority for the People division and is regularly reviewed by the unit's top-level committee. The aim of this mechanism is to assess the level of compliance with corporate objectives and the degree of success of the measures that the institution has in place in terms of diversity, equality and inclusion, focusing on aspects related to the gender pay gap and the representation of women. Additionally, the People division is in charge of conveying the outcome of relevant actions to the forums indicated below:

- **Board Committees (Board Remuneration Committee, Board Appointments and Corporate Governance Committee, Board Strategy and Sustainability Committee):** report on the main conclusions in the analysis of the Bank's remuneration models and the action levers to reduce the gender pay gap, aimed primarily at increasing female representation in positions with a higher functional value. Furthermore, the composition of the senior management group and the monitoring of gender diversity objectives are presented to the Board Appointments and Corporate Governance Committee on an annual basis, showing how they compare to peers and with the aim of complying with the current regulations related to gender equality and gender pay equity.
- **Management Committee:** this Committee validates, on an annual basis, compliance with the annual targets for female representation embedded in the sustainability indicator, which forms part of the Institution's corporate objectives.
- **Managerial Performance Evaluation Committee (MPEC) and Divisional Employee Appraisal Committee (DEAC):** this forum meets annually with the aim of deciding on changes to senior management staff, approving proposals for promotions to or demotions from that group, as well as verifying compliance with the gender diversity targets and the application of policies that seek to foster gender representation parity.

- **Equality Plan Monitoring and Assessment Committee:** assessment of the level of compliance and progress of actions and objectives set forth in the Equality Plan.
- **Core and Business Groups Promoting Diversity, Equity and Equality:** created in 2022 with the aim of driving forward initiatives, assessing the monitoring of indicators and promoting a culture with a holistic approach to diversity across all levels of the organisation.
- **Equality Officer:** person responsible for ensuring equal treatment and equal opportunities within the organisation chart. Has specific training in this area and supervises the execution of actions set forth in the Equality Plan.

## Access to products and services and non-discrimination

Before marketing a new product or service, an internal workflow (“Product Workflow”) is followed, where the relevant areas of the Bank review the various aspects to ensure they conform to the established standards. The subsequent validation by the areas involved is ultimately ratified by a high-level committee, the Technical Product Committee.

With regard to Sogeviso, (a subsidiary created and 100% owned by the Bank, which manages social housing matters), once a fortnight, as part of its duties, the Committee for Service Businesses monitors the Sogeviso social support programme and Jobs<sup>3</sup> scheme. This Committee is responsible for keeping track of the monitoring of management indicators, such as the labour market insertion rate and the percentage of social or affordable housing rental contract renewals where the rent has increased among families in receipt of social support for more than 18 months. In addition, measures to enable a more efficient service are proposed and implemented and progress in this regard is discussed, in order to ensure the model is a good fit with the social context. The initiatives approved by this Committee are presented to the Bank’s Management Committee for ratification.

In addition, in 2024 Sogeviso started up a new business line, for non-Group customers, focused on integrated management of newly constructed affordable rental stock associated with public-private partnership models. As a result of this initiative, over the year it has completed the deployment of Lot III of the Community of Madrid’s “Plan Vive” and has actively participated in several housing tenders organised in Catalonia, Madrid, the Community of Valencia and Aragon.

On the other hand, in relation to the Code of Good Practice (*Código de Buenas Prácticas*, or CBP), whose main objective is to arrange for the viable restructuring of mortgage debt for primary residences and is aimed at persons in a vulnerable situation, aggregated information on customer applications to receive CBP assistance is prepared on a monthly basis, including monthly data on customers included under that scheme reported to the Bank of Spain. Information regarding the treatment of customers who expressed interest in this service but who, for different reasons, were not granted access to CBP measures, is also included. This information is sent to members of General Management who form part of the CBP Steering Committee. This information is also periodically sent to the Customer Conduct Risk Prevention team.

<sup>3</sup> For more information on these programmes, see section [5.3.2.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model](#)

## Cybersecurity and data protection

The Information Security function sends regular cybersecurity status reports to governing bodies, such as the Management Committee, the Board Strategy and Sustainability Committee and the Board of Directors, which are the bodies responsible for overseeing the Institution's cybersecurity, along with the Board Risk Committee, which oversees ICT risks.

In relation to Data Protection, a plan setting out the necessary measures to monitor and supervise compliance with the Personal Data Protection Policy is submitted to the Management Committee on an annual basis. Every six months, a Supervision and Control Plan monitoring report is also sent to the Management Committee and to the Board Risk Committee.

In addition, the Annual Data Protection Report is compiled which, among other things, reports on monitoring of the Control Plan, and the Data Protection Officer's Report is issued, in compliance with the obligation of accountability to the Bank's Senior Management. This report is submitted to the Management Committee, the Board Risk Committee and the Board of Directors.

## Business conduct

The Corporate Ethics Committee (CEC), reporting to the Board of Directors, is ultimately responsible for adopting policies on corporate reputation and ethical behaviour. Its core mission is to promote the ethical behaviour of the entire organisation to ensure compliance with the action principles set out in the Banco Sabadell Group Code of Conduct, the Internal Code of Conduct relating to the securities market (*Reglamento Interno de Conducta*, or RIC), the Corporate Crime Prevention Policy, the General Policy on Conflicts of Interest, the Anti-Corruption Policy and the Policy on the Internal Reporting System and Protection of Reporting Persons.

## 2.3 GOV-3: Integration of sustainability-related performance in incentive schemes

**Banco Sabadell Group's Remuneration Policy is consistent with the goals of the risk and business strategy, the corporate culture, the protection of shareholders, investors and customers, the values and long-term interests of the Group, as well as with customer satisfaction and the measures taken to prevent conflicts of interest without providing incentives for excessive risk-taking.**



To that end, Banco Sabadell Group's Remuneration Policy is based on the following principles:

1. Promote business and social sustainability in the medium-long term and ensure alignment with Banco Sabadell Group's values. This involves:
  - Aligning remuneration with shareholders' interests and with the creation of long-term value.
  - Implementing rigorous risk management, considering measures to prevent conflicts of interest.
  - Aligning with Banco Sabadell Group's long-term business strategy, objectives, values and interests.
2. Ensure a competitive and fair remuneration system (external competitiveness and internal fairness) that:
  - Is able to attract and retain the best talent.
  - Rewards professional experience and responsibility, irrespective of the employee's gender. In this respect, Banco Sabadell Group's Remuneration Policy is based on equal pay for male and female employees for equal work or for work of equal value.
  - Is aligned with market standards and is flexible, so that it can be adapted to changes in the environment and sector requirements.
3. Reward performance, thereby aligning remuneration with individual results and the level of risk taken:
  - Finding an adequate balance between the various remuneration components.
  - Considering current and future risks and results, without providing incentives for excessive risk-taking beyond Banco Sabadell Group's tolerated threshold.
  - Implementing a simple, transparent and clear-cut remuneration scheme. The Group's Remuneration Policy should be easy to understand and easy to communicate to the entire workforce.

The Banco Sabadell Group Remuneration Policy, in its entirety, includes information about the integration of sustainability risks. In particular, in terms of sustainability, the following aspects are taken into consideration:

- The remuneration policy and practices integrate sustainability risks and information in that regard is published on the Group's website. The remuneration policy and practices shall encourage behaviour consistent with the Group's risk-based approaches related to climate and the environment, as well as with the commitments voluntarily undertaken by the Group. In addition, they shall promote a long-term approach to the management of climate-related and environmental risks.
- Remuneration components must contribute to the promotion of environmental, social and governance actions in order to make the business strategy sustainable and socially responsible.

The specific operation of variable remuneration will be described in the Banco Sabadell Group companies' regulations. In any case, variable remuneration will be linked to results, in such a way that its total amount will be based on an assessment that:

- Combines the results of the Group, entity, business unit or division in which activities are carried out and/or those of the employee.
- Takes into account both financial and non-financial criteria, aligned with the strategic planning, budget and risks taken or indicators in the fields of environment, society, diversity and gender equality.



- In terms of long-term remuneration, multi-year targets will also be considered, based on quantitative criteria linked to a period long enough to properly reflect the risk taken.

Within the Group's objectives, the Synthetic Sustainability Indicator (SSI) has a weight of 10% in employees' variable remuneration and includes ESG metrics and indicators. In the case of the Executive Directors, this indicator has a weight of 14% for the CEO and 13% for the CRO. In terms of its composition, it is structured in four blocks: Green loans or sustainability-linked loans (40% weight); gender diversity indicators (percentage of female representation in management, 20% weight); indicators linked to the attainment of the Sustainable Finance Plan (20% weight); and score given by ESG rating agencies (20% weight).

Parameter	Definition	Weight
Rating agencies	Improve score on main ESG indices obtained from rating agencies (MSCI, Sustainalytics, DJSI)	20%
Sustainable Finance Plan	<ul style="list-style-type: none"> <li>— Number of IRCA evaluations carried out</li> <li>— Setting new decarbonisation pathways</li> <li>— Meeting the decarbonisation pathways already established</li> </ul>	20%
Diversity	% Women in management	20%
Sustainable Business	<ul style="list-style-type: none"> <li>— GL financing</li> <li>— SLL financing</li> </ul>	40%
<b>Total</b>	—	<b>100%</b>

Furthermore, to reinforce the alignment of remuneration with the Group's sustainability commitment, in 2023 a synthetic sustainability indicator was included in the multi-year targets set by the Group, directly linked to long-term remuneration, weighted at 20%. Its composition is structured around the synthetic indicator related to Sustainable Business (green & social loans, sustainability-linked loans, and other mobilised funds) and to Diversity (percentage of women in the management team).

In long-term remuneration, in addition to the annual targets established for short-term variable remuneration, the multi-year targets must be met. For the period 2024-2026 the multi-year target indicators are: shareholder value creation (relative Total Shareholder Return or TSR), weighted at 40%; profitability (Return On Tangible Equity or ROTE), weighted at 40%; and Sustainability (the above-mentioned synthetic sustainability indicator), weighted at 20%.

Additionally, some job functions have been assigned sustainability targets as part of their individual targets.

Targets will be set in such a way that the assignment of variable remuneration includes all current and future types of risk, with either annual and multi-year targets or with ex-ante adjustments to variable remuneration.

Banco Sabadell Group annual and multi-year targets, their weighting and their scale of achievement will be approved by the Board of Directors, based on a proposal by the Board Remuneration Committee. Guidelines on target setting and their weights for all staff members are approved by the Board Remuneration Committee. The individual targets of each staff group will be detailed in the corresponding remuneration policies.

## 2.4 GOV-4: Statement on due diligence

The Group takes into account sustainability risks in its assessment, management and control processes through the activities carried out.

In this respect, Banco Sabadell Group has a Sustainability Policy, which aims to provide a framework for all of the Institution's activity and organisation within ESG parameters. The Policy incorporates environmental, social and governance factors in decision-making and, at the same time, based on those factors, it responds to the needs and concerns of all of its stakeholders. The Sustainability Policy sets out the core principles on which the Group bases its approach to tackling the challenges of sustainability, and defines the corresponding management parameters, as well as the organisation and governance structure required for their optimal implementation.

Effective integration of environmental, social and governance risks into management arrangements requires a strategy and set of regulations that establish the guidelines, targets and limits required at different points of the credit approval workflow. The Bank therefore attaches great importance to the assessment of the climate-related and/or environmental, social and/or governance risks of its counterparties.

Specifically, climate-related and/or environmental risks are set out in detail in section [5.1.4.1 ESRs 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities](#).

In terms of social risks, various social factors are considered, such as those related to rights, well-being, and the interests of people and communities. The risk of loss arising from any negative financial impact on counterparties stemming from the current or prospective impacts of social factors is also included. To that end, a series of actions linked to the process for identifying, measuring and managing social risk for both retail and business customers have been implemented. Although it is true that many of these actions apply to both types of customers, the Due Diligence Policy as regards the granting of credit is geared towards retail customers, while the Defence Sector Policy, the Eligibility Guide and the IRCA are actions mostly aimed at corporates<sup>4</sup>.

The Group therefore has an Environmental and Social Risk Framework that consolidates the set of applicable criteria (sectoral standards) that are intended to limit the financing of customers or projects that the Institution considers to be contrary to the transition to a sustainable economy or that lack alignment with international regulations or best practices in the industry.

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<sup>4</sup> For more information on these actions, see section [5.1.4.1 ESRs 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities](#)

The above-mentioned Framework also integrates compliance with the rules and standards at the level of social risk<sup>5</sup>, some sector-specific (e.g. in the energy and agricultural sectors, special consideration is given to the negative impact they may have on society and local communities), and others of general application, such as the International Labour Organisation (ILO) Conventions and the UN Guiding Principles on Business and Human Rights. In this regard, the Framework has the same thresholds and scopes of application and the same mechanisms for effective implementation as those described in section **5.1.4.1 ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities**, including the dispute screening tool provided by a reputable third-party supplier. Specifically, the general exclusions limiting the financing of companies with a high level of social risk, regardless of the sector to which the borrower belongs, are:

1. Companies for which Banco Sabadell has sufficient reason to believe that they employ child labour or forced labour, as defined in the ILO conventions, or that have participated in human rights violations and/or that do not follow the principles of the Institution's human rights policy.
2. Companies involved in the resettlement of indigenous or vulnerable groups without their free, prior and informed consent, or that otherwise infringe the rights of those groups.
3. Companies for which Banco Sabadell has sufficient reasons to believe that they are in material breach of applicable laws and regulations in relation to human rights and the environment, even if the circumstances in question do not constitute a breach of the local legislation of each country.
4. Companies that do not have health and safety policies in place to protect their workers, such as OHSAS 18001 or ISO 45001.

On the other hand, the Group has a Human Rights Policy and a related Due Diligence Procedure, both approved in 2021, which are reviewed annually and are applicable to all Group companies. They establish basic principles of action, as well as the mechanisms required to identify, prevent, mitigate and/or remedy any potential negative impacts on human rights that the Bank's activities and processes may entail, in particular with regard to granting finance to companies, or in relation to its human resources management model or supplier engagement processes. They also establish the need for employees to receive training in all of these areas. The principles governing the Human Rights Policy take into consideration the impact and relationship with four main stakeholder groups: Group employees, customers, suppliers and commercial partners, and the communities or environment in which the Group conducts its business and operates.

The Group also has a new version of the Group Code of Conduct, first approved in 2021 by the Board of Directors, which underwent an in-depth review to adapt it to regulatory requirements, supervisory guidelines and specifications, and to market standards. Every member of the Group's workforce was required to read and expressly accept the new version of the Group's Code of Conduct.

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<sup>5</sup> For information related to the environmental approach of the Environmental and Social Risks Framework, see section **5.1.4.1 ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities**

## 2.5 GOV-5: Risk management and internal controls over sustainability reporting

**The main function of the Internal Controls over Sustainability Reporting (hereinafter, ICSR) unit is the design and implementation of the general control framework corresponding to Banco Sabadell Group's Sustainability Report.**

This includes the identification of significant quantitative data generation processes involved in generating the quantitative information contained in the Sustainability Report. A data generation process is considered to be one which generates quantitative indicators associated with the Impacts, Risks and Opportunities (IROs) stemming from the double materiality analysis and one which comprises common elements, such as a data origination source and the processing and analysis of those elements prior to final disclosure.

The ICSR unit analyses those data generation processes, through a thorough analysis with the expert areas involved, and identifies the risks associated with those processes, which are related to the content of the Comisión Nacional del Mercado de Valores (CNMV) guidance that serves as the frame of reference, and controls are designed and incorporated, jointly with those responsible for the data, to mitigate the previously identified risks.

The resulting matrix of risks and controls provides a holistic view of the processes and systems involved in producing the Sustainability Report. The matrix can be consulted to identify the executor and the reviewer of the control, the data that it covers and the process to which it belongs, among other fields.

Furthermore, with the entry into force of the new European Corporate Sustainability Reporting Directive (CSRD), the ICSR unit has identified risks and designed controls over the new double materiality exercise in order to ensure the correct execution of this exercise and its completeness.

Based on the above-mentioned Directive, content controls have been established over the qualitative information disclosed throughout the Sustainability Report in relation to policies, actions, metrics and targets, as these are considered to constitute sensitive information and there are risks involved in their disclosure to the markets.

With regard to the assessment of the established controls, which mitigate the associated risks through their prevention or detection, this is carried out using the Bank's Governance, Risk and Compliance (GRC) tool, which is managed by the ICSR unit, where the areas responsible complete assessment forms accompanied by evidence supporting each of the controls.

Having completed the assessment, the GRC tool managed by the ICSR unit has a certification module that can be accessed by members of Senior Management. The certification process is based on the hierarchical and organisational ratification, at three levels, of the result achieved in the assessment of the controls.

The Board of Directors delegates the supervisory function regarding the internal control systems to the Board Audit and Control Committee. Every six months, the current situation of the ICSR as a result of new applicable regulatory requirements is reported to the Board Audit and Control Committee and to the Technical Committee on Accounting and Financial Disclosures. In addition, every year after the end of the tax year, the result of the assessment of the controls and the conclusions derived from it are escalated to the Board Audit and Control Committee.





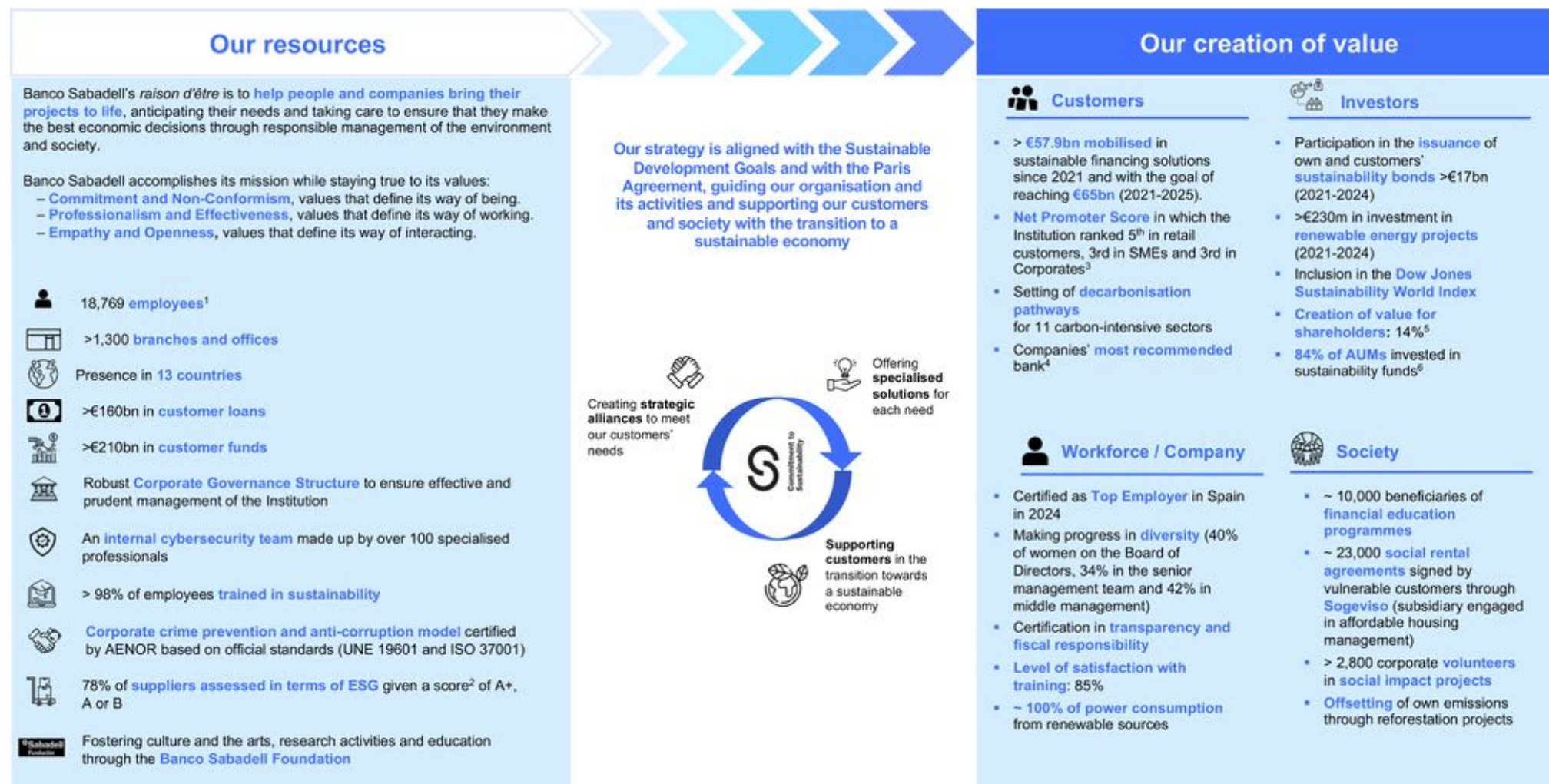


# 3. Strategy

## 3.1 SBM-1: Strategy, business model and value chain

The Institution's business model is geared towards profitable growth that generates value for shareholders. This is achieved through a strategy of business diversification based on criteria related to profitability, sustainability, efficiency and quality of service, together with a conservative risk profile, while maintaining high standards of ethics and professional conduct combined with sensitivity to the interests of all stakeholders.





Note: Data as at December 2024.

1. Of which: 13,156 in Spain, 4,761 in the UK, 526 in Mexico and 326 in other geographies.

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. Accenture benchmarking of major Spanish financial institutions (2024 data).

4. Data taken from the annual customer experience study of companies with turnover >€2m carried out by Accenture in 2024 (September – December).

5. Calculated as the change in tangible book value per share excluding the share buyback, the dividend distribution and the impact of buybacks over the past 12 months on the tangible book value per share.

6. Funds sold under the SABAM brand and other Amundi asset manager brands. Considered sustainability funds as per Article 8 or 9 of the EU's SFDR.



## The Group's strategy promotes sustainable financing and investment to drive forward the transition towards a more sustainable model and a low-carbon economy

The Group's strategy promotes sustainable financing and investment to drive forward the transition towards a more sustainable model and a low-carbon economy, offering customers and investors the best possible solutions. Thus, the Bank committed to mobilise €65bn in sustainable finance between 2021 and 2025. Up to December 2024, more than €57.9bn had been mobilised, €19bn of them during this year.

### Sustainable financing

2021	2022	2023	2024	2025
€65bn				
€57.9bn				
			€19bn	

To honour this commitment, the Bank is taking further action to raise awareness and offer advice across all sectors of the business fabric, offering solutions to finance the investments required for this transition.

### Sustainable financing solutions:

- Financing solutions in the different business lines:

To bring processes for loan approval, portfolio management and reporting tasks in line with international standards on sustainable financing (the Green Loan Principles and Sustainability-Linked Loan Principles issued by the Loan Market Association and the Green Bond Principles and Sustainability-Linked Bond Principles issued by the International Capital Market Association, ICMA), in 2020 the following types of financing were defined, according to the intended use of the funds:

- Green and Social Loans (GSLs), in which the use of the funds is the main criterion for determining the green, social or sustainable nature. This type of financing is closely related to Banco Sabadell's Sustainable Financing Framework, whose main references are the EU Taxonomy and the best practices in the market such as the Green Loan Principles, and to the green bonds issued by the Bank in recent years under the SDG Bond Framework.

To promote GSL transactions, the Bank has approved discounts that allow it to offer better prices to customers.

The rollout of the Next Generation EU Recovery Funds is expected to significantly boost this type of financing (the section "Next Generation EU" provides more details about the actions that the Bank is taking in relation to the aforesaid funds).

- Sustainability-Linked Loans (SLLs), which relate to the type of financing that incentivises the achievement of sustainability targets, linking the transaction price to the evolution of one or more KPIs. This category does not require the funds to be used for any specific purpose. It is considered essential that the selected indicators be relevant for customers, as this enables their sustainability strategy to gain more traction.

- Issuance of own sustainability bonds (more details in section 5. Issuance of Banco Sabadell sustainability bonds).
- Sustainable savings and responsible investment solutions (more details in section 4. Sustainable savings and responsible investment solutions).

**Specialist advice:**

- Specialised teams: trained and certified in sustainability, they have a cross-sectoral perspective of the topic, which allows them to identify the most suitable solutions according to each customer's needs.
- Expertise hubs: cross-cutting units specialising in sustainability that support customers in the areas of structured finance and corporate & investment banking, in addition to helping them to find and apply for subsidies for the Next Generation funds.
- Personalised support: a personalised support service is offered on an individual basis to corporate customers, with regular visits to identify the progress made in implementing ESG criteria, to delve into future challenges and to identify the most appropriate solutions through sustainable finance according to each customer's needs.
- Ongoing advisory service: ongoing advisory programme with outreach and awareness-raising actions, through the Bank's own channels, such as the Companies Hub and its series of conferences.

## 1. Sustainable financing solutions for the Corporate & Investment Banking businesses

Corporate & Investment Banking (hereinafter, CIB) is the business unit that offers financial and advisory solutions to large corporations and financial institutions, both within Spain and internationally.

As at the end of 2024, the Bank had taken part in 112 sustainable financing and investing transactions in the area of CIB, which includes corporate business transactions and investment banking transactions.

	No. of Transactions	Volume
Corporate	92	2,873
Investment Banking	10	4,251

The information shown in the table above is explained here below:

### 1.1 Corporate Banking

In 2024, in the Corporate Banking segment, 92 transactions were signed for a total of 2,873 million euros, increasing by 41% compared to 2023. Of these, 50 transactions amounting to a total volume of 1,298 million euros are considered green and social loans because they are covered by the Bank's Sustainable Financing Framework. In addition, 42 sustainability-linked loans were carried out amounting to a total of 1,575 million euros.

The issuance of sustainable guarantees has been promoted, in which the company or singular asset to which the guarantees relate qualify as sustainable.

In addition, customers have continued to be supported with short-term sustainable finance solutions, which directly or indirectly involve the value chain, both during upstream phases (suppliers) and downstream phases (customers). Thus, not only the negative impacts generated by our customers' production processes are considered, but those generated in their value chain are considered also.

In any event, operations are being monitored on a continuous basis jointly with customers and sustainability agencies through the KPIs defined for each loan. This allows us to better understand the positive impacts of our lending and to identify potential new sustainable financing needs that may arise for our customers.

**92**  
Transactions for a total of  
**2,873 M€**

Sustainable financing is prioritised as a formula to support customers and it is increasingly being included in credit approval procedures. In fact, in some cases the authorisation of new transactions is conditional upon the inclusion of an ESG element in the financing structure. To that end, custom proposals are being developed according to the needs of customers, their sustainability strategy and factors specific to their industries.

## 1.2 Investment Banking

In 2024, Banco Sabadell was the placement entity of green and sustainability bonds in the primary debt market, participating as Joint Lead Manager in the following public issuances for customers:

- Basque government: sustainability bond in the amount of 600 million euros, with a 10-year maturity and a 3.400% coupon, issued in February.
- Madrid autonomous community: sustainability bond in the amount of 1 billion euros, with a 10-year maturity and a 3.462% coupon, issued in February.
- Xunta de Galicia: sustainability bond in the amount of 500 million euros, with a 7-year maturity and a 3.296% coupon, issued in May.
- Junta de Andalucía: sustainability bond in the amount of 500 million euros, with a 6-year maturity and a 3.200% coupon, issued in June.
- FCC Servicios de Medioambiente: sustainability bond in the amount of 600 million euros, with a 7-year maturity and a 3.715% coupon, issued in October.

The Bank also took part in a further three sustainable operations with investors for an aggregate value of over 50 million euros.

Furthermore, during 2024, it participated in the following Banco Sabadell green bond issues:

- As Joint Lead Manager in Banco Sabadell's green public issuance of senior non-preferred debt in the amount of 500 million euros with a 4.25% coupon, issued in March.
- Banco Sabadell's green public issuance of senior non-preferred debt in the amount of 500 million euros with a 3.5% coupon, issued in November.

**3**

**Sustainable transactions  
for a total volume north of**

**50 M€**

## 1.3 Project Finance

The renewables market in Spain and Portugal had a year with positive developments, such as the progress made in implementing and starting up operations in new solar and wind power plants, in line with the previous year, and granting licences for new projects to ensure a sizeable pipeline in the coming years. This is in contrast with some negative developments, notably very high price volatility, with particularly low prices in the second quarter, which had a considerable influence in driving down prices of PPAs<sup>6</sup> and, ultimately, the profitability of the projects.

Despite this instability, Banco Sabadell has continued to offer finance for renewable projects as one of the main banks in Spain, demonstrating its commitment to the “Fit for 55” measures introduced by the European Union and to Spain's Integrated National Energy and Climate Plan (*Plan Nacional Integrado de Energía y Clima*, or PNIEC).

<sup>6</sup> Power Purchase Agreement

Over the year, 39 projects received a total of 1,228 million euros in finance. According to Infralogics, the Bank featured in the ranking of banks that provide finance for renewable energy projects in Spain and Portugal, ranking second in terms of number of transactions and third in terms of volume of transactions.

In 2024, a total of 7,644 MW of renewable energy capacity was installed, 6,735 MW of them in solar power plants, which is the highest figure ever recorded, topping the previous year's figure by 27%. With the installation of these power plants, as at November 2024, wind and solar power plants represented 44.8% of the installed capacity and, if hydraulic power is added, this figure rises to 58%.

During 2024, a record number of licences were granted for new renewable power plants. Up to September, Environmental Impact Statements (EISs) had been released for a total of 54.9 GW, of which 14.8 GW had an administrative construction authorisation (*Autorización Administrativa de Construcción*, or AAC). The remainder is expected to receive that authorisation soon. All of these power plants have until 2027 to connect, so the new power plants installation pipeline is ensured, always provided conditions are favourable to go ahead with the development.

To put all licensed power plants in operation, it is important for prices to be less volatile and become stable, something that did not happen in 2024. Indeed, price seasonality in 2024 was very pronounced. The second quarter saw particularly low prices due to high hydrolicity (quantity of water), mild temperatures and considerable use of both solar and wind energy. In contrast, the second half of the year was marked by an increase in demand due to hot weather in July/August and cold weather in November, combined with a gradual increase of natural gas prices, which more than doubled between March and November. The average baseload price in Spain was €63.04/MWh (down by €24.06 compared to the €87.10/MWh recorded last year) but with considerable price differences; for instance, the average price was €13.67/MWh in April and €111.39/MWh in December.

The main challenges for the coming years relate to the introduction of batteries and hydrogen to stabilise prices, as well as the development of data centre projects to increase the demand for energy.

In terms of production, during 2024, 39 transactions with a volume of €1,228m were booked, representing an increase of 8% in terms of the number of transactions, and of 11% in terms of volume. It is worth noting the volume recorded in the USA, which went from €45m in 2023 to €295m in 2024.

# 39

projects received a total of

# 1,228 M€

Country	# Transactions	Amount	%
Spain	28	923	77 %
UK	1	10	1 %
USA	10	295	23 %
<b>Total</b>	<b>39</b>	<b>1,228</b>	<b>100 %</b>

Data in millions of euros.

In terms of technology, it is worth noting the increased financing provided for wind power projects, which went from €319m in 2023 to €486m in 2024, which helps us to balance out the portfolio mix. In addition, financing was provided for two hybrid energy projects that combine photovoltaic plants and Battery Energy Storage Systems (BESS).

Technology	# Transactions	Amount	%
Wind	16	486	40%
Photovoltaic	21	669	54%
Solar + BESS	2	73	6%
<b>Total</b>	<b>39</b>	<b>1,288</b>	<b>100%</b>

Data in millions of euros.

## 2. Sustainable financing solutions for Business Banking

The Business Banking unit offers financial products and services to legal entities and natural persons for business purposes, serving all types of companies with turnover of up to 200 million euros, as well as the institutional sector.

### Green and social loans

**In 2024, more than 4.1 billion euros were mobilised through companies using the funds for purposes aligned with the Bank's Sustainable Financing Framework, mainly through medium- and long-term financing, which includes secured and unsecured loans, leases and rentals, and guarantee facilities.**

These do not include Renewable Energy Project Finance transactions, which are described individually in previous sections.

With the aim of helping companies to execute their sustainable projects more efficiently, Banco Sabadell has entered into a number of agreements with partners from a variety of sectors so as to offer turnkey solutions:

- Photovoltaic self-consumption: the Bank has agreements with Iberdrola and EDP Solar to provide a comprehensive service that includes both photovoltaic systems and the maintenance and upgrade service, to ensure that the installation remains optimal for customers' interests.
- Building retrofits: the Bank has an agreement with Agentia R+ as renovation agent, leading the entire project, including the management of public subsidies.

### Sustainability-linked loans

As at the end of 2024, the Bank had mobilised more than 3 billion euros in sustainability-linked loans for corporates and SMEs to fund green purposes only, primarily focused on the reduction of their CO<sub>2</sub> emissions.

### Sabadell Renting's mobility solutions

In 2024, Sabadell Renting continued to improve its offer of ECO or green vehicles, thanks to its considerable efforts to focus on its sustainable mobility activity.

In 2024, ECO vehicles (hybrid and electric vehicles with an 'ECO' or 'zero emissions' environmental label issued by Spain's traffic authority, DGT) accounted for 67% of all vehicles on offer, while the number of new contracts signed for ECO vehicles as a percentage of the total was 43%.

Sabadell Renting continues to increase the visibility of sustainable mobility solutions through direct campaigns aimed at the Bank's customers (both retail banking and business banking customers) throughout the year, promoting the ECO vehicles offered by the market and, above all, placing a sharp focus on the electric vehicles that it offers, with specific campaigns for all staff at Banco Sabadell.

In terms of the sales volume of second-hand vehicles, there was a significant increase in the sale of vehicles up to four years old. This sales volume also contributes to the renewal of the vehicle fleet and, in parallel, to the improvement of urban environments with vehicles that are more efficient and have much lower CO<sub>2</sub> emissions.

## Social loans

In the area of social loans, it is worth highlighting those granted to micro-enterprises for the purpose of promoting and maintaining employment.

In 2024, SMEs and micro-entities were granted more than 2.8 billion euros in finance, mainly through loans and credit, thereby helping to maintain employment and facilitating the development and progress of the business and industrial fabric of each region. This brings the cumulative amount granted between 2021 and 2024 to over 11.5 billion euros, representing 77% of the target set for the 2021-2025 period of 15 billion euros.

The Bank monitors the impact of the financing granted to SMEs and micro-entities. This way, out of all SMEs and micro-entities that received financing in 2022, over 68% maintained or increased their number of employees (data as at 2023 vs 2022<sup>7</sup>) and over 73% improved their sales volumes.

In addition, in relation to the financing granted in 2024 to self-employed professionals, it should be noted that 46% was granted to women.

**Funding for SMEs  
and micro-enterprises**

**2,800 M€**

**Year 2024**

## Support for businesses

In order to help businesses achieve a better understanding of sustainability, a series of webinars were organised through the Bank's Business Hub which, drawing on examples of good practice implemented by customers and experts, dealt with aspects related to the Next Generation Funds, which cover the sustainability pillar. In this respect, sessions were held in connection with the sector-specific strategic project for economic recovery and transformation (*Proyecto Estratégico para la Recuperación y Transformación Económica*, or PERTE) for the Circular Economy, as well as two sessions concerning the new ICO MRR funds offered by Spain's Official Credit Institute (Instituto Oficial de Crédito, or ICO) in relation to recovery and resilience mechanisms (*Mecanismos de Recuperación y Resiliencia*, or MRR), which consider a green ICO MRR second-floor facility subscribed by Banco Sabadell.

The annual visit to businesses now includes a conversation about sustainability, providing customers with the necessary background information and explaining the benefits of moving towards sustainability, and proposing financing solutions for projects that enable greater energy efficiency and a reduction of their carbon footprint.

<sup>7</sup> Calculations based on public information contained in annual accounts, corresponding to 80.17% of financed enterprises. Information not available for this year

# Next Generation EU

Financial institutions have the responsibility of supplementing the funds made available by European institutions in order to repair the consequences of the pandemic as much as possible and move towards a more sustainable economy. It is also essential to provide the maximum possible capillarity to the programme of European funds in order to ensure that it is rolled out to the entire business world, including SMEs.

To that end, various specific products are made available to businesses in order to advance subsidies, supplement them if they do not cover the entire investment, or to provide the authorities with any guarantees they may require.

Banco Sabadell wishes to support businesses on this journey and, to that end, several campaigns have been launched with the aim of spreading knowledge about subsidies and offering turnkey solutions that include a value proposition from the main partners in the market in each of the main areas for which subsidies are available and about the financing or guarantees that may be necessary to develop the associated projects.

- **Business digitalisation:** after KIT Digital opened its call for proposals in March 2022, several additional calls followed it aimed at companies of different sizes. In July 2024, the Consulting Kit was launched. This is a digital advisory voucher for the amount to be used by the company in question to hire advisory services in relation to digital aspects.  
With the aim of helping customers make the most of this financial assistance, an agreement was reached with mobile company Masmóvil to provide companies with digitalisation solutions.
- **Photovoltaic self-consumption:** this is a package of government aid amounting to 1,320 million euros, which is intended to promote self-consumption and energy storage, and renewable heating systems. This provides an opportunity for businesses to carry out investment projects aimed at self-consumption, and allows them to benefit from the complementary financing offered by Banco Sabadell.  
In this respect, the agreements with key market players, such as Iberdrola and EDP Solar, allow us to offer customers turnkey solutions, which are complemented by the financing that customers may need.
- **Home renovations:** the Next Generation EU funds offer grants for home or building renovations linked to energy efficiency and renewable energy projects. The main beneficiaries are homeowners' associations. The amount of the subsidy will vary depending on the savings delivered by the renovations.

## Participation in PERTEs<sup>8</sup>:

Spain's PERTEs are a new concept, conceived as a mechanism to promote and coordinate top priority projects of a strategic nature given their impact on economic growth, employment and competition in a particular sector. Their aim is to serve as a point of connection between public and private initiatives, as they provide a predictable legal framework to develop innovative and collaborative solutions.

The Addendum to the Spanish Recovery and Transformation Plan (*Plan de Recuperación y Transformación*, or PRT), approved in October 2023, anticipates a significant increase in funds allocated to investments in PERTE projects, with an amount totalling 41,287 million euros. Throughout 2024, significant progress has been made in announcing calls for proposals for various PERTEs, including one for electric vehicles (second call), the PERTE for the shipping industry, the one for the water cycle and the agri-food project.

In July 2023, the Bank signed an agreement with PYMAR, a body representing small and medium-sized shipyards, to offer guarantees under improved conditions to companies participating in the shipbuilding PERTE. Following the final resolution of this PERTE in January 2024, the Bank granted guarantees for 45 projects amounting to over 13 million euros.

<sup>8</sup> Strategic Projects for Economic Recovery and Transformation (Proyectos Estratégicos para la Recuperación y Transformación Económica, or PERTEs)

### 3. Sustainable financing solutions for the Retail Banking business

Retail Banking is Banco Sabadell's business unit that offers financial products and services to individuals for personal use. Banco Sabadell supports customers in the transition to a more sustainable economy, offering a range of solutions with products and services for home purchases and renovations, sustainable mobility or the installation of renewable energies and wastewater treatments. In addition, the Bank offers investment opportunities that contribute to sustainability.

In its commercial relationship with the consumer segment, the Bank considers both environmental and social approaches when it originates its financial transactions. On one hand, in relation to the environmental factor, it takes into account the ecological aspect of assets in which customers are thinking of investing. The Bank focuses primarily on green mortgages, considering properties that have the highest energy efficiency performance ratings as "green assets". In addition, "green assets" also include those that are aligned with the activities defined in the Institution's Eligibility Guide and that are, at the same time, linked to personal loans. The types of properties included in this category are mainly electric vehicles and solar panels, although there are others. On the other hand, where the financed property qualifies as council housing, this is taken into account when evaluating the social factor.

It should be noted that Sabadell Consumer Finance, the consumer finance institution wholly owned by Banco Sabadell, has signed partnership referral agreements with companies that focus on providing sustainable solutions for their customers. In 2024, the growth of the photovoltaic installations sector slowed down, mainly due to the reduced price of electricity (a factor that directly influences investment decision-making). This development created a new opportunity for aerothermal products and batteries. As for the installation of vehicle charging points, there is a direct correlation with the number of electric vehicles sold.

In addition, the ESG dimension is embedded throughout the commercial and risk process, assessing transactions from origination onwards. This means that account managers proactively offer sustainable financing solutions when they see that customers have the opportunity to invest in "green assets", such as energy-efficient homes or electric vehicles. There is also the option of applying a positive price adjustment for transactions whose ultimate purpose is to acquire a "green asset". This way, there is a bigger incentive for the customer or for the account manager, who is in a better position to negotiate sustainable transactions.

Lastly, in terms of payment systems, Banco Sabadell continues to work towards its objective of reducing its environmental impact, encouraging customers' use of digital payments through virtual cards, which are included in all in the main X-pay systems (Google Pay, Apple Pay, Samsung Pay, etc.). Furthermore, for customers with physical cards, these are manufactured with recycled biodegradable PVC materials, thus avoiding the generation of plastic and offering customers the opportunity to do their part in overcoming this challenge.



## Green financing solutions for individuals

In the case of products designed to finance project development or sustainable initiatives, it is worth mentioning the following solutions that Banco Sabadell offers its customers:

- **Green mortgages:** Banco Sabadell offers a reduced price across its entire mortgage range to incentivise the purchase, construction or renovation of homes with the highest EPC ratings (A+, A or B), in accordance with the national certification system and in line with the Institution's Eligibility Guide.

In 2024, the volume of new mortgages with sustainable certification came to more than 589 million euros.

- **Sabadell green renovation loan:** the aim of the Sabadell 'eco-reformas' (green renovation) loan is to encourage home renovations and/or purchases that improve the sustainability and energy saving capacity of a primary or secondary residence. The Bank offers financing, with attractive conditions, for improvements of openings (windows and doors), upgrades of heating or cooling systems to make them more efficient, and purchases of energy-efficient household appliances, i.e. those with an EPC rating of A or higher.
- **Sabadell green car loan:** the Bank offers the 'préstamo coche ECO' (green car loan), aimed at retail customers, which enables the purchase of 'zero emissions' or 'ECO' labelled vehicles with very attractive conditions, thus contributing to the adoption of cleaner vehicles that are suited to the new low-emission zones in Spain's largest cities.
- **Renting mobility solutions:** as explained above, Sabadell Renting also offers ECO or green vehicles to retail customers, thanks to having placed considerable focus on its sustainable mobility activity.

**+589<sup>M€</sup>**

**Mortgages with sustainable certification**

## Social financing solutions for individuals

In the area of social financing, due to the economic impact of some extraordinary economic circumstances, Banco Sabadell continues to proactively offer solutions to customers with or without mortgages who may be experiencing difficulties, in addition to customers who meet the vulnerability criteria in accordance with the Code of Good Practice, with the aim of helping those customers to meet their obligations, relieve their financial burden and avoid default situations.

With regard to vulnerable customers<sup>9</sup>, it should also be noted that:

- Customers at risk of social exclusion who have been officially recognised as refugees (they hold a white or red card) or who have limited resources may open Banco Sabadell's Basic Payment Account free of charge, thus gaining access to free services such as cash withdrawals using debit cards, domestic transfers and transfers to EU countries, direct debits, and online banking, among others. 580 Basic Payment Accounts were opened in 2024 including 70 opened by vulnerable customers. In terms of the account holders, 595 people opened a Basic Payment Account, 71 of whom belonged to a vulnerable group.
- There are specific benefits for customers aged 65 or over, such as the issuance and renewal of a commission-free passbook and free transfers throughout Spain and in the European Economic Area carried out at a branch. Furthermore, customers who are pensioners and have income of less than 10,000 euros per year can access certain additional subsidies and benefits.
- The customer service model is particularly mindful of vulnerable customers (those vulnerable due to their age, reduced mobility or other constraints) and/or non-digital customers (those with no access to remote banking), with specific protocols for this group to address specific situations, such as the closing of branches, changes to the usual services offered and certain risk transactions such as cash withdrawals at branches, offering them unique support tailored to the possibilities of each customer.
- The Code of Good Practice is applied when granting financing transactions to safeguard the interests of customers, ensuring that they choose the product that is best suited to their needs and to their financial capacity, paying particular attention to customers in vulnerable situations (natural persons who, due to their abilities, needs or personal, economic, educational or social circumstances, find themselves in a situation of distress or helplessness that prevents them from going about their daily lives in the same conditions as other consumers).
- Lastly, the Code of Good Practice for the restructuring of mortgage loans of vulnerable customers (Royal Decree Law 6/2012 and Royal Decree Law 19/2022) has been updated and made more flexible to meet the needs of mortgage borrowers with the lowest incomes. For customers with complex financial needs who do not meet the requirements of the Code of Good Practice, other solutions are explored that are appropriate to their current financial position or vulnerability.

## 4. Sustainable savings and responsible investment solutions

In the area of investment, both pension fund manager BanSabadell Pensiones EGFP S.A. in 2012 and, since 2016, Aurica Capital, a venture capital enterprise that invests in Spanish companies with plans to expand in foreign markets, have adopted the United Nations Principles for Responsible Investment (PRI) in the investment manager category. Pension funds individually subscribed to the PRIs by BanSabadell Pensiones EGFP S.A. include BanSabadell Pentapensión Empresa FP, the Fondo de Pensiones de los Empleados de Banco Sabadell MF2000 pension fund, the Fondo de Pensiones de los Empleados de Banco Sabadell GM pension fund, the BanSabadell 18 FP pension fund, and the Fondo de Pensiones de la Compañía de Servicios de Bebidas Refrescantes pension fund.

### 4.1 Savings and investment or similar products

**With regard to mutual funds, Banco Sabadell maintains its strategic alliance with Amundi, Europe's leading asset manager, which has been committed to sustainable investment since its creation.**

Amundi has been a signatory of the United Nations Principles for Responsible Investment since 2006.

<sup>9</sup> For more detailed information in relation to vulnerable customers, see section [5.3.2.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model](#)

As at 2024 year-end, 24 Sabadell Asset Management funds (8,303 million euros) promoted environmental or social characteristics, meaning that they are classified as Article 8<sup>10</sup> funds under the European Sustainable Finance Disclosure Regulation (SFDR). When combined with the Amundi mutual funds distributed by Banco Sabadell (5,717 million euros), it means that 14,020 million euros, or 84%, of Banco Sabadell customer assets invested in non-guaranteed Sabadell Asset Management or Amundi mutual funds promote environmental or social characteristics or have environmental or social objectives (Article 8 or Article 9 of SFDR<sup>11</sup>).

The process of expanding the range of investment and savings products that meet sustainability criteria continued in 2024 with the addition of two new funds, bringing the total number of Sabadell Asset Management funds that comply with Article 8 of the SFDR to 24. As at 2024 year-end, customer assets in mutual funds meeting ESG criteria stood at 83%, remaining above the target set for 2025 of 80%, although slightly below the 2023 figure as a result of market developments and customers' strong preference for guaranteed or target yield products, which are mainly structured with government bonds of EU Member States that do not qualify as sustainable.

It is also worth noting the launch of a new discretionary portfolio management service, called *Cartera Sabadell*, which qualifies as an Article 8 product according to the SFDR. This new service offers various portfolios to be selected by the customer according to their risk profile, with a minimum investment of just €500, making it an accessible option for the Bank's customers.

Training on ESG investment aimed at all commercial team members who provide advisory services to customers continued to be imparted, and helpful information sheets were created for customers to clarify any doubts they might have about the key concepts in relation to their sustainability preferences (Taxonomy, SFDR and Principal Adverse Impacts).

The Banco Sabadell Policy on Integrating ESG Risks in Savings/ Investment Products was updated in 2024 with the latest progress made in that regard, submitting initial evidence of its application in 2021. This Policy is framed within Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

It is important to emphasise that 2024 saw a continuation of the work that began in 2022 of incorporating customers' sustainability preferences into discretionary portfolio management and advice models, which were adapted to the new suitability guides published in 2023. Lastly, the Institution's second [Principal Adverse Impacts Report](#) (available in Spanish) was published in 2024. This report shows whether investment decisions have had an impact on the environment, social aspects and corporate governance, according to various regulatory indicators. This report is available to customers and non-customers and the 2023 report is the first one that shows how the indicators have evolved.

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<sup>10</sup> Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (known as SFDR), which governs transparency of the promotion of environmental or social characteristics in pre-contractual disclosures and transparency of sustainable investments in pre-contractual disclosures, respectively

<sup>11</sup> Articles 8 and 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council

## 4.2 Retirement products

In relation to BanSabadell Pensiones, over the years it has taken several actions to promote the development of socially responsible investment among pension plans, and it was one of the first institutions to offer a pension plan that invests in ethical projects and charitable assistance, which in addition to investing with socially responsible criteria, makes donations to finance the chosen projects. In 2018, BanSabadell Pensiones, together with Banco Sabadell and trade union Comisiones Obreras, signed an agreement regarding the Socially Responsible Investment (SRI) clause to include it in the statements of investment principles of institutions for occupational retirement provision. BanSabadell Pensiones currently manages nine pension funds that explicitly incorporate a Socially Responsible Investment (SRI) mandate in their investment policy, with assets of 1,006.1 million euros as at 2024 year-end.

In terms of the integration of sustainability risks in the investment decisions of Sabadell Seguros, the asset management process includes quantitative and qualitative ESG criteria. To this end, ESG ratings issued by specialised ESG rating agencies are used. These allow the risks and opportunities associated with short- and long-term investments to be identified. Certain tools are also used in the process that detect reputational alerts related to the companies and assets that form part of its investments. In addition, it is worth noting that exclusion policies are applied, meaning that it does not invest in controversial sectors (weapons, thermal coal, etc.). To analyse sustainability risk controls in investment portfolios, the ESG Footprint Committee was created, which is responsible for supervising sustainability risks and verifying the correct implementation of the sustainability risk policy by each investment manager.

## 4.3 Insurance products

Sabadell Seguros has been a participant of the Q-Impact fund since July 2021, in order to contribute to the global challenge of energy transition and create professional opportunities for vulnerable groups.

Q-Impact invests in companies in growth or expansion stages that mitigate issues linked both to social inclusion and to the green transition in Spain. In the social sphere, the fund focuses primarily on companies that help young people to find employment, those that reduce unemployment among young people, those that work to improve the inclusion of people with functional diversity and vulnerable groups, and those that improve the lives of people with functional diversity and the elderly through adapted products and remote assistance services. In relation to the green transition, the fund focuses on acting as a catalyst for investment in underserved markets, as well as focusing on organic agriculture, sustainable technology and related sectors, such as the generation of renewable energy on islands and the financing of self-consumption and energy efficiency.

As at September 2024, the Q-Impact fund had obtained the following results: in its financial valuation, it reached an Internal Rate of Return (IRR) of 16.6%; as for its social and environmental impact, since Q-Impact became involved with each company, the investment-weighted impact metrics recorded 81% growth as at 30 September 2024.

In terms of protection insurance, the aim of companies is to promote the development of products and services that create social value and foster environmental protection.

# 9

**Pension funds BanSabadell Pensiones**

# 1,006.1 M€

**Assets BanSabadell Pensiones 2024**

Similarly, the Bank wants to offer insurance products that help it to deliver on its commitment and fulfil its responsibility to the environment. For that reason, a number of its products include services and benefits that promote the fight against climate change.

Its home insurance products also take into account the needs of customers concerned about climate change, offering coverage for accidental breakages of the sheets of glass of any solar panels that they have installed and which are fixed to the fabric of the building of their homes and for their exclusive use. Any charging points for electric vehicles installed and fixed in their (owned) garage are also considered part of the fabric of the building.

On the other hand, the vehicle insurance product offers special coverage for electric vehicles, such as roadside assistance in the event of a breakdown, accident or low battery; coverage for the theft of the charging cable or plug; as well as coverage for damages to third parties caused by faults when charging the vehicle (with the Civil Liability coverage).

Similarly, travel has become less frequent, consequently reducing greenhouse gas emissions, thanks to video valuations in Vehicle Protection and Home Protection insurance and 24-hour video consultations in Health Protection provided by Sanitas.

## 5. Issuance of Banco Sabadell sustainability instruments

In 2024, Banco Sabadell updated its Framework for the issuance of instruments linked to Sustainable Development Goals (SDGs), which serves as the reference document for the issuance of green, social and sustainability instruments, in different formats, including public and private issues. The Framework applies the substantial contribution criteria proposed in the EU Taxonomy for the defined categories of green eligible projects and complies with the voluntary guidelines of the International Capital Market Association (ICMA).

- **Green instruments** are intended to finance eligible green project categories, focusing on projects with environmental benefits, such as reduction of greenhouse gas emissions, pollution prevention and climate change adaptation.
- **Social instruments** are designed to finance eligible social project categories, focusing on the generation of social benefits by providing access to essential services, facilitating social inclusion and promoting the generation and maintenance of employment.
- **Sustainability instruments** are aimed at providing finance for a combination of green and social activities, as described above.

The net proceeds obtained by issuing these types of instruments (or the amount of the collateralised financial guarantees, where applicable) are used to finance or refinance all or part of the new or existing loans or projects that meet the eligibility criteria established in the Framework.

**In 2024, Banco Sabadell issued two green bond deals amounting to a total of 1 billion euros.**

Specifically, on 13 March 2024, it issued one €500m 6.5NC5.5yr green senior non-preferred debt deal.

On 27 November 2024, it issued one €500m 6.5NC5.5yr green senior non-preferred debt deal. With these deals issued in 2024, Banco Sabadell now has nine outstanding green bond deals amounting to a total of 4,445 million euros. In addition, on 21 June 2024, the first green synthetic securitisation was carried out on a project finance portfolio of 1.1 billion euros, with a commitment to reinvest 110 million euros in eligible green projects, corresponding to the tranche placed with third parties.

Based on that provided in the Framework, a report was prepared, for the green bonds issued in 2022 and 2023, on the allocation of proceeds to eligible projects and the environmental impact generated by those projects. The report was reviewed by an independent expert. The report is available on the corporate website under the heading [Green Bonds Report 2024](#), alongside the reports for previous years.

## 6. Sinia Renovables

As at 2024 year-end, Sinia Renovables, Banco Sabadell's division for investment in renewable energies and sustainability, has investments in projects under development, construction or in operation, increasing its activity by 20% compared to 2023 with an overall installed capacity of 1,645 MW, equivalent to the electricity consumption of about 1,164,577 households. Of this capacity, the portion attributable to Sinia through its direct shareholding is 271 MW, equivalent to the generation of 619 GWh of sustainable electricity every year. This generation, if all projects were in operation, would be equivalent to preventing the emission of 86,700 tonnes of CO<sub>2</sub> per year to satisfy the average annual consumption of around 189,267 households<sup>12</sup>.

Three years ago, Sinia launched its Alternative Green Equity Solution, which is a hybrid financial product that offers solutions to real estate developers with limited ability to obtain funding. They have good renewable energy projects that are almost Ready to Build but they are ultimately unable to complete construction and so they become Independent Power Producers (IPPs).

**1,645<sup>MW</sup>**

Renewable energies

**271<sup>MW</sup>**

Sinia through its direct shareholding

**189,267**

Households

**In 2024, Sinia Renovables mobilised more than 37.7 million euros, between invested capital and financing.**

These figures position the Group as one of the leaders of the financial sector when it comes to investing in renewable energy and sustainability projects, backed by its 25 years of activity in the sector.

<sup>12</sup> Conversion factor calculated based on data from the Spanish Office for National Statistics (Instituto Nacional de Estadística or INE)

Details of the main achievements of Sinia Renovables as at the end of the year are given here below:

- Developers helping developers: the development of projects in the development phase (55% of Sinia's portfolio is in this phase) has increased by over 10% year-on-year. This is because Sinia has a multi-disciplinary team specialised in finance, management and engineering for this type of asset.
- In Spain, Sinia is active in 13 of the 19 autonomous communities, combining knowledge about each of their unique social, economic, environmental and regulatory characteristics.
- International locations represent 21% of the power held in the portfolio: Sinia has sizeable investments in wind power projects in Mexico equivalent to 216.9 MW in operation in the region of Tamaulipas and it is developing a large photovoltaic power plant in its central region. In France, it is co-investing in the development of a 15.4 MW wind power plant.
- Active in biomethane: in 2023, Sinia consolidated other courses of action in environmental sustainability through the completion of biomethane production projects from food sector waste, such as its investment of 7.75 million euros in Catalana de Biogás.
- Stakes in specialised sustainability holdings: one example of this is the minority interest held by Sinia in Soluciones y Desarrollos de Ingeniería y Servicios (Sydis), which has almost doubled its portfolio to 242 MW distributed across 52 projects. Another example is the support provided to long-standing Spanish developers such as Energías Renovables del Bierzo (Erbi), with a new capital co-investment in two cutting-edge wind power projects with almost 100 MW capacity and with which Sinia has enjoyed a successful relationship for over 20 years.
- In 2024, it is worth mentioning Sinia's stake, with a share of 49%, together with Conecta2, in Spain's largest industrial self-consumption power plant at the SEAT facilities in Barcelona and Martorell, with a set of projects that come to a total of 26.4 MWp financed through project finance.

## 7. Green financing and lines of credit with multilateral development banks in Mexico

### 7.1 Green financing

**In 2024, Banco Sabadell Mexico granted green financing in the amount of approximately €135m.**

The destinations of the funds mainly included:

- Installation of renewable energy technology
- Construction and installation of infrastructure for the management of wastewater
- Improvements in companies' processes to reduce their consumption of energy from non-renewable sources
- Reduction of scope 1 and 2 emissions intensity per m<sup>2</sup> of built area in hotel assets (tCO<sub>2</sub>e/m<sup>2</sup>)
- Reduction of consumption of drinking water per m<sup>2</sup> of built area in hotel assets (m<sup>3</sup> of water/m<sup>2</sup>)

In addition, work on the environmental and social analysis continues, to reduce financing to the following sectors that have a particularly negative impact on the environment: Mining, Energy, Agro-industry, Infrastructures and Defence.



## 7.2 Lines of credit with multilateral development banks

Since 2019, Banco Sabadell Mexico has had access to a 10-year line of credit of US\$100m granted by the International Finance Corporation (IFC), a member of the World Bank Group, to promote the development of sustainable tourism and construction in Mexico. These funds are granted to customers seeking to promote the development of sustainable projects.

Banco Sabadell Mexico also has an 8-year credit facility in the amount of \$50m with the German Development Finance Institution (DEG, by its German acronym).

As part of the agreements with the IFC and the DEG, Banco Sabadell Mexico prepares and submits to them an Annual Report on Environmental and Social Performance, which describes the implementation and operation of its Environmental and Social Risk Management System, as well as the environmental and social performance of customers to whom this system was applied in the previous tax year.

Since 2021, all infrastructure projects (new builds and extensions), as well as any hotel-related operation that has received finance of \$5m or more, are evaluated in order to identify their environmental and social impacts and risks. At the end of these evaluations, an Action Plan is drawn up designed to help mitigate the identified impacts and risks, which the customer undertakes to carry out.

During 2024, 20 transactions were evaluated, encompassing the following sectors: Agro-industry, Real estate, Hotels, and Energy.





## 3.2 SBM-2: Interests and views of stakeholders

**Banco Sabadell Group is firmly committed to ensuring sustainability across all its dimensions and, as a financial institution, it is aware of the important role that it plays in its economic, social and environmental surroundings, fostering care for the environment, supporting social progress and upholding a model of good governance, aligned with international best practice.**

The Group, in keeping with its commitment, has been conducting materiality assessments of topics related to sustainability, aligning with best practice in relation to sustainability and transparency. Specifically, in 2022, the double materiality approach was included for the first time and the concept of impact included in the 2021 review of GRI standards was introduced.

In line with this development and with the entry into force of the new European Corporate Sustainability Reporting Directive (CSRD), a new double materiality exercise has been carried out in order to identify the material impacts, risks and opportunities related to sustainability. To that end, the guidelines set out in the European Sustainability Reporting Standards (ESRS) created by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission have been taken into account. This analysis, as established in the aforesaid standards, serves as a basis for determining the Institution's material topics and, consequently, those that should be included in the Group's Sustainability Report. Under the double materiality approach, this exercise includes assessing the effect of different sustainability topics from two points of view:

1. Impact materiality: referring to the Bank's effects on the environment and society through its activities, both directly and indirectly.
2. Financial materiality: referring to the effects of the environment and society on the Bank's financial position.

# Methodological phases:

The methodological performance of the double materiality analysis carried out comprises four key phases:

1. Definition of the perimeter under analysis
2. Impact materiality assessment
3. Financial materiality assessment
4. Definition of materiality thresholds

The first phase of the process is described below, as the following three phases are described in section [4.1 Double materiality](#), which meets the requirements of “IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities”.

## Definition of the perimeter under analysis:

The aim of this first phase is to outline the Double Materiality analytical framework. This phase involved determining:

a. The key sustainability topics for the Institution:

To identify the possible material topics to be evaluated in the double materiality exercise, an analysis was carried out to identify those topics that are, in principle, more important for the Institution from an ESG perspective.

In this respect, the topics referred to in the ESRS were comprehensively analysed, in addition to the topics deemed to be material in previous materiality exercises and the Principles for Responsible Banking<sup>13</sup>, among others.

Based on these priority topics, a process then took place to rule out or discard the less material topics, applying expert criteria, merging those with synergies between them and keeping those that were thought to have priority. To perform this discarding process, the following analyses were taken into consideration: (i) other regulatory references and questionnaires from ESG rating agencies, (ii) analyses of other stakeholder groups (internal information about the opinions of investors, customers and NGOs), and (iii) comparative analyses of the sector’s ESG disclosures.

b. Stakeholder groups to be involved in the exercise and definition of channels to listen to what they have to say:

The Bank’s main stakeholder groups were identified by reviewing previous exercises, analysing recommendations included in the CSRD, and analysing peer group entities. The groups identified for the double materiality exercise were the following:

- Financial Community: investors, shareholders and rating agencies
- Employees: Banco Sabadell Group workforce
- Suppliers: main suppliers that might be more affected by ESG topics
- Customers: retail and business customers
- Bodies and Institutions: regulators of the domestic and European framework
- Society: citizens, communities and organised civil society
- Peers: comparable institutions in the sector

<sup>13</sup> Results obtained from the Portfolio Impact Analysis

After identifying the stakeholder groups, channels to listen to what they had to say were determined. To that end, priority was given to direct contact and, where that was not possible, indirect contacts were made by analysing the documentation related to the corresponding stakeholder group.

In the case of suppliers, employees, retail banking customers and business banking customers, questionnaires were sent out through surveys in order to ascertain their opinions about the topics under consideration. To determine the number of responses needed to be considered statistically significant, the smallest representative sample of each sample universe was calculated to estimate how many surveys needed to be sent, considering a confidence interval of 95%.

In the case of the Financial Community, Bodies and Institutions, Society, and Peers, the Group's internal documentation was used, as well as reports and public documents to complement the analysis.

For the General Management stakeholder subgroup, a total of 20 interviews were held with managers from different areas of the Bank. It is worth noting that the managers considered in the sample came from a wide range of units, so most of the areas of the Bank were taken into consideration.

The way in which the Institution's strategy has embedded material topics for its stakeholder groups is described in detail in the sections included for that purpose in the material disclosures:

- 5.1.3. **Strategy (in relation to climate change)**, particularly in relation to finance for projects that promote the transition, the reduction and offsetting of the Institution's carbon footprint, support for the transition for GHG emissions-intensive sectors, and the management of physical and transition risks, among other topics.
- 5.2.2. **Strategy (in relation to own workforce)**, specifically in relation to managing the gender pay gap, staff development, competitive salaries and the quality of life of employees.
- 5.3.2. **Strategy (in relation to consumers and end-users)**, particularly in relation to finance for housing, the contribution to a robust business fabric, the management of customer vulnerability, customer satisfaction, digitalisation, and cybersecurity.
- 5.4.2. **Strategy (in relation to business conduct)**, particularly in relation to contributions to the stability of the financial system and the trust of investors and customers through ethical and transparent conduct.
- 5.5. **Entity-specific disclosures: Tax responsibility**, in particular in relation to the Bank's contribution to the development of the companies in which it operates.

The results of the double materiality analysis, as well as the process and methodology applied, were reported to the Sustainability Committee, the Management Committee and to the Board Audit and Control Committee of the Institution. The double materiality analysis also underwent an ESRS readiness audit carried out by the Bank's third line of defence in 2024.

### 3.3 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

As a result of the double materiality exercise, the following material impacts, risks and opportunities have been identified:

Sustainability topic	Material impacts	Value chain
Climate change	Reduction of the effects of climate change through the provision of finance for projects that promote the reduction of greenhouse gas emissions and/or the capture of CO <sub>2</sub> .	Downstream
	Contribution to reducing global warming due to the Institution's goal to have carbon-neutral operations.	Own operations
	Contribution to a more sustainable economy by consuming electricity from renewable sources.	Own operations
	Granting of finance to companies involved in GHG emissions-intensive industries and which have no plans to transition to a sustainable economy, which contributes to global warming.	Downstream
	Contribution to the mitigation of the effects of climate change through digital management of services, such as encouraging the use of digital channels in order to avoid customers having to travel to branches, promoting teleworking by employees, and optimising the transportation of office materials (e.g. paper, plastic).	Own operations
Own workforce	Existence of a pay gap due to insufficient development of initiatives to promote gender equality.	Own operations
	Professional development of the workforce thanks to the implementation of a training plan.	Own operations
	Establishment of competitive salaries for people in the organisation.	Own operations
	Improvement in the quality of life of the workforce thanks to the implementation of fair working hours, a safe work environment and the development of work-life balance policies.	Own operations
Social inclusion of consumers and end-users	Improvements in the economic, social and cultural rights of communities by offering finance so that they may access housing.	Downstream
	Contribution to a robust business fabric, by offering finance to startups and SMEs in the geographies in which the Bank operates.	Downstream
	Access for vulnerable groups in society to basic financial services, fostering equality and reducing the economic divide.	Downstream
	Negative impact on the finances of vulnerable groups due to their over-indebtedness, as a result of taking out certain financial products that are not suited to their profiles.	Downstream
Ethics, integrity and good corporate governance	Improved levels of customer trust thanks to the Bank's ethical and transparent conduct.	Own operations
	Contribution to the stability of the financial system, by exercising good corporate governance, taking ethical actions that benefit society and other players.	Own operations
	Improved levels of confidence among investors, shareholders and the market in general, due to transparent disclosure of the Institution's financial and non-financial information.	Own operations
Tax responsibility	Tax contribution to the economic development and sustainable growth of all jurisdictions in which the Group operates, adjusting the fiscal approach accordingly, continuously promoting responsible and transparent tax management, in accordance with the concerns and requirements of its customers, shareholders, tax authorities and other stakeholder groups.	Own operations

Sustainability topic	Material risks and opportunities	Value chain
Climate change	Opportunity to build customer loyalty by offering advisory services for the climate transition.	Downstream
	Opportunity to improve the position in the market by offering sustainable finance solutions (green & social loans and sustainability-linked loans).	Downstream
	Credit risk for the Institution caused by physical climate risks affecting its customers, ultimately reducing their creditworthiness.	Downstream
	Risk of a loss of business and higher costs for customers who fail to transition.	Downstream
Customer satisfaction	Opportunity to increase turnover by cross-selling financial products.	Downstream
Social inclusion of consumers and end-users	Risk of increased costs to adapt solutions for vulnerable groups.	Downstream
Privacy and cybersecurity	Risk of higher costs and investments in cybersecurity to tackle increasingly sophisticated attacks.	Own operations
Digitalisation	Opportunity to increase income by attracting new customers through digital channels.	Own operations
	Risk of digital fraud for the Bank.	Own operations

## Double materiality analysis results

The table below shows the results of the double materiality analysis, indicating the sustainability topics analysed (ESRS) with their relative weight or importance in terms of materiality.

ESRS	Impact materiality	Financial materiality		Double materiality
	Impact	Risk	Opportunity	Result
ESRS E1 - Climate change				
ESRS E2 - Pollution				
ESRS E3 - Water and marine resources				
ESRS E4 - Biodiversity and ecosystems				
ESRS E5 - Circular economy				
ESRS S1 - Own workforce				
ESRS S2 - Workers in the value chain				
ESRS S3 - Affected communities				
ESRS S4 - Consumers and end-users				
ESRS G1 - Business conduct				
Tax responsibility <sup>14</sup>				

Scale

Very significant

Significant

Material

Non-material

Following the analysis, Banco Sabadell concluded that the current risks identified in the double materiality analysis (which include the risk of digital fraud, higher costs to adapt solutions to vulnerable groups and credit risk caused by the physical climate risks to which customers are exposed and which reduce their creditworthiness) currently produce no significant effects.

This conclusion was reached after evaluating the impact that they currently have on the Bank's financial statements, such as the income statement and the balance sheet, having verified that they have no material significance. Assuming that these impacts may be following a growing trend, risks are being managed in order to minimise the potential extent of those impacts in the future.

<sup>14</sup> Sustainability matter specific to the Institution and not covered by any of the topical ESRS

In relation to current opportunities, including those related to a wider offer of sustainable finance solutions and improved advice for the climate transition, as well as those related to the opportunity to attract new customers through digital channels and increased cross-selling, it was concluded that they have material significance and the Institution is working to benefit from them and to continue developing the sustainable solutions that it offers to its customers.

Thus, the Bank committed to mobilise €65bn in sustainable finance between 2021 and 2025. Up to December 2024, more than €57.9bn had been mobilised, €19bn of them during this year.

As a result of the digitalisation strategy pursued by the Institution, over 150,000 customers were onboarded digitally in 2024 and this figure is expected to continue rising in the coming years, making it an increasingly significant source of income.

## **Specific qualitative analysis of the financial materiality of environmental risks:**

**Every year, the Institution reviews the impact materiality assessment of environmental risks (physical and transition risks stemming from climate change and environmental degradation), identifying all possible factors that can transmit these risks, evaluating them according to a scale of impact intensity and taking different time horizons into account.**

This exercise takes place for all of the main risks included in the Global Risk Framework considered to be directly impacted by environmental risk. Specifically, credit, market, liquidity and operational risks are considered, as it is thought that in other risks (such as reputational risk and business model risk), the effect is indirect as it stems from the impact and management of the four risks mentioned.

The exercise is based on recent developments and the main trends observed in the past year in relation to climate and the environment, which may be consolidated, become more pronounced, or impact the Institution, either now or in the future. In keeping with that overview, a qualitative assessment is made of the impact of physical and transition risks on both customers/counterparties and on the Bank, based on an impact intensity scale that goes from low to high and taking into account different time horizons. These time horizons (short term: 1-3 years, medium term: 4-5 years, long term: >5 years) are based on the expectations established by the supervisory body in the Guide on climate-related and environmental risks, which sets out supervisory expectations regarding risk management and disclosure and was published by the ECB in November 2020.

This way, the qualitative materiality assessment, which is updated every year, seeks to characterise the way in which environmental risks affect the Institution over different forward-looking time periods (affecting either its balance sheet or its own operations), and to determine how intense the impact could be on the traditional bank risks in which environmental risks could materialise. It is also the starting point used for other analyses carried out by the Bank throughout the year, such as the annual quantitative materiality assessment of environmental risk in the main bank risks (credit, market, liquidity and operational risks).

The areas responsible for managing each of those risks take part in conducting this assessment. Those areas identify and evaluate the potential impact of each risk based on a questionnaire regarding the transmission channels through which different types of environmental risk factors may materialise. These types, which are based on the classification provided in the climate disclosure guidelines issued by the Task Force on Climate-related Financial Disclosures (TCFD) and in the current disclosure requirements of the Corporate Sustainability Reporting Directive (CSRD), relate to physical risk factors (acute or chronic) and transition risk factors (policy & legal, technology, market, or reputational risks).

The qualitative materiality analysis for 2024 was based on the trends observed over the year and showed that, from the perspective of physical risks, in 2024 acute climate events continued to occur and chronic climate trends continued to get worse (water stress, flooding, record temperatures, etc.), in keeping with previous years. There is therefore a noticeable “tropicalisation” of the climate and a consolidation of more variable patterns. The fact that global greenhouse gas emissions are still at an all-time high makes it more likely that disorderly transition or inaction (Hot House World) scenarios materialise, which are associated, particularly in the latter case, with a more frequent and severe occurrence of acute and chronic physical risks. In terms of transition risks, on the other hand, the trends analysed showed that these remained stable compared to 2023, with a certain decrease of regulatory transition risks as society and politicians increasingly question climate action (which could slow or scale down the green agenda going forward) and, at the same time, as there is increasing awareness of the reputational transition risks stemming from the risks of liability and environmental legal action.

The results of the analysis showed that, in terms of inherent risk, the risk with the biggest effect continued to be credit risk (see table).

- In terms of physical risks, as events are expected to become more frequent and severe, it is thought that this will increase the impact intensity of credit risk over the time horizon considered. In 2024, the short- and medium-term assessment of chronic physical risk was revised (going from non-material to low in both cases). In terms of transition risks, these are estimated to have a gradually increasing overall impact on counterparties (customers), affecting them to a greater or lesser extent depending on their activity sector and the efforts made to decarbonise.

On the other hand, for the other risks analysed (market, liquidity and operational), the impact intensity of inherent environmental risks is low:

- In terms of market risk, investors are not yet clearly pricing these types of risk factors into the prices of financial assets (particularly sovereign debt, where the Bank has most of its market risk), nor have they yet changed their general requirements to require issuers to submit plans for their transition to Net Zero that show their trajectory towards a decarbonised economy.
- As for liquidity risk, the low impact is due to the fact that the risk inherent in the Bank’s customers is expected to be isolated or localised in specific sectors and locations. In 2024, the medium-term impact of chronic physical risk was revised upwards (from non-material to low), in keeping with the credit risk assessment.
- In operational risk, the impact is low. In terms of physical risks, extreme weather events currently have an isolated and uneven effect on the region. As regards transition risks, the new regulations on sustainable financial products are still in the process of being developed and implemented.

## Inherent risk results of the 2024 qualitative environmental risk assessment

Physical risk	Short term	Medium term	Long term
Credit			
Market			
Liquidity			
Operational			

Transition risk	Short term	Medium term	Long term
Credit			
Market			
Liquidity			
Operational			

	No impact
	Low
	Medium-low
	Medium
	Medium-high
	High

These results refer, in all cases, to the inherent risk assessment, without considering the controls implemented or the application of the mitigating factors that the Institution has in place or which are in the process of being implemented under the Sustainable Finance Plan (SFP), or any of the internal policies aimed at ensuring that each risk is correctly identified, prevented or remediated. These mitigation factors include, as an illustration and from the point of view of credit risk, the estimation of transition and physical risk models for corporate counterparties and mortgages, the analysis of counterparties, and the implementation and monitoring of sectoral decarbonisation pathways. From the point of view of factors that mitigate liquidity risk, it is worth noting the adequacy of the existing liquidity buffers, and in relation to operational risk, it is worth mentioning the Institution's operational continuity plans, the insurance policies it has signed the possibility of staff to work from home.

After considering the rollout of mitigating factors and the initiatives of the Institution's Sustainable Finance Plan, the residual environmental risk is concluded to be low for all of the risks under analysis.

## Double materiality analysis evolution

During 2024, the double materiality analysis that was conducted in 2022 was updated. That update mainly consisted of bringing the framework of ESG topics and the methodology in line with the requirements and indications of the ESRS.

As a result, the matrix published in the previous year underwent some changes in terms of the prioritisation of certain topics, considering the ESRS in the methodology, as well as the increasing importance of ESG topics for the Bank's stakeholder groups.





# 4. Impacts, risks and opportunities management

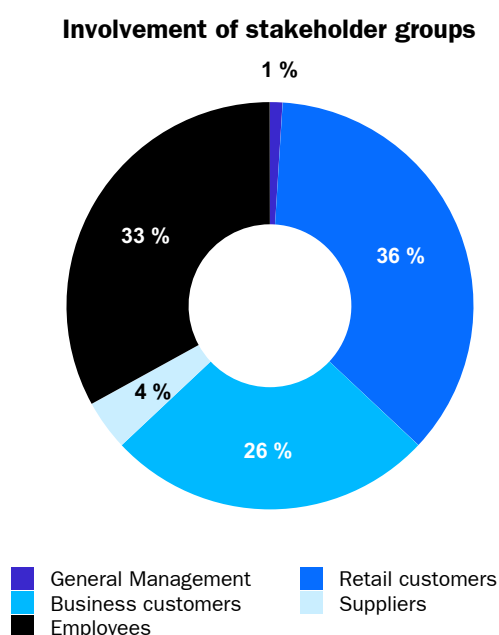
## 4.1. Double materiality (IRO-1, IRO-2 and SBM-3)

### Identification and assessment of impact materiality

**The double materiality analysis identified the main positive and negative impacts related to each sustainability-related topic that the Bank has or could have on society and the environment.**

Each of them are assessed according to their characteristics through the scale, scope, irremediable character and likelihood, the scale being the severity or benefit of the impacts on the environment and society, as well as the time horizon of potential negative impacts. In the case of a potential negative impact assessed as impacting human rights, severity prevails over likelihood.

During the assessment exercise carried out, 1,612 participants, broken down according to the chart below, were actively involved through *ad hoc* questionnaires and interviews with General Management:



The Bank's General Management has been involved in both the assessment of impact materiality (scale, irremediable character and likelihood, since the scope of the impact is set by means of an internal analysis) and of financial materiality (financial effects, likelihood and trend over time). On the other hand, retail customers, business customers, employees and suppliers took part in the impact materiality assessment through an analysis of the scale.

**In that regard, 56 impacts were identified, which were assessed under the impact materiality perspective.**

## **Identification and assessment of financial materiality**

**First, the main risks and opportunities of each sustainability-related topic that affects or could affect the Bank's financial statements were identified.**

These risks and opportunities were assessed in the short, medium and long term through their financial effects and likelihood of occurrence.

**This assessment identified 42 risks and 21 ESG opportunities, which were assessed under the financial materiality perspective.**

## **Definition of materiality thresholds and results**

Based on the chart analysis of the normal distribution of the results obtained in the assessments of impact materiality and financial materiality, the Impacts, Risks and Opportunities (IROs) that stand out from the entire sample have been identified. The IROs belonging to the group of scores that are above the rest are classified as "material impacts, risks and opportunities".

## **Disclosure requirements addressed in the Sustainability Report**

Once the material topics for the Bank have been identified, the sustainability information that is to be disclosed in the annual Sustainability Report is structured. Based on these material topics and the structure of the European Sustainability Reporting Standards (ESRS), this report covers environmental information first, followed by information on social aspects to finally conclude with information related to governance. Thus, the structure of the Sustainability Report follows the table of contents set out below:

Topical standard	Disclosure requirement	Page
<b>ESRS E1 - Climate change</b>	ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes	222
	E1-1: Transition plan for climate change mitigation	223
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	226
	ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities	229
	E1-2: Policies related to climate change mitigation and adaptation	240
	E1-3: Actions and resources in relation to climate change policies	244
	E1-4: Targets related to climate change mitigation and adaptation	255
	E1-5: Energy consumption and mix	260
	E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions	264
	E1-7: GHG removals and GHG mitigation projects financed through carbon credits	270
	E1-8: Internal carbon pricing scheme	271
<b>ESRS S1 - Own workforce</b>	ESRS 2 SBM-2: Interests and views of stakeholders	273
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	273
	S1-1: Policies related to own workforce	275
	S1-2: Processes for engaging with own workers and workers' representatives about impacts	279
	S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns	280
	S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	287
	S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	294
	S1-6: Characteristics of the undertaking's employees	295
	S1-8: Collective bargaining coverage and social dialogue	299
	S1-10: Adequate wages	300
	S1-13: Training and skills development	300
	S1-14: Health and safety metrics	301
	S1-15: Work-life balance metrics	304
	S1-16: Compensation metrics (pay gap and total compensation)	304
	S1-17: Incidents, complaints and severe human rights impacts	310
<b>ESRS S4 - Consumers and end-users</b>	ESRS 2 SBM-2: Interests and views of stakeholders	313
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	313
	S4-1: Policies related to consumers and end-users	324
	S4-2: Processes for engaging with consumers and end-users about impacts	328
	S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	329
	S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	333
	S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	340
<b>ESRS G1 - Business conduct</b>	ESRS GOV-1: The role of the administrative, management and supervisory bodies	344
	ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	344
	G1-1: Corporate culture and business conduct policies and corporate culture	344
	G1-2: Management of relationships with suppliers	352
	G1-3: Prevention and detection of corruption and bribery	356
	G1-4: Confirmed incidents of corruption or bribery	356
<b>Entity-specific disclosures</b>	Tax responsibility	357

# Internal control processes for the double materiality analysis

As described in section **“2.5 GOV-5. Risk management and internal controls over sustainability reporting”**, the Internal Controls over Sustainability Reporting (ICSR) unit identified risks and designed controls over the new double materiality exercise in order to ensure the correct execution of this exercise and its completeness.

The Board of Directors delegates the supervisory function regarding the internal control systems to the Board Audit and Control Committee. Every six months, the current situation of the ICSR as a result of new applicable regulatory requirements is reported to the Board Audit and Control Committee and to the Technical Committee on Accounting and Financial Disclosures. In addition, every year at the end of the tax year, the result of the assessment of the controls and the conclusions derived from it are escalated to the Board Audit and Control Committee.

## Assessment of environmental degradation, social and governance risks

In addition to climate risk, understood as the climate-related physical and transition risks that are material for the Institution and its governance, strategy and management arrangements, as described in subsection **“5.1. Environmental: Climate Change”** according to ESRS E1 - Climate change, the Institution assesses and monitors environmental degradation, social and governance risks. The processes through which they are integrated in the Institution’s risk management model are described below.

The Institution, through its own operations, does not cause any negative impacts worthy of mention in the areas of biodiversity, ecosystems or natural resources. Furthermore, its stock of physical assets, which includes, among others, corporate buildings, offices, other facilities and ATMs, is located in urban hubs, away from ecosystems and biodiversity-sensitive areas.

The quantitative assessment of environmental risk materiality that the Institution carries out regularly considers that banking activity has a “Low” impact on the various vectors (air, soil, biodiversity and water) and a very limited impact on waste. This analysis is based on the sector mapping tool of the United Nations Environment Programme Finance Initiative (UNEP FI), which quantifies the impact on the environment of a banking institution (according to its NACE code) and which the Institution also uses to assess the Environmental Degradation Risk (EDR) of its loan book.

The lack of noteworthy impacts in these areas is reinforced by the Bank’s Environmental Management System (EMS) certification in accordance with ISO 14001:2015, which includes annual audits describing and analysing the plan of initiatives or improvements in relation to the EMS and covering aspects such as environmental performance, energy performance, waste reduction, disposal of hazardous materials, etc.

However, the Institution is exposed to potential non-climate-related environmental risks through its suppliers that deliver goods and services to the Bank. These are players located in its upstream value chain. Therefore, and in order to identify, manage and, where appropriate, minimise these potential risks, the Institution has several policies and procedures in place, such as the Procurement Policy, the Policy on the Outsourcing of Functions, and the Supplier Code of

Conduct. Together, these documents describe the entire supplier relationship process, from the prior assessment, accreditation and procurement phase through to service delivery and its management and oversight. Throughout this entire service outsourcing and supplier management process, the Group has included the sustainability principle in its outsourcing and procurement policies to ensure that suppliers apply the best ESG practices and to incentivise this conduct.

Moreover, the Institution carries out an assessment of the various environmental aspects with tools that provide relevant information to decide whether or not to engage certain suppliers, through questionnaires based on the “statement of responsibility” of the supplier, who states their acceptance of various statements in relation to each aspect. By way of example and for illustrative purposes only:

- General ESG: whether the supplier has an EMS or a publicly disclosed environmental policy, whether it has received complaints of an environmental nature, whether it identifies and manages ESG aspects and risks, whether it adheres to various environmental initiatives or commitments, whether it prepares an annual and public sustainability/ CSR report, whether it has a sustainable procurement policy and if this policy is applied to its value chain, etc.
- Biodiversity and climate: whether it promotes actions that minimise the impact on biodiversity, whether it identifies and assesses climate risks, whether it complies with legal requirements on environmental matters, etc.
- Waste and circularity: whether it quantifies its waste and has improvement objectives, whether it has a circularity strategy for its activities, whether it integrates circularity criteria in its decisions or whether it takes actions to reduce the use of materials in the manufacturing of its products and services (metals, minerals, plastics, etc.).
- Water resources: whether it calculates a water footprint indicator in its production process and carries out regular monitoring of water consumption, whether it has targets for reducing water consumption, whether it carries out a water risk assessment, etc.

This analysis is carried out for various types of suppliers (essential outsourcing, non-essential outsourcing and critical outsourcing). Afterwards, they must satisfactorily complete the accreditation process and undergo continuous monitoring by the Institution of their contract compliance.

Thus, the Institution focuses its attention on the sustainability and environmental resilience of its suppliers and has outlined a dual objective for 2025 to prevent and adequately manage environmental risk and to minimise possible negative effects (and amplify the positive ones) that these suppliers may generate. These objectives are, on one hand, for 80% of its relevant suppliers to have an ESG score and, on the other hand, for 90% of billing with these suppliers to be with those that have the highest scores (A+, A or B). The first objective has already been complied with, and the second objective is on track to be met by the committed date.



# Environmental degradation risk of the loan book

## The Bank conducts an assessment of its exposure<sup>15</sup> to the risk associated with environmental degradation of the business risk portfolio, based on the United Nations Environment Programme Finance Initiative (UNEP FI) methodology.

This methodology assigns an environmental impact to each NACE code, obtained by consolidating these five non-climate-related environmental factors:

- Management of water resources: risk of water resources becoming contaminated, and their management.
- Impact on biodiversity: negative effects on species and natural spaces.
- Pollution and use of land: risk of land becoming contaminated or degraded, as well as the use associated therewith.
- Air quality: risk of air being polluted with gases other than greenhouse gases (GHG), which could potentially affect ecosystems and people's health.
- Management of resources and waste: generation of waste (hazardous or otherwise) in large quantities and with intensive use of natural resources.

It is worth noting that an exhaustive review of the environmental degradation risk associated with each NACE code has been carried out, to obtain more granular data for each activity and to standardise the risk of certain similar activities (e.g. manufacturing activities, transport activities, etc.).

The overall environmental degradation risk score consolidates the risk associated with each of these factors. It is worth noting that, at present, environmental degradation risk (as well as the five factors) is not broken down by drivers (transition and physical). In this way, the impacts on the business portfolio are classified in four risk categories: "Low", "Medium", "High" or "Very High".

1.3% of the business exposure is classified as having "Very High" environmental degradation risk and 10% as "High" risk<sup>16</sup>; the portfolio classified as having "High" and "Very High" risk remained stable compared to 2023. At a sectoral level, environmental degradation risk is concentrated in certain sectors, such as Electricity and gas, Transport, Chemical, and Oil extraction, mining & quarrying.

Lastly, to ensure that the measurement of the evolution of these risks is supervised, the portfolio's exposure to climate-related and environmental risk is monitored on a quarterly basis and reported to the Bank's Sustainability Committee<sup>17</sup>.

## Biodiversity risk

Biodiversity risk, as a subcategory of environmental degradation risk, affects the financial sector in a similar way as climate risk does, as both have associated ecosystem services that can be translated as an economic value for society. The potential deterioration of these services could affect the economy's production capacity.

<sup>15</sup> Exposure means the amount drawn down and contingent risks in the business loan book

<sup>16</sup> Part of the portfolio could in turn also be affected by climate-related transition risk, therefore the percentages of each one cannot be added together directly

<sup>17</sup> Details of the attributions of management bodies in climate-related matters are provided in chapter "2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies"

The World Economic Forum estimates that over half of the world's GDP, 44 trillion dollars, is potentially at risk as a result of companies' reliance on nature and its services. At the same time, the Living Planet Report 2022, a comprehensive study of trends in global biodiversity and the health of the planet, published by the World Wide Forum (WWF), revealed an average decline of 69% in species populations since 1970. While conservation efforts are helping, urgent action is required if we are to reverse nature loss.

Banco Sabadell's regulatory framework includes different guidelines for the protection of biodiversity. At the top level of this framework is the Group's Sustainability Policy, which includes the main guidelines for social, environmental and governance actions. This document sets out the principle of 'environmental protection', which includes the management of biodiversity.

Based on this policy principle, the Bank defined the Environmental and Social Risk Framework, which also lays down measures to protect biodiversity, either through restrictions of certain activities or through general restrictions.

## **The Bank defined the Environmental and Social Risk Framework, which also lays down measures to protect biodiversity, either through restrictions of certain activities or through general restrictions.**

As the management of climate change and the management of biodiversity are intricately linked, most of these restrictions help to mitigate both risks. However, there are certain exclusions where the Bank has established that it will not take credit risk if it finds sufficient evidence that one or more of the following circumstances associated with biodiversity exist:

### **General exclusions:**

- Companies that pose a threat to UNESCO World Heritage Sites, to any of the wetlands included in the Ramsar list, locations appearing on the map of the Alliance for Zero Extinction, and Category I-IV areas of the International Union for Conservation of Nature.
- Companies for which Banco Sabadell has sufficient reasons to believe that they are in material breach of applicable laws and regulations in relation to human rights and the environment, even if the circumstances in question do not constitute a breach of the local legislation of each country.

### **Sector-specific exclusions:**

- Farms involved in scandals related to the production or trade of products regulated by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Farming projects that involve the burning of natural ecosystems in order to clear land for agricultural activities.
- Farming projects that involve the destruction of High Conservation Value Forests.
- Vessels operating with drift nets of more than 2.5 km in USA or EU waters, or those which use drift nets to capture any of the species listed in Annex VIII of EU Regulation (EC) 1239/98 or those listed in the Mexican National Fishing Charter and Official Standard NOM059-SEMARNAT-2010.
- Bottom trawling in USA or EU waters more than 800 metres below sea level.
- Mountain Top Removal (MTR<sup>18</sup>) mining methods.
- Mines that fail to produce evidence of a closure and site recovery plan.
- Mines with tailing dams that are not managed according to the best practices of the industry.
- Mining projects that involve the discharge of tailings into river systems or shallow waters.
- Desalination plants that lack adequate measures to mitigate the impact of the disposal of brine and/or the extraction of seawater.

<sup>18</sup> On an exceptional basis, the Institution may grant them finance where they are located in countries with high energy dependence (more than 65% of imported energy) on coal or where they have no other viable alternative energy sources



In addition to establishing restrictions on activities with a high impact on biodiversity, the Bank monitors the impact generated by companies' activities within its loan book. Although these are companies that fulfil the Environmental and Social Risk Framework, due to their activity they could inherently have an impact on biodiversity. This aspect is considered from two points of view:

1. The quarterly monitoring of environmental degradation risk: this risk includes biodiversity risk, where it is clear that the sectors to which the Bank has exposure and which have the greatest impact are Electricity, Road transportation, Maritime transportation, Agriculture and fishing, and Oil and gas.
2. The classification of borrowers according to the Climate-related and Environmental Risk Indicator (IRCA, by its Spanish acronym) (see heading "Climate-related and environmental performance of the loan book", included in section **5.1.4.3. E1-3: Actions and resources in relation to climate change policies**). Companies with "High" or "Very High" environmental degradation risk, which includes biodiversity risk, are given a worse rating.

## Environmental and Social Risk Framework

As mentioned above in biodiversity risk, this Framework consolidates the set of applicable criteria (sectoral standards) that are intended to limit the financing of customers or projects that the Institution considers to be contrary to the transition to a sustainable economy or that lack alignment with international regulations or best practices in the industry.

The Framework also integrates compliance with the rules and standards at the level of social risk, some sector-specific (e.g. in the energy and agricultural sectors, special consideration is given to the negative impact they may have on society and local communities), and others of general application, such as the International Labour Organisation (ILO) Conventions and the UN Guiding Principles on Business and Human Rights. In this regard, the Framework has the same thresholds and scopes of application and the same mechanisms for effective implementation as described above, including the dispute screening tool of a recognised external supplier.

Specifically, the general exclusions limiting the financing of companies with a high level of social risk, regardless of the sector to which the borrower belongs, are:

- Companies for which Banco Sabadell has sufficient reason to believe that they employ child labour or forced labour, as defined in the ILO conventions, or that have participated in human rights violations and/or that do not follow the principles of the Institution's human rights policy.
- Companies involved in the resettlement of indigenous or vulnerable groups without their free, prior and informed consent, or that otherwise infringe the rights of those groups.
- Companies for which Banco Sabadell has sufficient reasons to believe that they are in material breach of applicable laws and regulations in relation to human rights and the environment, even if the circumstances in question do not constitute a breach of the local legislation of each country.
- Companies that do not have health and safety policies in place to protect their workers, such as OHSAS 18001 or ISO 45001.

The other aspects, beyond social risk, assessed as part of the framework and details of their application and integration in policies are described in subsection **"5.1. Environmental: Climate change"**.

## Social risk

The Institution, as part of its assessment of counterparties, not only assesses aspects linked to climate-related and/or environmental risk but also ascribes an important role to the assessment of the social and/or governance risks of counterparties.

Social risk takes into account various social factors such as those related to rights, well-being, and the interests of people and communities. The risk of loss arising from any negative financial impact on counterparties stemming from the current or prospective impacts of social factors is also included.

To that end, a series of actions linked to the process for identifying, measuring and managing social risk for both retail and business customers have been implemented. Although it is true that many of these actions apply to both types of customers, the Due Diligence Policy as regards the granting of credit is geared towards retail customers, while the Defence Sector Policy, the Eligibility Guide and the IRCA are actions mostly aimed at corporates.

## Additional aspects assessed as part of the social risk of counterparties

In addition to the Environmental and Social Risk Framework itself, the Institution has strengthened the process for capturing, identifying and reporting the social risk of counterparties during 2024. This process is mainly executed at two different levels:

1. The advanced Climate-related and Environmental Risk Indicator (IRCA, by its Spanish acronym) has a specific module enabled to capture KRIs or quantitative social indicators of counterparties. This makes it possible to capture aspects linked to respect for human rights, quality employment, equality, fair and equitable compensation, talent management, occupational safety, supplier or customer management, among others.
2. During risk acceptance, operations with a Group ORC level of autonomy require an ESG Annex that includes the assessment of potential relevant controversies of the counterparty in relation to social aspects. This is done by assessing potential significant controversies linked to labour disputes (discrimination, labour exploitation, child or forced labour), impact on the community, aspects linked to corruption, bribery, abuse of power or misleading practices, and safety at the workplace.

Lastly, to ensure that the measurement of the evolution of social risks is supervised, the above-mentioned quantitative indicators are monitored on a quarterly basis and reported to the Bank's Sustainability Committee<sup>19</sup>.

## Governance risk

The Institution, as part of its assessment of counterparties, not only assesses aspects linked to climate-related and/or environmental risk but also ascribes an important role to the assessment of their governance risks.

In this way, different governance factors of counterparties are considered, such as those related to the management and operation of a company, for example, anti-bribery and anti-corruption practices and compliance with relevant laws and regulations. The risk of loss arising from any negative financial impact on counterparties stemming from the current or prospective impacts of governance factors is also included. Actions in relation to this risk focus on business risk.

## Additional aspects assessed as part of the governance risk of counterparties

In addition to the Environmental and Social Risk Framework itself, the Institution has strengthened the process for capturing, identifying and reporting the governance risk of counterparties during 2024. This process is mainly executed at two different levels:

<sup>19</sup> Details of the attributions of management bodies in climate-related matters are provided in chapter [2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies](#)

1. The advanced Climate-related and Environmental Risk Indicator (IRCA, by its Spanish acronym) has a specific module enabled to capture KRIs or quantitative governance indicators of counterparties. This makes it possible to capture aspects related to the composition of the Board of Directors and the existence of policies on conflict of interests, the whistleblowing channel, tax responsibility, contributions to foundations, among others.
2. During risk acceptance, operations with a Group ORC level of autonomy require an ESG Annex that includes the assessment of potential relevant controversies of the counterparty in relation to governance aspects. This is done by assessing potential significant controversies related to bribery, corruption, fraud, accounting manipulation, lack of transparency, succession issues, legal breaches, risk management issues, inclusiveness and conflicts of interest.

Lastly, to ensure that the measurement of the evolution of governance risks is supervised, the above-mentioned quantitative indicators are monitored on a quarterly basis and reported to the Bank's Sustainability Committee.







# 5. Material disclosures

## Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

### EU Taxonomy

The European Union took a further step as promoter of the energy transformation and the decarbonisation of the economy. In line with the objectives of the fight against climate change, it established the Taxonomy Regulation (Regulation (EU) 2020/852), which was the first step towards obliging firms to disclose the proportion of their activities that are considered green or social, according to this regulation.

This regulation, which establishes requirements for the classification and reporting of sustainable activities, is a key aspect for the integration of ESG aspects into the Group's ordinary activity, as well as being a strategic aspect for the Institution. For this reason, it is regularly monitored by the Technical Risk Committee and the Sustainability Committee.

**Banco Sabadell believes it is paramount to ensure that its portfolio is aligned with its decarbonisation targets and, to that end, it has included decarbonisation in its Risk Appetite Framework, in its policies and in its sectoral planning processes, and it has set pathways to achieve those targets.**

- More specifically, the Group has a framework for sectoral analysis through internal discussion, the **Sector Guidance Strategy (SGS)**, led together by the Research division and the Risk Management division, and with contributions by sectoral experts from Business, Risk Acceptance, Credit Risk Control and Sustainability. With this, the Group establishes a sectoral strategy based on analysis of the external context of each sector and the internal context. This analysis is cross-checked by the main units involved in the Bank, so that ESG risks are included in the sectoral discussion, together with other macroeconomic parameters. Accordingly, the Group defines its strategic positioning at the sub-sector level, setting its sectoral asset allocation strategy which is, in turn, incorporated in the financial planning process.
- Furthermore, the Bank has defined certain **indicators and metrics** in its Risk Appetite Statement (RAS) related to ESG and designed, on one hand, to monitor the status and evolution of physical and transition risks in its credit portfolio and, on the other hand, to establish and limit its risk appetite and/or position in certain environmental aspects. The RAS indicators include the decarbonisation targets established for 2030 for the sectors with the most intensive greenhouse gas emissions that are financed by the Bank, based on the targets established in the Paris Agreement and aligned with the UNEP FI's NZBA. Information regarding the monitoring of those pathways is included in the Corporate Sustainability Report, which is submitted on a regular basis to the governing bodies.
- Lastly, the **Environmental and Social Risk Framework** consolidates the set of applicable criteria that aim to limit the financing of customers or projects that are thought to be contrary to the transition to a sustainable economy or to lack alignment with international regulations or best practices in the industry.

On the other hand, since 2020, Banco Sabadell Group has been working on its own Eligibility Guide, based on the EU Taxonomy and the best practices in the market such as the Green Loan Principles and the Social Bond Principles. As this is a key and strategic aspect for the Bank, work has been underway since 2020 to keep the Eligibility Guide and the Sustainable Financing Framework stemming from it aligned with regulatory developments, as well as to implement it in operating systems. The systems implementation was completed in 2024 taking into account the latest delegated acts of the Taxonomy (June 2023).

As a result of this work, the Group's systems currently include a process for tagging priority green products, which allows the entire management cycle of those products to be traced and ensures their alignment with the requirements of the Bank's Eligibility Guide.

In Spain, the tagging of sustainable transactions is carried out through the Eligibility Guide, which is already implemented in the Bank's systems for all segments. Through this Guide, the Bank identifies and requires, for each sustainable purpose, documentation that demonstrates compliance with the substantial contribution criteria in accordance with that set forth in the European Taxonomy. To ensure the gathering of such documentation, automatic and manual controls have been implemented in the acceptance process of sustainable transactions.

In addition, the DNSH criteria and the minimum safeguards are reviewed centrally through the information published by the counterparties.

Thanks to this work, in accordance with the disclosure requirements established by Delegated Regulation (EU) 2021/2178 of the European Commission of 6 July 2021, disclosures for 2024 are set out below.

## **Key Performance Indicators in the Taxonomy Regulation – Green Asset Ratio (GAR)**

Regulation (EU) 2020/852, commonly known as the European Union Taxonomy (hereinafter, the Taxonomy), lays down common harmonised criteria to determine which economic activities qualify as environmentally sustainable. In addition, Article 8 of this Regulation establishes the obligation for any undertaking which is subject to the Non-Financial Reporting Directive (NFRD) to publish information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable under the Taxonomy. Specifically, for non-financial undertakings, it establishes the requirement that they shall disclose the proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) derived from this type of activity. In the case of financial institutions, this disclosure obligation translates into a key performance indicator, specifically the Green Asset Ratio (GAR).

The GAR measures the Institution's assets that finance or are invested in economic activities that meet the Taxonomy's technical screening criteria for climate change mitigation and adaptation as a proportion of the total eligible balance (the total balance excludes sovereign exposures, exposures to central banks and the trading book). An activity is deemed to be Taxonomy-aligned where it is an eligible activity, in the sense that it could potentially contribute to one or more of the six environmental objectives set out in the Taxonomy and where, additionally, it meets the following technical screening criteria: it contributes substantially to one or more of the six environmental objectives, the activity does not significantly harm (DNSH) any of the

environmental objectives, and the activity is carried out in compliance with the minimum social safeguards (MSS) in relation to human rights. Financial institutions first started disclosing this ratio in 2023.

For an economic activity to be considered eligible, it must feature in the delegated acts developed by the European Taxonomy according to the environmental objective, irrespective of whether that activity does not meet all of the technical screening criteria set forth in those delegated acts or whether it ultimately does not qualify as environmentally sustainable (aligned). There are six environmental objectives: (1) Climate change mitigation, (2) Climate change adaptation, (3) Protection and restoration of biodiversity and ecosystems, (4) Pollution prevention and control, (5) Transition to a circular economy, and (6) Sustainable use and protection of water and marine resources. It is mandatory for financial institutions to disclose finance granted for eligible economic activities in relation to all objectives from 2024 year-end.

The Group determines whether the contribution of the specific finance in question qualifies as substantial according to the technical screening criteria set out in the Taxonomy. The Group is also making every effort to ensure compliance with the DNSH and MSS criteria. Available information and market practices in relation to alignment with DNSH and MSS are constantly changing, making it difficult to provide evidence of its full compliance in accordance with prevailing legislation. That is why the Group, unable to ensure strict compliance with the DNSH and MSS principles, has not included a portion of the finance in the Taxonomy-aligned values in certain cases. In any event, as a new feature this year and to demonstrate compliance with the DNSH principle and that the activity is carried out in accordance with the Minimum Social Safeguards (MSS) for certain exposures, the Group has relied on the information disclosed by the institutions, verifying, for the specific activity financed, compliance with the DNSH principle and the MSS in the Taxonomy tables disclosed by counterparties subject to CSRD.

Moreover, in accordance with Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022, for retail mortgage portfolios, the alignment of these exposures is assessed using a simplified approach based on the high energy efficiency obtained from the corresponding energy performance certificate of the property, without verifying, given the challenges posed, the DNSH principles and compliance with the minimum social safeguards. The Institution selects only those properties with the most efficient Energy Performance Certificate (EPC) ratings, as this is a specific test that is directly related to the underlying exposure. By applying this simplified approach, those properties with the most efficient EPC ratings are deemed to meet the technical substantial contribution criteria. Similarly, for consumer loans for vehicle purchase, the simplified approach is also used based on the vehicle's zero-emissions energy efficiency.

The perimeter used to calculate the GAR, in accordance with Commission Delegated Regulation (EU) 2021/2178, is the prudential scope of the consolidated Group, such that intragroup exposures outside of the prudential scope of consolidation are considered third-party exposures. In addition, the GAR is calculated for the existing stock as at a specific disclosure reference date and also for the flow of new exposures acquired over a 12-month period, which gives an idea of how the Institution is transitioning towards sustainable economic activities and also of how it is helping its counterparties in their transition and adaptation pathway.

The numerator considers the gross carrying amount of the assets aligned with the Taxonomy's environmental objectives concerning climate change mitigation and climate change adaptation; these include loans and advances, debt securities, as well as equity instruments not held for trading or sale, making a distinction between:



- Exposures to financial corporations, including exposures to credit institutions and other financial corporations within the European Union (EU).
- Exposures to (EU) non-financial corporations subject to NFRD disclosure requirements, i.e. with over 500 employees on average during the year, considering, in the case of firms that belong to a group, the number of employees in their corporate group, with a balance sheet of over 25 million euros or turnover above 50 million euros.
- Households, which include home equity loans, building renovation loans and consumer loans for vehicle purchase. In relation to properties, for those that are Taxonomy-aligned, a simplified approach may be followed to measure their contribution to climate change mitigation, assessing the substantial contribution criteria based on the energy efficiency of the underlying collateral. In the case of mortgages granted to retail customers, the Bank's total perimeter is considered, regardless of whether or not the property is located in the EU, and irrespective of whether or not the obligor is a citizen of an EU Member State. Similarly, in the case of consumer loans for vehicle purchase, a simplified approach may also be followed to measure their contribution to the climate change mitigation objective, assessing the substantial contribution criterion based on the energy efficiency of the underlying vehicle.
- Local governments, including finance for public housing and other specialised lending.
- Collateral obtained by taking possession: residential and commercial immovable properties (foreclosed).

In addition, the purpose of the finance granted to the counterparty should be considered, making a distinction between whether the purpose is to finance their general activity or whether the finance is being sought for a specific purpose:

- **Finance for generic purposes or for unknown purposes**, where exposures are included provided the counterparty's activity is aligned with the economic activities defined in the Taxonomy. This is in turn determined based on the key performance indicators published by the counterparties in relation to their turnover, capital expenditure (CapEx) and operating expenditure (OpEx). Non-financial corporations should have published their key indicators for all environmental objectives with 2023 year-end closing data, while only those relating to climate change mitigation and adaptation objectives needed to be published for the previous year.
- **Finance for specific purposes**, where exposures are included based on the information provided by the counterparties concerning the project or activities that meet the defined environmental standards and for which the funds will be used.

The denominator considers the gross carrying amount of the Institution's total assets, excluding exposures to central governments and to central banks and the trading book. This way, in addition to the numerator's total exposure, the denominator includes several types of exposures that are excluded from the numerator, such as non-financial corporations not subject to the NFRD and based both inside and outside the EU (the vast majority of SMEs), non-financial corporations and financial corporations based outside the EU, derivatives, interbank deposits, cash and other assets (goodwill, tangible assets, tax assets, etc.). It is important to note that this asymmetrical perimeter between the assets eligible for inclusion in the ratio's numerator and those eligible for its denominator means, in practice, that the GAR is defined as though all exposures not eligible to be considered in the numerator had 0% alignment with the Taxonomy.

On the other hand, it is worth noting that the metric used concerning the gross carrying amount of assets meets the disclosure requirements laid down in the EU Taxonomy, and this results in a difference from the metric used in the accounting records, which corresponds to the net amount of any loss allowance, which is why total assets reflected for such purposes in the GAR are greater than those included in the Group's public balance sheet.



Furthermore, as a previous step to calculating the GAR, Taxonomy-eligible exposures are identified using the following criteria:

- Loans to non-financial corporations/financial institutions: these qualify as eligible or not, according to the known or unknown purpose of the funds. Where the purpose of the finance is known or specific and makes a substantial contribution in accordance with Taxonomy criteria, 100% of the exposure is deemed eligible, and in the case of finance for generic purposes, the publicly-available eligibility information (key performance indicators) of the counterparties is used to determine the eligible exposure.
- Retail mortgage loans: All exposures to individuals secured with a first or second property are deemed eligible, as the purpose of these loans is included within the EU Taxonomy.
- Motor vehicle loans: All vehicle financing exposures are deemed eligible, as this purpose is included within the EU Taxonomy.
- Foreclosed assets: 100% of the exposure is deemed eligible, as this purpose is included within the EU Taxonomy, similar to mortgage loans.

## Calculation approach

In accordance with the guidelines provided in Delegated Regulation (EU) 2023/2086 of 27 June 2023, supplementing Regulation 2020/852, the Group has included those exposures that make a Substantial Contribution (SC) to the climate change mitigation and climate change adaptation objectives and are aligned with the European Taxonomy's requirements in the GAR.

To that end, a distinction is made between two allocation or tagging methodologies:

- **Finance for specific purposes or uses:** This includes specific finance granted by Sabadell that substantially contributes to an environmental objective and meets the DNSH and MSS criteria, in which case 100% of the exposure is reported as aligned. For the first time this year, information published by the counterparties on DNSH and MSS in their corresponding NFDRs has been considered to assess compliance with these criteria. Where no such DNSH and MSS information is disclosed by the counterparty, given that the Group cannot ensure strict compliance with these principles, the associated loan is not reported as an aligned exposure.

Furthermore, as mentioned above, under the simplified approach, the exposure of loans secured by real estate granted to households for the purchase of homes with the most efficient EPC ratings, as well loans for vehicles with a zero-emissions label or whose engine is 100% electric and which meet the size, seats and category stipulated in the Taxonomy, are both considered as aligned. In the case of foreclosed assets, a review of the information associated with their energy performance is being carried out. Alignment data will not be disclosed this year until that review is complete.

- **Finance for generic purposes or for unknown purposes:** This is the case when the Institution grants finance to counterparties for generic purposes, i.e. without the funds having a specific goal other than to manage the company's liquidity, cash or usual activities. As indicated in Annex V of Royal Decree 2021/2178, credit institutions should in this case use the key performance indicators related to CapEx and turnover disclosed by the counterparties themselves for each environmental objective, with no need for any additional verifications to ensure alignment with the SC, DNSH and MSS criteria.

This way, the exposure reported as being EU Taxonomy-aligned corresponds solely and exclusively to the exposure with counterparties that have disclosed the degree of their activity's alignment with the EU Taxonomy in terms of either turnover or CapEx in their non-financial disclosure reports.

To that end, it is worth noting that the Institution has gathered counterparties' eligibility and alignment information by means of a project, conducted in a coordinated manner and at a sectoral level with a reputable third party, which compiled and unified the information of counterparties subject to the NFRD that have disclosed information in their corporate reports, NFDRs or equivalent (data of firms that have not published their KPIs have not been reported, in other words, the counterparties with no reported KPIs are considered to have 0% alignment in terms of both their turnover and CapEx; no KPIs have been estimated either). The data obtained, mainly at the level of consolidated groups, has been applied to their generic exposures, for both the parent companies and their subsidiaries, always provided the intended use of the funds is for generic purposes, weighting counterparties' exposure by their degree of alignment in percentage terms (turnover or CapEx, depending on the reporting template).

It is worth mentioning that Bloomberg is used as a supplier to identify green bonds that promote climate change mitigation or adaptation, as well as bonds linked to sustainability projects, and to determine whether they meet the technical screening criteria that make them qualify as Taxonomy-aligned. In addition, the Institution relies on this supplier to obtain the exposures that are eligible and aligned with the environmental objectives of the portfolio of Assets under Management (AuM). Specifically, every month the Institution shares its AuM and Bloomberg applies various levels of data extraction to determine the final investment of those positions and report on their different KPIs. The information is the actual data reported by companies in which that position is invested and no estimates are used. This year, apart from the CCA and CCM objectives, the eligibility portion of the remaining objectives has been added.

Based on the foregoing, Banco Sabadell Group presents templates specific to credit institutions as at 2024 year-end in this report (Annex 6.3). The information contained therein has been prepared in accordance with Annex V to Delegated Regulation 2021/2178, specifying the content and presentation of public information specific to environmentally sustainable economic activities.

The templates specific to credit institutions are used, as that is the primary activity of Banco Sabadell Group, including the information of the entire scope of prudential consolidation, determined in accordance with Regulation (EU) 575/2013. The Group's scope of prudential consolidation does not include any entity that operates in the investment services or insurance activities segments. In the scope of consolidation, Urquijo Gestión S.G.I.I.C. is included within asset management services, and its degree of representation is not material with respect to the Group's total assets.

## Results

**As at December 2024, Banco Sabadell Group had a GAR of 4.43% in terms of turnover, with the ratio remaining stable compared to December 2023 (4.45%).**

In terms of the denominator, total GAR assets increased significantly over the year, which was linked to the increase in the portfolio of loans to both households and non-financial corporations. In the latter case, it is worth noting that a considerable part of that increase was due to exposures that are unlikely to become aligned as these are exposures outside of the EU and/or financing granted to companies with no NFRD. Furthermore, during the year there was also a substantial increase in total assets with financial corporations, mainly due to the net increase in repo funding, compounded by the currency effect.

In terms of the exposure aligned with the EU Taxonomy, this increased by 607 million euros over the year, mainly due to the subsidiary TSB, and was concentrated in households, as a result of the improved process to update EPC data based on supporting documents in 2024, which improved the quality of the EPC ratings, and also due to the impact of the pound's appreciation in its currency pair with the euro during the period. Excluding TSB, the aligned exposure remained stable over the year, and it is worth highlighting the addition of the exposure associated with financial corporations, as a result of the publication, for the first time, of key performance indicators during the year, as well as the increase in aligned exposure associated with non-financial corporations, in turn due to the year's increase of lending but also affected by the internal review of criteria to determine aligned exposure, such that both impacts counteract the reduction over the year of the aligned exposure in the portfolio of real estate assets, as a result of various initiatives carried out in order to strengthen the control framework over the tagging of sustainable exposures and to improve data quality.



# 5.1 Environmental: Climate change

## 5.1.1 Introduction

**Through its ESG action framework, Banco Sabadell has fully embedded aspects related to climate change into its governance model, its strategy, and into the management of the impacts, risks and opportunities linked to its business model and environment.**

The Bank takes on the management of impacts, risks and opportunities, taking into account the concept of double materiality (financial and impact) as well as the various phases of the value chain in which they can emerge:

- In terms of impact, it is worth noting the efforts made by the Bank to reduce the environmental effects produced by the carbon footprint of its own operations, as well as its management of the carbon footprint of the financed portfolio.
- In terms of climate risk<sup>20</sup>, the Bank has created the ESG credit risk guidelines, which are the framework that consolidates the ESG commitments and standards currently applied when authorising the Bank's credit transactions. Specifically, the ESG credit risk guidelines comprise the Environmental and Social Risk Framework, the advanced IRCA and decarbonisation pathways.
- Lastly, the Bank embraces the opportunities offered by the transition, supporting its customers as they face the challenges of climate change adaptation and mitigation. To that end, it offers Green and Social Loans (GSLs) and Sustainability-Linked Loans (SLLs), it offers advice and investment opportunities to its customers, and it frequently obtains funding by issuing green, social and sustainability bonds, in line with the Framework for the issuance of bonds linked to Sustainable Development Goals (SDGs).

## 5.1.2. Governance

### 5.1.2.1 ESRS GOV-3: Integration of sustainability-related performance in incentive schemes

In line with the aforementioned commitments and as described in section "2.3 GOV-3: Integration of sustainability-related performance in incentive schemes", the remuneration of those employees with variable pay includes sustainability targets.

In relation to short-term remuneration, all those with variable pay have environmental objectives included in their remuneration through the Synthetic Sustainability Indicator (SSI), which in turn is part of the Group objectives, weighted at 10%. This indicator's components include environmental factors such as Green and Social Loans (GSLs) and Sustainability-Linked Loans (SLLs) and the progress of the Sustainable Finance Plan (including progress made with decarbonisation pathways). It also considers the scores given by the three ESG rating agencies, which analyse the Bank's performance in environmental terms.

<sup>20</sup> Environmental risk is understood to be the risk of incurring losses as a result of the impacts, both those existing at present and those that may exist in the future, of environmental risk factors on counterparties or invested assets. Environmental risks can generate impacts through two factors: 'physical factors' and 'transition factors'

As for long-term remuneration, which applies to the Identified Staff, a synthetic sustainability indicator was created in 2023 for the multi-year targets set by the Group, weighted at 20%. Its composition is structured around the synthetic indicator related to Sustainable Business (green & social loans, sustainability-linked loans, and other mobilised funds) and to Diversity (percentage of women in the management team).

## 5.1.3. Strategy

### 5.1.3.1 E1-1: Transition plan for climate change mitigation<sup>21</sup>

**Banco Sabadell continues to move ahead with its Decarbonisation Strategy, whilst at the same time moving closer to achieving global climate targets, as a signatory of the Collective Commitment to Climate Action (CCCA) and a member of the Net-Zero Banking Alliance (NZBA), in order to attain emissions neutrality in its investment and lending portfolios by 2050.**

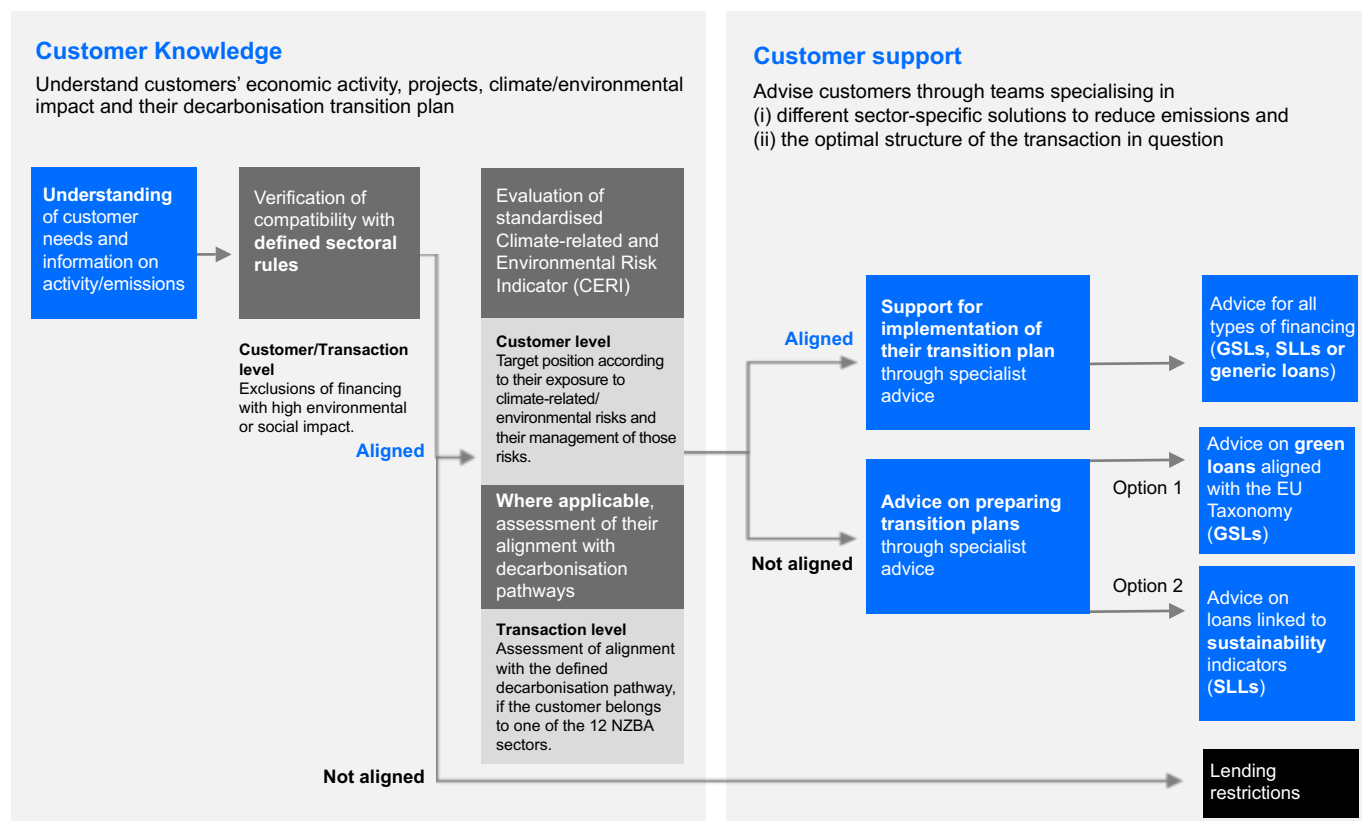
The Bank's commitment to decarbonisation covers all of its activities. It has therefore identified three main pillars, from which cross-cutting and sector-specific levers are activated:

- **Strategic action framework:** Banco Sabadell believes it is important to ensure that the financed portfolio is aligned with its decarbonisation targets and, to that end, it has introduced elements linked to decarbonisation in its Risk Appetite Framework, in its policies and in its sectoral planning processes, and it has set decarbonisation pathways to achieve those targets. In addition, the Bank has the Environmental and Social Risk Framework described in [section 5.1.4.1 ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities](#).
- **Support in the transition:** in its business activity and to support customers in the transition, the Institution is taking further action to raise awareness and offer advice across all sectors of the business fabric, offering solutions to finance the investments required for this transition. To that end, it is making all of its capabilities available through specialised teams and a Sustainable Financing Framework.
- **Risk management:** with regard to credit risk management, the Bank has introduced ESG risk management guidelines in the process for authorising credit transactions and in its portfolio monitoring, including ongoing monitoring of decarbonisation pathways.

<sup>21</sup> The Institution does not have a CapEx plan for the transition since, as a financial institution, the transition plans focus primarily on providing support for customers' transition through the Bank's products and services

Against this backdrop, and with the dual goal of activating its decarbonisation strategy in parallel to supporting customers by offering them financing for their projects, Banco Sabadell follows a process that consists of two stages to achieve customer engagement:

- **Know Your Customer (KYC) phase:** to understand customers' economic activity, projects, climate/environmental impact and their decarbonisation transition plan.
- **Customer support phase:** to advise customers through teams specialising in (i) different sector-specific solutions to reduce emissions and (ii) the optimal structure of the transaction in question.



### Aligned/ Not aligned

with the Bank appetite for ESG

- Specialist advice for customers
- In-house risk origination process

Banco Sabadell aligns its strategy with the Sustainable Development Goals (SDGs) and the Paris Agreement, together with regulatory and supervisory requirements, steering the organisation and helping customers and society in the transition towards a sustainable economy.

In 2020, the Group launched its Sustainable Finance Plan, which incorporates sustainability into the business model, risk management and the relationship with stakeholders, in addition to strengthening its governance with milestones such as the creation of a Sustainability Committee in 2020 and the creation of the Board Strategy and Sustainability Committee in 2021, a new Board Committee set up to define, promote and monitor all matters related to sustainability. The Sustainable Finance Plan is regularly approved, reviewed and updated by the Sustainability Committee to adapt it to environmental and regulatory changes and to the expectations of the various stakeholders. In addition, the governing bodies are informed of the most noteworthy developments.



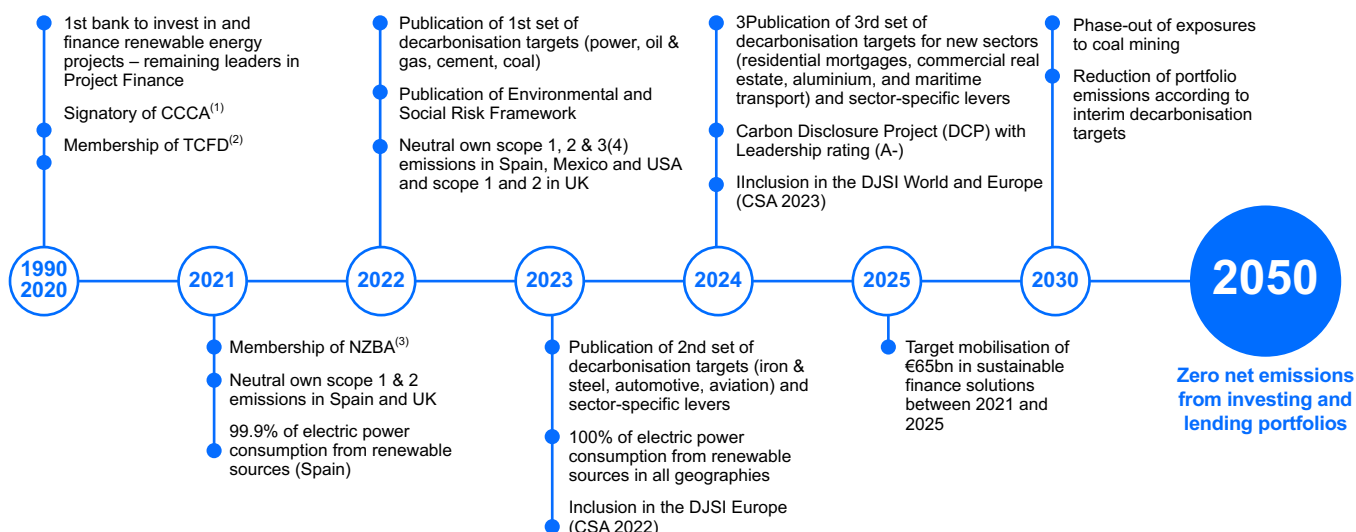
To complement this, the document *Sabadell's Commitment to Sustainability* was published in 2022. This action framework aims to embed ESG considerations sequentially across all of the Group's activities.

As part of this commitment, in December 2024, the Institution published its third set of decarbonisation targets for 2030 as well as a review of the pathways published previously and the main levers to ensure transition, along with its ambition to provide support, advice and sustainable financing to individuals and especially to companies, focusing specifically on those that belong to the world's most CO<sub>2</sub> emissions-intensive sectors.

The established targets are approved by Banco Sabadell's Board of Directors. In addition, regular monitoring reports are sent to governing bodies on the evolution of decarbonisation pathways.

In addition, in reference to the blocked GHG emissions originated from the company's key assets and products, it is worth noting that, given the activity carried out by the Institution, these emissions are not material for the Bank's operations and they therefore do not have a significant impact on its environmental sustainability or on its financial statements.

### Main milestones towards net zero by 2050



<sup>(1)</sup> Collective Commitment to Climate Action (2018).

<sup>(2)</sup> Task Force on Climate-related Financial Disclosures (2020).

<sup>(3)</sup> Net-Zero Banking Alliance.

<sup>(4)</sup> Scope 3 emissions that will be offset include supplies (water, paper and plastic), waste and business travel in Spain, Mexico and USA. This offsetting does not include emissions associated with the financed portfolio (category 15).

## Portfolio alignment

**Banco Sabadell Group considers that portfolio alignment and decarbonisation targets offer valuable information for risk management, on an ex-ante basis, as a portfolio that is aligned with a particular transition pathway and has decarbonisation targets will tend to be less impacted than one that is not aligned and has no targets (assuming the selected reference scenarios remain close to the actual trajectory).**

In 2021, the Group joined the Net-Zero Banking Alliance (NZBA), thus reinforcing the strategy to fight against climate change, undertaking to align its lending and investment portfolios with net-zero emissions of greenhouse gases (GHGs) by 2050 at the latest, in line with the targets of the Paris Agreement.

In turn, these commitments involve setting targets for 2030, with interim targets to be set every five years thereafter for the most GHG-intensive sectors, based on the analysis of customers' carbon footprints and on sectoral decarbonisation pathways, which are based on scientific criteria defined by recognised international bodies.

### Information about exclusions applicable to EU benchmarks

Based on the activity criteria that establish the exclusions applicable to the EU Paris-aligned benchmarks set out in Commission Delegated Regulation (EU) 2020/1818, it has been determined that the Bank is not excluded from those benchmarks on the grounds of the activity that it performs.

## 5.1.3.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

For the Group, environmental risk is understood to be the risk of incurring losses as a result of the impacts, both those existing at present and those that may exist in the future, of environmental risk factors on counterparties or invested assets, as well as aspects affecting financial institutions as legal entities. These risks have the potential to generate significant impacts for the real economy (institutions and households) through various socio-economic variables, including mortality, migration, job availability and productivity (by extension affecting GDP). Therefore, it is thought that environmental risk could ultimately result in borrowers failing to fulfil their payment obligations as a result of not using assets or of companies experiencing disruptions in their manufacture and supply activities that generate the income used to fulfil payment obligations.

Environmental risks can generate impacts through two 'risk drivers': 'physical factors' and 'transition factors'. There is a trade-off between physical risks and transition risks depending on how and when policies are implemented to facilitate the transition towards a sustainable economy. In particular, where actions to transition are delayed or weak, it is assumed that physical risks will increase. In the same way, where the



transition actions and policies are ambitious and premature, transition risk will increase but physical risk can be expected to fall.

Environmental risks are an additional factor included in the Group's Global Risk Management Framework, using the identification and measurement of these risks as a basis for their subsequent integration into management arrangements. The type of environmental risk in which the most progress has been made in terms of analysis and recognition is climate change risk. However, the risk associated with climate change is intricately connected to the risk associated with environmental degradation and both feed into each other.

## Climate scenarios and stress testing

**Banco Sabadell Group has an internal stress testing framework for climate risk, which lays down the key characteristics of the tests, including their integration in the Internal Capital Adequacy Assessment Process (ICAAP). These tests are posited as a sensitivity analysis exercise.**

During these stress tests, forecasts of climate risk are made in order to measure the sensitivity of credit risk to transition and/or physical risks linked to climate change and to possible transition pathways towards a decarbonised economy, according to the following scenarios:

### Scenarios for transition risk assessment:

- Orderly transition: in the Orderly Transition scenario (compatible with RCP<sup>22</sup> 1.9 scenario), early and decisive action is taken to attain CO<sub>2</sub> emissions neutrality by 2050; as a result, the average temperature of the planet is no more than 1.5°C higher than in the pre-industrial era. To that end, for transition risk, the Net Zero 2050 climate scenario of the Network for Greening the Financial System (NGFS) is considered, forecast using the Remind and Magpie models.
- Disorderly transition: in the Disorderly Transition scenario (compatible with RCP 2.6 scenario), action to combat climate change is delayed until 2030. This leads to a bigger shock, as it means that sharper action needs to be taken between 2030 and 2050 in order to achieve CO<sub>2</sub> emissions neutrality by around 2050. To that end, the Delayed Transition climate scenario of the NGFS is considered for transition risk, forecast using the Remind and Magpie models.
- Hot House World: in the Hot House World scenario (compatible with RCP 4.5 scenario), only currently implemented policies designed to fight climate change are preserved. Emissions continue to rise at the current pace and global temperatures rise by over 2°C. The impact stemming from transition risk is non-existent, but physical risks are more severe (NGFS Current Policies scenario).

The main sources used to develop the climate transition scenarios are the Phase IV scenarios published by the NGFS in November 2023 and the forecasts made by the ECB in its 2022 climate stress test (which in turn were based on the NGFS scenarios). Based on these forecasts, Banco Sabadell has expanded these scenarios to include other variables needed for the Group and not provided by either the NGFS or the ECB.

<sup>22</sup> Representative concentration pathways

#### Scenarios for physical risk analysis:

- Drought: this scenario considers shocks over one year on the sectoral GVAs offered by the ECB in this same scenario of its 2022 climate stress test, but applied to the Group's baseline scenario. It considers a drought that affects the productive structure of the economy.
- Forest fires: the forest fires scenario is based on the information provided by the European Forest Fire Information System (EFFIS), part of the Copernicus programme, which is a body created by the European Commission (EC) in collaboration with domestic fire-fighting authorities. This platform has been used to determine the probability of occurrence of forest fires, which in turn is used to determine the shock over a one-year period on the price of residential and commercial real estate as a result of forest fires. The scenario assumes that forest fires reduce not only the value of the real estate assets affected by the fire but also the value of nearby properties. This suggests that buyers attribute a higher risk of forest fires to the region and that the region could be less appealing to them following a fire.

The stress tests are conducted on the Group's main institution (Banco Sabadell) and for its mortgage lending and business lending exposures. Sensitivity is measured by comparing the impact on provisions of the various scenarios under analysis, considering to that end the impact of climate risk on probability of default, on loss given default, on the value of collateral, and on the accounting classification of transactions.

In addition, sensitivity to transition risk is measured by considering expected changes in the exposure's breakdown by sectors until 2050, or by level of energy efficiency in the case of the mortgage book, which is consistent with the transition scenario provided and with the Bank's sustainability targets.

To measure the impact of climate risks on the portfolio of business banking customers, there are models that capture both the indirect effects of climate risks at a sectoral level and the direct effects on the balance sheet and income statement of each company. This allows each company's risk sensitivity to be determined. The measurements in the case of retail banking customers are based on capturing indirect effects, although the specific aspects of each collateral item are considered to reflect that impact in their valuation (energy rating in the case of transition risk and physical location of the collateral in the case of physical risk).

The results of the climate risk stress tests are included in the ICAAP in order to evaluate the impact that those risks could have on the Group's solvency from the point of view of expected loss on one hand and of unexpected loss on the other, by measuring how much economic capital is required at the Group level to cover any losses that are reasonably likely to materialise due to those risks.

The impact of physical and transition risks on the Group's solvency position is limited, from both a regulatory perspective and an internal perspective. The measurement of economic capital, which is made at the Group level and considers the climate risk sensitivities used in stress tests, shows that the economic capital requirements for this risk are less than 1% of total economic capital requirements, meaning that the risk has a limited impact on the Group's solvency, particularly considering the time horizon over which it materialises.

## 5.1.4. Impacts, risks and opportunities management

### 5.1.4.1 ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

**Banco Sabadell considers its interactions with the environment based on the concept of double materiality, which includes both financial materiality, which focuses on identifying and assessing risks and opportunities, and impact materiality, which focuses on evaluating and measuring the potential and current impacts of Banco Sabadell on the environment.**

In addition, in this analysis Banco Sabadell considers whether these materialise in any of the three phases of the Bank's value chain (upstream, own operations, or downstream).

From the point of view of impacts, the Bank considers greenhouse gas (GHG) emissions, taking into account both those produced in its own operations and those that occur in other phases of the value chain and, in particular, in the financed portfolio, which represents one of the largest categories of the Institution's GHG inventory.

From the financial point of view, the business opportunities stemming from the transition to a greener economy are considered (for details see section 3.1 SBM-1: Strategy, business model and value chain of this report), as are climate risks, particularly those to which the Bank's credit book is exposed due to the characteristics of its borrowers.

In this respect, the Group identifies environmental risks (those related to climate and environmental degradation) according to whether they are transition risks or physical risks. Specifically, climate-related risks are measured broken down by transition and physical drivers, while risks associated with environmental degradation (other non-climate-related factors) are measured in aggregate form, without distinguishing between the nature of the drivers in question (transition or physical).

### Physical climate risks

Physical climate risks are those that emerge as a result of climate events. They can be categorised as either acute risks or chronic risks. Physical risks could lead to a number of consequences, among them the destruction or disuse of physical assets and business disruption, in turn leading to the risk of collateral losing value due to the impairment for waste of the commercial or residential properties securing the loans.

The following physical factors or 'physical risks' have been identified (this list is non-exhaustive):

Factors	Possible impacts
Acute	Increased severity of extreme weather events, such as (i) heat waves (ii) cold snaps, (iii) forest fires, (iv) cyclones / hurricanes / typhoons / storms / tornadoes, (v) droughts, (vi) heavy rainfall, (vii) flooding, and (viii) landslides and subsidence.
Chronic	<p>Changes in rainfall patterns and extreme climate variability. Impacts on exposures with sensitivity to (i) changing average temperatures, (ii) heat stress and thawing of permafrost, (iii) changing wind patterns, (iv) changing patterns and amounts of rainfall, (v) water stress, (vi) land and coastal erosion, (vii) land degradation and (viii) rising sea levels.</p> <p>Gradual loss of ecosystem services (water and food production, climate control and disease prevention, support for the pollination of crops and cultural benefits).</p>
	<p>Reduction of income due to reduced production capability (e.g. standstills in production, in the supply chain or transportation difficulties). Direct losses due to damage to assets.</p> <p>Loss of value of customers' assets serving as guarantees due to their being located in areas affected by these risks (desertification, rising temperatures, rising sea levels, among others). Loss of productivity among business customers due to effects on production centres (more frequent breaks from work due to higher temperatures, rising sea levels, among others). Decline of production and/or profitability of customers who depend on ecosystem services.</p>

Following this definition, Banco Sabadell Group has conducted a top-down estimation of the impacts stemming from the climate events on its loan portfolio in Spain taking into account:

- **The probability of occurrence of physical risk:** probabilities have been assigned using climate event risk maps. For each event, the probability of occurrence in each postcode is estimated, based on historical data gathered from public sources (i.e. European Forest Fire Information System (EFFIS) data for forest fires, which uses data from the European satellite *Copernicus*, etc.). This makes it possible to assess the probability of occurrence of events that could have a more significant impact on the portfolio, based on the location and activities of customers. Using this data, the Group has identified a total of 16 events (8 acute and 8 chronic) that could affect the loan portfolio, having calculated a probability of occurrence for 11 of them in the Spanish portfolio: Floods, Forest fires, Rising sea levels, Droughts, Hot spots, Landslides, Maximum temperatures, Minimum temperatures, Rainfall and thaws, Fog and airborne dust, Storms, winds and gales.
- **The severity of those risks should they occur:** understood as the impact if physical risk were to materialise, estimated according to expert criteria at a sectoral level for the business lending portfolio and in terms of the location of the collateral for the mortgage portfolio. The final conclusion is based on the aggregate impact of the four events (coastal and riverine flooding, forest fires and droughts) to which the Institution has, for now, applied a severity calculation given their more severe potential consequences.
  - In physical business risk, the severity of the events represents the percentage of revenues that a company could lose if that event were to occur, due to its business coming to a standstill. Therefore, depending on the type of activity in which the company engages, different events can have different effects on borrowers, which is why the severity is defined based on the event and the activity according to the European classification of economic activities (NACE).
  - In the case of physical collateral risk, the severity is the percentage of the collateral value that could be lost if the event took place. In this case, the severity does not depend on the borrower's activity, so all mortgage contracts secured with real estate have been treated the same way, regardless of the type of property securing the loan.

The probability of occurrence of each event is multiplied by its severity and these figures are added together to give the expected impacts, which are the basis for creating physical risk indicators:

$$\text{Expected impact} = \sum (\text{Event probability of occurrence} \times \text{Event severity})$$

This way, for each loan granted to businesses with a Spanish postcode and for each mortgage contract secured with real estate, the physical risk can be classified as either "None", "Low", "Moderate", "High" or "Very High".

In addition, the Group has internally developed a methodology that distinguishes between acute and chronic events in line with the three scenarios (Orderly Transition, Disorderly Transition and Hot House World) of the Network for Greening the Financial System (NGFS)<sup>23</sup> and adapted to a time horizon of 30 years. These risks are being monitored regularly and meticulously under the Orderly Transition scenario, as this is considered the most likely scenario, although these monitoring exercises do also include the overall impact under the worst-case scenario (Hot House World). This analysis measures the risk inherent in the portfolio and not the residual risk, as it does not consider the existence of cover, such as home insurance and/or the existence of the Spanish Insurance Compensation Consortium (Consorcio de Compensación de Seguros), among other things.

It is also worth highlighting that in 2023, the Institution took a significant step forward in the measurement of physical risk and its integration in management arrangements, with the bottom-up analytical methodology defined for the main counterparties at the level of large corporates, as these are thought to be more complex and deserving of a complementary specific analysis. This way, for those enterprises, the Bank conducts a more in-depth expert analysis in cases where this is considered necessary, and can provide more information to the Bank's top-down model. This analysis is carried out using public information about the customer, the internal physical risk model and the expertise of the Bank's ESG analysts, taking into consideration, among other things, the counterparty's reliance on physical assets, the geographical diversification of their production centres and their activities, and the controls currently in place to mitigate and/or reduce these risks.

Lastly, it is important to note that in 2024, the Institution took another major step forward in its measurement of physical risk and its integration into management arrangements, with the development of capabilities to measure, using georeferenced data management software, the physical risks linked to riverine and coastal flooding and forest fires in Spain at different geographical coordinates. This improvement has been applied to 86% of the mortgage-secured loan portfolio in the country for which coordinate-based locations are available, which has significantly improved the granularity of the prediction and the quantitative assessment of the potential impact of these events.

The Group continues to work on measuring physical risk in the different geographies in which it is present, through the Bank's task forces with teams at the various foreign branches. First, based on companies' activities, those likely to be more severely affected should any of the events occur were selected before proceeding to evaluate the probability of occurrence of the events, thanks to the expert knowledge about the location and the climate reality of each country, in a manner that is consistent and coordinated with the methodology applied in Spain and described above. Similarly, in relation to TSB, bearing in mind that its credit book mainly comprises mortgage assets, a model analogous to the top-down model defined above was applied, albeit considering the specific characteristics of its geography, where the main physical risks are flooding, subsidence and coastal erosion.

The physical risk assessment is further complemented with a deep-dive analysis into certain climate events with a high associated impact. In 2023, following the droughts that occurred in Spain, an analysis of how that event was dealt with and of its potential impact on the loan book was carried out. The loan book was analysed to determine the quality of the Bank's exposure in this sector and to take a closer look at possible additional mitigating techniques (e.g. the agricultural insurance taken out by companies) and, using all this information, an action and monitoring plan was devised for these companies by the Bank.

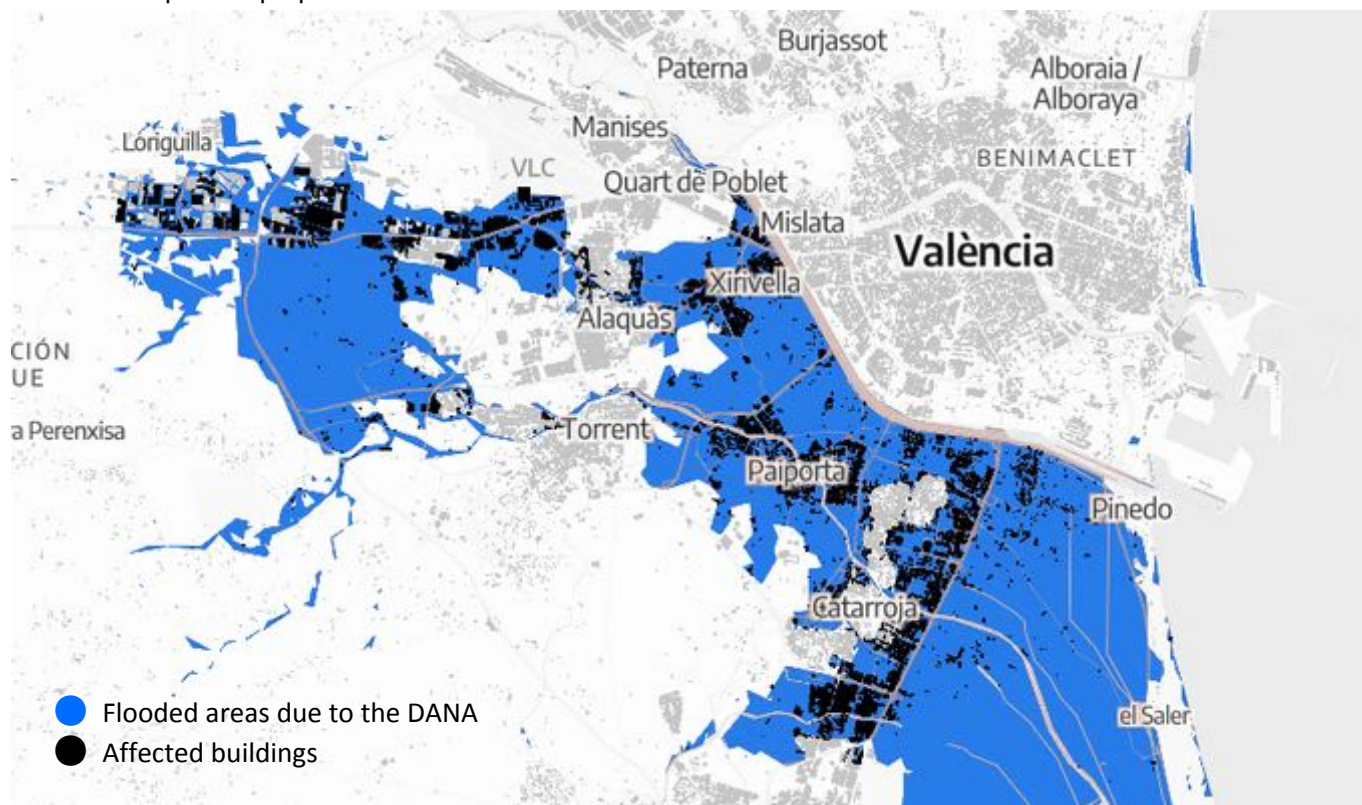
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<sup>23</sup> For more information about the scenarios used, see section "Climate scenarios and stress testing" of chapter 5.1.3.2



Furthermore, in 2024, due to the flash floods caused by the DANA storm in Valencia on 29 October, the granularity improvements mentioned earlier at the coordinates level were applied in practice, making it possible to anticipate the potential impact of the event on the loan book as well as the assistance required by customers in the affected area and the risks associated therewith, in terms of the portfolio of loans granted to both business and retail customers.

The coordinate-based assessment for events of this kind evidenced the importance of granularity in the measurement, as the very terrain or distribution of towns means that the same event can have and does have a different impact on properties in the same location.



## Conclusions of the physical risk measurement analysis

Taking all of the above into consideration, the most prominent physical risks in the portfolio in Spain are forest fires, droughts, floods resulting from severe storms, as well as coastal floods and/or rising sea levels.

Using the aforesaid methodology, the Bank's exposure<sup>24</sup> in Spain associated with physical risk is as follows:

- Business portfolio: 1.7% is associated with "Very High" risk and 8.5% with "High" risk, remaining largely stable and with no significant changes compared to the previous year.
- In the collateral portfolio, the exposure with an annual expected impact of over 5% on the collateral valuation and which is therefore classified as "High" risk fell from 13% in 2023 to 5% in 2024; however, the percentage of the portfolio that is not expected to be affected by these events went from 7% in 2023 to 70% in 2024, thanks to the improvements delivered by switching from the application of a probability of occurrence of events at the postcode level to its application at the coordinates level, which improves the risk screening generated by geolocating properties in the portfolio, making it possible to more accurately pinpoint properties that could potentially be affected by these events.

# 1,7%

Physical risk in the business portfolio 'Very High'

# 8,5%

Physical risk in the corporates portfolio 'High'

<sup>24</sup> Exposure means the amount drawn down and contingent risks in the loan book

In addition, physical risk also changes depending on the sector, as mentioned in the description of the severity of the impact should an event materialise. The sectors most sensitive to this risk are production sectors such as the manufacturing industry and the energy sector, followed by the agriculture, forestry and fishing sector and the real estate sector.

As for the subsidiary TSB, located in the United Kingdom, taking into account that the credit book mainly comprises mortgage assets, and also considering the specific characteristics of that geography, the main physical risks are flooding, subsidence and coastal erosion, while in the case of Mexico and Miami (United States), the potential impact of hurricanes is considered.

To ensure physical risks are supervised, they are monitored on a quarterly basis and reported to the Bank's Sustainability Committee and to its Technical Risk Committee<sup>25</sup>.

## Climate transition risks

Transition risks are those that occur due to the uncertainty associated with the timing and speed of the process of adjusting to an environmentally sustainable economy. This process can be affected by four factors:

Factors		Possible impacts
Policy & Legal	Increase in the cost of emissions or the use of natural resources.	Risk of borrowers failing to fulfil their payment obligations, particularly those with non-performing assets or belonging to sectors particularly exposed to transition risks.
	Increase in requirements concerning the monitoring, control and reporting of climate-related and environmental disclosures.	Increase in resources dedicated to the analysis, reporting and integration of transition and environmental protection plans in companies' activity. Potential increase in regulatory capital requirements for risks associated with climate change.
	Change in regulations of existing products and services.	Forecast increase in environmental demands going forward and lack of preparation in some sectors.
Technology (ICT)	Substitution of existing products and services with other more efficient or less polluting ones.	Risk of companies being pushed out of their respective activities due to a lack of innovation or failure to adopt technologies that promote the green transition compared to competitors.
	Failed investment in new technologies. Costs of transitioning to low-emissions technologies.	Technological changes depend on the availability of technology, in turn associated with investment in R&D, meaning that this aspect will determine the survival of some companies, especially those smaller in size.
Market	Changes in consumer preferences and/or tastes in relation to the transition to a more sustainable economy.	Risk of losing market share as a result of failing to offer sustainable products or due to poor ESG performance.
	Increased cost of raw materials.	Reduction of income due to increased costs of raw materials in certain carbon-intensive sectors.
Reputational	Stigmatisation of a sector, company or product.	Loss of customers' solvency due to poor reputation as a result of the lack of a sustainable strategy or due to an incident or poor ESG ratings of a third party.
	Investment exclusions in certain sectors due to market pressures.	Loss of confidence among the general public.

<sup>25</sup> Details of the attributions of management bodies in climate-related matters are provided in chapter 2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies"



## Analysis of climate transition risk in the business portfolio

**Banco Sabadell Group has internally developed several heatmaps at a subsector level, aligned with the three scenarios (Orderly Transition, Disorderly Transition and Hot House World) of the Network for Greening the Financial System (NGFS)<sup>26</sup> and the recommendations of UNEP FI and adapted to a time horizon spanning 30 years.**

These risks are being monitored regularly and meticulously under the Orderly Transition scenario, which is considered the most likely scenario. However, these monitoring exercises do also include the overall impact under the worst possible scenario (Hot House World).

Based on this, all the activities of the loan portfolio have been classified according to their sensitivity to climate transition risk under a top-down analytical approach and taking into account the impacts envisaged in each scenario in terms of income, expenses and low-carbon capex.

It is worth noting that the heatmaps are continuously updated in order to obtain the impacts stemming from transition risk with a greater level of granularity. The Bank therefore currently has the capacity to identify the transition risk of each separate activity within a single sector. This is important for sectors involving a variety of activities that differ considerably in terms of emissions. For example, cattle rearing and rice growing, which both form part of the agriculture and livestock farming sector, are associated with higher levels of emissions intensity than the other activities within that sector.

In the case of transition risk, the total impact considers the impact broken down by income, costs and low-carbon capex. Impacts are classified as “Positive” for activities in which the transition could have a positive effect on one or more parameters, as “No Risk”, “Low”, “Moderately Low”, “Moderate”, “Moderately High”, or as “High”, which includes, for instance, the activities most affected by transition risk such as coking plants. This impact analysis measures the inherent risk of the portfolio and not the residual risk, as the controls that each counterparty currently has in place to mitigate it are not considered.

### Example of how transition risk is integrated in management arrangements:

#### Bottom-up analysis of large borrowers

In 2024, progress has continued to be made on the measurement of transition risk and its integration into management arrangements, updating the model used for the batch measurement of these risks to include the bottom-up analyses conducted when evaluating the advanced Climate-related and Environmental Risk Indicator (IRCA, by its Spanish acronym). This way, the Bank has expanded the volume of counterparties for which it conducts a more in-depth expert ESG analysis in cases where this is considered necessary, and can provide more information to the Bank's model.

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<sup>26</sup> For more information about the scenarios used, see section “Climate scenarios and stress testing” of chapter 5.1.3.2

The advanced IRCA is an internal standardised approach used to measure climate-related and environmental risk for counterparties that are large corporates, as it is thought that their increased complexity merits a complementary specific analysis. This analysis can be broken down into each of its constituent parts, one of which is the measurement of transition risk. This way, the Bank conducts a more in-depth expert analysis in cases where this is considered necessary, and can provide more information to the Bank's top-down model.

This transition risk assessment is conducted using publicly available information about the customer, the internal transition risk model and the expertise of the Bank's ESG analysts, taking into consideration the IRCA methodology.

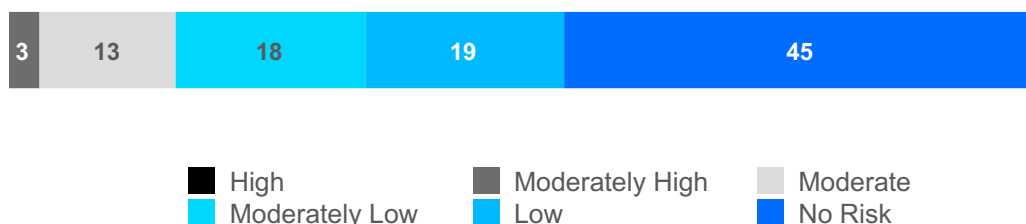
To effectively integrate these results into management arrangements, this methodology has been defined in line with the top-down model, so that its outputs can be integrated in a coherent way and feed into each other.

This process has resulted in an improved methodology for measuring the portfolio's transition risk, as borrowers are now evaluated in more detail.

## Conclusions of the transition risk analysis:

Based on everything mentioned thus far, the Group's most affected portfolio is its business portfolio, although as shown in the chart, it is currently thought that the Bank has minimal exposure<sup>27</sup> (around 0.01%) to the segment with the highest transition risk ("High").

Breakdown of transition risk exposure in business lending portfolio (%)

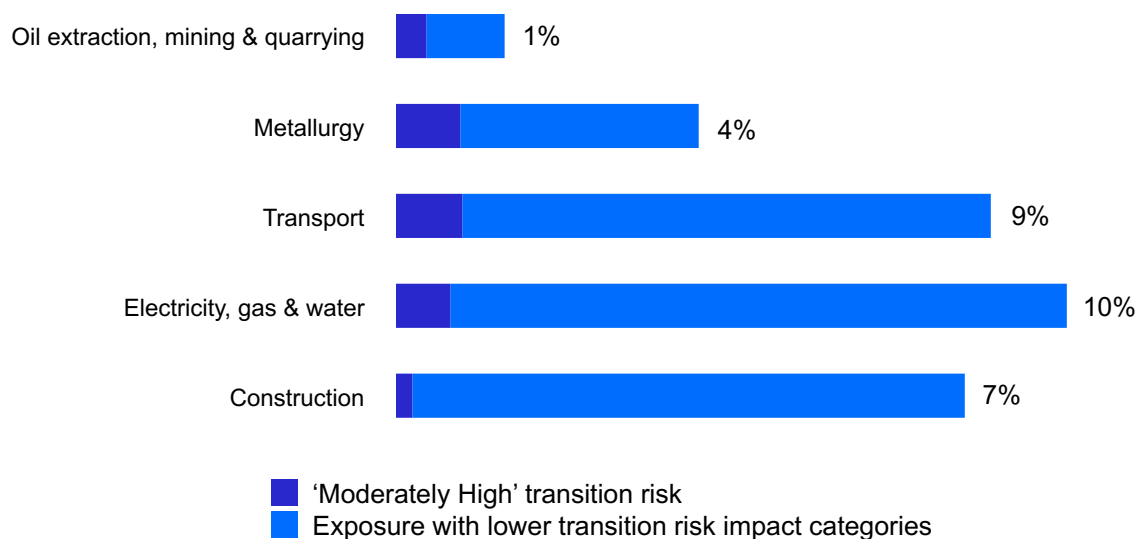


**In 2024, transition risk remained broadly stable, although it is worth noting the 1% reduction in “Moderate” risk and the 1% increase in the “Low” and “No Risk” categories.**

**This exercise also cast light on the limited weight of sectors with higher transition risk (aviation, shipping, mining, automotive, and oil extraction, mining & quarrying), which play a secondary role in terms of exposure within the Institution's portfolio.**

<sup>27</sup> Exposure means the amount drawn down and contingent risks in the loan book

Specifically, the five industries that account for the majority of the transition risk in the business portfolio are shown below, along with the proportion of the transition risk exposure rated “Moderately High” relative to the total for that sector (‘exposure to categories with lower transition risk’). At the same time, the percentage indicates the weight of the sector<sup>28</sup> in the Bank’s credit book:



As can be seen in the figure, the Bank’s level of exposure to sectors with “Moderately High” transition risk is limited. It is also worth noting the high percentage of the exposure classified as green within the electricity generation sector, due to the Institution’s ability to spearhead the financing of renewables, which allows it to have a portfolio with a lower transition risk than one would expect for a carbon-intensive industry.

## Analysis of climate transition risks in the collateral portfolio:

The transition risk associated with real estate properties financed by the Bank (mortgage loans) is measured differently from business risk. Specifically, it is evaluated based on the properties’ energy efficiency, which is measured using Energy Performance Certificates (EPCs).

It should be noted that the Bank is continuously working to collect the largest amount of data possible about the EPC ratings of properties (commercial real estate with residential use and residential real estate), both in its mortgage book and in its collateral portfolio, as well as foreclosed assets. It is worth mentioning that, depending on the type of property, the issuance of an EPC may not be mandatory, as is the case with garages, sheds, building plots and warehouses, for which no energy-related data is available.

The Bank has an EPC rating for almost all the properties in its portfolio, as a result of the efforts made to obtain the actual certificates, where they exist, and to estimate the ratings through a reputable third party where no EPC rating exists due to aspects related to the practical application of the regulation.

<sup>28</sup> The percentage is calculated taking into account the amount drawn down, including contingent risks, in the sector relative to the total amount drawn down in the loan book

In this respect, the Bank prioritises the collection of actual EPCs for financed properties, based on data provided by the customer or taken from public databases (such as those of Autonomous Communities in Spain). To identify or, where necessary, estimate the energy rating of properties located in Spain, four mechanisms have been established to obtain that data (the first being the one with the highest quality):

- a. First mechanism: obtain data based on the Energy Performance Certificate (EPC).
- b. Second mechanism: obtain data by directly looking up the property in question on the public databases of Energy Performance Certificates (EPCs) of the Autonomous Communities.
- c. Third mechanism: used where it has not been possible to obtain data using the previous two mechanisms, it consists of obtaining data for the property based on its similarity to other properties that do have an EPC rating located in the same building.
- d. Fourth mechanism: used where none of the previous mechanisms have yielded the requisite data. It consists of making an estimate using a model created by the supplier. The estimation model was built based on information taken from the more than four million EPC ratings included in the records of Autonomous Communities. It is a model that assigns a rating to properties, considering the information included in land registers (type, age, building regulations, construction quality, surface area and relative height), as well as the climate zone in which they are located. It is not a statistical or regressive model, but instead an expert replica of accredited programmes used to calculate EPC ratings, pooling data for each item included in the certificates and estimating the rating using the limited information available about properties.

The supplier's model was supervised by an external auditor with the primary aim of verifying that the model allows requirements to be met. The report concluded, generally speaking and based on the tests carried out, that the information used and the procedure developed to obtain and estimate EPC ratings is adequate.

Outside of Spain:

- In the United Kingdom, estimated EPC ratings are completed based on average estimated ratings of postcodes, where available. Where they are not available, the outputs of a regression model are used.
- In Mexico, a model for estimating EPC ratings and energy consumption (KWh/m<sup>2</sup>) provided by an external supplier has been used.

In the case of TSB, its credit book is almost entirely made up of mortgages, with an average energy performance. Given that practically all of the portfolio is made up of mortgages, almost all of TSB's transition risks come from the energy performance of the properties used to secure mortgage loans and from the cost of improving their energy efficiency rating (in the short, medium and long term).

Lastly, it is worth noting that EPC ratings are regulated by European Directives and are not mandatory outside of Europe. In addition, the Directives are general frameworks used to define EPCs, but each country is responsible for specifying and defining its own associated technical requirements according to the particularities of each region in their domestic regulations. This is why, although the same classification system is used, the same EPC rating in two separate European countries does not reflect the same impact in terms of energy consumption and emissions, and this data is therefore not thought to be comparable.

To ensure transition risks are monitored, they are tracked on a quarterly basis and reports are sent to the Bank's Sustainability Committee and to its Technical Risk Committee<sup>29</sup>.

<sup>29</sup> Details of the attributions of management bodies in climate-related matters are provided in chapter 2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies"

## Integration in management arrangements

Effective integration of environmental risks into management arrangements requires a strategy and set of regulations that establish the action guidelines, targets and limits required at different points of the credit approval workflow.

The Bank has created its ESG credit risk guidelines, which are the framework that consolidates the ESG commitments and standards currently applied when authorising the Bank's credit transactions. Specifically, the ESG credit risk guidelines comprise the Environmental and Social Risk Framework, the advanced IRCA and decarbonisation pathways. The verification of ESG credit risk guidelines has been embedded into the advanced IRCA evaluation process, meaning that, when ESG analysts receive a loan application from a customer who is subject to the advanced IRCA analysis, they conduct an additional evaluation of their fulfilment of the Environmental and Social Risk Framework, where the Sectoral Standards are included, and of their decarbonisation pathways.





# ESG credit risk management guidelines

As planned, work has been undertaken to create a single framework to manage ESG credit risk that incorporates all standards on this topic that are currently applied when authorising the Bank's credit transactions. For this reason, the ESG credit risk management guidelines were created, which include:

1. **Environmental and Social Risk Framework** at the customer level, to identify from the outset whether a new transaction could be associated with any of the restricted activities.

Specifically, Banco Sabadell Group has a public framework of environmental and social risks that is applicable to new loan transactions granted to groups or companies with turnover in excess of 40 million euros<sup>30</sup>, which represents a very considerable portion of the Bank's portfolio. This framework consolidates the set of applicable criteria that aim to restrict the financing of customers or projects that the Institution considers to be contrary to the transition to a sustainable economy or that lack alignment with international regulations or best practices in the industry.

- This framework lays down general criteria and specific criteria applicable at either the customer or project level:
- general applicable criteria, which have a cross-cutting impact on all sectors, follow international standards such as the Global Compact and the principles of the International Labour Organisation (ILO), among others.
  - specific applicable criteria affect businesses or projects in particular sectors (mining, energy, agriculture, infrastructure and defence) due to their potentially negative impact on the environment and/or society, in which the Group provides services and/or offers financial products.

The rules that incorporate the current framework are all approved and implemented in the Bank's systems. The analysis of these rules is effectively integrated in the usual customer onboarding, transaction origination, and new product approval processes. To ensure this correct implementation, the Bank has included in its onboarding process (the risk management record process) the automatic identification of transactions subject to the framework and which require a compliance analysis. The ESG analysts in charge of conducting those analyses have a specialised tool for screening any disputes associated with the counterparties, which is backed by the services provided by a reputable third-party supplier<sup>31</sup>.

The Environmental and Social Risk Framework has been implemented in phases in order to adapt the applicable criteria to the trends of the various sectors, the regulatory and economic environment, and the Bank's performance.

The full content of the framework, as well as its phased implementation, was approved by the Management Committee in January 2023, following submission to the Sustainability Committee for information in January of that same year.

In the specific case of Banco Sabadell Mexico, as part of the Environmental and Social Policy, the Institution has developed the Environmental and Social Risk Management System (*Sistema de Administración de Riesgos Ambientales y Sociales*, or SARAS), which serves as a guide to promote sustainable economic growth through the identification, assessment and management of any environmental and social risks arising from its activities and financed projects. This system is fully aligned with the operational and credit processes of Banco Sabadell Group, national laws and international standards. The SARAS process is mandatory for the infrastructure projects of the various sectors financed by Banco Sabadell Mexico with traditional loans, syndicated loans and financial intermediaries amounting to 5 million US dollars or more.

2. **Advanced IRCA**: indicator that allows the Institution to screen the ESG risk of the companies to which it provides finance whilst at the same time considering their performance in relation to the management of climate-related and environmental risks. It is used to define credit risk management policies and to identify potential opportunities for investment to support emissions-intensive companies in their transition towards more sustainable activities (see section on "Climate-related and environmental performance of the loan book").
3. **Decarbonisation pathways**: for borrowers operating in sectors affected by the decarbonisation pathways defined by the Group (see heading [5.1.5.1 E1-4: Targets related to climate change mitigation](#)), the Bank starts to evaluate the suitability of significant transactions in which the pathways are applied as soon as they are originated. At present, there is a specific workflow established to identify, evaluate and monitor transactions subject to pathways.

<sup>30</sup> At the customer level, restrictions will be considered whenever customers apply for finance of over €25m. In the case of projects, restrictions will be considered for transaction amounts of over €5m

<sup>31</sup> An external tool has been acquired for research, ratings and collection of analytical data concerning performance in Environmental, Social and Governance (ESG) topics for companies

So that the application of the ESG credit risk management guidelines may be effective, the Bank has a centralised team of specialised ESG analysts, who are responsible for conducting the advanced IRCA evaluation of borrowers and for determining their level of compliance with the ESG credit risk guidelines. This way, the complete ESG analyses include an advanced IRCA evaluation, an assessment of the compliance with the Environmental and Social Risk Framework, as well as a specific analysis of decarbonisation pathways in the case of transactions subject to sectoral pathways.

This analysis is carried out centrally through the Bank's internal portal, where the full analysis of borrowers is added, along with any relevant supporting documents, so as to ensure the correct traceability of opinions related to ESG criteria for credit risk decisions.

## 5.1.4.2. E1-2: Policies related to climate change mitigation and adaptation

**Banco Sabadell Group has a Sustainability Policy in addition to an Environmental and Social Risk Framework and other associated policies and procedures, such as the environmental management system and Banco Sabadell's Environmental Risk Policy which, together, serve to frame the Group's activity and organisation within ESG parameters.**

Environmental, social and governance factors are present both in decision-making and when responding to the needs and concerns of all its stakeholders. As a result of that same goal, Banco Sabadell, TSB and Banco Sabadell Mexico have incorporated the aforesaid parameters into their own policies and internal procedures.

The Sustainability Policy, the Environmental and Social Risk Framework, and their associated procedures are intended, as a whole, to mitigate the potential impacts and risks that may occur, and to support the Group in business opportunities and in enhancing its reputation and good practice, incorporating ESG parameters in all of the Institution's activities and organisation.

The policies incorporate environmental, social and governance factors in decision-making and, at the same time, based on those factors, they respond to the needs and concerns of all of its stakeholders. They also lay down the basic principles that Banco Sabadell Group follows to take on the challenges posed by sustainability, such as:

- Climate change mitigation and adaptation, endeavouring to align them, where appropriate, with the Institution's business strategy and risk appetite, as well as its policies, processes and controls.
- Energy efficiency. In line with environmental protection, the Group undertakes to reduce its GHG emissions by implementing energy efficiency measures.
- In line with its Sustainability Policy, the Group fosters financing and the rollout of renewable energy.



In relation to environmental management, Banco Sabadell takes on the following commitments:

- Comply with legal and other requirements applicable to activities, products and services in the various geographies in which the Group operates.
- Embed climate risks into the Group's risk management and strategy.
- Move towards the net-zero by 2050 target, establishing achievable and measurable interim goals.
- Integrate environmental, social and governance criteria into management and decision-making within the Group's strategy.
- Promote innovation, development, supply and incentives for financial services and products designed to finance projects that reduce GHG emissions, such as renewable energies, energy efficiency and sustainable mobility.
- Continuously improve the performance of the environmental management system, driving the implementation of energy efficiency measures and the use of renewable energy in the Group's facilities, and fostering the use of sustainable transport options by employees and, in general, promoting the sustainable management of the resources needed for the Group's day-to-day activity.
- Establish work guidelines and control mechanisms to ensure environmental protection and pollution prevention in its facilities.
- Share these principles with employees and Group companies, fostering internal and ongoing training of the workforce in relation to sustainability and energy efficiency, and set up fluid communication channels with the various stakeholders on environmental matters.

Similarly, in a cross-cutting way and in line with its commitment to sustainability, Banco Sabadell continues to forge alliances with other sectors and is part of major international initiatives designed to fight climate change and improve social development. These alliances are specified in the policies indicated here below.

Where the scope of the following reported policies makes specific reference to *Banco Sabadell Group*, it includes information that covers the entire banking business perimeter, taking into account the Banco Sabadell brands that operate in Spain; TSB, which operates in the United Kingdom; and Banco Sabadell Mexico, which operates in Mexico.

## Banco Sabadell Group Sustainability Policy

Banco Sabadell Group's commitment to sustainability also takes the form of its voluntary adherence to various national and international initiatives and commitments:

- United Nations Global Compact on human rights, labour, the environment and anti-corruption (signed in 2005).
- UNEP FI Principles for Responsible Banking (founding member since 2019).
- UNEP FI Net-Zero Banking Alliance (member since 2021).
- United Nations Principles for Responsible Investment, individually signed by various investees and subsidiaries of the Bank: BanSabadell Pensiones E.G.F.P., S.A. (in 2012), Aurica Capital (in 2016), BanSabadell Pentapension Empresa FP (in 2020), Fondo de Pensiones de los Empleados de Banco Sabadell MF2000 (in 2020), Fondo de Pensiones de los Empleados de Banco Sabadell GM (in 2020)
- Equator Principles (signatory since 2011).
- Carbon Disclosure Project (CDP) (signatory since 2012)
- Collective Commitment to Climate Action, promoted by AEB, CECA and ICO (undertaken in 2019).
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (followed since November 2020).
- IOSCO Recommendations related to sustainable finance (June 2019).
- Adherence, through the Spanish Banking Association (AEB), to the Protocol to strengthen the social and sustainable commitments of banks, signed by all banking employers' associations in July 2021 and updated to focus on the financial inclusion of rural areas in October 2022.
- Adherence, since October 2022, to the Protocol signed by banking employers' associations with Correos (the Spanish postal service) to provide cash withdrawal and deposit services at all Correos service points (protocol signed in July 2022).

From the perspective of double materiality, and in line with the guidelines issued by the main bodies governing that subject matter, both local and international, the Sustainability Policy covers the main impacts of the Group's activity, with the aim of adapting the organisation to the challenges and opportunities stemming from sustainability.

In relation to environmental impacts, the Group seeks to mitigate the possible impacts, promoting management systems based on internationally accepted regulatory standards and on the philosophy of continuous improvement. In that respect, the Group has undertaken commitments to reduce its internal environmental footprint, as described in section **5.1.5 Metrics and targets**, in addition to the decarbonisation commitments of its financed portfolio.

From the point of view of ESG risks, the Group includes them in its assessment, management and control processes through the activities being carried out to achieve, as a matter of priority, the objectives defined in the Sustainability Plan.

The actions aimed at preventing environmental risks and minimising the impacts of the Group's activity on the environment open the door to emerging opportunities that strengthen and support the Group in the development of its business model and strategy. The management metrics on which the Group's Sustainability Policy is based promote the creation of a set of products and services that incorporate sustainability criteria, in both lending and investment, in response to the increasing demands of our consumers and investors.

When it comes to the governance structure of the Sustainability Policy, the Board of Directors is the body with maximum responsibility for setting the Group's business strategies, for establishing principles, commitments and objectives in relation to sustainability and for embedding them into the Group's strategy, in addition to approving the policy. Given that it is a Group-level policy, all subsidiaries, in particular Sabadell Mexico and TSB in the United Kingdom, adhere to it, applying all of the principles and parameters included therein.

The Group has committees and a specific policy in place to manage and control environmental risk. In terms of the governing bodies, the Sustainability Committee is responsible for establishing and promoting the Bank's Sustainability Plan (*Sabadell's Commitment to Sustainability*) and monitoring its implementation, as well as defining and disclosing the general action principles related to sustainability and promoting the development of related projects and initiatives structured around the various courses of action set out in the Bank's internal Sustainable Finance Plan. The Board Strategy and Sustainability Committee, for its part, is responsible for supervising the model for the identification, control and management of risks and opportunities related to sustainability.

## **TSB's Do What Matters Plan 2025**

In addition to adhering to the Group's sustainability policies, the subsidiary TSB has set out its own commitment to the planet and to society, called the Do What Matters Plan 2025, which is an integral part of its business strategy. The plan brings with it a series of environmental and social commitments, with eight long-term objectives ranging from targets for the transition to a greener planet to actions to foster financial inclusion. The plan aims to deliver a long-lasting impact in terms of sustainability for its customers, workforce, suppliers and the wider community in which the Bank conducts its activity.

TSB's Board of Directors provides strategic guidance about the Bank's approach to the DWMP, including the way in which the Bank manages the financial risks and opportunities of climate change. The Board receives annual updates of the Plan, and regular updates in relation to climate risk are also provided to the Risk Committee.

TSB's Executive Committee analyses the Plan's progress on a quarterly basis, in which it includes the recommendations and advancements reported by the Planet Steering Committee and the People Working Group.

## Banco Sabadell Group Environmental Risk Policy

The purpose of the Environmental Risk Policy is to lay down general guidelines for the management and control of environmental risk, specifying the applicable principles and critical parameters and addressing all elements that are important to manage and control the risks associated with climate change and environmental degradation. These risks comprise two main risk factors: physical risks and transition risks.

Among the main objectives of the Policy is that of observing and embedding existing legal requirements and the commitments and initiatives undertaken by the Institution. These include the European Union's sustainability regulation, developed in 2018 under the European Commission's Sustainable Finance Action Plan (SFAP), and the action plans, guidelines, guidance, technical standards and documents issued by the ECB and European supervisory authorities (namely the EBA, the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA)). The Policy also embeds other voluntary guidelines and major international agreements, such as the Paris Agreement, the 2030 Agenda, the Task Force on Climate-related Disclosures (TCFD), the Task Force on Nature-related Financial Disclosures (TNFD), and the Basel Committee's Principles for effective management and supervision of climate-related financial risks.

The Environmental Risk Policy is reviewed at least once a year and is approved by the Institution's Board of Directors. It involves multiple areas in environmental risk management and control, which are made responsible for applying it in their respective management and control areas, given the cross-cutting nature of environmental risk, which materialises through its effect on other banking risks included in the Global Risk Framework of which there are mainly four: credit risk, market risk, liquidity risk and operational risk.

- In terms of credit risk, exposure to environmental risk is assessed in all phases of the lending process and when overseeing portfolios, as is the impact on asset prices and the valuation of assets used as collateral.
- In terms of market risk, an evaluation is made of the impact that substantial and relatively sudden downward revaluations could have on the price of the assets in the Institution's portfolio, altering their value.
- In terms of liquidity risk, the liquidity position's exposure to environmental risk is measured, anticipating potential significant net outflows of liquid resources or the deterioration of liquidity buffers in the event of a material impact that is not currently covered by the implemented processes and mitigating factors.
- Lastly in terms of operational risk, environmental risk is assessed and adjusted in the operational continuity plans and the regulatory requirements in relation to ESG matters are taken into account when offering advice about and selling financial products.

In view of the foregoing, the Environmental Risk Policy is the framework defined for appropriately managing and controlling the environmental risks to which the Institution is exposed and for rolling out measures aimed at the mitigation and adaptation of climate change and environmental degradation.

### 5.1.4.3. E1-3: Actions and resources in relation to climate change policies

**As a financial institution, Banco Sabadell Group plays a fundamental role in building an inclusive and decarbonised economy.**

On one hand, mobilising resources, identifying technologies and generating opportunities and, on the other hand, incorporating new capabilities along with internal transformation efforts to embed sustainability into all of its agendas.

In this context, and to continue making progress with its goal of accelerating economic and social transformations that contribute to sustainable development, the Bank already reinforced the ESG dimensions applicable to its strategy, governance and business model back in 2022, with the launch of its ESG framework, *Sabadell's Commitment to Sustainability*, which establishes levers with transformation and promotion actions, notably including the following:

- Progress as a sustainable Institution, focusing, among other things, on greenhouse gas (GHG) emissions neutrality.
- Support customers in the transition to a sustainable economy, laying down decarbonisation pathways, supporting customers in the transition with specialised solutions for renewable energy, energy efficiency and sustainable mobility, and defining sectoral standards that limit controversial activities and/or activities with negative impacts on environmental and social development.
- Offer investment opportunities that contribute to sustainability, where it is particularly worth mentioning the wide range of sustainability funds, green bonds and sustainability bonds that the Bank offers, both its own and of third parties.

As part of Banco Sabadell Group's progress towards GHG emissions neutrality, key actions are being taken in its facilities aimed at reducing emissions in each scope (1, 2 and 3), such as:

#### **Scope 1 - Direct emissions**

Actions relating to this scope include those aimed at reducing emissions generated by the consumption of gases and leaks of refrigerant gases in the Group's facilities, as well as by the use of company vehicles.

#### **Fossil fuel gases**

In Spain, Banco Sabadell's physical switch between data centres was completed during 2022 and 2023, moving from its own facilities to those of its technological infrastructure provider. As a result, diesel consumption in 2024 was -55% lower than in 2021, mainly due to the reduced use of electric generators that ensured the electricity supply for data centres. However, due to the use of mobile branches in Galicia, Asturias and Valencia, diesel consumption was up by 2% compared to 2023 and by 9% compared to 2022.

Similarly, in 2024, TSB completed the third phase of its Energy Optimisation Programme, resulting in a -2,600 MWh reduction compared to 2023 in the consumption of location-based gases from fossil fuels and electricity. The programme consists of different initiatives, including exploring the phase-out of its fossil fuels, reducing waste generated by its activity, testing out new water saving technology, finding ways of eliminating paper usage in its processes, and eliminating any non-FSC/PEFC paper products that remain in its operations.

Action	Geography	Consumption reduction
Server switch	Spain	-68 MWh since 2021
Energy Optimisation Programme	UK	-2,600MWh

## Refrigerant gases

The figures relating to refrigerant gases correspond to leaks of F-gases due to breakdowns of HVAC systems in corporate buildings and branches.

In Spain, to mitigate these leaks, every year the Bank conducts a scheme to upgrade its air conditioning equipment, which consists of:

- Increasing the number of annual reviews of each machine
- Establishing a machine upgrade plan, prioritising machines according to their age, the number of prior incidents, performance requirements, etc.

Action	Geography	Reduction of refrigerant gas leaks
HVAC Renewal Plan ("Plan Renove Clima")	Spain	-327 kg vs 2023

## Company vehicles

During 2024, work continued in Spain to promote the use of energy-efficient vehicles through the company cars plan for executives. Similarly, in the UK, TSB continued to promote sustainable business travel options, offering only electric vehicles in its company cars plan.

Action	Geography	% of fleet 2023	% of fleet 2024	Change
TSB electric vehicles	UK	0.88	0.93	+5%

Action	Geography	No. of new points	Total no. of points	Change
Installation of new electric/hybrid vehicle charging points	Spain	44	83	+112.8%

## Scope 2 - Indirect emissions

This scope includes emissions generated by the consumption of electricity.

**In all of the geographies in which Banco Sabadell Group carries out its activity, 100% of the electricity acquired for use in its facilities has a renewable origin certification.**

In Spain, additionally, the Institution has solar panels that generate 1.50% of the electricity consumed in that geography. In addition, the capacity of those solar panels was increased during 2024, in order to triple their current electricity production.

Electricity consumption	2024	2023	Estimated energy use savings (kWh)
Consumption of energy provided by Cepsa, 100% REGO (% supplied out of total electricity consumed)	98.50%	98.77%	
Consumption of electricity provided by other resellers without REGO (% supplied out of total electricity consumed)	0	0	
Spain - Self-generation of electric power through solar panels	1.5%	1.2%	637,850

In addition, in Spain the Bank continues with its ongoing consumption assessment programme at its branches and corporate buildings to detect changes and actions that will help to improve consumption efficiency:

- The project to replace the lighting at branches with Light Emitting Diode (LED) technology continues, to ensure that they are all are equipped with LED lighting and thus reduce consumption (all corporate buildings are already 100% equipped with LED lighting).
- The majority of the branch network is equipped with a centralised low energy consumption HVAC and lighting system, as well as light activation systems for billboard advertising adapted to daylight hours.
- Corporate buildings are equipped with motion-sensitive lighting systems and LED lights. In these corporate buildings and larger branches, HVAC installations are equipped with energy recovery systems.

Action	Geography	Potential energy impact
Expansion of photovoltaic power plant (CBS Sant Cugat building)	Spain	Production of 1,700 MWh per year

In the United Kingdom, TSB set itself a corporate objective of reducing its overall scope 1 and 2 emissions by 2% compared to the levels in 2023. As at the end of 2024, this reduction stood at -14.5%.

## Scope 3 - Other indirect emissions

This scope includes other indirect emissions registered in the following categories:

- 1 - Purchased goods and services (water, paper plastic)
- 5 - Waste generated in operations
- 6 - Business travelling
- 7 - Employee commuting

This section does not consider category 15 - Financed emissions, as those details are provided in section 5.1.5.3 of this document.

The remaining scope 3 categories have not been considered material for the purposes of disclosing their emissions.

### Purchased goods and services

In relation to eco-efficiency measures, since 2019 the Bank has taken several actions. Among others, bathroom facilities and taps are fitted with water-saving mechanisms. In addition, the headquarters in Sant Cugat del Vallés have a deposit that collects rainwater and greywater for reuse as irrigation water. At the same time, the landscaped areas are comprised of native plants with low irrigation needs.

Water management actions	Geography	Impact on water consumption
Reuse of greywater for third use in irrigation	Spain	Use of up to 90% of greywater and potential 40% reduction of consumption used to water lawns
Reduction of landscaped areas and improvement of irrigation systems in CBS Sant Cugat		

In terms of paper consumption, the Group has continued with the programme to reduce correspondence and simplify contractual documentation, helping to reduce paper consumption. This programme started in 2019, gradually digitalising the profile of customers and consolidating the model under which a single monthly account statement is sent to them.

Paper consumption actions	Perimeter	Consumption reduction vs 2023
Simplification of pre-contractual and contractual documents	Spain	-57 tonnes
Digital solutions for transaction signing, issuance of certificates and correspondence		
Digitalisation of internal operating processes		
Digital solutions for transaction signing, issuance of certificates and correspondence	UK	-8 tonnes



On the other hand, the Bank has been applying a series of measures since 2020 designed to eliminate plastic in the products it purchases for various uses:

Plastic consumption actions	Perimeter	Consumption reduction since 2019	Consumption variation since 2023
Elimination of plastic in certain desk and/or common use materials	Banco Sabadell Group	-95.8% (-68.1 tonnes)	+2.5% (+0.1 tonnes)
Elimination of coin blister packs			
Elimination of blue bag for documents requiring urgent digitalisation			
Elimination of passbook covers			
Replacement of the plastic film in blue event bags with brown kraft paper			
Replacement of plastic coffee spoons with wooden spoons			
Replacement of plastic window in envelopes with transparent paper window			
Manufacture of cash transfer bags with a mixture of recycled (80%) and virgin (20%) plastic			
Manufacture of shrink film from 56% sugar cane (organic material)			
Replacement of corporate pens (100% plastic) with an alternative manufactured with kraft paper and wheatpaste			

Plastic consumption has increased slightly since 2023, due to an increased use of materials derived from commercial activity.

## Waste generated in operations

Waste can be classified as either non-hazardous waste or hazardous waste. Non-hazardous waste includes scrap metal, inert plastic, bulky general waste, incandescent light bulbs, paper and cardboard, glass, organic waste, grease trap and wood. Hazardous waste includes chemical containers, absorbents (filters), lead batteries, oils, fluorescent lamps, electronic equipment, batteries and aerosols.

The Group has internal procedures in place to ensure that 100% of paper and plastic waste is removed and recycled by authorised waste management firms. Corporate buildings and branches are equipped with facilities for the separation and collection of packaging, organic matter and batteries.

Specific control mechanisms exist for waste management in branches due to be closed or merged. Surplus computer equipment and furniture in good condition at branches or work centres due to be closed or merged are donated by the Bank to NGOs and local charities.

The Bank has planned new actions designed both to reduce inorganic waste and to manage organic waste more efficiently:

Waste management actions	Geography	Estimated annual reduction of waste
New central waste disposal room	Spain	2% per year
Installation of organic waste composting plant		

## Business travelling

Company or business travel includes journeys by aeroplane, train and employees' personal vehicles.

At the start of 2020, before the State of Emergency was declared in Spain, the Bank reviewed its business travel policy, laying down new guidelines to limit travel to only journeys strictly necessary due to business needs and to prevent travel for internal meetings, encouraging the use of the remote and electronic solutions available.

It is for this reason that, compared to 2019, as a pre-pandemic reference year, the data for 2024 in Spain reflect the positive effect that the review of the Group's business travel policy has had on the reduction of the Institution's carbon emissions, recording a -42.8% reduction of emissions between both periods.

▼ **42.8%**

**Reduction of kilometres in  
business travel compared to  
2019**

## Employee commuting

Since 2023, the Bank has been calculating the emissions generated during commutes to the corporate buildings with the largest number of employees in Spain.

As regards these journeys, a sustainable mobility model will continue to be promoted with various schemes, such as the creation of new parking spaces at corporate buildings for private electric vehicles. In addition, TSB has undertaken to promote new alternative means of transport, such as the inclusion in company benefits of an additional grant for the purchase of electric bicycles, as well as new ways of working to keep reducing emissions.

## Other actions

**In Spain, during 2024 the Bank continued to  
certify its main corporate buildings with ISO 14001:2015.**

Moreover, to mitigate the environmental impact of its suppliers, the Bank continues to encourage the use of electric vehicles for the various logistics services and the use of environmentally friendly ink among the printing companies that collaborate with the Bank.

### **The Bank evaluates the impact of its loan book with two different assessments. The first consists of measuring the loan book's climate-related and environmental risk, while the second focuses on measuring the portfolio's carbon footprint.**

The first type of assessment focuses on measuring the climate-related and environmental risk of the borrowers receiving finance. There are two approaches to this measurement:

- a. The measurement of climate-related and environmental risk in the loan book follows a bottom-up approach for large corporates through the advanced IRCA.
- b. The second approach, applied to smaller companies and retail customers and which is outside the scope of the advanced IRCA, is based on large-scale measurements made by the Bank using climate risk and environmental degradation risk models with a top-down methodology. In addition, to ascertain the impact of the portfolio under stress in different scenarios, various stress tests are conducted.

It is worth noting that, during 2024, the Institution has significantly improved this methodology, designing an assessment model, called the automated IRCA, to measure and score the environmental performance of companies that are under no obligation to publish non-financial disclosures or which do not currently have an advanced IRCA analysis. This model keeps the same consistency, approach and structure as the IRCA methodology that is already being applied to counterparties subject to the European sustainability reporting directive, but it makes it possible to obtain a preliminary estimate of the assessment of the climate-related and environmental risks of the entire business portfolio, considering the data already available in the Institution's systems (e.g. counterparty's location, company's activity). Although this is a simple approach compared to the advanced IRCA, it nevertheless provides this preliminary assessment of the portfolio without the need for an in-depth assessment or for the involvement of specialist analysts.

The second type of assessment carried out by the Bank consists of measuring the emissions of the financed credit portfolio. This measurement is vital when it comes to managing ESG risk, as it is a quantitative metric for which a standardised methodology exists, offering comparability. Furthermore, this measurement is carried out for the entire loan book, in other words, not only for loans granted to companies, but instead also measuring emissions of other portfolios such as that of mortgages, sovereign bonds, auto loans and project finance.

### **All transactions, companies and corporate groups submitted to or revised by the Delegated Credit Committee have an advanced ESG analysis.**

Efforts have been made to translate this advanced analysis of large firms into a quantitative Climate-related and Environmental Risk Indicator (IRCA, by its Spanish acronym). The advanced IRCA gives an integrated evaluation of borrowers' exposure to climate-related physical and transition risks, taking into account the level of maturity of their management of these ESG aspects, the environmental degradation risk and any disputes that it is thought could affect compliance with sectoral standards or the Bank's reputation.

This indicator makes it possible to improve the screening of borrowers according to climate-related and environmental risks, as although the risks inherent in each borrower's activity are taken into account, these are adjusted based on the ESG management maturity analysis, which evaluates different factors such as the decarbonisation strategy, changes in the volume of emissions, ESG risk management and commitments to reduce emissions.



## Measurement of borrowers' climate-related and environmental risk

### The advanced IRCA objectively ranks large corporates using sustainability information.

The advanced IRCA objectively ranks large corporates using sustainability information, based on their exposure to climate-related and environmental degradation risks, and according to their maturity in terms of managing those risks. In line with this description, three main modules can be identified:

1. Climate risk: each borrower is assigned a score for the transition risk and physical risk inherent in their activity. To separate different borrowers within a given sector according to their management maturity level, ESG analysts evaluate the efforts made to transition and to mitigate physical risks, applying an internal methodology that has been standardised in order to make the results comparable. This way, the climate risk associated with a given activity by default can be adjusted based on each analysed borrower's level of maturity in managing those aspects. Looking at the evaluation in further detail:
  - 1.1. Transition efforts are measured using a methodology that measures the management maturity of these aspects, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), meaning that this part of the analysis evaluates topics aligned with the four thematic areas defined in the recommendations: Governance, Risk management, Strategy, and Metrics and targets.
  - 1.2. The efforts made to mitigate physical risks are also measured following the TCFD recommendations, requesting details of any physical events experienced by the borrower and of the measures taken to mitigate risks and adapt to physical events (e.g. insurance). A big step forward has been taken in relation to this measurement (as mentioned in the heading "Physical climate risks"), defining a bottom-up analytical methodology for large corporates, to be conducted by the ESG pool.
2. Environmental degradation risk: a module has been introduced to adjust borrowers' climate risk according to the impact inherent in the other environmental factors, other than climate factors, of the activities they perform. The adjustment stemming from this risk can be broken down to ascertain the impact associated with each vector (air quality, water quality, land quality, waste and biodiversity).
3. Disputes: lastly, the counterparty's score based on environmental modules (climate and environmental degradation) undergoes a second adjustment to determine the presence of any significant disputes in connection with counterparties relating to the environment and also relating to social or governance aspects.

This methodology results in a numerical indicator that can be used to rank companies according to their ESG score in a uniform, objective and comparable way.

Lower scores correspond to higher climate-related and environmental risk, while higher scores are assigned to companies engaging in activities with a low (or even positive) impact on climate and the environment, as well as those with high ESG performance and/or maturity levels.

It is also worth noting that the modular structure of the IRCA also allows scores to be obtained separately for each module (climate, environmental degradation and disputes), so as to compare specific aspects of borrowers.

It is further worth mentioning that the advanced IRCA is integrated in an internal portal. This tool allows ESG analysts to work in a centralised way in a robust environment that improves the traceability and usability of the aforesaid information.

At present, the advanced IRCA has been calculated for large corporates in the case of almost half of the portfolio of loans granted to large corporates, and it is worth calling attention to the strong presence of borrowers with top-class ESG performance in their sector.

Lastly, to ensure that the advanced IRCA measurement is supervised, IRCA ratings are monitored, with reports submitted on a quarterly basis to the Bank's Sustainability Committee.

In terms of progress made during 2024, it is worth mentioning that the Institution has developed a new automatic rating method to measure and score the environmental performance of companies that are under no obligation to release non-financial disclosures or that currently do not have an advanced IRCA analysis such as the one mentioned previously.

The methodological process has been designed so that it follows the same modular and conceptual structure as the advanced IRCA. This way, an automated IRCA indicator has been established that measures climate-related and environmental risk using the same methodology as the IRCA for companies subject to the European sustainability reporting directive, adapted to the availability of information of companies that are under no obligation to release non-financial disclosures or that currently do not have an advanced IRCA analysis.

This methodology is already being applied by the Institution to assess the climate risks of portfolios not subject to the advanced IRCA or those that are subject to it but have not been rated. Furthermore, since it started to be applied, monitoring information on this automated IRCA has been reported to the Sustainability Committee on a quarterly basis.

## Collection of information through a pool of ESG analysts

The pool in question is a centralised team of analysts specialising in ESG. The information collected mainly comes from public sources and is preferably checked and verified by a third party. In addition, where the ESG pool considers it necessary to do so, it instructs the basic management team to contact companies to obtain additional information.

This process takes place annually for existing customers and during the origination process in the case of new customers.

Lastly, as mentioned briefly in the introduction to this heading, the Bank complements the quantification of climate-related and environmental risks of borrowers outside the scope of the IRCA (mainly due to them being smaller-sized companies or retail customers) with the batch top-down analyses that it conducts for physical risk, transition risk and environmental degradation risk. These analyses have been explained previously in section [5.1.4.1 ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities](#).

## Initiatives to improve the quality of environmental information

Given the limited level of ESG reporting and disclosures by companies, as well as the lack of historical data and standardisation between the reported information and the monitoring metrics for these risks, it is crucial to have access to the best possible ESG data in order to identify, manage, classify and monitor risks associated with climate change.

**Banco Sabadell Group has been taking various actions to increase the quantity and quality of ESG data about customers.**

For this reason, Banco Sabadell Group has been taking various actions to increase the quantity and quality of ESG data about customers. There are two particular areas that are worth mentioning:

- Real estate collateral: with the support of a third-party supplier, batch uploading processes of the energy ratings of residential real estate and Commercial Real Estate (CRE) of the portfolio are carried out. For newly granted mortgages, the Group captures this data upon origination. On the other hand, to calculate the carbon footprint of its residential and commercial real estate portfolio, the Bank has been working to gather information about actual useful surface areas of the assets it has financed (necessary to estimate the emissions attributable to each property).
- Business risk: a task force was put together to gather environmental data from customers, as the first pilot project for the CO<sub>2</sub> emissions-intensive portfolio, which included, among other things, the capture of actual emissions data (scope 1, 2 and 3) as well as additional data such as energy consumption, percentage of renewables consumption, emissions prevented (where applicable), external ESG ratings, environmental targets and Key Risk Indicators (KRIs) regarding the emissions intensity of each sector. Subsequently, efforts to improve information continued. On one hand, the calculation of the carbon footprint of the financed business portfolio involved gathering actual data of borrowers' emissions, as well as the information needed to calculate the attribution factor. On the other hand, for the 2024 climate stress test, data was gathered in relation to emissions (scope 1, 2 and 3) and decarbonisation targets of the Group's priority emissions-intensive customers.

In addition, using the IRCA created by ESG analysts, the task of collecting customers' ESG data got underway. However, at the start of the project and in order to start collecting information, a third-party supplier was hired to do the batch upload of ESG data about the main borrowers.

Similarly, due to the definition of the Bank's decarbonisation strategy, data was captured regarding the emissions, production and transition plans of the main borrowers affected by the pathways. First, attempts were made to obtain this information from public sources and, where that was not possible, customers were contacted to request that information.

Lastly, 2024 saw the continuation of the sectoral project between AEB (Spanish Banking Association), CECA (Spanish Confederation of Savings Banks) and UNACC (Spanish National Union of Credit Cooperatives) to collect information related to the taxonomy from borrowers. Specifically, an external consultant was hired to compile the eligibility and alignment indicators of borrowers that have this information publicly available. Furthermore, a methodology was defined on a sector-wide basis to process that data in order to ensure uniform reporting.

To complement this work to gather external information from customers, the Bank also works internally to centralise ESG information through a thematic sustainability datamart in order to provide a single point of access to all those who require it. To ensure the internal control of the information being managed, a person is appointed to be directly responsible for that information, and users of that information are also defined. Based on the assigned responsibilities, a series of tasks are established to ensure the quality and uniformity of the information.



## 5.1.5. Metrics and targets

### 5.1.5.1. E1-4: Targets related to climate change mitigation and adaptation

The Institution remains committed to attaining greenhouse gas emissions neutrality and it does this through two main courses of action. On one hand, the Institution is committed to neutralising the carbon footprint originated by its own operations, by reducing the scope 1, 2 and 3<sup>32</sup> emissions through the decarbonisation levers described next in this section. On the other hand, the Institution remains committed to decarbonising its balance sheet by reducing the carbon footprint of the portfolio.

#### Emission reduction targets of the loan book

**Banco Sabadell continued to move forward with its strategy to fight against climate change, setting decarbonisation targets for the following four new sectors: Residential mortgages, commercial real estate, aluminium, and maritime transport.**

In line with the commitments established by the NZBA, in December 2024, Banco Sabadell continued to move forward with its strategy to fight against climate change, setting decarbonisation targets for the following four new sectors: Residential mortgages, commercial real estate, aluminium, and maritime transport.

In the farming sector, the lack of robust methodologies and comparable data means that quantitative targets cannot be established. However, the Institution continues to assess its farming portfolio, focusing on customer engagement, and it will set decarbonisation targets once uniform data and suitable methodologies are available to carry out a sound assessment.

The new targets have been added to the first four decarbonisation targets published in December 2022 for the following sectors: Electricity (Power), Oil and Gas, Cement, and Coal Mining, and to those published in December 2023: Aviation, Automotive, and Iron & Steel, thereby covering all of the most carbon-intensive sectors of its loan book for which a target-setting methodology exists.

The activities covered by the aforesaid targets centre on the stage of each sector's production chain where transition is most likely to reduce the overall volume of greenhouse gas emissions.

With this goal in mind, commitments have been determined taking into account the Net Zero Emissions by 2050 (NZE2050) scenario published by the International Energy Agency (IEA), which establishes decarbonisation pathways for different sectors that are consistent with limiting the global temperature rise to 1.5°C above pre-industrial levels. The commitments have been set based on the methodology of the Science-Based Targets initiative (SBTi) for all sectors except for electricity, residential mortgages and maritime transport (Alignment Delta). The affected customer segment is that of large corporates.

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<sup>32</sup> Excluding category 15: Investments

## Targets published as at December 2024

Power	Value chain stage	Emissions scope	Reference scenario	Metric	Base year	Base year metric	Target 2030	% reduction
Oil & Gas	Electricity generation	1 and 2	IEA Net Zero 2050	Physical intensity Kg CO <sub>2</sub> e / MWh	2020	61	45-85	-
Cement	Upstream & Downstream (incl. refining)	1, 2 and 3	IEA Net Zero 2050	Absolute emissions Kt CO <sub>2</sub> e	2020	6.300	4.851	-23% vs 2020
Coal	Manufacture	1 and 2	IEA Net Zero 2050	Physical intensity Kg CO <sub>2</sub> e / tonne cement	2020	660	510	-23% vs 2020
Iron & Steel	Mining activity	Not applicable	IEA Net Zero 2050	Exposure Million euros	2020	2,9	~0	-100% vs 2020
Automotive	Manufacture	1 and 2	IEA Net Zero 2050	Physical intensity Kg CO <sub>2</sub> e / tonne steel	2022	1.593	1.172	-26% vs 2022
Aviation	Manufacture / OEMs <sup>(1)</sup>	3	IEA Net Zero 2050	Physical intensity g CO <sub>2</sub> e / vkm <sup>(2)</sup>	2022	211	124	-41% vs 2022
Residential real estate	Airlines	1 and 2	IEA Net Zero 2050 <sup>(3)</sup>	Physical intensity g CO <sub>2</sub> e / rpk <sup>(4)</sup>	2022	94	65	-31% vs 2022
mortgages	Owner	1 and 2	CRREM 1.5°C <sup>(5)</sup>	Physical intensity Kg CO <sub>2</sub> e / m <sup>2</sup>	2023	20,9	16,8	-20% vs 2022
Commercial real estate	Owner	1 and 2	CRREM 1.5°C <sup>(6)</sup>	Physical intensity Kg CO <sub>2</sub> e / m <sup>2</sup>	2023	25,7	12,6	-51% vs 2023
Aluminium	Production	1 and 2	IAI 1.5° <sup>(7)</sup>	Physical intensity Kg CO <sub>2</sub> e / tonne aluminium	2023	645	549	-15% vs 2023
Maritime transport	Operator	1 and 3	IMO <sup>(8)</sup>	Alignment Delta (AD%) <sup>(9)</sup> Delta gCO <sub>2</sub> e/tnm <sup>(10)</sup>	2023	Delta +25%	Delta 0%	-
Farming	Analysis in progress: focus on customer engagement							

(1) OEM: Original Equipment Manufacturer. Scope 3 emissions are those linked to the use of sold vehicles (category 11 - Use of sold products).

(2) vkm: vehicle kilometre.

(3) A correction factor has been added to the scenario to remove the distortion caused by Covid-19 in the forecast data for the 2019-2030 period, due to the reduced aircraft occupancy rate during the pandemic.

(4) rpk: revenue passenger kilometre.

(5) CRREM: Carbon Risk Real Estate Monitor for Spain and Portugal, specific to the residential real estate sector for the EU.

(6) CRREM: Carbon Risk Real Estate Monitor for Spain and Portugal, adapted to proportions per type of asset in the stock of non-residential properties.

(7) Decarbonisation trajectory determined by the International Aluminium Institute (IAI) for recycled aluminium.

(8) International Maritime Organisation.

(9) Annual Efficiency Ratio (AER), which measures the efficiency of a vessel's carbon emissions associated with its transport work over a one-year period, representing the grams of CO<sub>2</sub> emitted per tonne-nautical mile (gCO<sub>2</sub>/tnm) and per tonne of cargo transported (gCO<sub>2</sub>t). Alignment Delta (AD%), a metric that measures the extent to which the carbon emissions intensity of a vessel or portfolio of vessels is aligned with the underlying decarbonisation trajectory for each type of asset that meets the target of the International Maritime Organisation.

(10) tnm: tonne-nautical mile.

In August 2023, the UK subsidiary, TSB, published specific targets for its residential mortgage book.

Sector	Fase de la cadena de valor	Alcance de las emisiones	Reference scenario	Metric	Base year	Base year metric	Target 2030	% reduction vs base year
Residential mortgages	Owners	1 and 2	IEA ETP B2DS <sup>(1)</sup>	Physical intensity Kg CO <sub>2</sub> /m <sup>2</sup>	2022	20,14	11,75	-42% vs 2022

(1) International Energy Agency's Below 2 Degrees Scenario.

## Monitoring of decarbonisation targets

Sector	Value chain stage	Emissions scope	Metric	Base year	Base year metric	2023	2030 reduction target	% reduction	% reduction base year vs 2023
Power	Electricity generation	1 and 2	Physical intensity Kg CO <sub>2</sub> e /MWh	2020	61	63	<85	-	Remains in range
Oil & Gas	Upstream & Downstream (incl. refining)	1, 2 and 3	Absolute emissions Kt CO <sub>2</sub> e	2020	6.300	4.820	4.851	-23% vs 2020	-23%
Cement	Manufacture	1 and 2	Physical intensity Kg CO <sub>2</sub> e /tonne cement	2020	660	609	510	-23% vs 2020	-8%
Coal	Mining activity	Not applicable	Exposure Million euros	2020	2,9	0,1	~0	-100% vs 2020	Remains at values close to target
Iron & Steel	Manufacture	1 and 2	Physical intensity Kg CO <sub>2</sub> e/tonne iron	2022	1.593	1.497	1.172	-26% vs 2022	-6%
Automotive	Manufacture / OEMs	3	Physical intensity g CO <sub>2</sub> e/vkm <sup>(1)</sup>	2022	211	220	124	-41% vs 2022	+6%
Aviation	Airlines	1 and 2	Physical intensity g CO <sub>2</sub> e/rpk <sup>(2)</sup>	2022	94	90	65	-31% vs 2022	-4%

Notes about methodology applied:

Pathway evolution calculated based on customer exposure as at year-end and on counterparties' most recent data available in the first quarter of 2024. It is worth noting that the decarbonisation targets for 2030 do not assume a linear reduction in the intervening years, meaning that fluctuations in value may occur during these years but should not be interpreted as a failure to meet the target.

(1) vkm: vehicle kilometre.

(2) rpk: revenue passenger kilometre.

In relation to the achievement of the established targets, where a significant transaction is identified that meets the requirements that make it subject to the pathway, an *ad hoc* analysis is carried out to quantify its impact on the pathway and to ensure that the stipulated limits are observed and that achievement of the 2030 target is not put at risk. Specifically, a team of specialists reviews (i) the physical intensity of the customer's emissions (absolute emissions, if applicable) to analyse their existing situation, and (ii) the customer's future commitments, to determine their transition efforts.

In addition, the Bank applies its decarbonisation strategy ensuring various levers depending on the circumstances of the sector and of the customers themselves. Specifically it focuses on:

- Electricity (Power): maintaining a leading position in renewable project finance and promoting the development of new technologies as an alternative to the use of fossil fuels.
- Oil & Gas: taking actions to help customers reduce their emissions, offering finance for investment plans linked, for example, to the development of synthetic fuels or to the transformation of the production model.
- Cement: the main decarbonisation focus area involves helping customers reduce their emission intensity, driving the transformation of their production models.
- Coal: although the Bank's portfolio is residual, it remains firmly committed to phasing out its exposure to companies in this sector, applying restrictions to the approval of new transactions.
- Iron & Steel: focusing on helping customers to improve the energy efficiency of their production process and to drive the circular economy, with increased use of scrap metal as a raw material.
- Automotive: support customers as they transition towards electrification, the development of synthetic fuels for combustion engine vehicles and the optimisation of fuel/energy per kilometre travelled.
- Aviation: supporting customers in the use of Sustainable Aviation Fuels (SAF), improvements in aircraft and engines, fleet upgrades, and operational optimisation.

It is worth mentioning that the Bank will continue to finance the transition of companies that take action to adapt to a low-carbon economy and whose ESG performance is in line with the Bank's expectations for each sector.

For further details about the sector-specific decarbonisation levers and the methodology used to set targets, see the Decarbonisation Targets report included on the corporate website, in the section on sustainability, available at <https://www.grupbancsabadell.com/corp/en/sustainability/commitment-to-sustainability.html>.

## The Institution's decarbonisation targets

With a firm resolve to support and accelerate economic and environmental transformations, in 2021 Banco Sabadell undertook the commitment to achieve a carbon footprint reduction by 2025, taking 2019 as the base year, of 14.2% for its scope 1 and 2 emissions, and of 48.3% for its scope 3 emissions (except category 15).

The Institution is working to establish, from 2025 onwards, new reduction targets for 2030, which will be publicly disclosed in next year's Sustainability Report.

### Spain

The following table shows the targets for Spain and the changes that have taken place since the base year 2019:

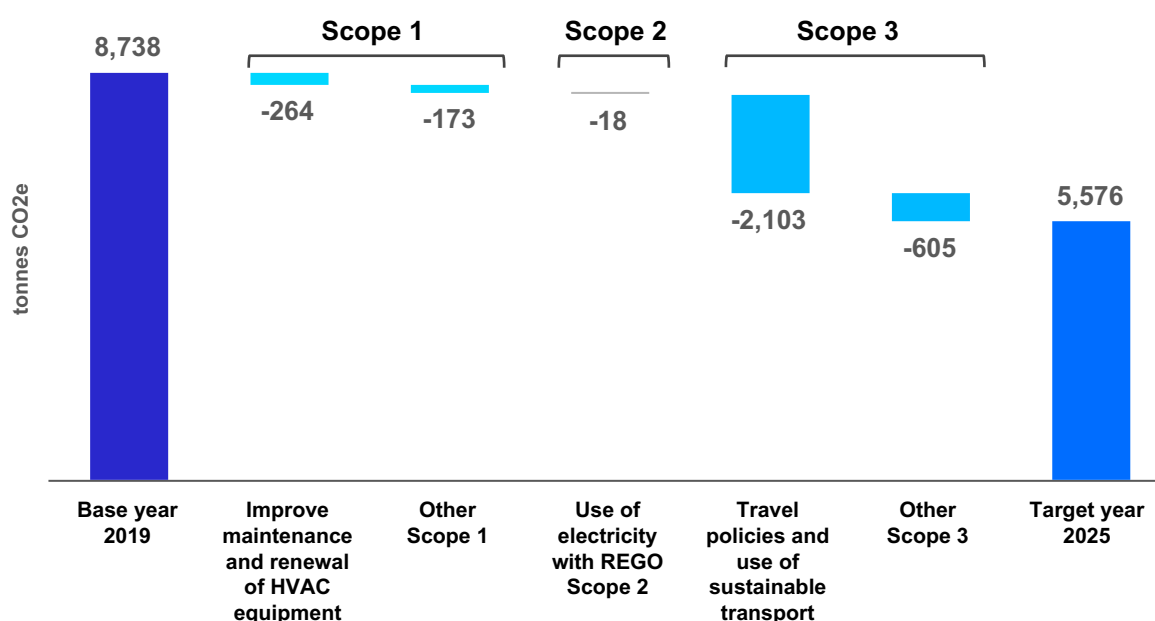
CO <sub>2</sub> emissions reduction targets in Spain	Base year 2019	
	Target 2025	% achieved 2024
Scope 1 & 2, market-based	-14.2%	-57.5 %
Scope 3, market-based	-48.3 %	-41.8 %
Total reduction, market-based	-36.1%	-47.4 %

To achieve the indicated targets, the Bank has identified certain key levers to reduce its consumption-related emissions considered to be material for each scope, considering in each lever the actions that will allow the established reduction targets to be met.

In this respect, for scope 1, the Bank considers material emissions to be mainly those stemming from refrigerant gas leaks.

For scope 3, in terms of its own operations, the material categories with the biggest emissions in tonnes of CO<sub>2</sub>e correspond to business travel and employee commuting. Emissions stemming from employee commuting between their home and the workplace began to be calculated and disclosed in 2023, so they were not included in the reduction commitment for 2025 vs base year 2019.

**Potential contribution of actions currently being taken by Banco Sabadell to reduce CO<sub>2</sub>e emissions in Spain**



The emissions target for 2025, on a like-for-like basis with the types of emissions calculated in 2019, is 5,576 tCO<sub>2</sub>e, corresponding to a reduction of -36.2%. If we include emissions from employee commuting, calculated as from 2023, the emissions target for 2025 rises to 7,739 tCO<sub>2</sub>e.

The following table shows the key aspects considered in the action plan to reduce emissions by 2025:

Emissions	tCO <sub>2</sub> e base year 2019	% annual reduction	Key aspects to consider in action plan
Refrigerant gas leaks	2,091	-12.5 %	— Increase in maintenance services — Investment in HVAC equipment upgrades, prioritising less efficient and older equipment
Business travel	4,330	-8.6 %	— Rationalise travel, encouraging the use of remote tools — Promote the use of sustainable transport

## TSB (United Kingdom)

The following table shows the 2030 targets for TSB (UK) in relation to the base year 2023:

CO <sub>2</sub> emissions reduction targets in UK	Base year 2023		
	Target 2025	% achieved 2024	2030 science-based targets
Scope 1	-21.3%	-22%	-65%
Scope 3 (paper), market-based	-	-	-42%
Scope 3 (business travel, commuting and teleworking), market-based	-	-	-42%

To achieve the stated targets, TSB has identified certain key actions that form part of the plan to reduce its most significant scope 1 emissions (gases, refrigerant gas leaks, and travel using Bank-owned vehicles) and scope 3 emissions (paper consumption, business travel, and employee commuting to the work centre).

Emissions	tCO <sub>2</sub> e base year 2023	Annual average reduction %	Key initiatives to consider in action plan
Fossil fuel gases and refrigerant gas leaks	1,410	-9.3%	Removal of gas and electrification of infrastructure, using smart technology to monitor systems remotely
Paper consumption	658	-6.0%	Digital correspondence intray in online banking Digital signature to open savings accounts and sign up for payment services
Business travel and employee commuting	5,016	-6.0%	Adapt company travel policy for more sustainable and efficient use Promote the use of sustainable transport for business trips Organise staff awareness-raising programmes and encourage the use of shared vehicles

## 5.1.5.2. E1-5: Energy consumption and mix

### Fossil fuels consumption

The consumption of natural gas in Spain is limited to three of the corporate buildings. It is used to reinforce the HVAC system, both to provide heat and for dehumidification purposes. Continuous efforts are made to ensure systems are correctly maintained to deliver optimal consumption efficiency. In the United Kingdom, natural gas is mainly used in winter throughout the entire branch network and also in corporate buildings. No natural gas is consumed in Mexico or the USA, as their HVAC systems run entirely on electricity.

In terms of the consumption of diesel, in Spain, Banco Sabadell's physical switch between data centres was completed between 2022 and 2023, moving from its own facilities to those of its technological infrastructure provider, resulting in an overall consumption reduction of -68MWh compared to consumption in 2021.

## Renewable energy consumption

**In all of the geographies in which  
Banco Sabadell Group carries out its activity,  
practically 100% of the electricity acquired for use in  
its facilities has a renewable origin certification.**

The following table shows the energy consumption in 2023 and 2024 for Banco Sabadell Group, as well as the proportion of fossil fuels and renewable sources:

Energy consumption and mix, Banco Sabadell Group	2023	2024
Total fossil fuels consumption (MWh)	8,958	8,532
Share of fossil sources in total energy consumption (%)	12.2%	13.1%
Consumption from nuclear sources (MWh)	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
Consumption from renewable sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	63,623	55,972
Consumption of self-generated non-fuel renewable energy (MWh)	615	638
Total renewable fuels consumption (MWh)	64,238	56,610
Share of renewable sources in total energy consumption (%)	87.8%	86.9%
<b>Total energy consumption (MWh)</b>	<b>73,197</b>	<b>65,141</b>

## Spain

In Spain, the Institution has solar panels that generate 1.50% of the electricity used in this geography, allowing the Bank to reduce the electric power that it acquires from its usual reseller to 98.79%. In addition, the capacity of those solar panels has been increased during 2024, in order to triple their current electricity production, further reducing the volume acquired from the reseller.

Energy consumption and mix	2023	2024
Total fossil fuels consumption (MWh)	2,142	2,933
Share of fossil sources in total energy consumption (%)	4.1%	6.3%
Consumption from nuclear sources (MWh)	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
Consumption from renewable sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	49,463	43,323
Consumption of self-generated non-fuel renewable energy (MWh)	615	638
Total renewable fuels consumption (MWh)	50,078	43,961
Share of renewable sources in total energy consumption (%)	95.9%	93.7%
<b>Total energy consumption (MWh)</b>	<b>52,220</b>	<b>46,895</b>



## TSB (United Kingdom)

TSB completed the third phase of its Energy Optimisation Programme, which helped to reduce the location-based energy consumption of natural gas, diesel and electricity by -2,600 MWh compared to 2023.

Energy consumption and mix	2023	2024
Total fossil fuels consumption (MWh)	6,666	5,598
Share of fossil sources in total energy consumption (%)	33.8%	32.7%
Consumption from nuclear sources (MWh)	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
Consumption from renewable sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	13,045	11,550
Consumption of self-generated non-fuel renewable energy (MWh)	0	0
Total renewable fuels consumption (MWh)	13,045	11,550
Share of renewable sources in total energy consumption (%)	66.2%	67.4%
<b>Total energy consumption (MWh)</b>	<b>19,710</b>	<b>17,149</b>

## Mexico

The Institution's facilities in Mexico only use electric power, which has a Renewable Energy Guarantee of Origin (REGO), with no need to consume any energy created from fossil fuels.

Energy consumption and mix	2023	2024
Total fossil fuels consumption (MWh)	0	0
Share of fossil sources in total energy consumption (%)	0%	0%
Consumption from nuclear sources (MWh)	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
Consumption from renewable sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	417	368
Consumption of self-generated non-fuel renewable energy (MWh)	0	0
Total renewable fuels consumption (MWh)	417	368
Share of renewable sources in total energy consumption (%)	100%	100%
<b>Total energy consumption (MWh)</b>	<b>417</b>	<b>368</b>

## USA

In Miami, the two corporate buildings (Miami Lakes Operating Center and Sabadell Financial Center) only use electric power, including for heating and cooling purposes throughout the year. Furthermore, the electric power that they consume has a Renewable Energy Guarantee of Origin (REGO).

Energy consumption and mix	2023	2024
Total fossil fuels consumption (MWh)	0	0
Share of fossil sources in total energy consumption (%)	0%	0%
Consumption from nuclear sources (MWh)	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
Consumption from renewable sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	698	730
Consumption of self-generated non-fuel renewable energy (MWh)	0	0
Total renewable fuels consumption (MWh)	698	730
Share of renewable sources in total energy consumption (%)	100%	100%
<b>Total energy consumption (MWh)</b>	<b>698</b>	<b>730</b>



### 5.1.5.3. E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

The CO<sub>2</sub> emissions released by the Group in the geographies in which it is present (Spain, United Kingdom, Mexico and USA) amounted to 13,082.48 tonnes<sup>33</sup>, according to marked-based data, recording a change of +23.2% compared to 2023. The reason for that increase was the expanded perimeter in TSB (UK) in 2024, which included the calculation of travel whilst commuting and teleworking, which amounted to 3197 tCO<sub>2</sub>e. The change in the footprint for 2024 compared to 2023, on a like-for-like basis, is a reduction of -33.2%.

Banco Sabadell Group (all geographies)	Base year <sup>34</sup>	Comparis on (2023)	N (2024)	% N/N-1	Target year <sup>35</sup>	Annual % target vs base year <sup>36</sup>
<b>Scope 1 GHG emissions</b>						
Gross scope 1 GHG emissions (tCO <sub>2</sub> e)	4,523	3,243	2,460	-24.1%	3,170	—%
% of scope 1 GHG emissions from regulated emission trading schemes	0	0	0	0	-	0
<b>Scope 2 GHG emissions</b>						
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> e)	18,164	16,825	14,112	-16.1%	16,368	— %
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)	18	0	25	0	0	—%
<b>Significant scope 3 GHG emissions</b>						
Total gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> e)	11,308	11,537	10,597	-8.1%	8,059	—%
Purchased goods and services						
Water	171	109	101	-7.4%	150	—%
Paper	1,475	1,121	1,242	10.8%	816	—%
Plastic	221	9	9	—%	13	—%
Waste generated in operations	94	88	120	36.8%	74	—%
Business travel	5,185	3,886	4,058	4.4%	5,137	—%
Employee commuting	4,161	6,324	5,067	-19.9%	1,869	— %
<b>Total GHG emissions</b>						
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	33,995	31,605	27,169	-14.0%	19,049	—%
Total GHG emissions (market-based) (tCO <sub>2</sub> e)	15,849	14,780	13,082	-11.5%	7,446	—%

<sup>33</sup> Does not include the footprint generated by real estate assets that have been leased out, estimated at 331 tonnes of CO<sub>2</sub>e, which would correspond to 2.5% of the Group's total carbon footprint

<sup>34</sup> The base year corresponding to Spain's tCO<sub>2</sub>e is 2019, while for the UK it is 2023. The base year is not included for Mexico or the USA, as these geographies have not yet set any carbon footprint reduction targets

<sup>35</sup> The target year corresponding to Spain's tCO<sub>2</sub>e is 2025, while for the UK it is 2030. The target year is not included for Mexico or the USA, as these geographies have not yet set any carbon footprint reduction targets

<sup>36</sup> See targets for each geography in section "Carbon footprint, by geography". In this table, generally the % annual reduction vs base year required to achieve the targets is not indicated, as not all geographies have established targets and those geographies that do have carbon footprint reduction targets do not all have the same the base year and target year

## Carbon footprint, by geography<sup>37</sup>:

Spain	Base year (2019)	Comparison (2023)	N (2024)	% N/N-1	2025	Annual % target vs base year
<b>Scope 1 GHG emissions</b>						
Gross scope 1 GHG emissions (tCO <sub>2</sub> e)	3,113	1,768	1,331	-24.7 %	2,677	-2.3 %
% of scope 1 GHG emissions from regulated emission trading schemes	0	0	0	0	-	0
<b>Scope 2 GHG emissions</b>						
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> e)	15,436	13,650	11,264	-17.5 %	16,368	
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)	18	0	0	0	0	-100 %
<b>Significant scope 3 GHG emissions</b>						
Total gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> e)	5,607	5,152	5,150	— %	4,769	-2.5 %
Purchased goods and services						
Water	157	93	84	-8.9 %	150	-0.7 %
Paper	818	463	595	28.3 %	435	-7.8 %
Plastic	221	9	9	— %	13	-15.7 %
Waste generated in operations	81	75	116	54.9 %	74	-1.4 %
Business travel	4,330	2,348	2,476	5.4 %	2,228	-8.1 %
Employee commuting <sup>38</sup>		2,163	1,869	-13.6 %	1,869	— %
<b>Total GHG emissions</b>						
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	24,156	20,570	17,745	-13.7 %	19,049	-3.5 %
Total GHG emissions (market-based) (tCO <sub>2</sub> e)	8,738	6,920	6,481	-6.3 %	7,446	-2.5 %



<sup>37</sup> The emission factors applied were updated during 2024 by various official institutions and/or internationally recognised organisations. In the case of Spain, the emission factors correspond to Oficina Catalana pel Canvi Climàtic (2024 edition), with the exception of those associated with cars, for which DEFRA 2024 factors were used. In the case of the United Kingdom and Mexico, emission factors correspond to DEFRA 2024. In the case of the USA, emission factors correspond to those published by the US Environmental Protection Agency and by DEFRA

<sup>38</sup> In Spain, the carbon footprint generated during commutes is calculated for the corporate buildings with the largest number of employees in Spain. Total emissions calculated in this category for Spain corresponding to 2024 came to 1,869.48 tonnes of CO<sub>2</sub>e

United Kingdom	Base year (2023)	Comparison (2023)	N (2024)	% N/N-1	2030	Annual % target vs base year
<b>Scope 1 GHG emissions</b>						
Gross scope 1 GHG emissions (tCO <sub>2</sub> e)	1,410	1,410	1,100	-22.0 %	493	-9.3 %
% of scope 1 GHG emissions from regulated emission trading schemes	0	0	0	— %	-	— %
<b>Scope 2 GHG emissions</b>						
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> e)	2,728	2,728	2,417	-11.4 %	-	— %
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)	0	0	25	— %	0	100% REGO
<b>Significant scope 3 GHG emissions</b>						
Total gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> e)	5,701	5,701	4,880	-14.4 %	3,290 cat. 6-7 and paper	-4.6 %
Purchased goods and services						
Water	14	14	11	-21.6 %	-	— %
Paper	657	657	647	-1.6 %	381	-6.0 %
Plastic	0	0	0	— %	-	— %
Waste generated in operations	13	13	4	-67.0 %	-	— %
Business travel	855	855	1,020	19.3 %	2909	-6.0 %
Employee commuting	4,161	4,161	3,197	-23.2 %		— %
<b>Total GHG emissions</b>						
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	9,839	9,839	8,396	-14.7 %	-	— %
Total GHG emissions (market-based) (tCO <sub>2</sub> e)	7,111	7,111	6,004	-15.6 %	-	— %

Mexico <sup>39</sup>	Base year	Comparison (2023)	N (2024)	% N/N-1	Target year	Annual % target vs base year
<b>Scope 1 GHG emissions</b>						
Gross scope 1 GHG emissions (tCO <sub>2</sub> e)		63	29	-54.0 %		
% of scope 1 GHG emissions from regulated emission trading schemes		0	0	0		
<b>Scope 2 GHG emissions</b>						
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> e)		182	161	-11.5 %		
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)		0	0	0		
<b>Significant scope 3 GHG emissions</b>						
Total gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> e)		339	270	-20.4 %		
Purchased goods and services						
Water		2	4	108.0 %		
Paper		0	0	— %		
Plastic		0	0	— %		
Waste generated in operations		0	0	— %		
Business travel		337	265	-21.3 %		
<b>Total GHG emissions</b>						
Total GHG emissions (location-based) (tCO <sub>2</sub> e)		584	460	-21.3 %		
Total GHG emissions (market-based) (tCO <sub>2</sub> e)		402	299	-25.7 %		

<sup>39</sup> Mexico has not established carbon footprint reduction targets, so no data is included in relation to the base year, target year or annualised % of target



USA <sup>40</sup>	Base year	Comparison (2023)	N (2024)	% N/N-1	Target year	Annual % target vs base year
<b>Scope 1 GHG emissions</b>						
Gross scope 1 GHG emissions (tCO <sub>2</sub> e)		2	0	-100.0 %		
% of scope 1 GHG emissions from regulated emission trading schemes		0	0	0		
<b>Scope 2 GHG emissions</b>						
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> e)		265	270	1.8 %		
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)		0	0	0		
<b>Significant scope 3 GHG emissions</b>						
Total gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> e)		345	298	-13.5 %		
Purchased goods and services						
Water		0	1	— %		
Paper		0	0	— %		
Plastic		0	0	— %		
Waste generated in operations		0	0	— %		
Business travel		345	297	-14.0 %		
<b>Total GHG emissions</b>						
Total GHG emissions (location-based) (tCO <sub>2</sub> e)		612	568	-7.2 %		
Total GHG emissions (market-based) (tCO <sub>2</sub> e)		347	298	-14.0 %		

## Emissions of the financed portfolio

**since 2021, Banco Sabadell Group has calculated the carbon footprint of its financed portfolio using the Partnership for Carbon Accounting Financials (PCAF) methodology.**

Emissions of the financed portfolio account for the largest share of the Group's emissions. Therefore, since 2021, Banco Sabadell Group has calculated the carbon footprint of its financed portfolio using the Partnership for Carbon Accounting Financials (PCAF) methodology. PCAF is a global partnership of financial institutions that work together to develop and implement a global harmonised approach to measure and disclose the emissions associated with their loans and investments.

As part of this partnership, 16 institutions established the design of the Global GHG Accounting and Reporting Standard for the Financial Industry, which aims to harmonise greenhouse gas emissions accounting. Banco Sabadell became a member of the PCAF in June 2022. The measurement of the financed portfolio's emissions using this Standard is a key step for financial institutions to assess the transition risks associated with climate change, set targets aligned with the Paris Agreement and develop effective strategies to decarbonise the economy.

<sup>40</sup> The USA has not established carbon footprint reduction targets, so no data is included in relation to the base year, target year or annualised % of target

As regards the PCAF methodology, Banco Sabadell Group has applied the methodology envisaged in the Standard mentioned above, which has been devised mainly for financial institutions that want to measure and share their GHG emissions financed through their loans and investments, and which allows the following asset classes to be measured:

- Business loans and unlisted equity.
- Project finance.
- Commercial Real Estate (CRE) mortgages.
- Residential mortgages.
- Motor vehicle loans.
- Sovereign bonds (new category in 2023).

It is worth mentioning that the PCAF has two methodological approaches for listed equity and corporate bonds. In this case, the Bank uses the same methodology that it does for business loans and unlisted equity, in which the attribution considers counterparties' balance sheet data. The other approach, based on companies' stock market valuations, is not applied in this case given the volatility generated by the attribution factor.

## **The Group has calculated its carbon footprint (scope 1 and 2) as at 2024 year-end for approximately 97% of its financed portfolio.**

Based on this methodology, the Group has calculated its carbon footprint (scope 1 and 2) as at 2024 year-end for approximately 97% of its financed portfolio. The portfolios not calculated are those for which no calculation or estimation standards or methodologies exist as yet, such as the financing of consumer loan portfolios for purposes other than vehicle purchase or private banking, among others.

It is worth noting that during 2024 the Group has continued to improve its calculation model through a process of ongoing improvement, to obtain more reliable and complete results. The following improvements are particularly worth mentioning:

- i) Calculation of the new Sovereign Bonds segment of the portfolio within the model used to calculate the carbon footprint, following the new methodology published by the PCAF.
- ii) Inclusion of fixed-income contracts for corporate bonds in the business segment.
- iii) Inclusion of new PCAF emission factors in the calculation of emissions stemming from the financed business portfolio.
- iv) Improved Data Quality (DQ) with actual data for emissions and surface areas, as well as actual and estimated EPC ratings from appraisal firms, in addition to data on the value and type of vehicle.
- v) Update of emission factors for non-renewable energy projects, by geography, based on official sources and update of PCAF factors.

To ensure that the carbon footprint of the financed portfolio is monitored and supervised, since September 2022 the emissions arising from the loan portfolio have been monitored on a quarterly basis and reported to the Sustainability Committee and to the Technical Risk Committee<sup>41</sup>.

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<sup>41</sup> Details of the attributions of management bodies in climate-related matters are provided in chapter [2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies](#)



The absolute emissions of the Group's financed portfolio in terms of scope 1 and 2 as at the end of 2024 came to 15.31<sup>42</sup> million tCO<sub>2</sub>e, which, considering the emission intensity value calculated using the standard measurement in the sector, which is per million euros financed, represents an emission intensity of 78.05 tCO<sub>2</sub>e/€m with an average DQ of 3.28. To complement this, if one were to calculate an intensity of emissions financed based on net income<sup>43</sup>, this would be 2,416 tCO<sub>2</sub>e/€m.

The segment that contributes the most to the footprint is the business portfolio (approximately 57%), which represents 33% of the credit exposure in the portfolio, followed by sovereign bonds. Emissions increased compared to the end of 2023, while the intensity dropped slightly and the average DQ improved, thanks to the regular exercises carried out to obtain actual data from the various segments.

The sectors that contribute the most to the financed portfolio's footprint are Agriculture, forestry and fishing, Construction materials, the Steel industry and Maritime transportation. It is worth noting that the segment that remains the second-biggest contributor in 2024 is the segment corresponding to the issuance of sovereign bonds, which includes the LULUCF<sup>44</sup> factor. Details of the emissions of each PCAF segment are provided below:

Segment	Intensity (tCO <sub>2</sub> /€m)	DQ
Business loans and unlisted equity	127	3.68
Project finance	90	3.86
Commercial Real Estate (CRE) mortgages	47	4.06
Residential mortgages (includes TSB) <sup>45</sup>	17	3.42
Motor vehicle loans	206	3.58
Sovereign bonds (new category in 2023)	145	1.04

The Bank is focusing its efforts on establishing decarbonisation targets for the most emissions-intensive sectors of its business portfolio (see section [5.1.5.1. E1-4: Targets related to climate change mitigation and adaptation](#)). Each sector's emissions for 2024 are included in the Bank's latest Pillar 3 Disclosures report<sup>46</sup>.

On the other hand, the Bank is focusing its efforts on project finance for renewable energies, in order to promote the transition to a sustainable economy. These efforts are also reflected in the 2.15 million tCO<sub>2</sub>e of emissions prevented as a result of financing these types of projects.

To ensure that the carbon footprint of the financed portfolio is supervised, it is monitored on a quarterly basis and reported to the Bank's Sustainability Committee and to the Technical Risk Committee<sup>47</sup>. In addition, the calculation of the financed portfolio's carbon footprint is audited every year, with the participation of an independent third party, obtaining favourable results.

# 15.31<sup>M</sup>

**Absolute emissions of  
the Group's financed portfolio  
in terms of Scope 1 and 2**

<sup>42</sup> The previously reported data includes financed emissions and the emission intensity per million euros financed, as that is where the most significant emissions are found

<sup>43</sup> Estimates relate to the financed portfolio, as that is where the majority of a financial institution's emissions are concentrated. As an indicator of net income, the main metric of a financial institution's income, Gross Margin, has been selected. That indicator includes the following items: net interest income, fee and commission income, profit or loss on financial operations, other operating income and expenses, and income and expenses on assets and liabilities under insurance contracts

<sup>44</sup> Land Use, Land-Use Change and Forestry

<sup>45</sup> The data for coverage of emissions in TSB corresponds to 2023 year-end

<sup>46</sup> For more details about the emissions of the financed portfolio, refer to the latest Pillar 3 Disclosures report, which contains the emissions breakdown of each carbon-intensive sector, publicly available on Banco Sabadell's corporate website

<sup>47</sup> Details of the attributions of management bodies in climate-related matters are provided in chapter "2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies"

## 5.1.5.4. E1-7: GHG removals and GHG mitigation projects financed through carbon credits

**In 2024, Banco Sabadell renewed its commitment to offset its carbon footprint, including all scope 1, 2 and 3 emissions in Spain, Mexico and the USA, through the purchase of credits in various reforestation projects.**

In Spain, the project is located in Valle de Sedano<sup>48</sup>, in the province of Burgos, where 169.42 hectares of scrubland are being reforested by changing the land use and introducing various native plants (*pinus nigra*, *pinus sylvestris*, *quercus faginea*, *quercus ilex* and *crataegus monogyna*). In addition, emissions will be offset by purchasing carbon credits in Mexico, specifically in a project located in Santiago de Papasquiaro<sup>49</sup>, in the state of Durango, whose main aim is to remove CO<sub>2</sub> from the atmosphere through improved forest management, increasing the accumulation of forest carbon in the region with appropriate forestry work. Total CO<sub>2</sub> emissions to be offset come to 7,078.24 tCO<sub>2</sub> equivalent. The carbon credits acquired for offsetting correspond, in the case of Spain, to projects registered with the Ministry for Ecological Transition and the Demographic Challenge and, in the case of projects in Mexico, to those registered with the Climate Action Reserve, endorsed by the International Carbon Reduction and Offset Alliance (ICROA).

TSB, for its part, has offset its scope 1 and 2 emissions generated in 2024, which amounted to 1,124.62 tCO<sub>2</sub>e, through Forest Carbon's ArBolivia<sup>50</sup> reforestation/afforestation project (Plan Vivo), through which TSB has planted more than 52,000 trees and invested in forests, peatlands and woodlands in the United Kingdom to offset its future emissions.

The Group maintains its commitment to fight against climate change, embodied in its aim of achieving carbon emissions neutrality in its operations, which it undertook upon becoming a member of the Net-Zero Banking Alliance in 2021. It also maintains its GHG reduction targets described in section E1-4: Targets related to climate change mitigation and adaptation.

Carbon credits cancelled in the reporting year	2024	2023
Total (tCO <sub>2</sub> e)	8,203	9,079
Share from removal projects (%)	100%	100%
Share from reduction projects (%)	0%	0%
Recognised quality standard (%)	100%	100%
Share from projects within the EU (%)	73%	59%
Share of carbon credits that qualify as corresponding adjustments (%)	0%	0%

<sup>48</sup> <https://www.miteco.gob.es/content/dam/miteco/es/cambio-climatico/temas/registro-huella/informes/2024-b338.pdf>

<sup>49</sup> <https://thereserve2.apx.com/mymodule/reg/prjView.asp?id1=1497>

<sup>50</sup> [https://mer.markit.com/br-reg/public/index.jsp?name=tsb%20bank&entity=retirement&entity\\_domain=Markit&sr=false&additionalCertificationId=&acronym=Pv&standardId=1000000000000004&categoryId=1000000000000001&unitClass=](https://mer.markit.com/br-reg/public/index.jsp?name=tsb%20bank&entity=retirement&entity_domain=Markit&sr=false&additionalCertificationId=&acronym=Pv&standardId=1000000000000004&categoryId=1000000000000001&unitClass=)

## 5.1.5.5 E1-8: Internal carbon pricing scheme

The Institution has established carbon pricing for emissions from its own operations, which materialises through the offsetting of emissions, maintaining the commitment to offset the carbon footprint including all scope 1, 2 and 3 emissions in Spain, Mexico and the USA and scope 1 and 2 emissions in TSB. The average cost of this offset was c.€21 per metric tonne of CO<sub>2</sub>e in 2024.

In addition, with regard to the financed portfolio, the Bank has several pricing mechanisms:

- Discounts are applied for transactions that are aligned with the Sustainable Financing Framework: discounts are applied to financing transactions, taking into account the project, the sector in which the activity or project takes place, and the environmental, social and governance impact.
  - Green and Social Loans (GSLs): a discount is applied to the final price of finance for eligible transactions/projects/investments that are aligned with the EU taxonomy and substantially contribute to any of the six taxonomy objectives. The destination of the funds must be traceable and there must be supporting documents and a measurement of the impact.
  - Sustainability-Linked Loans (SLLs) incentivise the achievement of sustainability targets, linking the transaction price to the evolution of certain KPIs. This category does not require the funds to be used for any specific purpose. It is considered essential that the selected indicators be relevant and central for customers, as this enables their sustainability strategy to gain more traction. Every year, customers (legal entities) measure their committed indicators or KPIs and send the evidence to the Bank. Provided that the committed thresholds are met, the Bank proceeds to apply the discount to the transaction.
- Similarly, to embed climate risks into credit risk, the Group has internally developed a methodology for the quantitative assessment of transition risks that is aligned with the three scenarios (Orderly Transition, Disorderly Transition and Hot House World) of the Network for Greening the Financial System (NGFS) and adapted to a time horizon of 30 years. These heatmaps, which are developed on a qualitative basis, enable the inclusion of transition risk drivers in the customer base. Accordingly, all the activities of the loan portfolio are classified according to their sensitivity to transition risk, taking into account the impacts envisaged in each scenario in terms of income, low-carbon capex and expenses. In the case of this last point, a direct cost is assigned or considered for greenhouse gas emissions. The estimated impacts of transition risk, together with an advanced assessment of counterparties' performance and attitude in relation to the management of these risks, all affect the Climate-related and Environmental Risk Indicator (CERI, or IRCA by its Spanish acronym), as this is a numerical indicator that allows the Bank to rank borrowers according to their impact associated with climate-related and environmental risk. It is worth noting that, at present, for the Large corporates and groups portfolio, the IRCA is embedded into the assessment of counterparties, generating, for companies with a low IRCA score, an impact on their rating, meaning that the assessment already includes a probability of default for each counterparty, with all that that entails.



## 5.2 Social: Own workforce

### 5.2.1 Introduction

**Banco Sabadell has a committed and professional workforce that is dedicated to helping people and companies make the best economic decisions.**

The Bank has policies and procedures in place aimed at attracting and developing talent, promoting the commitment of its workforce and fostering diversity and inclusion.

Banco Sabadell's culture hinges on the watchword "Being Sabadell", encapsulating a way of doing things and of being that is unique to the Institution, and it forms the basis of the Talent Management model and the corporate culture. It can be summed up in three pillars: mindset, acting with the customer and the Bank in mind; delivery, working with commitment and efficiency; and engagement, adopting a positive and collaborative attitude. The "Being Sabadell" formula is already being applied by the Bank's finest professionals. It is what makes the Bank genuine and different from other banks.

### 5.2.2. Strategy

#### 5.2.2.1. ESRS 2 SBM-2: Interests and views of stakeholders

Employees are a stakeholder group identified in the double materiality exercise carried out and described in section [3.2 SBM-2: Interests and views of stakeholders](#).

As indicated in that section, when conducting the double materiality analysis, the interests and views of this group have been taken into account. In this respect, the group of employees has been analysed through questionnaires, which asked them about the topics related to sustainability that directly affected them.

#### 5.2.2.2. ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The Group has identified the material positive and negative impacts related to employees. These have been grouped together under the Own Workforce topic. Similarly, the impacts have been defined based on the impact materiality assessment and are detailed in section [3.3 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model](#).



Banco Sabadell uses internal policies and procedures to promote actions that allow the entire workforce to work in an environment in which **fairness and equality are the strategic elements of the corporate culture**.

The basic principles of the Institution's remuneration policies establish the need to ensure a **competitive and fair remuneration system** (external competitiveness and internal fairness), which among other things involves aligning with market standards and being flexible in order to adapt to the needs and requirements of the environment and the sector.

Similarly, the gender pay gap becomes a priority focus area for Banco Sabadell's workforce management. Its policies and procedures lay down mechanisms to prevent and mitigate unequal pay between men and women, along with the commitment to gradually reduce that gap and move ahead with the goal of supporting the economic and social transformation of the environment.

**In terms of equal pay for the same role with the same responsibility, Banco Sabadell makes no type of wage discrimination between genders, neither when recruiting staff nor during employees' salary reviews, monitoring the impact of any salary reviews.**

The People division has undertaken a firm commitment with the Institution to ensure that Banco Sabadell has the necessary people at all times: people who are committed, motivated and work efficiently. This strategic priority is the driver of the **Talent Management Model**, which aims to provide people working at the Institution with the best place in which to develop their professional careers. The **training** proposal, always aligned with the needs of the business and with the regulatory framework, seeks to foster people's professional development so that they can become the drivers of change, leading the transformation and innovation of the sector.

As at 31 December 2024, Banco Sabadell Group's workforce consisted of 18,769 people distributed across the various regions in which it operates, practically all of whom have permanent contracts (99%). The average age of the workforce is 45 years, with an average length of service in the organisation of 17 years. This workforce is diverse in terms of both geographical distribution (30% are in international locations) and gender (54.6% are women).

The Group's workforce has shrunk by 2.8% over the past year, going from 19,316 employees to the current 18,769 employees. The Bank continues to engage in a process to adapt to the transformation of the environment (customer digitalisation, new ways of working, disruptive technology, etc.) in order to build the best possible future for the workforce, customers and other stakeholders. In 2024, the smaller size of the workforce was mainly the result of cost management initiatives carried out in the United Kingdom.

In addition, as at the end of 2024, Banco Sabadell has 204 contract staff in Spain with a temporary employment contract, hired through Temporary Employment Agencies, in order to cover two types of leave: short-term leaves of absence (of up to 90 days) and annual leave scheduled in the holiday calendar, but only where the service needs cannot be met through other means. Contract staff are mainly located in the branch network (>90%).

On the other hand, the Group, aware that good working conditions are important for the health and safety of its people, follows a policy of prevention and **continuous improvement of the working conditions**

## Employees

18,769

People

30%

International locations

54.6%

Women

**and health** of its teams. The Equality Plan, signed in February 2022 with workers' legal representatives, aims to ensure that the workforce has a good work-life balance and sets out **work-life balance measures** available to the entire workforce, in addition to establishing a framework for flexible working hours that can be used to improve the balance between personal and professional interests under equal terms for both men and women.

**The Equality Plan, signed in February 2022 with workers' legal representatives, aims to ensure that the workforce has a good work-life balance and sets out work-life balance measures available to the entire workforce**

**The team of professionals at Banco Sabadell is capable of transforming itself and facing up to major challenges in which people bring their best selves to work, with the firm commitment of driving forward the economic and social transformation of the environment..**

### **5.2.3. Impacts, risks and opportunities management**

#### **5.2.3.1. S1-1: Policies related to own workforce**

**Banco Sabadell has a set of policies, codes and standards that govern and guide the actions of its own workforce across the entire organisation.**

This regulatory framework is reviewed on a regular basis and ensures compliance with European directives and regulations, as well as with all standards in force at the local level.

Banco Sabadell's policies are approved by the Institution's Board of Directors of Banco Sabadell, as the top approval authority, responsible for establishing principles, commitments and objectives. The policies listed below are those related to the Institution's own workforce and they are published on the Bank's corporate website or on its corporate intranet available to the entire workforce.

Where the scope of the following reported policies makes specific reference to Banco Sabadell Group, it includes information that covers the entire banking business perimeter, taking into account the Banco Sabadell brands that operate in Spain; TSB, which operates in the United Kingdom; and Banco Sabadell Mexico, which operates in Mexico.



## **Banco Sabadell Group Human Rights Policy**

Through this Policy, Banco Sabadell Group defines a series of principles with the objective of supporting and respecting the protection of internationally recognised human rights within its sphere of influence and, to that end, it takes into consideration the Group's relationship with its various stakeholders, among them employees.

In terms of its employees, the Group fosters and strives to keep an environment where everyone in the workforce is treated with dignity and respect, fairly, and without discrimination of any kind on grounds of gender, ethnicity, age, social background, religion, nationality, sexual orientation, political opinion or functional diversity; promoting equal employment and promotion opportunities, work-life balance, and the inclusion of people with functional diversity, whilst ensuring the fundamental right of employees to form or join unions or other representative bodies, safeguarding freedom of opinion, as well as employees' basic right to engage in collective bargaining, and prohibiting any form of forced or child labour.

This commitment is underpinned by, among other things, the Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the United Nations Principles for Responsible Investment.

## **Banco Sabadell Group Code of Conduct**

This document aims to define the criteria that should be followed for ethical and responsible behaviour, both in relationships within the Group itself and in those entered into with customers, suppliers, shareholders, investors and other stakeholders.

The Group adopts the following principles to build its corporate culture and as a framework of reference for the aforesaid Code: Will to serve, Proximity, Adaptability, Commercial approach, Innovation, Professionalism, Ethical behaviour, Sustainability, Austerity, Prudence, Teamwork, Compliance, Transparency, and Respect for privacy.

The entire organisation's commitment to effective equality between women and men is a reality that is reflected in Banco Sabadell Group's Code of Conduct. This Code promotes equal opportunities in access to work and career advancement, ensuring that there is no discrimination on account of the race, sex, ideology, nationality, religion, sexual orientation or any other personal, physical, psychological or social condition of its workers.

The Code of Conduct is intended to motivate, retain and attract a team of competent and professional people, offering appropriate overall compensation through its human resources management policies, the pillars of which are fair and competitive remuneration, respect for people's dignity, and guiding decision-making towards reducing the gender pay gap, all within the existing regulatory framework.

## **Banco Sabadell Group Sustainability Policy**

The goal of this Policy is to frame the Group's activity and organisation within ESG parameters, which incorporate environmental, social and governance factors in decision-making. At the same time, based on those parameters, it aims to respond to the needs and concerns of all of its stakeholders.

A series of principles are established in order to adapt the organisation to the challenges and opportunities stemming from sustainability: the contribution to sustainable development, prudence, transparency, security, diversity, commitment to society, environmental protection, respect for fundamental human rights, and professional development.

## Banco Sabadell Director Selection Policy

The objective of this Policy is to establish the principles and criteria that Banco Sabadell should take into account in its selection processes and also, therefore, in the initial fit and proper assessment and ongoing assessments of the members of the Board of Directors, as well as in the re-election of members of the management body in order to ensure their smooth succession, the continuity of the Board of Directors and the suitability of all its members. Furthermore, it lays down the principles and targets in relation to diversity in the selection, induction and training of directors, once appointed and throughout their term of office.

The process for selecting candidates for Directors and re-electing existing Directors is governed by the principle of diversity, among others, thereby fostering diversity on the Board. The main principles are as follows:

- The Board Appointments and Corporate Governance Committee will identify the needs of the Bank, ensuring that the appointment or re-election favours both diversity on the Board and a Board composition that is suitably balanced.
- Candidates for the role of Director must meet the requirements of repute, suitability and good governance necessary for the performance of their role; in particular, they should have recognised solvency, experience, qualification and training.
- When selecting candidates for the role of Director, it will be necessary to consider the objectives, parameters (professional competence, diversity, good repute and suitability) and procedures for selection, assessment and appointment established in the Director Selection Policy and the recommendations and criteria of the Good Governance Code of Listed Companies issued by the CNMV.
- The procedure will ensure that Directors' mandates are renewed in an orderly and well-planned manner, safeguarding the continuity of the business and enhancing the corporate governance system.
- The procedure will ensure a compliant qualitative composition of the Board of Directors in which External and Non-Executive Directors should account for no less than the majority of the total number of Board members. There should be a significant proportion of Independent Directors among the External or Non-Executive Directors.

## Banco Sabadell Group Remuneration Policy

The main aim of the Remuneration Policy is to define the principles of Banco Sabadell Group's remuneration framework with the utmost transparency and clarity, so that they can be known and understood by all Group employees. It is applicable to all Banco Sabadell Group companies, although different remuneration components will apply depending on the region, activity sector, professional category and/or function performed by each employee.

The Policy is based on the following principles:

- Promote business and social sustainability in the medium-long term and ensure alignment with the Group's values.
- Reward performance, thereby aligning remuneration with individual results and the level of risk taken.
- Ensure a competitive and fair remuneration system (external competitiveness and internal fairness).

In addition, the following aspects in relation to sustainability are taken into account:

- Remuneration practices are in keeping with the Institution's credit risk management approach, as well as with its appetite and strategies in relation to this risk, and do not create any conflicts of interest.
- Consistency with the integration of sustainability risks and publication of the related information on the Group's website.
- Encouragement of actions in keeping with the Group's climate-related and environmental approaches, as well as with the Group's voluntary commitments, and promotion of a long-term approach to managing climate-related and environmental risks.
- Contribution of remuneration components to the promotion of environmental, social and governance actions in order to make the business strategy sustainable and socially responsible. KPIs for ESG matters are included and linked to the variable remuneration of employees through the Synthetic Indicator (SI), making them part of the Group objectives with a weight of 10%. The ESG metrics include diversity indicators in order to increase the number of women in different management positions.

## Banco Sabadell Prevention Plan

Banco Sabadell's Prevention Plan is the roadmap for health and safety in Banco Sabadell. Its accompanying policy lays down the principles and guidelines that the management model should follow. The Plan sets out the set of resources, functions, responsibilities and good practices, under the premise of a cross-cutting model embedded throughout the organic structure in order to achieve the best possible results.

Although the guidelines and prevention processes are established and promoted by the Occupational Hazard Prevention (OHP) division, which is legally set up as the Group's Joint Prevention Service, it is through the integration model that safe and healthy workplace environments can be provided. The delegation of prevention functions of OHP officers at branches, regional divisions and territorial divisions, along with the commitment of centralised units, are the key to the success of the current prevention model.

The Plan is approved and reviewed by the State Health and Safety Committee (a collegial body with both representatives of the company and legal representatives of the workforce).

A summary of this prevention activity is published every year in an Annual Report, which is available on the Bank's intranet and also on its corporate website.

## Banco Sabadell Plan for Effective Equality between Women and Men

Banco Sabadell has had an Equality Plan in place since 2010, which was approved by the company and workers' legal representatives and renewed in 2016 and 2022. The current Plan will remain in effect until 31 December 2025.

The Equality Plan is comprised of a set of positive measures and actions that aim to incorporate the principle of equality between women and men in the organisation.

<sup>51</sup> For more details, see section [2.3 GOV-3: Integration of sustainability-related performance in incentive schemes](#)

Its features include the following:

- It is designed for the entire workforce, rather than being aimed solely at women.
- It adopts gender mainstreaming as one of its guiding principles and as a strategy to achieve equality between women and men. This involves including the gender perspective in companies' management arrangements, in all their policies and at all levels.
- It considers participation through dialogue and cooperation of all parties as one of its core principles.
- It is a preventive plan designed to eradicate any possibility of future discrimination on account of one's sex.
- It has internal consistency, it is dynamic and can be changed depending on the needs that may arise from its monitoring and assessment.
- It arises from a firm commitment undertaken by companies to equal treatment and opportunities between women and men and it ensures the provision of adequate human and material resources for its implementation, monitoring and assessment.

Within this framework, there is a specific protocol for the prevention of workplace harassment, sexual harassment, sex-based harassment and discrimination, which aims to articulate the necessary measures to prevent and combat all forms of harassment in the workplace. It is an essential tool to raise awareness among staff and ensure an in-house, confidential and swift channel to resolve any conduct qualifying as harassment that may occur within the company. There is also a Harassment Prevention Committee with equal representation, tasked with ensuring compliance with, and the full effectiveness of, the protocol, investigating any report, communication or complaint regarding behaviour that could be considered harassment, acting with the appropriate confidentiality and proposing the necessary precautionary and corrective measures.

The Anti-Harassment Protocol is available to all staff on the Equality and Diversity Portal of the corporate intranet.

### 5.2.3.2 S1-2: Processes for engaging with own workers and workers' representatives about impacts

**Banco Sabadell Group guarantees the basic rights of all its employees in relation to freedom of association and collective bargaining.**

The Group's Responsible Banking and Sustainability Policy considers it vital to observe standards, working conditions and rights of employees, such as their freedom of association and union representation, which are set out in standards, collective bargaining agreements and other agreements signed with the corresponding workers' legal representatives. All this within the framework of consensus with trade unions, using dialogue and negotiation to address all issues, differences and conflicts within the Group. Dialogue takes place on a continuous basis through the Labour Relations division, addressing topics informally so as to speed up the process. There are also other channels that can be used to contact workers' union representatives, defined in the quarterly meetings held by the State Health and Safety Committee and the semi-annual meetings of the Equality Plan Monitoring and Assessment Committee.

One of the main duties is to represent workers in occupational health and safety committees. Furthermore, the Group proactively promotes collective bargaining, together with the head of the Labour

Relations division, who guarantees such collaboration, as generally speaking specific labour agreements are drawn up with workers' legal representatives. The elected trade union representatives are allocated hours from their normal working hours to engage in their trade union activities.

In Spain, the right to freedom of association is provided in the Workers' Statute and the Collective Bargaining Agreement for Banks. The Bank has nine trade union sections in Spain, which represent at least one person for each union section, and which operate on a State-wide and autonomous community basis.

Workers' representatives are voted in every four years, in accordance with the guidelines set forth in prevailing legislation and the implementing agreement enforced in the Spanish Banking Association (Asociación Española de Banca, or AEB), together with the most representative State union sections of the Spanish banking industry. The results of the union elections determine the composition of the various Works Councils, as well as staff delegates, who are the main points of contact representing the company and who take part in collective bargaining negotiations.

In addition, the following section describes the general processes that exist to collaborate with the Institution's own workforce, such as the Assistance and Grievances Office, the *FlashIN* newsletter, and surveys.

### 5.2.3.3. S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

The Group carries out various processes to prevent and remediate negative impacts. Specifically, to mitigate the impacts of the gender pay gap, the following aspects are taken into account:

#### Equal pay

Banco Sabadell Group's remuneration models do not generate a pay gap, and one of the guiding principles of the Group's Remuneration Policy is to ensure a competitive and fair remuneration system that rewards professional experience and responsibility, irrespective of the employee's gender. The policies are based on equal pay for male and female employees for equal work or work of equal value.

Banco Sabadell's corporate strategy fosters actions in relation to Environment, Social and Governance (ESG) matters, by incorporating sustainability indicators, weighted at 10%, into the corporate objectives linked to employees' variable remuneration. The social lever establishes KPIs to improve female representation in the management group as a key mechanism to reduce the pay gap. This indicator has been part of its strategy since 2020. Similarly, people who form part of the Group's Identified Staff have a sustainability indicator linked to their long-term remuneration weighted at 20%.

**The gender pay gap, with a material impact that affects the Bank's workforce, is one of the priority focus areas of the management team, which launches recurrent mechanisms with the aim of gradually reducing that gap, in fulfilment of the premises of our remuneration models and the guiding principles of the Group's Remuneration Policy.**

In addition to ensuring equal pay for the same work or for work of equal value, equal opportunities are also guaranteed, as these are a prerequisite for long-term gender-neutral remuneration. This includes, among other things, hiring policies, career development, succession plans, access to training and the possibility of being selected to fill internal vacancies.

In recent years, the measures implemented have been effective, resulting in a gradual reduction of the Group's pay gap:

**Pay gap based on average total remuneration**

	2021	2022	2023	2024
Spain	23.74%	23.08%	21.08%	20.61%
UK (TSB)	33.38%	32.33%	29.88%	29.98%
Mexico	32.78%	26.45%	25.03%	20.51%
<b>Group</b>	<b>26.77 %</b>	<b>25.89 %</b>	<b>23.69 %</b>	<b>23.02 %</b>

**Pay gap based on median total remuneration**

	2021	2022	2023	2024
Spain	18.38%	16.18%	13.86%	13.89%
UK (TSB)	28.49%	26.47%	26.11%	26.74%
Mexico	18.72%	17.55%	22.14%	11.74%
<b>Group</b>	<b>21.34 %</b>	<b>19.25 %</b>	<b>17.56 %</b>	<b>17.13 %</b>

The overall pay gap is calculated as the average pay gap of each country weighted according to the percentage that their workforce represents out of the total.

The gross pay gap indicator cannot be used to identify potential gender inequalities within the company. To do that, it is essential to employ statistical methods that permit the calculation of the portion of the gender pay gap that cannot be explained by other factors that might influence a person's compensation, such as their individual characteristics and those related to their job. The portion of the pay gap that remains when comparing individuals with similar characteristics whose only difference is their gender is known as the adjusted pay gap. In 2023, Banco Sabadell worked together with the Pompeu Fabra University on the certification of an econometric model to determine the adjusted pay gap in Spain. The results for 2024 were an average of 4.80% and a median of 2.64% (average of 5.27% and median of 2.90% in 2023). Therefore, the inclusion of specific job-related characteristics goes a long way in explaining the observed pay gap in Banco Sabadell.

## Adjusted pay gap in Spain

	2024	2023
Pay gap based on average total remuneration	4.80%	5.27%
Pay gap based on median total remuneration	2.64%	2.90%

The main actions to remediate the gender pay gap are designed to reinforce the alignment and commitment of the entire workforce and to foster female representation in positions with a higher functional value.

The main initiatives of 2024 are set out here below:

- Diversity Programmes specific to divisions with less representation:
  - First edition of the diversity programmes for Corporate & Investment Banking, Business Banking and Retail Banking, which took place in 2024 and in which 42 women took part.
  - Second edition of the Female Leadership Programme, which aims to promote the professional development and career plan of women with high potential, in order to create a pool of female talent ready to take on more responsibility so as to foster women's promotion to management positions. 24 women took part in this edition, which brought together all businesses, namely Corporate & Investment Banking, Business Banking and Retail Banking.
- Promotions given in 2024 through Banco Sabadell's Managerial Performance Evaluation Committee, 48% of which were given to women.
- Promotions among participants of the Career Acceleration Programme (CAP) as at the end of 2024, with 62% of participants promoted to top managers in the first edition and 46% of participants promoted to top managers in the second edition. In addition, during the two editions of the CAP, 58 women out of a total of 112 women participants were promoted (52% of the total were promoted to top managers).
- Monitoring of pay gap during salary reviews, analysing the impact of any salary reviews on that gap. The People division monitors calculations on an ongoing basis to make decisions that will gradually reduce the gender pay gap. The analysis and its conclusions are discussed at the People division's top-level committee and escalated to the corresponding governing bodies on an annual basis. In 2024, Banco Sabadell did not receive any notifications about its workforce in relation to the pay gap.

In addition, section **5.2.4.7 S1-16: Compensation metrics (pay gap and total compensation)** gives more information about the pay gap, including the adjusted pay gap.

## Diversity

### The Group views diversity as a valuable source of corporate wealth and promotes actions to cultivate it.

To that end, Banco Sabadell is committed to fostering workplace environments in which people are treated with respect and dignity, seeking to further the professional development of its workforce and ensuring equal opportunities in its candidate selection, staff training and promotion processes, offering a workplace environment that is free from any form of discrimination based on gender, age, sexual orientation, religion, ethnicity or any other personal or social circumstance.

### the Bank's workforce is diverse and balanced, with women representing 54.6% of the total

In terms of gender diversity, the Bank's workforce is diverse and balanced, with women representing 54.6% of the total as at December 2024. The representation of women in management positions is the main



action lever to reduce the gender pay gap. It consists of increasing female presence in all areas of the organisation, ensuring non-discrimination and guaranteeing equal opportunities.

At present, the foundations of the strategy in terms of diversity, fairness and inclusion are set out in the Equality Plan, which was renewed in 2022 with the agreement of 100% of workers' legal representatives, but the Institution has been treading this path since 2010, adapting to regulations and remaining at the forefront and ahead of the challenges posed by society in this field in order to report better results and strengthen the culture of "Being Sabadell".

Similarly, in 2024, Banco Sabadell has remained committed to the internal and external communication and dissemination of all the measures taken in terms of diversity:

- Actions during Equality and Diversity Week, in order to recall the Bank's commitment to creating an environment in which people can express themselves as they are and in which diversity is viewed as an indispensable requirement to be a more competitive and innovative organisation.
- In May, the second edition of the Female Leadership Programme was launched, with the aim of promoting the professional development and career plan of women with high potential, in order to create a pool of female talent ready to take on more responsibility so as to foster women's promotion to management positions. The edition included a programme to develop one's Personal Brand, Management and Leadership skills, with support from mentors.
- Activities have been carried out in which actions were aimed at all persons in the organisation and which took place both in-person and in blended format. Among other things, actions were taken to highlight internal resources that address the topics of equality and diversity, such as "I Am Remarkable" (workshops designed to motivate women to promote themselves, to question social perceptions of self-promotion and to reflect on the barriers that prevent professional achievements and aspirations from being voiced), training about diversity, fairness and inclusion, and the Equality and Diversity space.
- Every year, to mark the World Day for Cultural Diversity, the Bank showcases the diversity of its workforce from a different angle: the diversity of cultures, origins and nationalities that make up the team, the diversity of languages in which staff interact, and the diversity of the customers whom it serves in different countries.
- At an external level, Banco Sabadell is part of the steering group behind the Women in Banking (WIB) project, an initiative designed to share best practice among banks in Spain and promote a network of women within the banking industry. The aim of WIB is to lead and bring about a meaningful change in the way women are valued in decision-making roles within the Spanish banking industry. The initiative has the support of eight financial institutions present in Spain and of the Spanish Banking Association (Asociación Española de Banca, or AEB).
- Banco Sabadell is also an active participant of external events, such as Empowering Women's Talent, Diversity Day, and the Women's Talent Day event, publicising the SWING initiative.
- The Sabadell Women Inspiration Group (SWING), an initiative promoted by female senior managers at the Bank, aims to have women holding senior management positions mentor women aspiring to those positions. This programme has taken place throughout the year with monthly sessions. Its aim is to empower women at Banco Sabadell and raise awareness of the value of diversity and its benefits. The female senior managers that make up this group are standard-bearers for female talent and female leadership in Banco Sabadell.
- In 2022, the Institution once again received the "Equality in the Workplace" seal of distinction from the government of Spain, which it has had since 2018, awarded for its prominence and particularly significant application of policies for equal treatment and opportunities among its workers, and in terms of gender diversity. Furthermore, the Chief Executive Officer, César González-Bueno, signed the "CEOs supporting diversity" (*CEO por la diversidad*) initiative launched by the Adecco Foundation and the Spanish Confederation of Employers' Organisations (Confederación Española de Organizaciones Empresariales, CEOE).

To ascertain the views of its own workforce, the results of the workplace environment survey are used. Responses can be broken down by gender, to show any differences in the scores given by women and men to the various categories (commitment to sustainability, meritocracy and consistency, management, ways of working, well-being, sustainability, equality and diversity, Banco Sabadell's leadership, promotion, work-life balance, and compensation). In general, there are no major differences between the scores given by each gender. They gave fairly similar scores in all categories, with differences of just 1 to 4 percentage points. It is worth noting that the categories given the lowest scores by women were remuneration, promotion and well-being, although the second of these, promotion, received a better score from women than from men (with a difference of 4 points).

## Diversity in the Board of Directors

A total of 15 directors sit on the Bank’s Board of Directors. Specifically, as at 2024 year-end, there were six female directors, including five female Independent Directors out of a total of ten Independent Directors and one female Other External Director.

At Banco Sabadell, in 2024, women accounted for 40% of all members of the Board of Directors, with this percentage having been attained ahead of the timeframes provided in Organic Law 2/2024 on equal representation and balanced presence of women and men, and fulfilling the Bank’s commitment stated in the document *Sabadell’s Commitment to Sustainability* for 2023. Women also account for 50% of Independent Directors, amply complying with the Directive of the European Parliament and of the Council on improving the gender balance among directors of listed companies and related measures.

In terms of the presence of women on Board Committees, female Directors sit on all Board Committees. The Board Remuneration Committee is chaired by a female Independent Director and its members are all women. In the Board Appointments and Corporate Governance Committee, the vast majority of members (75%) are women. There is equal representation between both genders in the Board Audit and Control Committee and in the Board Risk Committee, while the presence of women in the Delegated Credit Committee is 20%. In the Board Strategy and Sustainability Committee, women account for 16.67% (on the Strategy side) and 20% (on the Sustainability side).

### Diversity in the Board of Directors

	2024	2023
Men	9	10
Women	6	5
Total	15	15

## Diversity in the senior management group

At the Group level, women represent 34.3% of senior managers, increasing by 1.2 percentage points in 2024 and thus continuing with the trend of improvement of recent years. This commitment is fundamental for the Institution’s diversity strategy, which seeks to continue increasing gender diversity in management tiers. To achieve this priority objective, it is vital to improve diversity in middle management roles, 42.3% of which were held by women in 2024.

In the case of Spain, the percentage of promotions given to women remained steady (50% in 2024 compared to 59% in 2023), which demonstrates the commitment to improving diversity and the results obtained with the measures put in place.

34.3%

Women in senior management

1.2 points

increased compared to 2022

42.3%

Women in management positions

## Breakdown of Group employees

By gender	2024	2023
Men	8,512	8,641
Women	10,257	10,675
<b>Total</b>	<b>18,769</b>	<b>19,316</b>
Percentage of women, by professional category	2024	2023
Senior management	34.3%	33.1%
Middle management	42.3%	43.8%
Specialist staff	56.9%	57.0%
Administrative staff	70.7%	71.5%
Women promoted vs total number of promotions during the year	50.0%	59.0%

Group data as at 31/12/2024, with the exception of promotion figures, which relate to Spain only.

## Channels for the own workforce to express their concerns

**The Group has various mechanisms in place for communicating with staff and listening to their concerns, which are key to anticipating their needs and building a great place in which to develop a professional career. Proof of this lies in the fact that Banco Sabadell features in prestigious rankings as one of the 100 best companies in which to work in Spain.**

### Assistance and Grievances Office:

Banco Sabadell has an Assistance and Grievances Office (AGO), through which it aims to be more mindful of and closer to the entire workforce, attempting to resolve any doubts that may arise in connection with the processes and topics dealt with by the People division, which include: Management, Professional Career, Compensation, Diversity, Leadership Training, Work-Life Balance Consultant, Transfer Requests, My Benefits Portal, Occupational Hazard Prevention (work-related accidents, medical check-ups, etc.), Labour Relations (leaves of absence and special permissions, pension plans, etc.) and Social Relations (assistance for school fees, loans, etc.).

The Assistance and Grievances Office (AGO) is accessed through the internal portal available to the entire workforce. The office autonomously answers the questions submitted by employees, keeping the necessary records and following up on queries and complaints. Those that require additional specialised management are forwarded to a second management level of the People division according to the topic in question for resolution. This year, 43,101 queries were received, while maintaining a high level of quality of service, obtaining a satisfaction rating of 4.33 out of 5.

In addition, to prevent retaliation against those using the channel, the Group has a Policy on the Internal Reporting System and Protection of Reporting Persons, details of which are provided in section [5.4.3.2 G1-1: Corporate culture and business conduct policies and corporate culture](#).

## FlashIN newsletter:

In relation to information resources, in Spain, the *FlashIN* newsletter continues to be issued and sent to all employees once a week, providing information of interest to staff, as well as guidance and contextual information about the Institution and the sector. In addition, the internal news portal, *IN Sabadell*, is a crucial element of information and cohesion that provides key information on complex issues generated by the external environment, and on change processes that occur within the organisation itself. This portal, as well as the fortnightly “You are the Manager” (*Eres Manager*) publication, also includes flash surveys to raise a relevant topic and capture people’s feelings about it. This allows the Institution to verify, with each survey, the high degree of commitment of staff at any time.

## “The Bank we aim to be” survey:

“The Bank we aim to be” (*El Banco que queremos ser*) is a survey that provides comprehensive information about the commitment of staff to the Institution’s current courses of action and future prospects. The results obtained from the survey remained steady and in line with the good financial performance during the year. Commitment and workplace environment are measured at two different times of the year, measuring the results of the blocks of questions relating to commitment, meritocracy and consistency, management, ways of working, well-being, sustainability, equality and diversity, Banco Sabadell’s leadership, promotion, work-life balance and compensation.

The survey is sent out to the entire workforce and participation in the H1 2024 edition was 71%. In general, the survey’s results were very positive: there was an improvement across all categories, both in the branch network and in the corporate buildings. There was a reinforced commitment to the company’s goals and objectives and also an increased sense of belonging. There was one opportunity for improvement, which was related to the *tools and resources that I need to do my work*. In *Meritocracy and Consistency*, it is worth noting the positive ratings given to equal opportunities and the level of internal transparency. As for *Ways of working*, there was an evident improvement in communication with the workforce. Moreover, there was a substantial improvement in the level of confidence in the decisions made by the Bank’s leadership team and in the criteria for professional promotion. The question relating to well-being, *This is a mentally and emotionally healthy place in which to work*, also showed improvements compared to previous editions, as did the question on *work-life balance*.

Participation in the H2 2024 edition remained at 71%. There was an improvement across all categories of both the branch network and the corporate buildings, with a smaller difference between both perimeters. Commitment, a key indicator, saw its score improve to a new all-time high. In the Ways of working category, it is worth noting the positive responses to the question about whether the company was doing a good job at keeping the workforce informed. Respondents’ trust in the decisions made by the Bank’s leadership team and in their appraisal of Management and Equality & Diversity improved. Under the Well-being category, respondents gave a higher score to Work-life balance. In the Meritocracy and Consistency category, equal opportunities and the level of internal transparency continued to be rated highly.

In addition, building on the approach to always listen to employees, weekly surveys were sent out to the workforce during the second quarter of the year. Specifically, they were sent to a small random sample of employees in order to ascertain their work experience in the Bank.

## 5.2.3.4. S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Banco Sabadell Group plays a fundamental role for its own workforce through the initiatives and measures described below, in addition to those mentioned previously. All of these initiatives and measures are linked to material impacts, as no material risks or opportunities were identified in connection with its own workforce.

### **Talent: management, attraction, retention and leadership programmes**

The Group aspires to provide people working at the Institution with an ideal place in which to develop their professional careers. To make this possible, the Group has a solid talent management model, a framework of professional opportunities within the Group (internal recruitment, promotions and training) and the ability to attract the best external talent for profiles that cannot be found within the Group.

### **Banco Sabadell's talent management model seeks to manage and develop talent and foster employee loyalty.**

Banco Sabadell's talent management model seeks to manage and develop talent and foster employee loyalty, applying the principles of meritocracy, development of internal potential, and diversity. It requires suitable mechanisms to be in place to identify people's talent and potential, offering them opportunities for career development and professional advancement in the Group.

The Sabadell Talent Appraisal is the starting point for talent management, a key process aimed at all Banco Sabadell employees and designed to identify people's talent and potential, give individual feedback and make decisions on career progression during processes such as internal recruitment, training or wages.

Aligning the talent appraisal process with 'Being Sabadell' is a determining factor for the Bank to be consistent in how talent is defined, identified, appraised and developed in the Bank. It has therefore been structured around three components (mindset, delivery and engagement), assessing contribution and performance, skills and potential, and getting to know the professional aspirations of each employee.

After this identification and self-reflection phase, the conversation with line managers is a key opportunity to share mutual feedback about what is expected of the employee, what they bring to their role, what strengths they have and where there is room to improve. The process ends with the creation of an individual development plan for each employee. This appraisal counts as 20% of the individual targets of employees receiving variable remuneration.

It is important to note that many people take part in this appraisal, as it involves not only current line managers giving their opinions and reasons for their appraisal but also feedback from functional or additional managers (for example, from previous managers during the year). Lastly, the division's perspective is used to supplement and validate the calibration.

The appraisal components are broken down according to the three main aspects of 'Being Sabadell':

- How do they convey their mindset? Do they always act with the Bank in mind, applying their expertise and thinking outside the box?
- How do they deliver? Do they focus on the task at hand, working quickly and efficiently to deliver exceptional outcomes? Do they take into account the quality of delivery and the need for compliance with regulations?
- How do they engage with others? Do they have a positive attitude that creates a good work environment and do they encourage teamwork?

## **The Bank's talent recruitment model provides the Institution with the profiles it needs to operate and achieve its targets.**

One of the main aspects is to foster the professional development of all persons in the Institution. To that end, it prioritises internal recruitment over external recruitment, equal opportunities and process quality, and it is committed to the promotion of people with potential, offering opportunities for internal growth, thus creating professional careers that will be advanced thanks to encouragement and the initiative taken by those who form part of Banco Sabadell to grow and develop.

The conversation between the manager and the employee is the key element to achieve personal growth and career development through feedback. The result is an individual development plan to take the necessary action to improve, develop and train.

The main processes used to identify, develop and unlock the existing and potential talent of each employee are the following:

- Management Appraisal (180°): every year, employees give an appraisal of their managers. This process has been aligned with the 'Being Sabadell' core ideas. This process is visible to the line manager and is taken into account in their appraisal. The line manager is also given feedback about the results obtained, while the people manager keeps track of them.
- Employee Appraisal Committees (EACs): these meet on annual basis as part of the talent workflow and they are the main forum in which objective, meritocratic and collective decisions are made about the employees in each general/territorial division. It is the place where the calibration of the Sabadell Talent Appraisal is finalised to ensure meritocracy with an all-encompassing perspective. The resulting talent maps are key components of internal talent management, which are based on strategic needs and meritocracy. The Employee Appraisal Committees make decisions on appointments, people and talent within each division.

Promotions to roles with greater responsibility are validated by internal bodies, with the support of the People division. In the case of appointments to management positions, following the Employee Appraisal Committee meetings, proposals are submitted to the Managerial Performance Evaluation Committee and the Board Appointments and Corporate Governance Committee.

- Managerial Performance Evaluation Committee (MPEC): this Committee meets on an annual basis with the Bank's Management Committee in order to decide on changes to senior management staff, approving proposals for joiners and leavers in that group. Promotions to senior management take place taking into account as fundamental criteria the assessment of both positions and talent, as well as the size of this group, which should be in keeping with the structure and the established targets and commitments in relation to diversity.
- Key Function Holder Substitute Map: the 'key roles' identified are reviewed every year, as a result of changes in the organisational structure, and the pool of substitutes is updated, ensuring that talent in key functions is managed proactively.

In terms of attracting external talent, in Spain, as at the end of 2024, staff with the following profiles joined the workforce: business development (39%), financial and regulatory analysts (16%), data specialists (15%), technology and digital specialists (12%), cross-functional and operational experts (8%), and support and other staff (10%).

Similarly, in relation to attracting talent, actions were taken to fill vacancies internally. Internally, the type of profile for which there were vacancies was varied, with 39% corresponding to business development, 30% to financial and regulatory analysts, 12% to cross-functional and operational experts, 7% to technology and digital specialists, 4% to data specialists, and 8% to support and other staff.

New permanent hires in Banco Sabadell Group based on the breakdown by age and gender are shown below:

	2024		2023	
Age range	National	International	National	International
Under 30	254	48	343	37
Between 30 and 50	194	116	346	80
Over 50	37	14	35	10
<b>Total</b>	<b>485</b>	<b>178</b>	<b>724</b>	<b>127</b>

Group (ex-TSB) data as at 31/12/2024. 'International' includes Mexico, foreign branches and representative offices.

	2024		2023	
Gender	National	International	National	International
Men	263	113	403	73
Women	222	65	321	54
<b>Total</b>	<b>485</b>	<b>178</b>	<b>724</b>	<b>127</b>

Group (ex-TSB) data as at 31/12/2024. 'International' includes Mexico, foreign branches and representative offices.

**Managers are the cornerstone of the Group's development and they play a fundamental role. They guide people, generating environments of collaboration and agility, developing the business with the customer in mind. The Bank is evolving its culture and ways of working to be a more agile and exciting place to work, and for this to happen it leans on managers as a lever of change.**



- **Corporate Management Programme (CMP):** this programme is mainly aimed at people promoted to the role of director or unit head with direct reports and who have held that role for 1.5 years or less, and it contributes to managers' training on skills, collaboration and values. The programme focuses on the culture of the Bank and on a development pathway for the manager in question, based on a meritocratic model that places the best people as leaders and drivers of change and innovation. In 2024, all of the programme's sessions took place in person, with the exception of the first and last sessions, which were held virtually. It lasted a total of five weeks, completed over five months, with an estimated total of 70 hours dedicated between in-person sessions, tutorials, and completion of the final project. This year 138 managers took part in the programme (47.83% of whom were women).

The approach of the programme was changed to align it with the *Eres Manager* project, improving the networking sessions with the People division. The key ideas to be conveyed during the programme relate both to a cross-sectoral approach and to the nature of their experiences. At the same time, they generate greater self-knowledge, the development of skills, and abilities to manage people.

- **Career Acceleration Programme (CAP):** the goal of this programme is to prepare employees who will lead and tackle the challenges of the future. The third edition of the CAP was launched in 2024, with a total of 102 participants (61% women), all of whom were upcoming senior managers of the Bank. The programme will take place over 18 months, beginning in April 2024 and continuing until November 2025.

The programme was designed with the aim of accelerating the career development of a group of employees considered to have high potential and who represent the values and attitudes that the Bank seeks to promote, making it easier to attain the necessary diversity that it is seeking to achieve among senior managers.

Participants focused on five different areas: self-awareness (360° questionnaire), training (by completing four leadership development modules with the partner ESADE), Banco Sabadell's perspective, mentorship and new challenges.

- **Senior Manager Development Programme (SMDP):** programmes for senior managers continued in 2024, including the Senior Manager Development Programme, for those who attain the role of Top Manager, in order to support them as they transition to their new role and to prepare them for the changing business environment, focusing particularly on the specific challenges of their new position.

The programme follows a 'learning by doing' approach and aims to build networks within senior management, offering networking opportunities and visibility. Participants are required to take on more leadership than their current role requires them to, conveying the vision and values of the Institution. To that end, the key challenges of the programme focus on how participants approach managing their team as a leader of managers and as the main person responsible for the environment within the team and their commitment to their work, on the creation of spaces of trust within their area of responsibility, offering teams feedback and working on team development and, lastly, they focus on contextualising decision-making from the broadest possible perspective, understanding and establishing relationships with other corporate areas.

It includes a 360° appraisal process and various group coaching sessions, with groups of 5/6 people, to complement the training sessions. The 360° processes are carried out based on the skills previously identified by Banco Sabadell as being necessary for the performance of the managerial role. Depending on the specific skills

in question, a self-assessment takes place, along with evaluations by managers, peers and other assessors. All of these evaluations culminate in an individual report, shared with each participant, so that they may put together their individual development plan based on the skills that need to be developed. The partner working on the 360° tool is Korn Ferry International, a leading global partner for management solutions, while the provider of the overall programme is Center for Creative Leadership (CCL), a standard-bearer for leadership on an international scale.

Similarly, programme participants take part in the Influence Style Indicator (ISI), so that they can discover their preferred leadership styles. It is a tool for self-awareness that enables them to become better leaders. In 2024, a new edition of the programme took place in 100% on-site format, in which 92 senior managers (43% of whom were women) took part and gave the programme a rating of 4.6 out of 5, with an NPS of 9.1 out of 10.

- **Management Leadership Programme (MLP):** the third edition of this programme will take place in October, with 47 enrolled managers appointed as Corporate Directors (34% of them women). The programme focuses on aspects linked to the main changes brought about by the digitalisation process, innovation processes, entrepreneurial initiative and changes in the business model, team leadership, collaboration and trust, talent management, diversity and inclusion, strategy, and digital transformation.
- **I am Remarkable:** seven two-hour workshops for upcoming female senior managers from all divisions of the Bank (around 68 women) were run in 2024 to reflect on the social perception of self-promotion, glass ceilings, and to promote the careers of women in pre-senior management roles. 14 internal facilitators ran the programme on a voluntary basis after receiving training.

## Training

Banco Sabadell Group's training model is built on the following pillars:

- Offer training aligned with the business and needs, both the regulatory needs of the market and the needs of staff members of Banco Sabadell Group.
- Improve the development of people, as drivers of change and transformation.
- Streamline the Institution's training budget so that more people can receive training and to achieve greater transformation.
- Be an example within the financial sector in terms of innovation in training.
- Be leaders in terms of adjusting training schemes to the digital transformation of business lines.

**In 2024, the Group continued to support the business in the challenges and targets that it has set itself, offering new specific training resources for strategic projects that are a matter of priority for Banco Sabadell Group, focusing on aspects such as specialisation programmes for commercial roles, financial current affairs and sustainability.**

Over the course of the year, the Bank continued to provide all of the training included in the training pathways for the different business specialists.

Some of these training activities included: RAROC programme (aimed at the branch network), marketing and digital advertising development programme (aimed at marketing specialists and imparted by ESIC Barcelona), and the expertise programme on advising large corporates (aimed at directors of large corporations and imparted by BESPOKE).

On the other hand, regulatory training in Spain continued to be very intensive, accounting for 82% of the total training hours completed up to December 2024 (vs 70% in 2023).

In addition to this mandatory training, annual ongoing training courses are also imparted in relation to the three certifications required to sell banking products (MiFID, IDD and LCCI), which are mandatory for most people in the Bank's branch network. The time dedicated to accumulating training hours required for certification renewal represented more than 76% of the total regulatory training as at the end of December 2024 (vs 84% as at the end of 2023).

In addition, some of the key projects of this first half of the year include the creation of the "Being Sabadell" space, which offers a selection of online courses from the Institution's catalogue of professional skills training to reinforce the Development Plan of the Bank's employees; the updates to the "You are the Manager" (*Eres Manager*) space, located in the Management school; the updates of courses on anti-corruption, corporate crime prevention and Banco Sabadell's code of conduct; and the creation and publication of a new space, "Your day-to-day at the branch" (*Tu día a día en la oficina*), within the Regulatory school, which offers entertaining content about the 12 key aspects that every branch manager should know to perform their day-to-day tasks effectively.

Similarly, in relation to sustainability, support continues to be provided to employees so that they may complete training on this topic, focusing on elements of environmental management, the energy crisis and other content requiring ongoing training in relation to sustainability. Introductory training courses remain in place, including "Introduction to Sustainability" and "Sustainable Borrowing", which are available on the Campus training space, with independent learning courses. To date, 97.4% of employees have completed at least one course on this topic.

The "Sustainable Finance Certification" scheme imparted by the Carlos III University in Madrid (UC3M) is also available. Its syllabus includes an introduction to sustainability and the ESG framework, the role of banks in sustainable investment, international initiatives, the EU's sustainable finance standards and ESG risk management. It also covers investment funds and sustainable pension plans, green, social and sustainability bonds, and the creation of sustainable investment portfolios. Further content includes impact investing, the carbon footprint and ESG risk assessment methodologies.

## Work-life balance

The Group's workforce has at its disposal a series of work-life balance measures that are set out in the Equality Plan. These measures seek to ensure that the workforce have a good work-life balance and to establish a framework for flexible working hours that can be used to improve the balance between personal and professional interests under equal terms for both women and men. These measures will remain in place for the duration of the Equality Plan.

All employees of the Bank have at their disposal a Guide to Work-Life Balance Measures, which lists, clearly and simply, the different work-life balance measures that staff can access; it can be found in the Equality and Diversity space of the corporate intranet. Some of these measures are the following:

- Option to apply for extended leaves of absence or special permissions for unremunerated leave, improving on that provided in Article 36.2 of the Collective Bargaining Agreement for Banks (CBA).
- Unremunerated reductions of working hours, as set out in Article 37.6 of the Workers' Statute (WS) and Article 35 of the CBA, for those who as legal guardians are directly responsible for a minor under the age of 12, for a disabled person, or for a family member who, due to their age or due to an accident or illness, cannot take care of themselves.
- Remunerated reduction of working hours, of one hour per day over a two-month period, in order to care for a child under the age of 12 or who due to illness or a very serious accident requires hospitalisation.
- Flexibility to adapt working hours (start and finish times) to meet the needs of those responsible for the care of children below 14 years of age, or who must care for family members up to second degree of consanguinity or affinity who are disabled or above 65 years of age.
- To contribute to the protection of maternity and paternity rights, leaves of absence for the birth and care of a child are guaranteed, as are leaves of absence to care for nursing children, offering the option to take this nursing leave through 15 working days of remunerated leave subsequent to any period of contractual suspension due to the birth, adoption, guardianship or foster care of a child. The duration of the leave of absence for the birth or care of a child will be equivalent to the duration of the leaves of absence taken in accordance with that provided in Articles 48.4, 5 and 6 of the Workers' Statute, with a total of 16 weeks, 6 of which will be mandatory, uninterrupted and comprise full working days, to be taken immediately following the date of the birth, while the remaining 10 weeks may be taken, in weekly periods, either in one single block or in separate blocks, during the 12 months following the date of the birth.

In addition, all employees have the right to receive a school allowance for their children, which is paid at the beginning of the academic year for each child in school between the ages of 0 and 23 years who is economically dependent on the employee in question. For those employees who have a child with a registered physical or mental disability of at least 33%, the maximum age is extended to 26 years.

Employees also have a benefits system linked to the flexible compensation system which allows them to optimise their remuneration by applying for certain products through the payroll, such as "Flex Daycare", which they may use to earmark part of their salary to pay for childcare whilst obtaining tax benefits.

The corporate buildings at Sant Cugat del Vallés, Madrid and Sabadell have a nursing room available for use by employees who choose to combine nursing an infant with their work life. This nursing room can be freely accessed throughout the day.

Banco Sabadell gives its workforce access to a tool called "My Workday" (*Mi Jornada*), in order to comply with the provisions of Royal Decree-Law 8/2019 on keeping daily records of working hours, and with the Agreement on Keeping Working Time Records at Banco Sabadell, signed on 27/02/2020, where each worker is required to keep a record of the start and finish times of their working day. On the other hand, the Bank continues to promote measures to enhance flexibility, such as telework and flexitime arrangements. The workforce can change their effective working hours at their discretion and with flexibility in order to balance their needs for a work-life balance with the needs of the service. In corporate buildings, for areas covered by the Collective Bargaining Agreement for Banks, the blended model under which staff can work from home for a maximum of 6 days per month remains in place; uptake of that model is voluntary and not contractually regulated.

For all of these initiatives and measures indicated above, the Group has assigned the necessary resources (personal and economic) to ensure that all material impacts are managed.

In conclusion, these practices of the Bank do not generate any material negative impacts on its own workforce.

Details about the measurable targets of initiatives related to own staff are given in section [5.2.4.1 S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities](#).

## 5.2.4 Metrics and targets

### 5.2.4.1 S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The People division leads and promotes Banco Sabadell's strategy of Diversity, Fairness and Inclusion (DFI) in collaboration with its businesses and support units. Its functions encompass the implementation of specific initiatives and projects, the promotion of measures, and the oversight of the action plan's objectives. Topics of interest are escalated to governing bodies on a recurring basis for information and monitoring.

At present, the foundations of the DFI strategy are set out in the Equality Plan, which is aligned with the objectives of Banco Sabadell's ESG strategy, which in turn are set out in the Institution's Commitment to Sustainability, aspiring to keep moving forward in relation to diversity, gender equality and talent, and establishing specific goals that will transform the Institution, fostering the presence of the female gender in senior management positions and promoting actions with an impact on society.

Some of the actions that the Institution takes to promote diversity in the Institution and in the Board of Directors are set out here below:

- The Institution ensures and monitors, through the Board Appointments and Corporate Governance Committee, compliance with the required qualitative composition of the Board of Directors, assessing the balance in terms of diversity and promoting the presence of the under-represented sex.
- Plan for Effective Equality between Women and Men and the creation of an Equality Representative to monitor and implement the Plan's actions.
- Selection procedures without discriminatory bias.
- Monitoring of the promotion of women and of diversity in the workforce.
- Promotion of the participation of women in professional development and leadership programmes.
- Monitoring of the impact of any salary reviews on the evolution of the gender pay gap.

In this respect, since 2021 the Bank has been pursuing the following targets for 2025, in relation to the Spain perimeter, in order to move forward with diversity in the Institution and to ensure the training and development of talent:

- 40% female membership on the Board of Directors (this target was met in 2024 with the appointment of a new female director). In 2021, women represented 27% of Board members.
- 33% of senior management roles held by women (this target was met in 2023 and as at the end of 2024 they held 33.9%). In 2021, women represented 29.1% of senior managers.
- 41% of middle management roles held by women (this target was met in 2023 and as at the end of 2024 they held 42.8%). In 2021, women represented 38.8% of middle managers.
- Continuous annual reduction of the pay gap. Since 2021, both the pay gap based on average total remuneration and the pay gap based on median total remuneration have been reduced in Spain, the United Kingdom and Mexico.
- Maintain overall level of satisfaction with training above 80%. The level of satisfaction was 84% in 2021 and 85.5% in 2024.
- Keep employee training completion rate above 95%. In 2021, 98% of employees had received training during the year, while in 2024 this figure was 98.33%.
- Equality in the Workplace Seal of Distinction, which was retained in 2024.

## 5.2.4.2 S1-6: Characteristics of the undertaking's employees

### Banco Sabadell Group employees: Breakdown by gender, professional category, age, country and nationality

Gender	2024	2023
Male	8,512	8,641
Female	10,257	10,675
Other	Not applicable	Not applicable
Not reported	Not applicable	Not applicable
<b>Total</b>	<b>18,769</b>	<b>19,316</b>

Group data as at 31/12/2024.

	2024			2023		
Professional category	Men	Women	Total	Men	Women	Total
Senior management	569	297	866	529	262	791
Middle management	1,921	1,407	3,328	2,091	1,632	3,723
Specialist staff	5,467	7,215	12,682	5,341	7,077	12,418
Administrative staff	555	1,338	1,893	680	1,704	2,384
<b>Total</b>	<b>8,512</b>	<b>10,257</b>	<b>18,769</b>	<b>8,641</b>	<b>10,675</b>	<b>19,316</b>

Group data as at 31/12/2024. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category. In Spain, roles classified as technical roles are included in the 'Specialist staff' category, in accordance with the Collective Bargaining Agreement for Banks.

	2024			2023		
Age range	Men	Women	Total	Men	Women	Total
Under 30	913	859	1,772	1,014	1,031	2,045
Between 30 and 50	4,824	6,261	11,085	5,060	6,701	11,761
Over 50	2,775	3,137	5,912	2,567	2,943	5,510
<b>Total</b>	<b>8,512</b>	<b>10,257</b>	<b>18,769</b>	<b>8,641</b>	<b>10,675</b>	<b>19,316</b>

Group data as at 31/12/2024.

	2024			2023		
Country	Men	Women	Total	Men	Women	Total
Spain	6,076	7,080	13,156	6,041	7,049	13,090
UK	1,948	2,813	4,761	2,176	3,281	5,457
Mexico	327	199	526	267	178	445
Other geographies <sup>52</sup>	161	165	326	157	167	324
<b>Total</b>	<b>8,512</b>	<b>10,257</b>	<b>18,769</b>	<b>8,641</b>	<b>10,675</b>	<b>19,316</b>

Group data as at 31/12/2024. Workforce in the United Kingdom includes employees at TSB and at Banco Sabadell's London branch.

Nationality	2024	2023
Spanish	69.0%	66.8%
British	23.0%	26.1%
Mexican	2.7%	2.3%
United States	1.2%	1.1%
Other nationalities	4.1%	3.7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Group data as at 31/12/2024.

<sup>52</sup> Includes countries in which the foreign branches and representative offices are located, the United States being the country with the largest representation



## Breakdown of staff departures from the Group due to dismissal

As at the end of 2024, 600 staff departures had taken place, more than in 2023. This increase was mainly due to the cost management programme carried out by TSB, which had a significant impact on the workforce reduction.

Professional category	2024			2023		
	Men	Women	Total	Men	Women	Total
Senior management	8	6	14	8	3	11
Middle management	39	26	65	22	14	36
Specialist staff	156	131	287	43	35	78
Administrative staff	54	180	234	15	7	22
<b>Total</b>	<b>257</b>	<b>343</b>	<b>600</b>	<b>88</b>	<b>59</b>	<b>147</b>

Group data as at 31/12/2024. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category. In Spain, roles classified as technical roles are included in the 'Specialist staff' category, in accordance with the Collective Bargaining Agreement for Banks.

Age range	2024			2023		
	Men	Women	Total	Men	Women	Total
Under 30	26	41	67	22	4	26
Between 30 and 50	144	173	317	42	32	74
Over 50	87	129	216	24	23	47
<b>Total</b>	<b>257</b>	<b>343</b>	<b>600</b>	<b>88</b>	<b>59</b>	<b>147</b>

Group data as at 31/12/2024.





## Voluntary turnover

The Voluntary Turnover Rate (VTR<sup>53</sup>) of the Group (ex-TSB) in 2024 was 1.9%. In Spain, the voluntary turnover rate was 1.5%, up by 0.2 percentage points compared to 2023. Talent management actions made it possible to maintain staff loyalty and engagement, but there was also some saturation in the employment market, with fewer opportunities to change jobs. The turnover rate fell by 0.3 percentage points in the international perimeter, due to a larger workforce in Mexico.

Age range	2024		2023	
	National	International	National	International
Under 30	10.5%	20.7%	8.4%	14.6%
Between 30 and 50	1.2%	8.5%	1.2%	11.0%
Over 50	0.2%	5.1%	0.3%	1.7%
<b>Total</b>	<b>1.5%</b>	<b>8.9%</b>	<b>1.3%</b>	<b>9.2%</b>

Voluntary turnover rate = ((annual voluntary leavers) / (average workforce)) \* 100. Group (ex-TSB) data as at 31/12/2023. 'International' includes Mexico, foreign branches and representative offices.

Gender	2024		2023	
	National	International	National	International
Men	2.0%	8.5%	1.8%	10.3%
Women	1.0%	9.5%	0.9%	7.8%
<b>Total</b>	<b>1.5%</b>	<b>8.9%</b>	<b>1.3%</b>	<b>9.2%</b>

Voluntary turnover rate = ((annual voluntary leavers) / (average workforce)) \* 100.

## Involuntary turnover

The Involuntary Turnover Rate (ITR<sup>54</sup>) of the Group (ex-TSB) was 1.14%. In Spain, the involuntary turnover rate was 1.10%. In the international perimeter, the rate decreased by 4.2 percentage points, mainly due to fewer staff departures in Mexico.

Age range	2024		2023	
	National	International	National	International
Under 30	2.4%	3.5%	2.6%	4.9%
Between 30 and 50	0.7%	1.4%	0.8%	6.2%
Over 50	1.6%	2.0%	2.2%	6.1%
<b>Total</b>	<b>1.1%</b>	<b>1.8%</b>	<b>1.3%</b>	<b>6.0%</b>

Involuntary turnover rate = ((annual involuntary departures) / (average workforce)) \* 100. Group (ex-TSB) data as at 31/12/2024. 'International' includes Mexico, foreign branches and representative offices. Includes those leaving due to dismissal and other involuntary reasons. Does not include those leaving due to restructuring processes.

Gender	2024		2023	
	National	International	National	International
Men	1.3%	1.5%	1.5%	6.7%
Women	0.9%	2.1%	1.2%	5.3%
<b>Total</b>	<b>1.1%</b>	<b>1.8%</b>	<b>1.3%</b>	<b>6.0%</b>

Involuntary turnover rate = ((annual involuntary departures) / (average workforce)) \* 100. Group (ex-TSB) data as at 31/12/2024. 'International' includes Mexico, foreign branches and representative offices. Includes those leaving due to dismissal and other involuntary reasons. Does not include those leaving due to restructuring processes.

<sup>53</sup> Rate that measures those leaving the Group (ex-TSB) on a voluntary basis

<sup>54</sup> Rate that measures those leaving the Group (ex-TSB) on an involuntary basis

## Types of contract in the Group

Practically all Group employment contracts (99%) are permanent contracts, and only 188 are temporary.

Number of contracts, by type:	2024			2023		
Type of contract and gender	Men	Women	Total	Men	Women	Total
Permanent	8,419	10,162	18,581	8,555	10,593	19,148
Temporary	93	95	188	86	82	168
<b>Total</b>	<b>8,512</b>	<b>10,257</b>	<b>18,769</b>	<b>8,641</b>	<b>10,675</b>	<b>19,316</b>

Group data as at 31/12/2024.

Number of contracts, by type:	2024			2023		
Type of contract and professional category	Permanent	Temporary	Total	Permanent	Temporary	Total
Senior management	865	1	866	788	3	791
Middle management	3,327	1	3,328	3,719	4	3,723
Specialist staff	12,520	162	12,682	12,276	142	12,418
Administrative staff	1,869	24	1,893	2,365	19	2,384
<b>Total</b>	<b>18,581</b>	<b>188</b>	<b>18,769</b>	<b>19,148</b>	<b>168</b>	<b>19,316</b>

Group data as at 31/12/2024. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category. In Spain, roles classified as technical roles are included in the 'Specialist staff' category, in accordance with the Collective Bargaining Agreement for Banks.

Number of contracts, by type:	2024			2023		
Type of contract and age range	Permanent	Temporary	Total	Permanent	Temporary	Total
Under 30	1,660	112	1,772	1,948	97	2,045
Between 30 and 50	11,018	67	11,085	11,699	62	11,761
Over 50	5,903	9	5,912	5,501	9	5,510
<b>Total</b>	<b>18,581</b>	<b>188</b>	<b>18,769</b>	<b>19,148</b>	<b>168</b>	<b>19,316</b>

Group data as at 31/12/2024.

Number of contracts, by type:	2024			2023		
Type of contract and region	Permanent	Temporary	Total	Permanent	Temporary	Total
Spain	13,006	150	13,156	12,967	123	13,090
UK	4,723	38	4,761	5,412	45	5,457
Mexico	526	0	526	445	0	445
Other	326	0	326	324	0	324
<b>Total</b>	<b>18,581</b>	<b>188</b>	<b>18,769</b>	<b>19,148</b>	<b>168</b>	<b>19,316</b>

Group data as at 31/12/2024.

## Functional diversity

The Group establishes measures for the adjustment of workstations where required by people with functional diversity, in line with the occupational medicine service's protocols relating to particularly sensitive individuals. The Institution also assists employees with paperwork and formalities at the municipality, autonomous community and State level that help to improve these employees' well-being beyond a strictly professional sense. Pursuant to the General Disability Law (*Ley General de Discapacidad*), it implements alternative supported employment measures by hiring services and supplies from special employment centres.

The number of people with functional diversity in the Group as at December 2024 was 287.

Professional category	2024			2023		
	Men	Women	Total	Men	Women	Total
Senior management	5	1	6	5	4	9
Middle management	16	8	24	16	10	26
Specialist staff	81	125	206	86	118	204
Administrative staff	11	40	51	14	47	61
<b>Total</b>	<b>113</b>	<b>174</b>	<b>287</b>	<b>121</b>	<b>179</b>	<b>300</b>

Group data as at 31/12/2024. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category. In Spain, roles classified as technical roles are included in the 'Specialist staff' category, in accordance with the Collective Bargaining Agreement for Banks.

### 5.2.4.3. S1-8: Collective bargaining coverage and social dialogue

As described in section [5.2.3.2 S1-2. Processes for engaging with own workers and workers' representatives about impacts](#), in Spain, Banco Sabadell maintains continued and fluid dialogue with workers' legal representatives, in an environment that is conducive to dialogue and complete impartiality, so as to facilitate collective bargaining and resolve the issues identified in legislation, and to address any other matters that the company and union representatives consider to be material for its activity and the workplace environment.

In Spain, 100% of workers are covered by the Collective Bargaining Agreement, while in all other countries, the prevailing legislation in each country is applied. In addition, in Spain 100% of staff are represented by workers' representatives.

In the United Kingdom, TSB continues to maintain a fluid and direct relationship with trade unions, renewing its agreement with Accord and Unite in 2023, which establishes the collective bargaining agreements. The agreement was reached with 90% of the workforce represented. This relationship has allowed the management team to work in an open and collaborative manner to consult with trade union representatives on all issues affecting TSB's relationship with its staff, and to assess possible initiatives to make improvements to the workforce and introduce organisational changes.

In the subsidiary in Mexico, there is no relationship between people and union representatives.

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA	Employees – non-EEA*	Workplace representation (EEA only)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Spain	UK	Spain

Note: European Economic Area (EEA)

\* Excludes Mexico as it represents less than 10% of total employees.

## 5.2.4.4 S1-10: Adequate wages

The Remuneration Policy ensures a competitive and fair remuneration system, in compliance with benchmark indices, that is capable of attracting and retaining the best talent, that is aligned with market standards and flexible enough to adapt to environmental changes and sector requirements, and that rewards professional experience and responsibility, irrespective of the employee's gender.

In this respect, the Policy applied in the Group is based on equal pay for male and female employees for equal work or work of equal value<sup>55</sup>.

## 5.2.4.5. S1-13: Training and skills development

The Annual Staff Training Plan is the basis for the development of Banco Sabadell's human team. Staff education and training are very important to the institution, which is why 97.8% of the Bank's employees received training during 2024, completing a total of 634,266 hours of training at the Group level (equivalent to an average of 23 hours per person).

As at June 2024, in Spain, 18% of the training received was voluntary, compared to 30% in 2023. Up to December 2024, 78% of the training was completed online, compared to 74% in 2023.

Training received	2024	2023
Employees who received training (%)	97.9 %	96.7 %

Active employees as at 31/12/2024. Training data refers to the entire Group.

Average training expense	2024	2023
Average training expense per employee	526 €	547 €

Active employees as at 31/12/2024. Training data refers to the entire Group.

<sup>55</sup> For more details about the Remuneration Policy, see section [5.2.3.1 S1-1: Policies related to own workforce](#)

Total hours of training and average of each professional category	2024			2023		
	Hours of training	Average	hours	Hours of training	Average	hours
Senior management	35,785		42.8	40,390		52.7
Middle management	149,730		45.8	210,029		57.7
Specialist staff	508,188		41.1	541,051		44.8
Administrative staff	49,772		26.4	71,282		30.2
<b>Total</b>	<b>743,474</b>		<b>40.5</b>	<b>862,752</b>		<b>45.8</b>

Active employees as at 31/12/2024. Training data refers to the entire Group. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category. In Spain, roles classified as technical roles are included in the 'Specialist staff' category, in accordance with the Collective Bargaining Agreement for Banks.

Total hours of training and average of each age range	2024			2023		
	Hours of training	Average	hours	Hours of training	Average	hours
Under 30	91,421		52.6	117,253		58.9
Between 30 and 50	438,864		40.3	521,033		45.2
Over 50	213,189		37.1	224,466		42.1
<b>Total</b>	<b>743,474</b>		<b>40.5</b>	<b>862,752</b>		<b>45.8</b>

Active employees as at 31/12/2024. Training data refers to the entire Group.

Total hours of training and average of each gender	2024			2023		
	Hours of training	Average	hours	Hours of training	Average	hours
Men	339,817		40.7	401,088		47.5
Women	403,658		40.3	461,664		44.3
<b>Total</b>	<b>743,474</b>		<b>22.5</b>	<b>862,752</b>		<b>45.8</b>

Active employees as at 31/12/2024. Training data refers to the entire Group.

## 5.2.4.6 S1-14: Health and safety metrics

**Banco Sabadell Group adopts a policy of prevention and continuous improvement of people's working conditions and health that covers 100% of those working at Banco Sabadell Group.**

This preventive action is set in motion through the Prevention Plan, the aim of which is to ensure the integration of occupational hazard prevention in the structures of Banco Sabadell Group companies. The Plan is approved and reviewed by the State Health and Safety Committee (a collegial body with both representatives of the company and legal representatives of the workforce).

In 2024, the Comprehensive Health and Well-being Plan was implemented, with the aim of expanding and optimising the availability of resources and benefits to integrate conduct that fosters healthy habits and to improve the experience of the workforce in terms of their mental and emotional well-being, so as to foster a workplace environment that is good for their mental balance.

Based on the understanding of health as a state of complete physical, mental and social well-being, not just the absence of conditions or illnesses, all of the initiatives in this framework have been grouped together in *Sabadell Live* into four key pillars: physical well-being, mental

and emotional well-being, financial well-being, and social well-being, all of which can be accessed from the corporate computer or corporate mobile phone.

The main new feature worth mentioning is the implementation of a Health Ecosystem, which offers the workforce free and confidential access to new health resources 24/7 and 365 days a year:

- Telemedicine service, accessible through a chat or video consultation, through which staff can receive a diagnosis and reports and obtain medical prescriptions, if necessary.
- Mental health services, accessible through a chat or video consultation, where they can be linked to a specialised therapist and access mental health resources.
- Telerehabilitation service, accessible through a chat with physical therapists and which can be used to design personalised exercise programmes to treat and prevent injuries.

In order to continue with the progress made, the Institution has designed a management system based on continuous improvement, thereby complying with Law 54/2003 on the reform of the regulatory framework on occupational hazard prevention. This management system is submitted to a specific external audit on a regular basis, the last of which took place in 2023. The results of that audit were fully satisfactory, detecting no Non-Conformities (not even minor ones) in any of the audited aspects.

## Monitoring absence from work

As part of its management of health and safety, Banco Sabadell monitors absence from work through monthly reports, which include data on prevalence rates, severity rates, and frequency of absences. The data is grouped together by company, territory, age and gender, and makes it possible to detect trends and possible deviations depending on the variables analysed. Depending on the results, preventive actions are identified and applied.

General absence from work includes absence from work due to illness with Temporary Incapacity (TI) and without TI for common contingencies (common illnesses, non-work-related accidents) and professional contingencies, such as a Work-Related Accident (WRA) or a Work-Related Illness (WRI).

The data regarding the prevalence rate (number of employees who have been absent from work / total workforce) showed a decrease in 2024 compared to 2023, standing at 4.97% of the workforce (vs 5.10% in 2023).

The severity rate (number of days missed / total working days) was practically the same, at 2.95% (vs 2.94% in 2023). Considering the composition of the workforce in terms of gender and age, values below 3.5% are considered to be very satisfactory.

The number of new leaves of absence initiated in the month (frequency rate) has fallen compared to the previous year, with an average of 295 per month in 2024, compared with 307 in 2023.

At a sectoral level, according to the latest data available for 2023, absence from work due to illness stood at 2.94% in the Group compared with 3.43% across the financial sector and 7.41% in the services sector, even when considering that the information provided by mutual insurance companies (sector data) does not include data on illness without temporary incapacity, unlike the data supplied by Banco Sabadell, which does.

Indicators of absence from work in Spain	2024	2023
Total hours (accidents and ill health)	697,689	682,394

Data as at 31/12/2024.

Indicators of absence from work in TSB	2024	2023
Total hours (accidents and ill health)	331,788	354,396

Data as at 31/12/2024.

In Mexico, indicators of absence from work are recorded and reported as general ill health. As at the end of December 2024, a total of 19 days off work had been recorded.

## Monitoring the accident rate

One of the fundamental pillars of the management of occupational hazard prevention is the research into, and prevention of, work-related accidents. On becoming aware of an accident, the Joint Prevention Service collects the main data and deals with the official communication. An investigation into the accident is launched. The procedure varies depending on the severity and complexity of the event, determining, if necessary, the preventive and/or corrective actions that should be taken. All of these actions are designed to guarantee the care and subsequent recovery of the person concerned. In 2024, there was a slight increase in the number of accidents compared to 2023 (a year in which we reached a record low figure for this aspect), but the number is still lower than in previous years, despite the increased size of the workforce. No severe accidents were recorded during the period, nor were there any fatalities as a result of work-related accidents.

### Work-related accidents

2024				2023		
Types of accident in Spain	M	W	Total	M	W	Total
Work centre	8	36	44	5	32	37
Whilst commuting	26	40	66	28	41	69
Travel during workday	2	22	24	5	11	16
Other work centre	1	1	2	0	1	1
<b>TOTAL</b>	<b>16</b>	<b>61</b>	<b>136</b>	<b>38</b>	<b>85</b>	<b>123</b>

Data as at 31/12/2024.

2024				2023		
Work-related accidents in Spain	M	W	Total	M	W	Total
Total hours	5,584	14,667	20,251	4,946	10,517	15,463
Total days	1,199	3,149	4,348	1,062	2,258	3,320
Frequency rate <sup>56</sup>	1.02	4.85	3.05	0,95	3,66	2,39
Severity rate <sup>57</sup>	0.05	0.12	0.09	0,05	0,09	0,07

Data as at 31/12/2024. Rate calculations exclude accidents occurring whilst commuting.

In terms of subsidiaries, TSB, in compliance with UK legislation, does not keep a record of accidents, while Mexico did not record any accidents in 2024.

<sup>56</sup> (Number of accidents (excluding those occurring whilst commuting) / theoretical working hours (according to collective bargaining agreement)) \* 1,000,000

<sup>57</sup> (Working hours lost/ theoretical working hours (collective agreement) \* 100)



## 5.2.4.7 S1-15: Work-life balance metrics

Banco Sabadell Group's workforce has at its disposal the series of work-life balance measures set out in the Equality Plan and detailed in section **5.2.3.4. S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.**

## 5.2.4.8 S1-16: Compensation metrics (pay gap and total compensation)

**The monitoring and analysis of the factors and impacts associated with gender equality and equal pay are vital to ensure inclusive and fair working environments.**

The People division has internal processes for identifying and managing the impact of salary reviews in order to deliver on the corporate commitment of reducing the Institution's gender pay gap. Continuous monitoring, along with frequent reports sent to the Institution's decision-making bodies and annual reports sent to governing bodies for information and evaluation, is an essential prerequisite to achieve the established targets.

**Banco Sabadell makes the gender pay gap a priority focus area for its workforce management.**

In its goal of promoting gender equality among its employees, Banco Sabadell makes the gender pay gap a priority focus area for its workforce management, launching mechanisms and initiatives to gradually reduce that gap, in fulfilment of the principles of its remuneration models and the guiding principles of the Group's Remuneration Policy.

Pay gap based on average total remuneration*		
	2024	2023
Spain	20.61%	21.08%
UK (TSB)	29.98%	29.88%
Mexico	20.51%	25.03%
<b>Total</b>	<b>23.02%</b>	<b>23.69%</b>

Pay gap based on median total remuneration*		
	2024	2023
Spain	13.89%	13.86%
UK (TSB)	26.74%	26.11%
Mexico	11.74%	22.14%
<b>Total</b>	<b>17.13%</b>	<b>17.56%</b>

\* The overall pay gap is calculated as the average pay gap of each country weighted according to the percentage that their workforce represents out of the total.

As at the end of 2024, the gross (unadjusted) overall gender pay gap in Banco Sabadell Group was 23.02% (average) and 17.13% (median). This indicator is calculated in accordance with Royal Decree 902/2020, in which total remuneration is calculated in real terms (annualised fixed salary, variable remuneration and any salary/non-salary supplements actually received) and represents the difference between male and female salaries in average terms or in median terms in an organisation / professional category.

The gross pay gap indicator does not provide a complete picture of differences in remuneration, nor can it be used to identify potential gender inequalities within the company. To do that, it is essential to employ statistical methods that permit the calculation of the portion of the gender pay gap that cannot be explained by other factors that might influence a person's compensation, such as their individual characteristics and those related to their job. The portion of the pay gap that remains when comparing individuals with similar characteristics whose only difference is their gender is known as the adjusted pay gap.

To address this, in 2023 Banco Sabadell worked in collaboration with the Economics and Business Department of the Pompeu Fabra University on the certification of an econometric model to determine the adjusted pay gap in Spain, with the following results:

Adjusted pay gap in Spain		
	2024	2023
Pay gap based on average total remuneration	4.80%	5.27%
Pay gap based on median total remuneration	2.64%	2.90%

If the effect of staff- and job-related characteristics on pay is removed from the basic pay gap, the adjusted pay gap becomes 4.80% based on the average and 2.64% based on the median.

The introduction of additional factors, other than gender, that explain the remuneration reduces the pay gap. The inclusion of specific job-related characteristics goes a long way in explaining the observed pay gap. A more equal gender presence in the different categories and job functions would also contribute to reducing the aforesaid pay gap.

## Remuneration of the Board of Directors

With regard to average pay, all members of the Board of Directors, both male and female, are remunerated according to the same criterion, i.e. the number of Board or Board Committee meetings in which they participate or, if applicable, that they chair, without any variation among them for any other reason.

### Average remuneration of the Board of Directors<sup>58</sup>

	2024		2023	
	Members	Remuneration	Members	Remuneration
Men	9	363,824	9	329,501
Women	5	196,411	5	164,667
<b>Total</b>	<b>14</b>	<b>304,034</b>	<b>14</b>	<b>270,632</b>

Average remuneration is calculated by considering Board members who have served as directors during the entire tax year, excluding Board members who have not served for the full year. Remuneration received for work carried out in the capacity of members of the Board of Directors is calculated excluding any amounts received for management functions and excluding any amounts received for work carried out as members of the Advisory Board. This remuneration includes, as it has done since 2021, additional remuneration for the Non-Executive Chairman for his functions as Chairman of the Institution, Chairman of the Board of Directors and Chairman of the Annual General Meeting, as well as his functions as the most senior representative of the Institution and all other functions attributed to him by law, the Articles of Association or the Board of Directors itself. In 2024, average remuneration for male members of the Board without considering the remuneration for the Non-Executive Chairman was 206,177 euros.

## Staff remuneration, by professional category, age and gender

Information is given here below regarding the remuneration received for work carried out during the year, broken down by geographical region, and for each professional category and age range.

The calculation of average total remuneration takes into account fixed remuneration as at year-end, variable remuneration, salary and non-salary supplements and benefits, as well as annualised remuneration and remuneration actually paid. This criterion has been applicable in all countries since 2021.

<sup>58</sup> For further information on the remuneration of members of the Board of Directors, see the Director Remuneration Policy, the Annual Report on Director Remuneration and the Annual Corporate Governance Report published on the corporate website of Banco Sabadell Group ([www.grupbancsabadell.com](http://www.grupbancsabadell.com))

<https://www.grupbancsabadell.com/corp/en/corporate-governance-and-remuneration-policy/director-remuneration-policy.html>

<https://www.grupbancsabadell.com/corp/en/corporate-governance-and-remuneration-policy/annual-report-on-remuneration-of-directors.html>

<https://www.grupbancsabadell.com/corp/en/corporate-governance-and-remuneration-policy/corporate-governance-annual-report.html>

## Average total remuneration in Spain

	2024			2023		
Professional category	M	W	Total	M	W	Total
Senior management	182,477	140,196	168,149	173,686	135,390	161,338
Middle management	80,042	71,157	76,240	74,320	62,197	68,937
Specialist staff	52,203	48,391	49,975	50,172	46,604	48,089
Administrative staff	29,199	28,746	28,897	29,039	27,976	28,304
<b>Total</b>	<b>69,649</b>	<b>55,291</b>	<b>61,922</b>	<b>65,922</b>	<b>52,024</b>	<b>58,438</b>

Data as at 31/12/2024. Average remuneration in euros. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category. In Spain, roles classified as technical roles are included in the 'Specialist staff' category, in accordance with the Collective Bargaining Agreement for Banks.

	2024			2023		
Age range	M	W	Total	M	W	Total
Under 30	40,539	39,255	39,972	37,873	36,945	37,473
Between 30 and 50	64,429	53,887	58,441	61,636	50,737	55,415
Over 50	83,186	60,455	71,714	79,565	57,631	68,711
<b>Total</b>	<b>69,649</b>	<b>55,291</b>	<b>61,922</b>	<b>65,922</b>	<b>52,024</b>	<b>58,438</b>

Data as at 31/12/2024. Average remuneration in euros.

## Average total remuneration in United Kingdom (TSB)

	2024			2023		
Professional category	M	W	Total	M	W	Total
Senior management	359,566	321,269	344,049	336,967	283,784	315,522
Middle management	146,902	139,964	144,050	134,877	127,160	131,560
Specialist staff	71,348	60,043	65,289	66,314	56,457	61,009
Administrative staff	37,486	33,339	34,550	35,408	31,532	32,631
<b>Total</b>	<b>79,729</b>	<b>55,828</b>	<b>65,603</b>	<b>72,502</b>	<b>50,837</b>	<b>59,469</b>

Data as at 31/12/2024. Average remuneration in euros. Exchange rate as at 31/12/2024: GBP 0.82918 = EUR 1. Exchange rate as at 31/12/2023: GBP 0.86905 = EUR 1. Workforce figures only include TSB's workforce; they do not include staff at Banco Sabadell's foreign branch in the UK. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category.

	2024			2023		
Age range	M	W	Total	M	W	Total
Under 30	44,448	40,341	42,238	41,292	37,836	39,363
Between 30 and 50	82,031	60,610	69,554	76,864	54,433	63,649
Over 50	109,479	55,412	74,187	97,835	53,145	67,839
<b>Total</b>	<b>79,729</b>	<b>55,828</b>	<b>65,603</b>	<b>72,502</b>	<b>50,837</b>	<b>59,469</b>

Data as at 31/12/2024. Average remuneration in euros. Exchange rate as at 31/12/2024: GBP 0.829183 = EUR 1. Exchange rate as at 31/12/2023: GBP 0.86905 = EUR 1. Workforce figures only include TSB's workforce; they do not include staff at Banco Sabadell's foreign branch in the UK.

## Average total remuneration in Mexico

	2024			2023		
Professional category	M	W	Total	M	W	Total
Senior management	237,443	167,483	214,525	262,326	173,372	231,534
Middle management	60,855	57,836	59,687	68,891	63,634	66,805
Specialist staff	26,517	24,032	25,529	28,775	25,453	27,322
Administrative staff	0	0	0	0	0	0
<b>Total</b>	<b>71,390</b>	<b>56,748</b>	<b>65,772</b>	<b>81,639</b>	<b>61,204</b>	<b>73,381</b>

Data as at 31/12/2024. Remuneration in euros. Exchange rate as at 31/12/2024: MXN 21.5504 = EUR 1. Exchange rate as at 31/12/2023: MXN 18.7231 = EUR 1. Remuneration figures do not include expatriated staff or staff at Sinia Capital, S.A. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category.

	2024			2023		
Age range	M	W	Total	M	W	Total
Under 30	31,718	28,819	30,680	31,879	27,486	30,006
Between 30 and 50	68,248	58,137	64,161	79,209	64,685	73,164
Over 50	142,575	96,491	129,774	153,109	93,944	136,598
<b>Total</b>	<b>71,390</b>	<b>56,748</b>	<b>65,772</b>	<b>81,639</b>	<b>61,204</b>	<b>73,381</b>

Data as at 31/12/2024. Remuneration in euros. Exchange rate as at 31/12/2024: MXN 21.5504 = EUR 1. Exchange rate as at 31/12/2023: MXN 18.7231 = EUR 1. Remuneration figures do not include expatriated staff or staff at Sinia Capital, S.A.



Average fixed remuneration is calculated considering fixed remuneration as at year-end. This criterion has been applicable in all countries since 2021.

#### Average fixed remuneration in Spain

	2024			2023		
Professional category	M	W	Total	M	W	Total
Senior management	126,832	103,328	118,867	124,818	102,439	117,602
Middle management	59,512	53,341	56,871	57,274	49,082	53,636
Specialist staff	43,773	40,628	41,935	42,063	39,121	40,346
Administrative staff	26,711	26,726	26,721	24,951	24,759	24,818
<b>Total</b>	<b>54,361</b>	<b>44,860</b>	<b>49,248</b>	<b>52,309</b>	<b>42,738</b>	<b>47,155</b>

Data as at 31/12/2024. Average remuneration in euros. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category. In Spain, roles classified as technical roles are included in the 'Specialist staff' category, in accordance with the Collective Bargaining Agreement for Banks.

	2024			2023		
Age range	M	W	Total	M	W	Total
Under 30	35,922	34,845	35,446	34,508	33,490	34,069
Between 30 and 50	50,579	43,441	46,525	48,954	41,432	44,661
Over 50	63,639	49,120	56,311	62,059	47,382	54,796
<b>Total</b>	<b>54,361</b>	<b>44,860</b>	<b>49,248</b>	<b>52,309</b>	<b>42,738</b>	<b>47,155</b>

Data as at 31/12/2024. Average remuneration in euros.

#### Average fixed remuneration in United Kingdom (TSB)

	2024			2023		
Professional category	M	W	Total	M	W	Total
Senior management	232,464	211,514	223,976	216,993	193,174	207,388
Middle management	115,506	109,244	112,932	103,249	96,965	100,547
Specialist staff	54,885	45,934	50,088	50,022	42,074	45,745
Administrative staff	29,235	25,492	26,585	26,508	23,184	24,126
<b>Total</b>	<b>60,117</b>	<b>42,231</b>	<b>49,546</b>	<b>53,489</b>	<b>37,546</b>	<b>43,899</b>

Data as at 31/12/2024. Average remuneration in euros. Exchange rate as at 31/12/2024: GBP 0.82918 = EUR 1. Exchange rate as at 31/12/2023: GBP 0.86905 = EUR 1. Workforce figures only include TSB's workforce; they do not include staff at Banco Sabadell's foreign branch in the UK. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category.

	2024			2023		
Age range	M	W	Total	M	W	Total
Under 30	35,255	31,424	33,193	31,839	28,769	30,125
Between 30 and 50	62,343	46,012	52,831	56,786	40,289	47,067
Over 50	79,319	40,982	54,295	70,245	38,439	48,897
<b>Total</b>	<b>60,117</b>	<b>42,231</b>	<b>49,546</b>	<b>53,489</b>	<b>37,546</b>	<b>43,899</b>

Data as at 31/12/2024. Average remuneration in euros. Exchange rate as at 31/12/2024: GBP 0.82918 = EUR 1. Exchange rate as at 31/12/2023: GBP 0.86905 = EUR 1. Workforce figures only include TSB's workforce; they do not include staff at Banco Sabadell's foreign branch in the UK.

## Average fixed remuneration in Mexico

	2024			2023		
Professional category	M	W	Total	M	W	Total
Senior management	143,242	100,087	129,105	171,277	106,680	148,917
Middle management	41,365	39,182	40,521	48,210	43,805	46,462
Specialist staff	19,793	17,569	18,909	21,909	19,200	20,724
Administrative staff	0	0	0	0	0	0
<b>Total</b>	<b>46,872</b>	<b>37,604</b>	<b>43,316</b>	<b>56,079</b>	<b>41,441</b>	<b>50,164</b>

Data as at 31/12/2024. Remuneration in euros. Exchange rate as at 31/12/2024: MXN 21.5504 = EUR 1. Exchange rate as at 31/12/2023: MXN 18.7231 = EUR 1. Remuneration figures do not include expatriated staff or staff at Sinia Capital, S.A. 'Senior management' includes executive directors, senior management, general management, corporate directors and top management. 'Middle management' includes directors not included in the 'Senior management' category.

	2024			2023		
Age range	M	W	Total	M	W	Total
Under 30	22,831	20,832	22,115	24,319	20,990	22,900
Between 30 and 50	45,415	38,541	42,637	53,875	43,675	49,630
Over 50	87,411	60,400	79,908	105,800	59,874	92,983
<b>Total</b>	<b>46,872</b>	<b>37,604</b>	<b>43,316</b>	<b>56,079</b>	<b>41,441</b>	<b>50,164</b>

Data as at 31/12/2024. Remuneration in euros. Exchange rate as at 31/12/2024: MXN 21.5504 = EUR 1. Exchange rate as at 31/12/2023: MXN 18.7231 = EUR 1. Remuneration figures do not include expatriated staff or staff at Sinia Capital, S.A.

Banco Sabadell calculates the annual total remuneration ratio as the ratio of total remuneration of the highest-paid individual (excluding Executive Directors) to the median/average annual total remuneration of all employees. Total remuneration is calculated according to the specifications of Royal Decree 902/2020, applicable in Spain, whose criteria have been extrapolated to other geographies, considering fixed remuneration in annualised terms and all other components based on the sum actually received in the past 12 months. Uniform criteria are applied, both in the calculation of this ratio and in the corresponding pay gap indicators.

Median/average annual total remuneration for all employees (excluding the highest-paid individual) is calculated as the weighted average of the median/average remuneration of each geography according to the weight of the total workforce of each country, without applying any correction factor linked to the cost of living in each country.

In 2024, the remuneration of the highest-paid individual was 30.06 times higher than the median remuneration of all other employees and 22.26 times higher than the average remuneration.



## 5.2.4.9 S1-17: Incidents, complaints and severe human rights impacts

The Group has not received any workplace complaints related to human rights from its own workforce, nor any complaints of forced or child labour.

On the other hand, in 2024 the Harassment Prevention Committee dealt with a total of 16 complaints of harassment, all in relation to workplace harassment.

In 2024, there were no records of any penalties or compensation for injury and damages as a result of any cases of discrimination and harassment.

In addition, 43,101 consultations were received from the Assistance and Grievances Office (AGO) detailed in section 5.2.3.3. S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns.



## 5.3 Social: Consumers and end-users

### 5.3.1 Introduction

As a financial institution, Banco Sabadell plays a fundamental role in building an inclusive and decarbonised economy. On one hand, mobilising resources, identifying technologies and creating opportunities and, on the other, incorporating new capabilities with an in-house transformation to embed sustainability into all agendas, managing the risk of its customer portfolio, minimising the impact of ESG risks and financing a large part of the investments needed to honour the Paris Agreement, the European Green Deal and the 2030 Agenda.

The main courses of action are the following:

- Support customers in the transition to a sustainable economy: to that end, the Institution takes steps to establish decarbonisation pathways, support customers in the transition with specialised solutions for renewable energy, energy efficiency and sustainable mobility, and it also defines sectoral standards that limit controversial activities and/or activities with negative impacts on social and environmental development.
- Offer investment opportunities that contribute to sustainability: in the investor ecosystem, the Bank focuses on increasing opportunities for savings and investment that contribute to sustainability, rolling out a wide range of social, ethical, green and sustainability bonds and funds, both its own and those of third parties.
- Work together for a sustainable and cohesive society: in its commitment to society, the Institution believes that it is imperative to take an active role to improve financial education, drive forward inclusion, minimise vulnerabilities and ensure secure transactions and exchanges of information.

In this way, Banco Sabadell contributes to the transition towards a more sustainable and cohesive society through ethical and responsible management. The Bank is also committed to data privacy and cybersecurity.

It promotes volunteering, education and financial inclusion, as well as charitable activities. It pays particular attention to supporting customers in vulnerable situations with social housing management initiatives and employability programmes.

Through the Banco Sabadell Foundation, outreach, training and research activities are promoted in the fields of education, science and culture, and support is provided to young talented individuals so that they may achieve a more prosperous and promising future.

## 5.3.2 Strategy

### 5.3.2.1 ESRS 2 SBM-2: Interests and views of stakeholders

Customers (Banco Sabadell Group's retail and business customers) and Society (citizens, communities and organised civil society) are two stakeholder groups identified in the double materiality exercise carried out and described in section [3.2 SBM-2: Interests and views of stakeholders](#).

As indicated in that section, when conducting the double materiality analysis, the interests and views of both groups have been taken into account. In this respect, the group of Customers (both retail and business) has been analysed through questionnaires, which asked them about the topics related to sustainability that directly concerned them. To determine the interests of Society, the Group's internal documentation, as well as reports and public documentation, has been analysed (notably the Sustainability Regulation, non-financial regulations, reports on global trends, indices and ESG ratings and sector trends) in order to complement the analysis.

### 5.3.2.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The Group has identified the material positive and negative impacts, risks and opportunities related to consumers and end-users. These have been grouped into the following topics: Access to products and services, Non-discrimination, and Cybersecurity and data protection. They have also been defined based on the impact materiality assessment and the financial materiality assessment described in section [3.3 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model](#).

Several areas in which the aforesaid topics come into play with the Bank's business model and for which several initiatives<sup>59</sup> are being carried out have been identified:

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<sup>59</sup> In addition, section [3.1 SBM-1: Strategy, business model and value chain](#) provides more information about access to products and services

## Vulnerable customers

### The Bank is currently monitoring the evolution of its vulnerable customers: mainly in three areas: financial, digital and regional vulnerability.

The Bank is currently monitoring the evolution of its vulnerable customers (understood as customers who, due to personal, economic, educational or social needs or circumstances, are in a situation of special dependency, defencelessness or lack of protection that prevents them from exercising their rights on an equal footing), mainly in three areas: financial, digital and regional vulnerability. In 2024, further progress was made in updating the criteria used to identify potentially vulnerable customers in order to ensure consistent criteria and actions.

#### Financial vulnerability:

The first area is financial vulnerability, i.e. low-income customers. During 2024, the Institution has continued with its identification of financially vulnerable customers to ensure they are managed appropriately. The actions taken are outlined here below:

##### a) Basic Payment Account:

Since 2019, the Bank has been offering its Basic Payment Account, which is a current account designed to offer access to basic banking services to everyone, irrespective of their economic circumstances. Its most noteworthy features include the option to conduct essential banking transactions such as cash deposits, cash withdrawals, debit card payments and transfers.

This financial product is particularly beneficial for vulnerable groups, as it has no minimum or maximum income requirements and it offers flexible terms and conditions for opening and using the account. Protection measures in relation to financing have also been kept in place, to ease their financial burden and prevent over-indebtedness.

In 2024, the Institution has taken action to publicise the main features of the Basic Payment Account, through communication initiatives (focusing on customers in vulnerable situations). Specifically, it followed a new process to send information to a selection of customers who were thought to be potentially vulnerable in financial terms (sending 5,711 messages in total), informing them of the existence of the Basic Payment Account.

##### b) Measures for those affected by the DANA flash floods of October 2024:

In addition, in response to the DANA flash floods that took place in October, the government of Spain launched its response plan called the Plan de Respuesta *Inmediata, Reconstrucción y Lanzamiento*, first articulated in Royal Decree-Law 6/2024 of 5 November, later in Royal Decree-Law 7/2024 of 11 November and, finally, in Royal Decree-Law 8/2024 of 28 November. These decree-laws included a set of measures aimed at addressing the liquidity needs of households, self-employed professionals and businesses.

The measures included the launch of a special DANA guarantee facility with up to 5 billion euros and the introduction of a statutory moratorium for households, self-employed professionals and businesses (with turnover of up to 6 million euros), for a three-month period on the payment of interest and principal on their loans and a further nine months for payments of principal.

As for Banco Sabadell, as at the end of 2024, 1,229 statutory moratoria had been arranged for a total amount of 57 million euros, distributed between 644 transactions granted to households amounting to 32 million euros, 250 transactions granted to self-employed professionals amounting to 11 million euros, and 335 transactions granted to companies amounting to 14 million euros, as well as one ICO guarantee transaction amounting to 3 million euros.

##### c) Training for debt recovery teams:

A lot of time, effort and resources go towards training the teams that specialise in debt recovery, in order to offer solutions to this group, notably by offering them the option to request the application of the Code of Good Practice following the impact of the new mortgage code published in December 2022 and revised in December 2023 and now with the new updates of Royal Decree Law 7/2024 as a result of the urgent measures put in place for those affected by the DANA flash flood. Work is also still underway to design actions that will minimise the impact of rising interest rates on customers who cannot benefit from the application of the special measures provided in the Code of Good Practice.

#### Digital vulnerability:

The second area is digital vulnerability, i.e. customers who experience difficulties accessing and using online/digital banking services or who have difficulty using ATMs. In relation to this group, in 2024 the Bank implemented various initiatives to reduce the digital divide among its customers (see section on that topic in [5.3.3.4 S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions](#)).

#### Regional vulnerability:

The third area relates to customers with regional vulnerability, i.e. customers located far away from the Institution's infrastructures and who have difficulties in accessing cash.

a) Mobile branches:

Banco Sabadell has five mobile branch vehicles operating on different routes, three of them in Asturias, one in Galicia and one in the province of Leon. The routes in Asturias serve customers in 17 different towns, while those in Galicia and Leon cover 5 and 3 locations, respectively.

In 2024, work continued on the development and evolution of protocols such as the strategic protocol to reinforce banks' commitment to society and sustainability (*Protocolo Estratégico para Reforzar el Compromiso Social y Sostenible de la Banca*) in relation to measures to foster financial inclusion, already mentioned in the previous section.

b) Agreement with Correos in relation to cash withdrawals:

Lastly, on 19 November 2024, Spain's national mail service (Correos) and Banco Sabadell signed an agreement to allow the Bank's customers to make cash withdrawals at its 2,388 ATMs located at post offices throughout Spain and through the 6,000 postal operatives that provide key services to citizens at their homes across the entire national territory. Thanks to this agreement, any citizen that has a bank account with Banco Sabadell may access the cash withdrawal service at one of the mail service's 8,200 customer service points. This has improved financial inclusion throughout the national territory, providing easier access to cash for all citizens in Spain, both those residing in rural areas and those more affected by the digital divide, which can also have positive results for the economic development of more sparsely populated rural areas.

## Accessibility:

Furthermore, through the European Accessibility Act (EAA), the European Union aims to take a further step towards removing barriers in the use of products and services for people with disabilities. Against this backdrop, in order to take a step forwards in social inclusion, Banco Sabadell has defined an internal action plan under which it will gradually adapt its products and services in order to deliver universal expectations in terms of accessibility.

These amendments aim to ensure that the various groups can operate autonomously, both when applying for bank products and services and when using them.

The Bank is taking action to make all of its channels of interaction, as well as the physical products offered to provide banking services, accessible to all.

In the branch network, it is working to ensure suitable transit routes and to provide an adapted customer care model, for example, offering contract documents in Braille or the option to arrange an appointment with a sign language translator who can join remotely. It is also making its ATMs more accessible, ensuring that they can be used without obstacles and with adapted features.

In addition, it is working to make its digital channels more accessible. This involves implementing the international recommendations of the Website Content Accessibility Guidelines (WCAG) in its mobile app and on its commercial website.

In the same way, customer care services are being optimised, both through the telephony channel and through the virtual assistant, in order to improve their ease of use and adaptability.

Contract documents are also being adapted, wording them with a level of complexity no higher than the B2 level provided in the Common European Framework of Reference for Languages, as are its payment

solutions, for instance, offering retail outlets the option to add accessibility features to their point-of-sale terminals and offering customers the option to request cards in Braille format.

## **BStartup**

### **Banco Sabadell's BStartup is a financial service for startups.**

Banco Sabadell's BStartup is a financial service for startups (innovative companies that sell products and/or services through the use of technology, with a scalable business model that permits rapid and continued growth) and for scaleups (companies with traction and with turnover and/or investment in excess of €1m).

### **It provides these companies with a 360° service of specialised banking and equity investment.**

As at 2024 year-end, BStartup had 5,502 startup customers. These are very internationalised customers that frequently engage in complex banking activities that require highly specialised managers and services, which are offered through a distribution model formed of 23 'pure' BStartup agents operating in Madrid, Barcelona and Valencia, and 23 branches with different levels of specialisation located throughout the country.

In terms of equity investment, it is aimed mainly at early-stage digital and technology companies with strong growth potential and scalable, innovative business models. In 2024, €650,000 were invested in 7 startups.

BStartup invests in all types of sectors, although it maintains its investment verticals:

- In 2024, it launched the fourth call for proposals under BStartup Green to invest in startups that use technology or digitalisation to facilitate the transition to a more sustainable world (from the point of view of the energy transition, industry 4.0, smart cities and the circular economy). 119 companies submitted proposals under this fourth call.
- In 2024, the seventh edition of BStartup Health was launched. It is a programme designed to support health projects, in which invested funds are primarily used to validate technology, research and business. For the first time this year, the investment in each selected health project was increased to a maximum of 200,000 euros. The call for proposals ended with 105 enrolled startups.

During 2024, BStartup took a very active role in the main events of the entrepreneurial ecosystem. BStartup's team actively participated in 106 entrepreneurial events held throughout Spain.

Another milestone reached in 2024 was the opening to the public of the BStartup Hub Madrid, Banco Sabadell's first hub dedicated exclusively to startups, scaleups and their investors. It is an entrepreneurial and technological hub with a team of 12 people who offer a 360° financial service that is 100% specialised in startups. The hub's opening also means that Madrid has a new space for its entrepreneurial ecosystem, as it will also serve as a new space for conversation and discussion.



**Banco Sabadell manages social housing through Sogeviso (a wholly-owned subsidiary created by the Bank in 2015) in order to responsibly tackle the social exclusion of its vulnerable mortgage customers and the loss of their primary residence.**

In its nine years of activity, Sogeviso has managed around 23,000 contracts for social or affordable rent and it has helped some 8,500 families improve their social and economic situation through its programmes designed to offer social support and improve employment prospects (JoBS). Of these 8,500 participants of the social support programme, 4,809 families improved their social and economic situation.

As at 31 December 2024, Sogeviso managed 2,311 properties under social and affordable rental arrangements specifically aimed at these vulnerable customers. In 9% of these cases the 'Social Contract' remained in place.

The Social Contract is an innovative model for managing vulnerable customers. It is a service for customers with a means-tested social rental arrangement that offers specific support provided by a social manager based on three independent lines of approach: connect these customers with public services, offer them training about personal finances, and facilitate access to public aid and the JoBS programme.

The JoBS programme is a job placement service that aims to provide customers with skills and tools to enable them to access the labour market, as well as market research to match profiles with existing job offers. Since the launch of the Social Contract in 2016, a total of 2,394 people have found work thanks to the JoBS programme.

As at the end of 2024, the Social Contract has helped 217 families and 20 people have been actively searching for employment through JoBS.

In addition, Banco Sabadell has assigned 80 properties to 38 non-profit institutions and/or foundations, aimed at supporting the most disadvantaged social groups, and since 2013 it has been a member of the Social Housing Fund (*Fondo Social de la Vivienda*, or FSV), contributing 419 homes intended mainly for customers and acquired through deeds in lieu and reposessions. Of the FSV housing stock, 96% is let out under social rental agreements currently in effect.

**23,000**

**Contracts for social or affordable rent**

**8,500**

**Families**



## Code of Good Practice

**Banco Sabadell adheres to the Code of Good Practice (Código de Buenas Prácticas, or CBP) whose main objective is to arrange for the viable restructuring of mortgage debt for primary residences.**

Banco Sabadell adheres to the Code of Good Practice (*Código de Buenas Prácticas*, or CBP) enacted by Royal Decree Law (RDL) 6/2012 of 9 March and to its subsequent modifications, the latest of which was introduced by RDL 19/2022, extended by the Council of Ministers Agreement of 22 November 2022, whose main objective is to arrange for the viable restructuring of mortgage debt for primary residences, which is aimed both at families struggling to keep up with their mortgage payments because they are on the 'exclusion threshold' and at persons in vulnerable situations. On 16 December 2022, Banco Sabadell also voluntarily signed up to the new Code of Good Practice introduced by Royal Decree Law 19/2022, amended by an Agreement of the Council of Ministers dated 27 December 2023. In 2024, it arranged 479 debt restructuring transactions under the two aforesaid codes.

**479**

**Debt restructuring transactions**

## Cybersecurity

In 2024, the volume and sophistication of cyberattacks continued to increase. The Institution has adjusted its controls, increasing its capabilities to prevent, detect and respond to major cyberthreats.

**Banco Sabadell Group, in line with its internal security control framework, continuously monitors the cybersecurity risks to which it is exposed, in order to protect its information systems and corporate information, as well as information pertaining to customers, employees and other stakeholders.**

This control framework, which is updated and expanded on a regular basis, includes the updated Information Systems Security Policy, the definition of cybersecurity responsibilities across the three lines of defence and in governing bodies, the control standards required to ensure the protection of information systems, and the continuous evaluation of the effectiveness of its cyberdefences. This control framework is aligned with regulations applicable to the financial sector and with good cybersecurity practices, such as the NIST Cybersecurity Framework and Standard ISO 27001.

The Information Security function sends regular cybersecurity status reports to governing bodies, such as the Management Committee, the Board Strategy and Sustainability Committee and the Board of Directors, which are the bodies responsible for overseeing the Institution's cybersecurity, along with the Board Risk Committee, which oversees ICT risks. In addition, the Board of Directors is the body responsible for approving the Information Systems Security Policy.

This policy applies at the Group level, so it includes information that covers the entire banking business perimeter, taking into account the Banco Sabadell brands that operate in Spain; TSB, which operates in the United Kingdom; and Banco Sabadell Mexico, which operates in Mexico.

Banco Sabadell Group's in-house cybersecurity team is formed of over 100 specialist staff dedicated to ensuring that protection measures are appropriate to the existing cybersecurity risks. To that end, the following activities are carried out on a regular basis:

- Analysis of new cyberthreats and their development, enhancement of controls and assessment of risks.
- Review and execution of ongoing checks on information systems and security controls, including certifications carried out by external auditors.
- Preparation for incidents, through training, drills and simulated cyberattacks.
- Training and awareness-raising campaigns for staff and partners that include awareness-raising communications and regular drills.
- Awareness-raising communications regarding cybersecurity risks and digital fraud for customers, which can be distributed by email, using digital channels or ATMs, or through social media campaigns.
- Annual training courses in relation to data protection and cybersecurity, which are mandatory for all employees, as well as specific training programmes for the cybersecurity teams.

Through the Information Security function, Banco Sabadell Group entities establish measures for the protection of information systems, which are set out in policies and procedures, to guarantee secure access to systems and to deal with new cyberthreats. These measures include:

- Role-based access control and regular recertification of these permissions.
- Robust authentication of remote access by employees and suppliers.
- Advanced malware protection systems.
- Systems for monitoring and correlating security events.
- Systems to collect and analyse cyber-intelligence data.
- Security incident response team, available 24 hours a day, 7 days a week, which is in contact with other Security Operations Centres (SOCs).

With these capabilities for protection, detection and response to cyber threats, the Institution has not suffered any major cybersecurity incidents in 2024, adequately mitigating any cyber-related incidents affecting suppliers.

Banco Sabadell Group engages third-party specialists to run advanced cybersecurity tests, which evaluate the effectiveness of its key controls by simulating realistic cyberattacks. These verifications, which consider commonly used cyberattack techniques, prepare and train teams responsible for cyber defence, thus improving the levels of protection.

These tests also use well-renowned automated verification tools that simulate multiple cyberattacks. The Group's various entities also pay attention to the main external ratings that measure cybersecurity (Bitsight, RiskRecon, Security Scorecard). Banco Sabadell Group has secured positions in the top spots of these ratings in comparative terms with the rest of Spain's banking industry.

The various Banco Sabadell Group entities also endeavour to ensure the resilience of their infrastructures, making sure they have redundant components and regularly tested recovery procedures in order to guarantee the continuity of technological services in the event an incident occurs, such as a disaster affecting the facilities or a cyberattack.

In addition, every quarter, Banco Sabadell Group carries out drills that simulate cyber incidents, training the Institution's teams to detect and contain cybersecurity events and to recover operating services to minimise potential impacts.

Its financial statements are also subject to annual statutory audits and an external audit takes place, focusing on the design, implementation and operational effectiveness of its cybersecurity controls, carried out following the main information security standards.

**Banco Sabadell Group's cybersecurity specialists participate in digital transformation initiatives and technological projects, assisting with the assessment of security risks, defining the security controls and measures to be incorporated and carrying out technical security tests to check that no vulnerabilities are introduced.**

Among the digital transformation initiatives designed and rolled out securely with the participation of the cybersecurity team, it is worth highlighting new financial products and services, such as those detailed in the "Digital transformation and customer experience" section of the consolidated Directors' Report.

## **Data protection**

**The Institution has a mechanism that comprises three lines of defence, through which all members of the organisation, from all areas, in line with their authority and discretions, actively take part in the management, control and supervision of the Institution's data processing activities.**

To ensure that personal data is processed pursuant to applicable data protection regulations, the Institution has a mechanism that comprises three lines of defence, through which all members of the organisation, from all areas, in line with their authority and discretions, actively take part in the management, control and supervision of the Institution's data processing activities.

Banco Sabadell has a Data Protection Officer (DPO) who has been duly entered in the register of the Spanish Data Protection Agency (Agencia Española de Protección de Datos, or AEPD), and who advises the different areas of the Bank in order to ensure compliance with regulations. Every year, the DPO reports to the Board of Directors, providing relevant information about the existing data protection risks.

Following the management model built around three lines of defence, the Bank has the following action framework:

<b>First line of defence</b>	
<b>Centralised Operations:</b>	<p>Unit responsible for designing and executing procedures concerning data subjects' rights in relation to data protection.</p> <p>Designs the procedure for obtaining consent and a legitimate basis for data processing and traceability.</p>
<b>Information Security Management:</b>	<p>Designs security measures commensurate with the risks associated with personal data processing.</p> <p>Performs impact assessments of personal data processing activities.</p> <p>Keeps a record of security breaches and defines criteria and protocols for notifying data subjects and, where applicable, the Control Board.</p>
<b>Data:</b>	<p>Enters all data processing activities declared by accountable units in the Data Processing Activities Log.</p> <p>Keeps information about international data transfers and their publication on the appropriate channel, where applicable, up to date.</p>
<b>Supplier Management:</b>	Ensures that management units wishing to engage the services of a third-party supplier adequately identify the associated personal data processing requirements and coordinates and manages the adaptation of contracts to prevailing legislation.
<b>Contract-Related Legal Advice:</b>	<p>Writes clauses related to data protection for both contracts entered into with suppliers and those entered into with customers and data subjects.</p> <p>Assesses the regulatory impacts on the organisation of potential sector-specific regulations.</p>
<b>Marketing/Product:</b>	Ensures that commercial data processing activities take place based on suitable legitimate grounds. Seeks the consent of data subjects and determines legitimate interest.
<b>Data controllers:</b>	Lead the design and implementation of training and awareness-raising plans on the topic of data protection, requiring the involvement of each accountable unit.
<b>Second line of defence</b>	
<b>Compliance:</b>	Determines the controls needed to ensure compliance with data protection legislation.
<b>Data Protection Officer (DPO):</b>	<p>Liaises with the Control Board and represents the Institution in various data protection forums.</p> <p>Determines the need to give notice and, where applicable, gives notice of a security breach.</p> <p>Deals with queries and complaints submitted by data subjects.</p> <p>Provides information and advice to the data controllers and their employees regarding the obligations established in data protection legislation.</p> <p>Defines the data protection policy.</p> <p>Advises and oversees the correct implementation of the data protection regulation.</p>
<b>Internal Control:</b>	Receives information from Compliance regarding the effectiveness of the controls implemented by the first line of defence to mitigate compliance risks and any instances of non-compliance, together with the corrective measures taken, in order to carry out a joint assessment to be submitted to the corresponding governing bodies, and to align the controls with the established risk tolerance levels.
<b>Third line of defence</b>	
<b>Internal Audit:</b>	<p>Supervises the activities of the first and second lines of defence.</p> <p>Reviews the control environment.</p> <p>Reviews the fulfilment and effectiveness of policies and procedures.</p>

The aforementioned mechanisms are set out in Banco Sabadell's Personal Data Protection and Privacy Policy, designed by the Institution as an internal organisational instrument to ensure the protection of natural persons in connection with personal data processing.

This policy is applicable to all personal data processing activities that take place in Banco de Sabadell, S.A., both automated and non-automated.

The aforesaid document indicates the policies and related procedures and defines the management and control model established in relation to data protection. The Personal Data Protection and Privacy Policy is published on the Bank's work tool and is available to all employees; it is reviewed annually and approved by the Board of Directors.

All of the Bank's employees complete, as mandatory training, a course on personal data protection and, depending on the professional duties of each employee, they also receive specific training imparted by the Data Protection Officer (DPO). In addition, through the Bank's various communication channels, employees receive 'brief training capsules', written in a friendly and visually pleasing way, which are used to convey short and direct messages to remind employees of their obligations in relation to data protection. This year, specifically, the Bank decided to launch a video series, comprising six chapters in all, in which the Bank's DPO directly addressed employees to remind them of certain obligations in that regard.

The Bank publishes information relating to its "privacy policy" and "privacy notice" on its website, in the section on customer information. This document, called "Annex of detailed information on personal data protection"<sup>60</sup>, which contains mandatory information about the various personal data processing activities carried out by the Institution, is published in all of Spain's official languages and also in French, English and German. This document, available to all interested parties, is continuously updated to include the new data processing activities launched by the Institution. The Personal Data Protection and Privacy Policy also applies to the engagement of third-party suppliers and the instructions that those suppliers receive are in line with the Bank's own Privacy Policy.

The Institution has a procedure for analysing and evaluating security incidents to determine whether an incident concerns personal data and should therefore be considered a security breach. These security breach assessments are carried out by the Data Protection Officer and are duly documented and made available to the Control Board.

The findings of the security breach assessment may require the Control Board and even the data subjects themselves to be notified in cases where the rights and freedoms of the data subjects could be at risk. 14 security incidents were recorded in 2024, but it was not necessary to inform either the Control Board or the data subjects.

In the United Kingdom, TSB has a Data Privacy Policy that requires personal data to be processed correctly and legally and used only for specific purposes. Where data is transferred to or processed by a third party, that data will be subject to a suitable due diligence process and transferred only for legitimate operational or commercial purposes. This policy is published on the corporate intranet and is available to all employees. It has been approved by TSB's Executive Policy Owner.

The subsidiary has its own Data Protection Officer (DPO).

Responsibility for complying with the Data Privacy Policy lies with the first line's business areas and the heads of each business area take on the agreed responsibilities.

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<sup>60</sup> [https://www.bancsabadell.com/cs/Satellite/SabAtl/Custom-information/GBS\\_Generico\\_FA/1183016790073/1191332198208/en//>](https://www.bancsabadell.com/cs/Satellite/SabAtl/Custom-information/GBS_Generico_FA/1183016790073/1191332198208/en//>)  
Other relevant information > Annex - Detailed information on personal data protection

TSB carries out annual training dedicated to privacy and data protection, which all employees are required to complete on an annual basis. TSB's DPO reviews the content to verify that it addresses all the required topics before approving it.

In addition, there are several central controls that business areas are required to adopt. The Data Privacy Office tests the design and operational effectiveness of the controls on an annual basis. Reports are also submitted on a regular basis to risk committees and other governance forums.

As for Banco Sabadell Mexico, in accordance with Mexican personal data protection legislation, this subsidiary complies with the Personal Data Privacy Manual, to which all employees have access through SharePoint.

The aim of the manual is to establish and define policies and procedures in relation to personal data protection and privacy so that staff authorised to process personal data may engage in legitimate, controlled, informed and appropriate processing of the personal data of customers, users, suppliers and partners, whether through physical or electronic means.

This involves considering legal and regulatory factors established in the Law on Credit Institutions, in commercial legislation, recommended banking-related and commercial uses and practices, in local and federal civil legislation, and in the various secondary laws and standards governing the Institution, linked to its operation, obligations and responsibilities.

The Assistant General Managers of Compliance and Legal Advice hold the highest level of responsibility in the company for the application of the manual.

There is also a Process for Upholding Rights of Access, Rectification, Objection and Erasure/Right to be Forgotten. The aim of this process is to establish and provide regulatory and legislative alignments so that the Bank may accommodate requests to exercise those rights and deal with any complaints or non-conformities in relation to its processing of customers' and users' personal data. The document is aimed at the Data Protection Officer and at those collaborating with the Bank that are subject to the procedure and whose functions require them to take certain actions in relation therewith. Together, they are responsible for dealing with requests to exercise the above rights, as well as any claims, complaints and non-conformities put forward by customers and users.



## 5.3.3 Impacts, risks and opportunities management

### 5.3.3.1 S4-1: Policies related to consumers and end-users

#### Commercial communication

**The Institution promotes transparent information and responsible, straightforward and friendly communication with its customers.**

One of Banco Sabadell Group's priority goals is to meet the needs and expectations of consumers and end-users. In this regard, the Institution promotes transparent information and responsible, straightforward and friendly communication with its customers.

To that end, it acts in a socially responsible way in its commercial communications, undertaking to engage in lawful, proper, loyal, truthful, clear and transparent publicity, based on respect for people's dignity and the recognition of the rights and interests of consumers, and aligning with the principles of fair competition in business, as established in the Commercial Communication Policy.

Banco Sabadell's Commercial Communication Policy establishes, as a general criterion regarding format and content, that when designing publicity campaigns and each of the publicity elements that comprise them, it will be necessary to consider the nature and complexity of the product or service being offered, the characteristics of the distribution methods used, and the target market at which they are aimed. In this way, it complies with the various legal standards on the recognition and protection of the rights and interests of consumers. Banco Sabadell's Board of Directors is responsible for approving the Commercial Communication Policy. This Policy is available to all employees on the corporate intranet and its scope of application is all marketing activity carried out by Banco Sabadell in the Spanish territory under any of its commercial brands, including all commercial communications and information aimed at the general public (customers, potential customers, investors, etc.).

In addition, the Bank fosters transparency in the disclosure of information, at all times adopting responsible communication practices that prevent the tampering of data and protect the company's integrity and honour, in accordance with the recommendations of the Good Governance Code of Listed Companies of the Spanish National Securities Market Commission (CNMV).

Furthermore, with the entry into force of the Markets in Financial Instruments Directive II (MiFID II) and the Insurance Distribution Directive (IDD) in 2018, Banco Sabadell prioritises the provision of advice as the service delivery model for the distribution of financial instruments. The Institution has a tool called "*Sabadell Inversor*", which serves as a guide for relationship managers to recommend the products best suited to the characteristics and needs of customers, by analysing their experience, knowledge and preferences in relation to sustainability.

The information provided to customers, following the guidelines of those directives, is always impartial, clear and unambiguous. Furthermore, since March 2021, Banco Sabadell has been complying with obligations on sustainability disclosures in relation to products affected by Regulation (EU) 2019/2088, also known as the Sustainable Finance Disclosure Regulation (SFDR).



**In accordance with its policies and procedures, the Bank has mechanisms in place to ensure that all information provided to customers is transparent and that all of the products and services which it offers are suited to their needs at all times.**

To this end, before marketing a new product or service, an internal workflow ("Product Workflow") is followed, where the relevant areas of the Bank review the various aspects to ensure they conform to the established standards. The subsequent validation by the areas involved is ultimately ratified by a high-level committee, the Technical Product Committee. This validation process allows the Institution to identify the target audience at which the product should be aimed, in other words, the group of customers whose interests, objectives and characteristics fit with the conditions of the product, and to identify products that are aligned with their preferences regarding sustainability, as established in MiFID II and the IDD.

Furthermore, every year, the different units responsible for the product offering perform an in-depth review of the conditions of the products and their impact on customers in order to ensure that those products continue to be suitable for the target audience defined originally. This review process falls within the obligations required by various customer and investor protection regulations, such as the Guidelines on Product Oversight and Governance Arrangements for Retail Banking Products and the MiFID II Directive. In the branch network, relationship managers have access to various items of information about products and services, which enable them to provide the necessary explanations so that customers and consumers may understand their characteristics and risks. This information is complemented with the corresponding pre-contractual information documents delivered to customers.

It should be mentioned that, since 2010, the Bank has been a member of Autocontrol (independent advertising self-regulatory organisation in Spain) and has followed its codes of conduct. In this way, it takes on the commitment of offering responsible advertising to ensure that its commercial communications meet the ethical standards applicable to the basic principles of publicity, authenticity and the need for veracity, to advertising forms and techniques, and to the protection of children, adolescents and health. It also takes on the commitment of ensuring that its commercial communications comply with the specific regulations of the Bank of Spain on the advertising of bank products and services and those of Spain's National Securities Market Commission regarding the advertising of investment products and services.

As for TSB, the UK subsidiary is committed to producing and publishing responsible advertising and communications across the full range of propositions offered both as TSB and with its associated third-party suppliers. In this way, it meets the information needs of customers by ensuring that information is presented in a balanced, fair, clear and unambiguous way. TSB's Customer Communications and Product Promotion Policy is a reflection of the UK and, where appropriate, EU regulatory environment. The Policy is the remit of the Chief Marketing Officer, who takes responsibility for its rollout and supervision. The Chief Customer Officer is the executive owner of the Policy.

The purpose of the Policy is to set out key processes, controls, and responsibilities enabling TSB to meet all relevant regulatory requirements including in acting to deliver good outcomes when communicating to/with its customers, across all channels and customer communications, including financial promotions. TSB has no appetite for unfair customer outcomes and this Policy and its associated controls are designed to mitigate conduct risk and prevent the occurrence of customer harm arising from its communications or any other dealing they may have with TSB.

Banco Sabadell Mexico, on the other hand, in accordance with Mexican banking regulations, is transparent in its publication of product-related information. For this reason, the official website of Banco Sabadell Mexico, in the section on financial products, indicates the products that are offered and includes standard-form agreements currently in effect and product information sheets, which specify the terms, conditions, application requirements and fees of the various products.

The website also contains the costs and fees document, which sets out the costs, returns and fees of the products. The total annual rate of return (*Ganancia Anual Total*, GAT) on deposits is also shown, in accordance with the provisions of the Bank of Mexico.

## Human rights

**In carrying out its activities, Banco Sabadell Group respects, upholds and protects internationally recognised fundamental human rights in all territories in which it is present, taking into consideration the internal and external relationships it enters into with all of its stakeholders: employees, customers, suppliers and the communities and environment in which it operates.**

The Group has a Sustainability Policy, ratified by the Board of Directors in 2021, which is reviewed annually and which includes a specific principle concerning respect for internationally recognised fundamental human rights. In 2024, the Bank's subsidiaries with business activities in other geographies ratified their adherence to Banco Sabadell Group's Sustainability Policy at their respective Board meetings.

This policy applies at the Group level, so it includes information that covers the entire banking business perimeter, taking into account the Banco Sabadell brands that operate in Spain; TSB, which operates in the United Kingdom; and Banco Sabadell Mexico, which operates in Mexico.

This commitment is underpinned by, among other things, the Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the United Nations Principles for Responsible Investment.

These commitments have been reinforced by the decision to sign certain important national and international agreements on human rights, including:

- The United Nations Global Compact, which encompasses human rights and labour rights in its first and second set of principles. The Group undertakes to ensure that its activities incorporate the ten principles set out in the Global Compact relating to conduct and action in this regard, such as non-discrimination in employment, the elimination of forced or compulsory labour, and the abolition of child labour.
- The Equator Principles, which the Bank signed up to in 2011 and which form a framework for the assessment and management of social and environmental risks, encompassing respect for human rights, and the performance of due diligence to prevent, mitigate and manage adverse impacts.
- The Principles for Responsible Banking, among which the principles of commercial alignment, the principle of impacts and those related to customers and users, as well as the principle of transparency and accountability, are particularly relevant to human rights.

From the perspective of corporate governance, the Group has a Human Rights Policy and a related Due Diligence Procedure, both approved in 2021, which are reviewed annually and are applicable to all Group companies. They establish basic principles of action, as well as the mechanisms required to identify, prevent, mitigate and/or remedy any potential negative impacts on human rights that the Bank's activities and processes may entail, in particular with regard to granting finance to companies, or in relation to its human resources management model or supplier engagement processes. They also establish the need for employees to receive training in all of these areas.

The Group also has a new version of the Group Code of Conduct, first approved in 2021 by the Board of Directors, which underwent an in-depth review to adapt it to regulatory requirements, supervisory guidelines and specifications, and to market standards. In short, to ensure it complies with the expectations and objectives of its various stakeholder groups. Every member of the Group's workforce was required to read and expressly accept the updated version of the Group's Code of Conduct.

As a direct result of updating the Group's Code of Conduct, the Supplier Code of Conduct was also reviewed, incorporating aspects related to the Group's model for the organisation and management of crime risk, the Corporate Ethics Committee as the most senior supervisory body, and control of the whistleblowing channel.

The Group is committed to implementing measures, within its scope of action, to ensure that its activities do not produce any subordination, helplessness or vulnerability among its customers or in the communities in which it operates, which might prevent them from exercising their rights of equality, on account of personal, economic, educational or social circumstances in which customers may find themselves, even if these circumstances are temporary or if they relate to a specific territory or sector.

The Group fosters inclusion among its customers, offering products and services that contribute to a positive social impact through responsible business, as is the case with its social housing management and financial inclusion activities, through digitalisation and financial education programmes. To that end, the Group promotes transparency of information and responsible communication with regard to its financial products and/or services, adapting them to the needs and circumstances of its customers and facilitating customers' understanding of the related terms and conditions, risks and costs, thus promoting clear, balanced and transparent communication around those products and services.

In addition, as part of the effort to prevent digital fraud, mainly affecting people aged 65 and above, the Bank has within its structure a specialist Transaction Fraud unit, which manages to prevent 87% of attempted digital fraud incidents, via an alerts system in cash transfer transactions (transfers, payment services and Bizum).

The Group is also committed to the fight against corruption, money laundering and terrorist financing, and it undertakes to promote conduct that respects the regulations and ethical standards, ensuring the same respect in relation to its customers, suppliers or other commercial partners and in relation to the environment or communities in which Banco Sabadell Group operates.

On the other hand, the Group supports the communities in which it is present, through direct donations or by helping employees to engage in corporate volunteering, which benefits many initiatives aimed at those most in need. Similarly, it encourages practices that contribute to addressing issues related to housing and social exclusion in the most disadvantaged social groups, delivering real estate assets for them to live in to non-profit institutions and foundations that offer support to the most vulnerable or at-risk social groups.

At a global level, the Group contributes to the attainment of the United Nations' Sustainable Development Goals (SDGs) linked to

fundamental human rights, through the development of programmes and initiatives, such as quality education (SDG 4), no poverty (SDG 1), good health and well-being (SDG 3), decent work and economic growth (SDG 8), gender equality (SDG 5) and reduced inequalities (SDG 10).

In addition, the Bank has an Information Systems Security Policy and a Personal Data Protection and Privacy Policy, as described in section **5.3.2.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model**.

### 5.3.3.2 S4-2: Processes for engaging with consumers and end-users about impacts

Knowing customers at every stage of their relationship with Banco Sabadell is crucial. That is why new methodologies are continuously being developed that allow the Bank to listen to what customers are saying, to measure and determine the main reasons for customer satisfaction and dissatisfaction and how near or far it is from meeting customers' expectations. This measurement involves understanding the market, consumers and customers, using a number of different qualitative and quantitative analytical methodologies to that end.

More specifically, Banco Sabadell analyses its customers' experience through ongoing quantitative surveys, such as:

1. Net Promoter Score (NPS), conducted three times a year. This survey asks customers how likely they are to recommend their main bank and the reasons for their response.
2. Satisfaction surveys, conducted monthly. These cover the main points of contact with the Bank and therefore include products (application processes, among others) and channels (branches, relationship managers, digital banking, among others).
3. Commercial quality studies, conducted monthly.
4. Studies of the financial behaviour of Retail Banking customers, Business Banking customers, smaller businesses and self-employed professionals, conducted on an annual basis for Retail Banking customers and every other year for Business Banking customers.

In addition, in order to better understand the environment and the customers within it, the Bank also carries out a qualitative analysis. Specifically, the Bank undertakes various qualitative studies and research projects using different methodologies. The aims pursued include:

- Listening carefully, actively and constantly to what customers have to say, so as to ascertain how they experience their relationship with the Bank at different touchpoints.
- Understanding the expectations, concerns, worries and attitudes of consumers and their current and future needs.
- Identifying the more emotional and least explicit part of consumer decision-making.
- Defining *ad hoc* value propositions for each type of customer. A variety of techniques are used, ranging from in-depth interviews and segment-specific focus groups to more innovative methodologies based on behavioural economics and the detection of the deepest emotions and motivations of consumers.

Ultimately, the goal is to design courses of action that will improve the experience of all types and segments of customers and consumers and to bring the value proposition in line with the needs and expectations of consumers in general and of Sabadell's customers in particular. The designed actions are scheduled and their implementation is monitored by the specific customer experience committees of the Business Banking and Retail Banking business divisions, which also receive the results of customer opinion surveys.

### 5.3.3.3. S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

To contribute to the remediation of material negative impacts on consumers and end-users, and specifically in relation to the topics of Access to products and services and Non-discrimination, the Bank follows the Code of Good Practice (**Código de Buenas Prácticas, or CBP**).

Customers are made aware that the Bank follows the CBP, either by their branch manager or through the landing page of the Bank's website, which explains what this debt restructuring plan consists of and the necessary requirements to request its application. In addition, all of the communications sent to customers who hold a mortgage on their usual residence and who are experiencing payment difficulties contain information to make them aware of the service's existence.

Interaction with customers always takes place through an external agency, regardless of the way in which the customer has expressed interest in benefiting from the CBP. Within 24 hours following the customer's call or application, they are contacted in order to request the relevant documents needed to analyse the operation.

The actions taken by the agency are governed by an action protocol put together by the CBP department in accordance with the procedure and timeframes established in regulations.

The process for dealing with applications for the CBP has control mechanisms to ensure that it takes place in accordance with the corresponding action protocols and regulations. Specifically, the various departments taking part in the application process undergo regular checks and controls.

Those controls include verifying that the process is completed and communicated within the timeframes laid down by regulations and that each case is analysed correctly (calculation of affordability, economic data about the family unit, etc.) and that the letters sent to inform customers of the outcome of the analysis are in line with that established.

They also include verifying that the formalisation phase has been conducted correctly, from the moment the application process for a notary's signature begins until the signature is added to the system. This monitoring exercise takes place on a weekly basis and a comprehensive verification exercise is carried out of the various departments involved, to ensure that the application of the measures is not delayed after the customer has been informed that they are eligible to benefit from the debt restructuring plan provided by the CBP.

Banco Sabadell's processes ensure that customers are offered the possibility of applying to benefit from the CBP and that their applications are processed in line with prevailing regulations. Customers are also offered help to put together the necessary documents, if necessary. An individual case study is always carried out for each application received, being particularly mindful of the specific circumstances of each case.

In addition, through **Sogeviso**, the Bank helps vulnerable customers through the **Social Support programme** and the **JoBS<sup>61</sup> programme**.

In this respect, as part of that provided in the General Data Protection Regulation, the documents signed by tenants and members of the family unit upon opting in to the Social Support programme and JoBS, respectively, specify the channels through which they may exercise their rights in relation to their personal data and indicate where they should send any queries or concerns that they may have in relation therewith.

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<sup>61</sup> More details about these programmes can be found in [section 5.3.2.2. ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model](#)

In addition to the telephony and email channels, the vulnerable families helped by Sogeviso may contact the company through service providers engaged by Sogeviso to manage social contracts and JoBS. They can also contact the company by telephone or email, as well as in person by requesting onsite visits to the properties that they occupy.

The channels are subject to the General Data Protection Regulation.

In the same way, there are alerts that are triggered if any personal data is sent via email. If an alert of this kind is triggered, Sogeviso's Corporate Services division contacts the person/unit that triggered the alert in order to ascertain the reason behind the event and to find solutions for the secure sending of data where necessary. Information is sent to Operational Risk on a monthly basis regarding the monitoring of incidents related to any outgoing personal data.

All suppliers and service providers act legitimately through contracts with Sogeviso, with clauses on personal data processing worded by Banco Sabadell's Contracts division.

Every year, personal data processing activities and the associated DPIAs are reviewed.

The relevant unit monitors suppliers and service providers to ensure they receive consent to personal data processing by the various business lines.

In the case of the data processing itself, it ensures that customers are aware of the channels they can use to exercise their rights, as these are set out in writing in the documents that they sign. On the other hand, in relation to the telephony channel, all outgoing calls to customers with a social or affordable rent agreement are recorded for quality purposes, and they are assessed on a quarterly basis, based on a random sample, keeping a record of the assessment results based on various parameters.

Sogeviso's management processes ensure not only compliance with regulations concerning vulnerable customers, both State-wide and specific to autonomous communities, but also fulfilment of the Institution's social responsibilities. Thus, all processes envisage the collection of information and documentation to verify the social and economic situation of the family unit, as well as individual decision-making, for each situation.

In addition, tenants or mortgage debtors whose properties have been repossessed by the Bank may contact Sogeviso to manage and search for solutions to their situation (such as, for example, the inability to keep up with rent payments due to a reduced level of income).

Lastly, in accordance with Order ECO 734/2004 of 11 March, Banco Sabadell has a **Customer Care Service (Servicio de Atención al Cliente, or SAC)** which handles complaints and claims. Customers and users may also appeal to the Customer Ombudsman, an independent body of the Institution that has the authority to resolve any issues referred to it, in both the first and second instances. Decisions by the Customer Care Service or the Ombudsman are binding on all the Bank's units.

In accordance with its Regulations, the SAC handles and resolves complaints and claims from customers and users of Banco de Sabadell, S.A. and other associated entities: Sabadell Asset Management, S.A., S.G.I.I.C. Sociedad Unipersonal, Urquijo Gestión, S.G.I.I.C, S.A. and Sabadell Consumer Finance, S.A.U.

The SAC and its head, who is appointed by the Board of Directors, to which reports are sent on at least a semi-annual basis, report directly to the Compliance division and are independent of the Bank's business and operational lines. Its main function is to handle and resolve complaints and claims put forward by customers and users of the financial services of the Bank and its associated entities, under the principles of transparency, impartiality, effectiveness, coordination, speed and security.

In addition, the SAC can issue recommendations or suggestions derived from the analysis of complaints and claims received by the SAC.

The operation of the SAC is governed by its Terms of Reference and by the policy document, both of which are approved by the Board of Directors. An information poster is available in all branches indicating the existence

and address, both postal and electronic, of the SAC and the Ombudsman, in addition to access to the Terms of Reference, which ensures compliance therewith.

Customers and users of financial services can submit complaints through various channels: either in person at branches, filling out the printed form created for that purpose, by filling in an electronic form or sending an email, or by sending a letter to the SAC or to the Customer Ombudsman.

Once a complaint or claim has been submitted, it will be dealt with by the SAC according to its Regulation. The claimant will receive information regarding the resolution of their complaint from the SAC within the legally established timeframe.

Where they object to the resolution, or if no response is received within the legally established framework, the claimant may contact the complaints services of the Bank of Spain or of the National Securities Market Commission (CNMV), as appropriate.

Furthermore, if they have submitted their complaint to the SAC, they may also refer the case to the Customer Ombudsman.

During 2024, the following complaints and claims were received and managed in accordance with Bank of Spain Circular 4/2021 of 25 November:

Complaints and claims received	Volume	
Customer Care Service	99,558	
Customer Ombudsman	4,289	
Bank of Spain	750	
Spanish National Securities Market Commission (CNMV)	24	
<b>Total complaints and claims received</b>	<b>104,621</b>	

Complaints handled	Volume	Percentage
Resolved in favour of the Institution	22,108	39.9 %
Resolved in favour of the claimant	33,321	60.1 %
Inadmissible as a result of the application of Regulations	49,740	

The increase in the number of complaints is due to a 360% increase in the number of complaints received in connection with valuation charges/other arrangement fees.

In the case of the subsidiary TSB, in 2024 the number of recorded complaints was 58,595. The volume recorded during the same period in 2023 was 62,696 and, therefore, 2024 represents an 6.5% reduction (4,077) on that figure. This reduction is mainly explained by improvements made to the customer journey and to the system's greater stability. Of the total number of complaints, claims and other communications recorded in 2024, a total of 56,284 (96.2%) were resolved before the end of the year, i.e. 31 December 2024.

Customer complaints can be sent to TSB through various channels, for example, by phone, by visiting branches, by completing an online form or on the mobile app. Complaints are logged and resolved by the agent who first receives them, where possible. Where that is not possible, they are relayed to the Customer Relations team. This team assigns a person to deal with the cases in question, who resolves complaints about payment services within a period of 15 days and all other complaints within 8 weeks, where possible, as per the guidelines of the Financial Conduct Authority. The complaint is either upheld or not upheld. If the customer is unhappy with the proposed resolution, they may contact the Financial Ombudsman for an independent review.

TSB is the first UK retail bank accredited by the Good Business Charter, a national accreditation scheme that recognises businesses that behave responsibly and measures behaviour over 10 components: real



living wage, fairer hours and contracts, employee well-being, employee representation, diversity and inclusion, environmental responsibility, paying fair tax, commitment to customers, ethical sourcing and prompt payment.

With regard to Mexico, in accordance with applicable Mexican regulations, the Law on the Protection and Defence of Users of Financial Services (*Ley de Protección y Defensa al Usuario de Servicios Financieros*) and the Provision on Record-Keeping for disclosure to CONDUSEF (*Disposición en Materia de Registros ante la CONDUSEF*), CONDUSEF being the National Commission for the Protection and Defence of Users of Financial Services (Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros), Banco Sabadell Mexico has its own customer service available to its customers and to users of its financial services through the Customer Care Centre (*Centro de Atención al Cliente*, or CAC) and the Specialised User Assistance Unit (*Unidad Especializada de Atención a Usuarios*, or UNE). The UNE, which reports directly to the Compliance division and is separate from the Bank's operational and business lines, and the CAC, which as the first point of contact supports the UNE, offer assistance to customers and users of financial services to resolve their queries, clarifications<sup>62</sup> and complaints. Customers and end users may contact the Institution by telephone, by email, in person, or through the customer service offices and also through the website. There is also a section on the website called "*asistencia*" (meaning 'help'), which lists useful contacts and the process that users should follow so that they may benefit from a fast and appropriate response. As at the end of December 2024, a total of 0 complaints and 11 claims had been received.



<sup>62</sup> Taking into account the definition of "clarifications" in Mexico (as provided in Article 23 of the Law on Transparency and Regulation of Financial Services (*Ley para la Transparencia y Ordenamiento de los Servicios Financieros*, which defines 'clarifications' as requests submitted by users using any of the available means of submission in order to obtain an explanation about the operations or services on offer or which they have acquired), clarifications are thought to be equivalent to what we call "complaints"

#### 5.3.3.4 S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Banco Sabadell Group, through the initiatives mentioned and detailed above in relation to vulnerable customers and also through Sogeviso, the Code of Good Practice, BStartup, Cybersecurity and Data Protection, plays a fundamental role in terms of access to products and services and non-discrimination<sup>63</sup>.

Various measures have been taken to help those affected by the DANA flash floods, which are described in [section 5.3.2.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model](#).

In addition, to mitigate the risk of over-indebtedness, it is important to note that for new requests from retail customers, Banco Sabadell has a Credit Risk Granting Procedure and tools for automated analysis. These are designed to evaluate the ability of customers to fulfil their payment obligations and, to protect customers and prevent their over-indebtedness, any possible situations that could arise from an increase in their expenditure are taken into consideration.

In relation to human rights, none of the complaints or claims received in 2024 through the SAC affected the vulnerability in this regard of consumers or end-users.

The Group has allocated the necessary resources (staff and economic) to ensure that all material incidents are managed.

**Banco Sabadell Group articulates its commitment to society mainly through the Banco Sabadell Private Foundation (hereinafter, Banco Sabadell Foundation) with a view to driving forward the progress and social welfare of individuals, by promoting culture and the arts and research and education, in particular by fostering young talent.**

On the other hand, to contribute positively to the improvement of social outcomes for consumers and end-users, Banco Sabadell Group articulates its commitment to society mainly through the Banco Sabadell Private Foundation (hereinafter, Banco Sabadell Foundation) with a view to driving forward the progress and social welfare of individuals, by promoting culture and the arts and research and education, in particular by fostering young talent.

In 2024, the Banco Sabadell Private Foundation received an endowment of 5 million euros from Banco Sabadell, intended for implementation of the annual Action Plan, of which 3,798,034 euros had been allocated as at the end of the year for collaborations with other institutions.

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<sup>63</sup> For more details, see [section 5.3.2.2 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#)

To monitor the institutions and projects with which it collaborates, a supporting document is requested at the start and end of the collaboration, in order to verify that the funds have been correctly allocated and that the activity has taken place as agreed. Both at the start and at the end of the activity, the projects are evaluated based on indicators that make it possible to measure the suitability of the project, analysing results in the medium and long term, to decide whether to continue to support it. In addition, an evaluation matrix has been developed that very few third-sector entities have, which makes it possible to be completely objective and transparent when distributing resources, allocating them efficiently according to the needs of each entity and project.

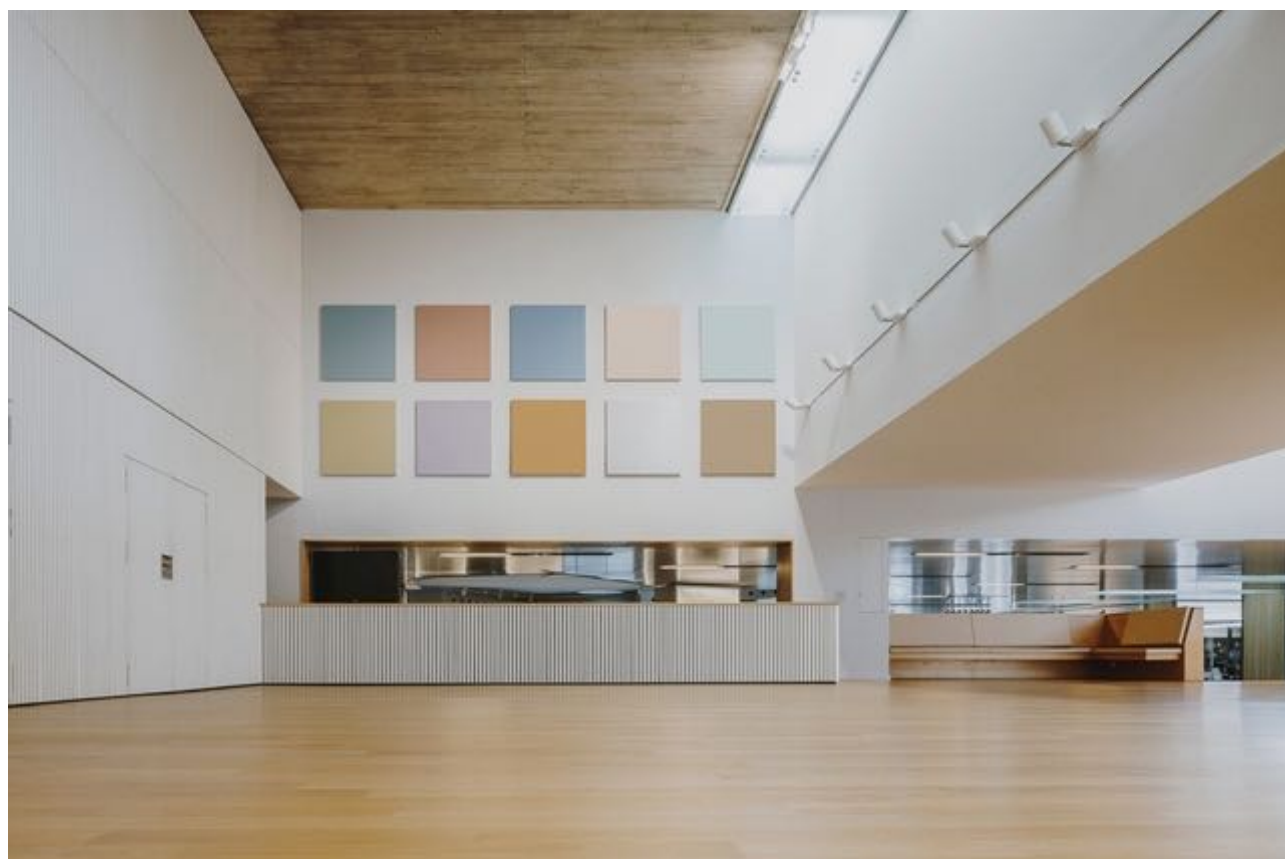
The Banco Sabadell Private Foundation categorises its activity into two main action areas: “Research and education”, and “Culture and the arts”.

## Research and education

By supporting research and education, the Banco Sabadell Foundation invests in society's future and in its ability to find solutions to the most complex and urgent challenges, contributes to boosting the economic, social and cultural growth of the nation, by increasing productivity and innovation, creates learning opportunities and fosters people's talent to facilitate their access to the job market.

## Culture and the arts

By promoting culture and the arts, the Banco Sabadell Foundation fosters creativity and innovation, provides opportunities and resources to young artists to help them develop their skills and advocates for a more equitable and diverse society. In addition, it contributes to the cultural enrichment of society and drives transformation.



## Promotion of alliances

The Banco Sabadell Foundation promotes the creation of alliances between institutions that seek to raise the profile of culture, the arts, research and education in order to build avenues for collaboration and a more critical, fair and inclusive society. It supports the institutions with which it collaborates by providing its knowledge and networks and by boosting synergies between institutions and projects to facilitate collaboration.

In this respect, the Foundation held the SumArte conferences, under the theme of Museums and Artificial Intelligence, bringing together representatives from 21 of the top museums in the country who shared a space for reflection and discussion with six volunteers from Banco Sabadell's Operations, Analytical Technology & Artificial Intelligence team in order to promote collaboration and the co-creation of projects in the sector.

The Banco Sabadell Foundation has put together a Steering Group formed of directors of leading entities of our country's cultural sector to establish, through social innovation methodologies, a rallying point with regular meetings held throughout the year to reflect on the challenges and opportunities of the cultural industry. This work is complemented with the opinions collected at previous meetings from other contrast groups formed of entities with which the Banco Sabadell Foundation collaborates across the country, as well as young leading creators.

## Commitment to young talent

**The Banco Sabadell Foundation demonstrates its commitment to young talent by supporting leading universities, research centres and educational institutions, as well as by contributing to research excellence through awards, residencies and support programmes.**

The most noteworthy activities in this area are:

- The Banco Sabadell Foundation's own awards, such as the 19<sup>th</sup> edition of the Biomedical Research Award, the 23<sup>rd</sup> edition of the Economic Research Award, the 8<sup>th</sup> edition of the Science and Engineering Award, the 3<sup>rd</sup> edition of the Marine Sustainability Award, and the research grants aimed at aspiring pre-PhD students of social sciences and humanities.
- Awards to recognise young talent, such as the ANFACO & Banco Sabadell Foundation Design Award and the ADI FAC Medals of the Associació de Disseny Industrial association, the Joan Guinjoan International Award for Young Composers of ESMUC, the Maria Canals International Music Competition for piano performers, the International Award for Young Cellists of the Fundació Pau Casals foundation, and the Mirna Lacambra Competition for the professionalisation of young opera singers.
- Collaborations with leading universities and academic centres with awards and grants to promote young talent and employability at the universities of Leon (Ralbar grants), Alicante (internship programme), Oviedo (Hackathon TalentUO), Vigo (Foro Mentor), San Jorge (research grants), Jaume I (Research Hackathon UJI), Las Palmas (university diploma in digital skills), the grants offered by the Escuela de Empresarios de la Comunidad Valenciana (EDEM), ESADE and the Barcelona Education in Science and Technology

(BEST) Foundation, and the doctorate programme in artificial intelligence of the ELLIS Alicante Unit.

- Programmes of grants, courses and residencies in art centres, such as the grants offered by the Fundació Comunitat Valenciana foundation, Auditorium of the Provincial Council of Alicante (ADDA) the Reina Sofia School of Music, the Private Foundation of the Associació d'artistes visuals de Catalunya (HANGAR), the course offered by the Prado Museum, the residencies of the Consorci Mercat de les Flors and Teatre Lliure, and the European programme EEEmerging, hosted by Joventuts Musicals de Torroella, Centro Azkuna de Sociedad y Cultura Contemporánea and the Antonio Gala Foundation.
- Training programmes for emerging artists with the Teatro Real theatre (Crescendo and Ciclo Jóvenes Talentos), the Miró Foundation (Espai 13), La Casa Encendida (Generaciones), the Cidade da Cultura de Galicia Foundation (Encontro Artistas Novos), the Franz Schubert Association (Lied the future), the Bachcelona Foundation (Bachcelona Academise), the Live Music Association (Gardai Orchestra), the Consorci de l'Auditori i l'Orquestra consortium (Festival Emergents and Sampler Series cycle), the Gran Teatre del Liceu (Ópera programme) and the Ópera Catalunya Foundation (Escuela de ópera and Jove Orquestra Simfònica del Vallès).
- Young talent training programme offered by the Celera Association, the awards and grants of the Talent Global programme for CIDOB, the seminars organised by the ASPEN Foundation and the La Movida educational innovation programme organised by KUBBO.

## Culture as a tool for social transformation

The Banco Sabadell Foundation's mission is to bring culture closer to society by co-promoting, together with flagship cultural centres, transformative proposals that contribute to the training, development, preparation and employability of young people through various artistic disciplines:

- Educational and professional guidance projects aimed at young people in socially vulnerable situations, organised by the Exit Foundation, the Empieza por Educar Foundation (Sabadell EduTalent), as well as teacher training with the La Ciutat Invisible Foundation (Seminario Docentes seminars) and the Princesa de Girona Foundation (Generación Docentes programme).
- Projects for cultural transformation through art, organised by Madrid Destino (Dentro Cine), La Selva Ecosistema Creatiu (Horagai), the La Ciutat Invisible Foundation (A Tempo), Teatro Joven, and L'Arc Taller de Música (Zona Jove Xamfrà)
- Social inclusion projects organised by the SHIP2B Foundation (B-Value), the SIFU Group Foundation (SuperArte grants), the Reina Sofia School of Music (Entrepreneurship programme) and the Dáporis Foundation (grants for outstanding young people at risk of social exclusion), as well as support for the Dones Mentores project.

## Medical research and health

In addition to the Banco Sabadell Foundation's four awards for Biomedical Research, Economic Research, Science and Engineering, and Marine Sustainability, the Foundation also supports scientific research through programmes organised by leading entities in the sector, forming part of the Board of Trustees of the Barcelona Institute of Science and Technology (BIST), supporting the Programa de Intensificación de Investigadores intensive research programme organised by Consorci Parc Taulí, the programme of alumni research grants of the San Jorge

University, the pre-PhD grant offered by the Fundación para la Investigación e Innovación Biosanitaria del Principado de Asturias (FINBA) foundation, and the annual activities of the Pasqual Maragall Foundation and the Degén Institute of the Fundación Española de Ayuda a la Investigación en Parkinson (Spanish foundation for research into Parkinson's disease).

## Financial education

Banco Sabadell continues to promote and take part in a number of financial education initiatives. By engaging in this type of activity, the Institution aims not only to meet the training requirements of society in general, but also to be by their side to help them develop skills and decision-making abilities. Some of the initiatives undertaken include:

- The *Educación Financiera en las Escuelas de Cataluña* (EFEC) programme for financial education in schools: Banco Sabadell continues to participate in this programme, having done so for the eleventh consecutive year and ever since its inception. Thanks to the corporate volunteers of the participating institutions, a total of 213,893 students have been trained in basic finance. In this edition, which continued to be run in hybrid form combining face-to-face and virtual workshops, the programme has been taught in 501 educational centres. With the participation of 102 volunteers who ran a total of 870 workshops, Banco Sabadell, together with all of the collaborating institutions, provided training for 25,809 young people aged 15-16. In terms of its version for adults, 21 of the Bank's volunteers held 114 workshops in adult schools and correctional facilities. The estimated figures for the EFEC Adults programme were 128 centres and 6,558 students.
- 'Your finances, Your future' (*Tus Finanzas, Tu futuro*) initiative promoted by the Spanish Banking Association (Asociación Española de Banca, or AEB) and the Junior Achievement (JA) Foundation. In this year's online edition, 107 volunteers from the Bank took part in 60 programmes delivered to 45 educational centres and 1,399 students. In 2024, the programme, which is nationwide in scope, was delivered to 195 centres and 9,230 students.
- 'What do we know about economics' (*Qué sabemos de economía*) programme, organised by the Asturias School of Economists (Colegio de Economistas de Asturias) and Oviedo Town Hall to teach basic concepts about economics and financial education to students aged 11-12. 12 volunteers from Banco Sabadell took part, holding a total of 26 workshops that benefitted 528 students.

During 2024, a total of 9,984 people took part in the workshops that Banco Sabadell volunteers led as part of these programmes.

## Business support and training

- 'Export to Grow' (*Exportar para crecer*) programme: as part of its commitment to provide training in internationalisation to small and medium-sized enterprises, Banco Sabadell, in collaboration with AENOR, AMEC, Arola, CESCE, Cofides, Esade and Garrigues, has been promoting the 'Export to Grow' programme since 2012. This programme supports SMEs in their internationalisation process, through online tools, specialised information services and the organisation of roundtables throughout the country. Under this programme, a series of International Business Conferences (*Jornadas de Negocio Internacional*) were held in online and hybrid (in-person + online) format, most notably the session on *Letters of credit: an exporter's guide*, with the participation of 900 companies, and the session on *International taxation aspects for Spanish*

# 213,893

Students in basic finance

# 9,984

annual recipients of financial education programmes



companies, with 460 participating companies. In addition, a selection of news content concerning international business is offered through a newsletter that is sent to the Bank's business customers every month, with information about international markets and business sectors most likely to engage in internationalisation or exports.

- Sabadell International Business Programme: the Institution held the sixth edition of this university-certified training programme that offers advice to business customers, which has already attracted the participation of more than 400 companies engaging in international business.
- The new editions of the Financial Advisor for Religious and Third Sector Institutions training course came to end; they were promoted in collaboration with the post-graduate school of the University of Francisco de Vitoria and are intended to offer a solid foundation for the day-to-day management of directors and bursars. One of these new editions consisted of a renewed and expanded course, updated with new content to make it more cross-disciplinary, offering complete and rigorous training to professionals and collaborators in the sector with the aim of reinforcing the specialised knowledge of these institutions and helping to provide their directors with knowledge and tools. The second of the new editions was a brief and fully online course (12 ECTS and 24 MiFID accreditation hours) that offers tutorials delivered by Banco Sabadell specialists. For the first time, both of these two latest editions were open to professionals from all sectors and had a wide range of scholarships available covering up to 80% of the enrolment fee. At the end of the programme, the students received their certificates from the University of Francisco de Vitoria. These two new editions culminated with a total of 244 enrolled students (75 of whom were Banco Sabadell employees) and a total of 188 students received their certificates of completion.

## Bridging the digital divide

In 2024, Banco Sabadell promoted the following programmes and initiatives, upholding its commitment to education and digitalisation:

- The 'Technological independence and digitalisation' programme, to bridge the digital divide among older people, in collaboration with the Vivo Fácil Foundation, an organisation specialised in improving the quality of life of older people and other vulnerable groups. The aim of its training activities is to provide those taking part with information about and access to the possibilities that ICT has to offer, improving not only their independence and quality of life but also their sense of belonging and companionship.

In 2024, 58 four-hour workshops were organised, with an average of 12 people in attendance. The workshops were taught by a specialised technician from the Vivo Fácil Foundation and a volunteer from Banco Sabadell. 79 volunteers took part and this programme reached a total of 2,448 individuals.

The Banco Sabadell Foundation carried out the following programmes:

- The 'Connect the Young – Connect the Elderly' (*Conecta Joven – Conecta Mayores*) programme in collaboration with Fundación Balía por la Infancia, an intergenerational project in which young people aged 14-18 complete, on a voluntary basis, a learning process to teach basic computer skills and the use of digital devices to people over age 60, with mild cognitive impairment and/or with intellectual disabilities who, for various reasons, have difficulty in accessing new technologies.



- The university expert course on digital skills of the Fundación Universitaria Las Palmas (FULP) foundation, which seeks to prepare recent graduates of further education for a digitalised and ever-changing job market.

## Corporate Volunteering Programme

This year, once again, the people who form part of Banco Sabadell demonstrated their commitment to society, going above and beyond their professional duties, giving their time and sharing their talents to help people and organisations in need of them. More than 2,800 volunteers took part in social initiatives promoted by the Bank, its Foundation and other collaborating organisations, through the Bank's Corporate Volunteering Programme.

In addition to the educational programmes indicated above, the cooperation initiatives and charitable programmes carried out by the Bank include, most notably:

- Support for third-sector institutions that participate in the B-Value social innovation programme, the aim of which is to professionalise the value proposition and work on the sustainability of projects of non-profit social institutions throughout Spain. Since the first edition of B-Value in 2017, the Banco Sabadell Foundation and other organisations that promote the programme have presented different awards to finalists from among the 40 participating entities. These awards help them to take their projects forward and give visibility to the causes that they support, putting the spotlight on talent and innovation. One of the keys to the programme's success is the participation of the Bank's employees as voluntary mentors. This year, 40 employees from different areas of the Bank and in pre-managerial roles and 13 employees from Sabadell Zurich supported those organisations in developing their social impact projects.
- With regard to programmes that leverage the knowledge and experience of the Bank's employees and that concern vulnerable sectors of society and/or those at risk of social exclusion, two initiatives worthy of mention are the Leader Coach Project and the Career Guidance Programme aimed at socially vulnerable young people run by Fundación Éxit, in which the Banco Sabadell Foundation is involved. It is a corporate volunteering initiative that seeks to improve the future employability of young people who have had an unsuccessful academic experience. This year, 27 volunteers from the Bank took part and dedicated 678 hours of their time to young people, to keep them in training.
- In line with the goal of promoting and supporting young talent, the mentoring and talent management programme provided by the University of Alicante and Banco Sabadell's Technological Skills Centre of Alicante (Centro de Competencias Tecnológicas de Alicante, or CCTA) is worthy of mention. In 2024, the fourth edition of the programme was held, in which 24 professionals from the CCTA guided 15 students from the University of Alicante during the resolution of a challenge, so that they could develop key skills for their professional future.
- Women also benefit from the following programmes: 'Ace your job interview' (*Triunfa en tu entrevista de trabajo*), 'Job search 2.0' (*Búsqueda de empleo 2.0*), 'Ready and able' (*Capaces*) and 'Emotional intelligence for the workplace' (*Inteligencia emocional para el empleo*), in which the Bank has been collaborating with Fundación Quiero Trabajo since 2019. The aim is to empower people, particularly women at risk of social exclusion, by enhancing their skills and attitudes, and by giving them the tools to navigate the selection process and job interviews with a successful outcome. This year, a total of 94 volunteers from the Bank mentored the

**2,800**  
Volunteers

participants of these programmes. In 2024, in collaboration with Fundació Quiero Trabajo, the Bank accompanied other vulnerable groups such as young people who are inmates at the Quatre Camins prison, members of the LGBTIQ+ community and people with intellectual disabilities.

- Each year, to coincide with the Christmas festivities and in collaboration with the Fundació Magone - Salesianos Acció Social, through its corporate volunteering programme, the Bank runs the 'Be one of the Wise Men' (*Conviértete en Rey Mago*) programme, in which volunteers sponsor and deliver gifts in response to letters written by children under the care of the foundation. On the eve of Epiphany, the volunteers distribute the gifts. In 2024, 649 volunteers from Banco Sabadell took part in this project. In addition, in collaboration with Càritas Molina de Segura, 70 volunteers distributed the same number of gifts to local children.

## 5.3.4 Metrics and targets

### 5.3.4.1 S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Institution has set various targets aimed at reducing negative impacts, advancing positive impacts and managing the risks and opportunities of end consumers.

In 2022, the Bank had already reinforced its ESG dimensions applied to the strategy, governance and its business model, with the launch of *Sabadell's Commitment to Sustainability* (published on the Group's website), which includes specific targets for 2025-2050 across four strategic pillars. The action framework set out in Sabadell's Commitment to Sustainability document ensures the integration into its strategy of a forward-looking vision in relation to environmental, social and governance commitments, aligns its business objectives with the Sustainable Development Goals, and establishes action levers to generate transformation and promotion activities.

In this respect, the Bank has set the following targets for 2025 to support customers in the transition to a sustainable economy:

- €65bn in financial products and services mobilised in cumulative terms between 2021 and 2025 in sustainable finance solutions (including green and social loans, sustainability-linked loans, capital markets and social financing). In 2021, the reference value was €11bn. Up to December 2024, more than €57.9bn had been mobilised, €19bn of them during this year.
- >€15bn of financing granted to micro-enterprises in cumulative terms between 2021 and 2025. In 2021, the reference value was €2.9bn. In 2024, over €2.8bn of financing was granted, bringing the cumulative amount over 2021-2024 to over €11.5bn, which represents 77% of the target set for the 2021-2025 period.

In addition, as part of the action framework of Sabadell's Commitment to Sustainability, it is worth highlighting the following targets to be met by 2025:

- Increase direct investments in innovative and high-impact startups (BStartup Green and BStartup Health programmes) through the BStartup10 vehicle. In 2024, the fourth call for proposals under

BStartupGreen and the seventh edition of BStartup Health were launched, and investments continued to be made in startups.

- 10,000 annual recipients of financial education programmes including new sectors of the population (seniors, vulnerable groups, etc.). In 2021, the reference value was 6,300 annual recipients, with the total number of recipients in 2024 being 9,984.
- 2,000 participants in social impact projects. In 2021, the reference value was 1,300 participants, while in 2024, participants numbered a total of 2,800.
- Continue to foster culture and talent by promoting education and research activities through the Banco Sabadell Foundation. In 2024, the Banco Sabadell Foundation continued to conduct initiatives to promote culture and the arts, and research and education, focusing particularly on promoting young talent.

Banco Sabadell contributes to the transition towards a more sustainable and cohesive society through ethical and responsible management. The Bank is also committed to data privacy and cybersecurity and it has set the following targets to be met in 2025:

- Keep security controls aligned with best practices (ISO 27001 standard, NIST Cybersecurity Framework) and have them reviewed by an independent third party. In this regard, in 2024, the Bank continued to control the cybersecurity risks to which it is exposed.
- Keep security training of employees and partners up to date. In 2024, annual training courses in relation to data protection and cybersecurity continued to be held, which are mandatory for all employees, as well as specific training programmes for the cybersecurity teams.

The targets included in *Sabadell's Commitment to Sustainability* were set in 2022, using 2021 as the base year.

The setting of those targets involved all of the Institution's teams, designing four pillars or action areas which are at the core of Sustainability in Banco Sabadell, setting various targets to be met in the short, medium and long term by developing the strategic pillars, with firm commitments and a well-defined roadmap.

Once those targets had been established by the various areas, a formal validation of content was required, requesting approval of the commitments by the various areas involved at two levels.

The Board Strategy and Sustainability Committee approved the content of *Sabadell's Commitment to Sustainability*, as delegated by the Board of Directors.

The Board Strategy and Sustainability Committee, through the Corporate Sustainability Report, a document that contains information about the overall ESG environment in the context of the macroeconomic and regulatory environment, about the Institution's ESG outlook, and about the integration of ESG risks into management arrangements, monitors the priority indicators of *Sabadell's Commitment to Sustainability* on an ongoing basis.



# 5.4 Governance: Business conduct

## 5.4.1 Introduction

Compliance, which forms part of the Group's corporate culture and enhances the required levels of honesty and professional liability, refers to the act of becoming acquainted with, observing, preventing and acting in accordance with the laws, regulations, internal rules and applicable codes of ethics in order to mitigate the risk of incurring sanctions, fines, financial losses and/or loss of reputation.

## 5.4.2 Governance

### 5.4.2.1 ESRS 2 GOV-1: The role of the administrative, management and supervisory bodies

The Corporate Ethics Committee (CEC) reports directly to the Board of Directors and is ultimately responsible for adopting policies on corporate reputation and ethical behaviour. The CEC's core mission is to promote the ethical behaviour of the organisation to ensure compliance with the action principles set out in the Banco Sabadell Group Code of Conduct, the Internal Code of Conduct relating to the securities market, the Corporate Crime Prevention Policy, the General Policy on Conflicts of Interest, the Anti-Corruption Policy and the Policy on the Internal Reporting System and Protection of Reporting Persons<sup>64</sup>.

On the other hand, the matrix of competences and diversity of members of the Board of Directors<sup>65</sup> shows the horizontal and sectoral skills found in the Board of Directors. In this respect, all Board members, as a horizontal skill, have business experience, experience as members of governing bodies, and experience in managing and directing organisations; thirteen of them have specific skills in relation to governance, and twelve in the area of human resources, culture, talent and remuneration. Eight members of the Board of Directors have specific skills in the sectoral area of responsible business and sustainability.

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<sup>64</sup> Details about these policies can be found in section [5.4.3.2 G1-1: Corporate culture and business conduct policies and corporate culture](#)

<sup>65</sup> Details about the matrix of competences and diversity of members of the Board of Directors are given in section [2.1 GOV-1: The role of the administrative, management and supervisory bodies](#)

## 5.4.3 Impacts, risks and opportunities management

### 5.4.3.1 ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

Material impacts, risks and opportunities in relation to business conduct matters have been determined and evaluated in the new Double Materiality exercise and the relevant details are given in section 3.3

[SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.](#)

### 5.4.3.2 G1-1: Corporate culture and business conduct policies and corporate culture

One of the fundamental elements for consolidating a robust corporate culture is the existence of a set of regulations that reflects the firm commitment of all units to comply with legislation, starting with the Management Body.

In this regard, the policies in place at the Bank for managing business conduct matters are indicated here below. In addition, both the Code of Conduct and the policies are published on the Bank's corporate website and on the corporate intranet available to all employees.

#### **Banco Sabadell Group Code of Conduct**

The Board of Directors approved Banco Sabadell Group's Code of Conduct in order to set out the catalogue of principles, obligations and duties that should govern the actions of all those within the Group. The Code of Conduct is reviewed regularly and updated as required.

All internal obligations with ethical content are included in the Group's Code of Conduct, which thus groups them all together in a single regulatory compendium under the direct supervision and approval of the Corporate Ethics Committee and the Board of Directors.

The aim of the Code is to define the criteria that should be followed for ethical and responsible behaviour, both in relationships within the Group itself and in those entered into with customers, suppliers, shareholders, investors and other stakeholders.

Those subject to the Code are people who form part of governing bodies, people with employment links, external suppliers and business partners. It is applicable in all jurisdictions and territories in which the Group carries out its activities, so they are required to formally adopt it.

The principles that underpin the corporate culture and serve as a framework of reference for the Code are the will to serve, proximity, adaptability, commercial approach, innovation, professionalism, ethical conduct, sustainability, austerity, prudence, teamwork, compliance with prevailing legislation and any internally established regulations that may be applicable, transparency, and respect for the privacy and intimacy of the various data subjects whose personal data is subject to processing.

All staff must formally declare their commitment to the Code through a personal and tailored adoption process. They are given a initial deadline to complete this task, which is monitored on a weekly basis.

## Banco Sabadell Group Anti-Money Laundering and Counter-Terrorist Financing Policy

Money laundering and terrorist financing (hereinafter, ML/TF) are severe crimes that damage the global economy and represent a threat to worldwide social and financial stability.

**Banco Sabadell Group is firmly committed to anti-money laundering and countering the financing of terrorism, which is a key element of its fight against financial crime. It is essential to detect and prevent this type of illicit activity to protect and promote the integrity and trust of the markets and financial stability on a global scale.**

Banco Sabadell Group is firmly committed to anti-money laundering and countering the financing of terrorism (hereinafter, AML/CFT), which is a key element of its fight against financial crime. It is essential to detect and prevent this type of illicit activity to protect and promote the integrity and trust of the markets and financial stability on a global scale.

For that reason, AML/CFT is a key pillar of the Institution's control framework. This model is applied in all entities of the Group, incorporating local regulations of the jurisdictions in which it is present, best practices of the international financial sector on this topic and the recommendations issued by international bodies such as the guidelines issued by the Financial Action Task Force (FATF), the Wolfsberg Group, the Basel Committee on Banking Supervision (BCBS) and Spain's Commission for the Prevention of Money Laundering and Monetary Offences (Comisión de Prevención del Blanqueo de Capitales e Infracciones Monetarias).

Banco Sabadell Group has an Anti-Money Laundering and Counter-Terrorist Financing Policy in place, approved by the Board of Directors, which establishes the basic principles, critical management parameters, governance structure, roles and responsibilities, procedures, tools and controls applicable in relation to AML/CFT and which describe the main procedures through which Money Laundering and Terrorist Financing risks should be identified and managed at all levels of the Group.

The Group defines roles and responsibilities on the basis of the model of three lines of defence:

- a. 1st line of defence, formed of business and management units;
- b. 2nd line of defence, which includes Compliance and Internal Control; and
- c. 3rd line of defence, comprising Internal Audit.

The Group's AML/CFT units are integrated in the second line of defence and their goal is to ensure the fulfilment of legal obligations in relation to AML/CFT. The function comprises one Group unit as well as local units in each of the obliged parties, led by designated officers in each of the geographies in which Banco Sabadell operates. In this respect, the Group's international presence means that it is subject to supervision by different regulators, requiring it to comply with a variety of regulatory requirements, which in turn requires it to have a global and cross-cutting risk management and control model.

It also has an Internal Control Body (hereinafter, ICB), which meets on a regular basis and whose mission is to oversee the implementation



and effective fulfilment of its policies and procedures, thereby ensuring that ML/TF risk is appropriately managed in the Group.

The Group seeks to develop and continuously improve its ML/TF risk management model, which in accordance with Spanish regulations is reviewed annually by independent experts. In 2024, the external expert in question noted that Banco Sabadell Group has adequate control and detection systems in place designed to comply with anti-money laundering and counter-terrorist financing regulations.

In terms of training, each Group entity has an annual training plan. This plan outlines the training actions stipulated for the current year and the mandatory AML/CFT courses of each function. Employees are under the obligation to perform all AML/CFT training actions that they are invited to complete, so that they may prevent, avoid and/or detect any instances of money laundering and/or terrorist financing in the course of their professional activities. Completion of all training actions is duly validated and the level of completion of the annual training plan is documented.

## **Banco Sabadell Group Corporate Crime Prevention Policy**

The purpose of Banco Sabadell Group's Corporate Crime Prevention Policy is to establish the applicable principles, critical management parameters, governance structure, roles and responsibilities, procedures, tools and controls relating to the prevention of corporate crime, and to ratify the firm commitment of the Group to abide by those rules as well as ethical standards and, in particular, its resolve to implement rules and controls to minimise the commission of crimes and to confirm the complete and absolute intolerance of any inappropriate behaviour and, especially, any conduct that may constitute a criminal offence. All this forms the Corporate Crime Risk and Anti-Corruption Management and Organisation Model. Ultimate responsibility for it lies with the Board of Directors, while the CEC is responsible for oversight of the functioning, observance and execution of that model, in accordance with the stipulations of the Policy.

The unit responsible for the Group Policy is the Compliance division, which also takes responsibility for defining general guidelines relating to the prevention of corporate crime and for supervising their appropriate implementation.

The Policy is applicable to the activity carried out by Banco Sabadell Group through its companies in the various territories in which it operates.

Its subjective scope of application extends to the Group's executives, legal representatives and employees and to all natural or legal persons providing services to or in the Group, as well as all collaborating partners, professionals or firms subcontracted by the same.

In 2022, AENOR Internacional S.A.U. conducted a full audit of the Corporate Crime Risk and Anti-Corruption Management and Organisation Model, with a view to ascertaining and certifying that Banco de Sabadell S.A.'s model complied with the requirements set forth by standards UNE 19601 on crime compliance management systems and ISO 37001 on anti-bribery management systems, obtaining both certifications in early 2023 and retaining them in 2024 upon satisfactorily completing the follow-up audit carried out by AENOR, with no Model Non-Conformities identified during the exercise.

As part of the commitment to the corporate crime prevention and anti-corruption model, and with a culture of ethics and compliance, all of the Bank's workforce is required, on a regular basis and whenever significant changes take place in the main policies on which it is based, to personally and individually undertake to follow Banco Sabadell Group's Corporate Crime Prevention Policy.

## **Banco Sabadell Group Anti-Corruption Policy**

**Banco Sabadell Group, as part of its activities, undertakes to safeguard integrity and promote a culture of zero tolerance of corruption, expressly prohibiting any and all actions of this kind.**

Similarly, the Group undertakes to uphold the commitment undertaken as signatory of the United Nations Global Compact, with regard to compliance with the 10 principles established therein, among them that of working against corruption in all its forms, including extortion and bribery. In keeping with this, the Anti-Corruption Policy has been developed considering, among other reference documents, the UN Global Compact's Guide for Anti-Corruption Risk Assessment.

The purpose of the Anti-Corruption Policy is to establish the applicable principles, critical management parameters, governance structure, roles and responsibilities, procedures, tools and controls relating to anti-corruption, and to ratify the firm commitment of the Group to abide by these rules as well as ethical standards and, in particular, its firm commitment to fight against corruption and to confirm the complete and absolute intolerance of any inappropriate behaviour. All this forms the Corporate Crime Risk and Anti-Corruption Management and Organisation Model. Ultimate responsibility for it lies with the Board of Directors, while the CEC is responsible for oversight of the functioning, observance and execution of that model, in accordance with the stipulations of the Policy and of the Corporate Crime Prevention Policy.

The unit responsible for this Policy is the Compliance division, which also undertakes responsibility for defining general guidelines relating to anti-corruption and for supervising their appropriate implementation.

The Policy is applicable to the activity carried out by Banco Sabadell Group through its companies in the various territories in which it operates.

Its subjective scope of application extends to the Group's executives, legal representatives and employees and to all natural or legal persons providing services to or in the Group, as well as all collaborating partners, professionals or firms subcontracted by the same.

As part of the commitment to the corporate crime prevention and anti-corruption model, and with a culture of ethics and compliance, all of the Bank's workforce is required, on a regular basis and whenever significant changes take place in the main policies on which it is based, to personally and individually undertake to follow the Anti-Corruption Policy.

## Banco Sabadell Group General Policy on Conflicts of Interest

The ultimate and fundamental goal of the General Policy on Conflicts of Interest is to ensure that all those subject to that Policy act in accordance with the ethical standards and principles that govern the Group's activities, creating a culture of compliance and an action model based on honesty, professional accountability and impartiality and on the basis of the following guidelines:

- Measures should be in place to prevent conflicts of interest.
- If conflicts of interest occur or could potentially occur, measures should be in place that enable these to be detected, recorded and promptly dealt with.
- If any conflicts of interest do occur, they should be eliminated or, where that is not possible, the nature and origin of the conflict should be revealed to the customer or to the competent decision-making bodies in each case, so that they may make the necessary decisions.

This Policy is the responsibility of the Compliance division. In addition, the Board of Directors of the Group's parent company is responsible for approving this Policy and it delegates its supervision and control to the Corporate Ethics Committee.

The Policy is applicable to all Group companies and, consequently, to their directors, managers, employees and partners and to any individual directly or indirectly related to them, as envisaged by the regulations applicable to the area in which the potential conflict of interest arises.

## Banco Sabadell Group Policy on the Internal Reporting System and Protection of Reporting Persons

The purpose of the Policy is to comply with that provided in Law 2/2023, which transposes Directive 2019/1937, and specifically with the duty to have a policy that sets out the general principles of the Internal Reporting System and the Protection of Reporting Persons, covering the internal communication system and its corresponding channels.

According to Banco Sabadell Group's Code of Conduct, the Group must carry out its business activity in compliance with the law and in an ethical, honest and transparent manner and showing the utmost respect for its people. Therefore, the Group has placed the necessary means at the disposal of its stakeholders, both internal (shareholders, directors, managers or existing and former employees) and external (subcontractors, partners, suppliers, etc.), so that they may report any issue or sign of a breach of the Code of Conduct, of internal and/or external regulations, and/or of the possible commission of a crime of which they become aware as part of their work or professional activity, without fear of any kind of retaliation when used in good faith.

The commitment to a culture of ethics and compliance materialises in the possibility of reporting irregular situations or conduct, as well as in the adoption of adequate measures in the event of potential breaches or, where appropriate, rectification of their consequences to prevent the damage from reoccurring in the future.

The Policy is applicable to the whole of Banco Sabadell Group in all matters that do not conflict with the applicable legislation in the corresponding jurisdiction.

The Internal Reporting System is generally the preferred means to report actions or omissions that may involve a breach of the law, of Banco Sabadell Group's Code of Conduct, or of the other internal regulations of the Group. Queries or questions may also be put forward in that respect.

The Bank's Board of Directors, as the Institution's most senior decision-making body, is responsible for implementing an Internal Reporting System and for appointing someone to be responsible for its management and for approving the Policy.

The Compliance division is responsible for the Policy and is in charge of its development and wording, proposing the necessary amendments and/or updates.

## Business conduct training

In order for the workforce to be familiar with the details of the Code of Conduct's content, including the identification, reporting and management of conflicts of interest, and for them to undertake to effortlessly honour it, the main aspects of the criminal liability of legal persons, the risks in relation to corruption and bribery, types of corruption, prohibited actions and their consequences, as well as the existence, operation and guarantees of the whistleblowing channel, all employees are required to complete mandatory specific training courses on each of those subjects, which are reviewed regularly and updated as required.

In addition, employees are required to complete training on the Internal Code of Conduct in relation to the Securities Market (*Reglamento Interno de Conducta*, or RIC). The aim of the course is to explain what that code consists of, whom it affects and what restrictions it imposes. It also covers all circumstances in which an employee is required to comply with the RIC and the associated obligations. In addition, it teaches how to use the RIC portal, indicating the information that is available there and how it works. It also covers breaches, penalties and the role of the Corporate Ethics Committee.

The courses that employees are required to complete in relation to business conduct, along with the percentage completion of those courses, is shown here below:

Course	% completion
Code of Conduct	98.9%
Internal Code of Conduct relating to the securities market (RIC)	99.0%
Anti-Corruption	99.2%
Corporate Crime Prevention	99.5%
Whistleblowing channel and protection of reporting persons	97.5%

In addition, in order to facilitate continuous and voluntary learning with new and interesting formats, such as infographics, short videos, comic strips, posts, etc., the Bank's workforce is given access to the training space known as the "Regulatory School". This space has different sections called 'classrooms' dedicated to specific topics such as anti-money laundering and counter-terrorist financing, data protection, and ethics and conduct. In the last of these classrooms, staff have access to content related to corporate crime, so that they may learn what it consists of and become familiar with risks of corruption and bribery, conflicts of interests, how to identify them, how to manage them and where to report them, and with the whistleblowing channel, specifically how it works, the guarantees that it provides and how to access it. On the other hand, in the section dedicated to 'Conduct', they can find the relevant materials, related information and the Group's own Code of Conduct as well as the Suppliers' Code of Conduct.

On a regular basis, Banco Sabadell's Board of Directors also receives training in relation to corporate crime prevention, the prevention of corruption, and on the corporate crime and anti-corruption organisation and management model.

## Internal Reporting System - Whistleblowing channel

As part of its commitment to a culture of ethics and compliance, the Group has an Internal Reporting System for reporting, in general, actions or omissions that could entail a breach of prevailing legislation, of the Group's Code of Conduct or of other internal regulations.

### **Banco de Sabadell, S.A., as the Group's parent company, has a whistleblowing channel available to its stakeholders and subsidiaries.**

Banco de Sabadell, S.A., as the Group's parent company, has a whistleblowing channel available to its stakeholders and subsidiaries (except those in Mexico and the UK, which have their own channels), as a formal whistleblowing mechanism, one of the guiding principles of which is the protection of the reporting person.

As mentioned previously, the Institution has a Policy and Procedure for the Internal Reporting System and Protection of Reporting Persons that describe the principles and safeguards of the Internal Reporting System and the process and main stages of the management of whistleblowing reports.

The CEC is responsible for the Group's Internal Reporting System in the case of the Bank and subsidiaries, except those in Mexico and the United Kingdom, where their respective Boards of Directors have assigned responsibility for taking action to the Audit Committee in the case of Banco Sabadell, Institución de Banca Múltiple in Mexico and SabCapital S.A. de C.V. SOFOM E.R., and to the Whistleblower Champion in the case of TSB.

In this respect, the CEC is responsible for managing the Group's Internal Reporting System and also the whistleblowing channel, as one of its components.

The CEC, as a collegial body, delegates to its Secretary, who is a CEC member and the Chief Compliance Officer (CCO), the role of managing the whistleblowing channel and processing whistleblowing reports, within the scope that may be determined, at any time, in the CEC's Rules of Procedure.

The CEC and, by delegation, the CCO, shall carry out the role of Head of the Reporting System independently and autonomously of the administrative or governance bodies, committees, or staff of the Institution and its Group, provided this is so envisaged in the prevailing legislation, without taking instructions of any kind in the performance of their duties, and they shall have access to all human and material resources necessary to carry out their role. Thus, the CEC, and by delegation the CCO, shall have at their disposal the human resources assigned to Compliance to carry out their role, and may request support from the staff of that function and, within it, the Corporate Crime Prevention and Code of Conduct Management unit.

The channel is hosted on a platform that can be accessed through the Banco Sabadell Group website (<https://canaldenunciESGrupo.bancsabadell.com>) and it is the main method used to report, detect and manage potential irregularities that could undermine the aforesaid commitment or that could constitute the commission of a crime. Any Group employee or related person (subcontractors, partners, suppliers, etc.) must report any information or sign of a breach of the Code of Conduct or of the commission of a potential crime of which they become aware.

As for the regular reporting on the activity and operation of the Internal Reporting System, the CEC prepares a quarterly report and the Board Audit and Control Committee and the Board of Directors are informed on a semi-annual basis of the number of reports received during the corresponding period, the channel of origin, the type of report, the type of reporting person (named or anonymous) and the outcome of the investigation, together with the possible application of the internal penalties regime stemming from the reports filed. Those same reports also include information relating to the reports managed through the internal systems of TSB and Banco Sabadell Mexico.

In order to become familiar with the operation and guarantees of the internal whistleblowing channel, the workforce is required to complete a mandatory course on the channel and on the protection of reporting persons, which includes all of the new content related to Law 2/2023.

Similarly, in the 'Regulatory School', the workforce has access to a space dedicated to 'Corporate Crime and Anti-Corruption', within the 'Ethics and Conduct' classroom, which contains specific content about the whistleblowing channel, specifically what it is, who it is for, how to use, how to access it, the details that must be indicated in any reports, the guarantees that it offers and its ultimate goal.

Staff from the Corporate Crime Prevention & Code of Conduct Management unit have the necessary training to adequately perform their duties of managing the whistleblowing channel and dealing with any reports submitted.

In accordance with the Procedure for the Internal Reporting System and Protection of Reporting Persons, staff that file a report are protected in accordance with that set forth in Directive (EU) 2019/1937, which was transposed into Spanish law through Law 2/2013, specifically:

- Ensuring anonymity and confidentiality. Staff may submit reports on a named or, if they prefer, anonymous basis, in which case the Institution will not attempt (and will ensure that the rest of the Group does not attempt) to uncover their identity. If they do decide to identify themselves, their identity and that of any other person concerned is guaranteed to be kept under the strictest confidence, as is any information that they provide and their personal data.
- Ensuring the absence of any retaliation against reporting persons acting in good faith, declaring any act that constitutes retaliation or threats, or any attempted retaliation or threats, to be invalid. To that end, the requisite measures will be adopted to prevent and avoid retaliation against the reporting person.

Similarly, where appropriate and possible, Banco Sabadell will check in with the reporting person on a regular basis, in accordance with that provided in the Internal Non-Retaliation Protocol.

All reports submitted through the channel have been duly investigated and processed. The Procedure for the Internal Reporting System and Protection of Reporting Persons sets out all stages involved in dealing with reports submitted through the channel, such as:

- Receipt, acknowledgement of receipt to the reporting person, record-keeping and decision-making regarding the report's admissibility or inadmissibility.
- Information provided to the parties: reporting person and reported person.
- Opening of the case file and appointment of the investigator.
- Issuance of internal investigation report and proposed resolution (archiving or adoption of corrective measures/application of the internal penalties regime) and closure of the case file.

As at 31 December 2024, a total of 74 reports had been received, 31 of which were admitted for processing and investigated, with the investigation still ongoing for 2 of them. 41 were rejected (in 11 cases because they did not fall within the personal scope, in 24 cases because they were outside of the channel's material scope and in 6 cases due to insufficient information), while 2 had not yet been admitted/rejected.

Broken down by type of report, those related to workplace harassment/discrimination had the highest number of reports (18), followed by breaches of the code of conduct and internal regulations (13) and breaches of banking/product selling regulations (6).

Of the 31 reports processed, the investigations carried out concluded that a breach had only occurred in 14 cases, resulting in disciplinary actions on 6 occasions, with 1 disciplinary dismissal.

None of the reports received in 2024 resulted in the confirmation of cases related to corruption or bribery, or to human rights violations in Banco Sabadell Group.

In accordance with that set forth in the Equality Plan, any report aimed at exposing a possible act of discrimination, workplace and/or sexual harassment or gender-based harassment is channelled through the whistleblowing channel. Once the report has been admitted for processing, the Harassment Prevention Committee will run point and lead the investigation.

Through the whistleblowing channel, a person within the personal scope of application may report cases related, among other things, to corruption/bribery, human rights violations, or to breaches of bank regulations, the Code of Conduct, or internal regulations.

In accordance with that provided in the Anti-Corruption Policy, no distinction is made between areas that may have greater or lesser exposure to risks of corruption and bribery. That Policy is applicable to the directors, legal representatives and employees of the Group and to all natural and legal persons providing their services in the Group, as well as collaborating partners, professionals or entities subcontracted by the same.

As part of the commitment to the corporate crime prevention and anti-corruption model, and with a culture of ethics and compliance, all of the workforce of Banco de Sabadell, S.A. and its domestic subsidiaries is required, on a regular basis and whenever significant changes take place in the main policies on which it is based, to personally and individually undertake to follow Banco Sabadell Group's Corporate Crime Prevention Policy and the Anti-Corruption Policy.

### 5.4.3.3. G1-2: Management of relationships with suppliers

**The new challenges of competition and those faced by society today require close coordination between the Group and its suppliers, viewing the latter as partners and collaborators to help achieve strategic objectives and to ensure fulfilment of the goals and commitments in relation to sustainability**

The new challenges of competition and those faced by society today require close coordination between the Group and its suppliers, viewing the latter as partners and collaborators to help achieve strategic objectives and to ensure fulfilment of the goals and commitments in relation to sustainability (including their environmental, social and governance-related components).



In order to establish this long-term cooperation, it is also necessary to understand the needs and goals of suppliers, maintaining a willingness to honour their commitments and making them compatible with the Group's requirements and vision.

Under this premise, the Group has a Procurement Policy and a Policy on the Outsourcing of Functions, as well as several associated procedures and mechanisms through which it extends its commitment to socially responsible practices to the supply chain. These practices include the advocacy of human rights, workers' rights, freedom of association and environmental rights. These policies, procedures and mechanisms cover the entire end-to-end relationship with suppliers, from the start of the supplier accreditation and procurement process until the services are provided, controlled and monitored. The two policies are reviewed and approved annually by the Board of Directors.

The Group's Procurement Policy and its associated procedures lay down mechanisms and controls to ensure the adequate management of the actual and potential impacts of all third-party engagements, ensuring the following principles:

- a. Cost-benefit analysis: all goods or services should be purchased or hired with the intention of ensuring that the benefit obtained outweighs the cost of producing them internally.
- b. Competition guarantee: fair competition and equal opportunities among suppliers must be ensured, seeking to offer all those taking part in the bidding process the same opportunities, always provided they meet the minimum requirements, including obligations in relation to social responsibility.
- c. Preservation of capabilities and responsibilities: procurement activities should not reduce the Group's internal control capabilities or make it any less able to fulfil its responsibilities before competent authorities and supervisory bodies.
- d. Sustainability: the Group should ensure that it promotes the engagement of suppliers that apply best practice in matters related to ethics, governance, society and the environment.

The supplier engagement process comprises various phases:

## Identification of need

The Group's various business units detect the need and make a decision, with Management's authorisation, to proceed to formally request initiation of the procurement process in order to meet the identified need.

## Detailed analysis and definition of the engagement strategy

Regulatory and legislative impacts of the procurement process are identified, thereafter deciding on the most suitable purchase process (e.g. tender process led by the Purchasing division, tender process delegated to the unit that put forward the request, bilateral negotiation captained by the Purchasing division).

The accreditation process, a prerequisite for a supplier to be awarded a service contract, ensures that suppliers meet the standards set out in the Group's various policies and comply with the Supplier Code of Conduct, which comprises:

- The United Nations' Universal Declaration of Human Rights.
- The International Labour Organisation's conventions.
- The United Nations' Convention on the Rights of the Child.
- The principles of the United Nations Global Compact, signed by the Group in February 2005, in the areas of human rights, labour, the environment and freedom of association.

In order to proceed with the accreditation process, suppliers must provide their legal documentation, financial information, quality certificates,

tax clearance certificates proving they are up to date with their social security payments and tax obligations (or similar certificates to that effect depending on the geography), as well as their policy on Corporate Social Responsibility (CSR) and aspects related to sustainability (governance of the organisation, society and community, and environment), assigning a rating to suppliers (A+, A, B, C or D) based on the information provided. Accordingly, ISO certifications (ISO 9001, ISO 14001 and other certificates related to quality, environmental management, labour relations and occupational hazard prevention or similar) are requested, as well as disclosures of information related to the company's CSR and/or sustainability. In addition, details of the characteristics of the products made available to the Bank by the supplier (recycled, eco-friendly and reusable products) are also required.

Supplier validations are carried out on a regular basis, checking that the documentation provided by suppliers is fully up to date to ensure compliance with supplier accreditation criteria, establishing mechanisms for sending regular alerts.

For supplier engagements in Spain (which account for over 73% of the Group's third-party billing), the Bank has updated its supplier relationship management model to include the supplier rating system known as "RePro", created by ACHILLES South Europe, S.L., which gives useful information about partners that have responsible practices throughout its entire supply chain (assigning an ESG rating to each of them), ensuring that it only works with those that are closely aligned with its targets in relation to social, ethical and environmental responsibility. Furthermore, for suppliers not registered on the RePro system, the Bank has its own mechanisms that it uses to obtain a rating.

On the other hand, in terms of information security and the protection of data owned by the Group and to which suppliers have access, an analysis is conducted prior to engaging any potentially sensitive services in that regard, and specific monitoring exercises are carried out depending on the supplier's inherent risk.

## Supplier engagement

The standard contract with suppliers includes clauses concerning the respect of human rights and the observance of the ten principles of the United Nations Global Compact on that matter, also including labour rights, the fight against corruption, restrictions on lending and investment in activities in the arms industry, and the equality plan.

The Group ensures compliance with the laws and regulations applicable at any given time, with contracts stipulating the ability to require suppliers to adapt their activities and service level agreements to those regulations.

Supplier engagement in the international network is decentralised, hiring mostly local suppliers and affecting only products for sole use by the relevant branch or office in its day-to-day activities. The hiring of local suppliers (those whose tax identification number coincides with the country of the company receiving the goods or services) contributes to the economic and social development of the regions in which the Group operates.

For services considered to be outsourced services (as per criteria in EBA/GL/2019/02) and/or critical services, the requirement is to perform a risk assessment for each supplier/service combination. The risk assessment is reviewed at regular intervals throughout the life cycle of the service. The risk assessment analyses different types of risk (i.e. reputational, operational, ICT, compliance, legal, step-in, country, systemic and concentration risks), paying particular attention to services with high risk levels.

## Monitoring

For services categorised as outsourced (as per criteria of EBA/GL/2019/02) and/or critical (to business continuity, for example), regular exercises are carried out to monitor the supplier's performance and their fulfilment of their contractual obligations, which include aspects such as

the monitoring of business metrics to ascertain the level of service, or the application of the agreed relationship governance model and official releases/reports published on those forums. Based on these monitoring exercises, an overall appraisal is obtained of both the service provided and the supplier themselves.

Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector (DORA) came into force in January 2025. Its aim is to increase the level of control over technological services to reduce the digital risk of financial institutions, exercising greater control over providers of ICT or technological services. In this regard, the Group has initiated the process to adapt its services to the aforementioned regulation.

## Audits

Internal Audit conducts regular audits of supplier engagement processes in general and of outsourcing providers in particular (EBA/GL/2019/02 criteria).

The audit recommendations resulting from those evaluations found no critical aspect and are being implemented in accordance with the established calendar.

## Information about suppliers

In 2024, the top 20 suppliers represented 37.72% of all supplier invoicing. Other noteworthy aspects are included in the following table:

	2022	2023	2024
Total number of suppliers who had invoiced more than 100,000 euros as at year-end (1)	577	845	740
Percentage of suppliers of critical services (out of total suppliers)	7.3%	7.7%	8.9%
Total number of approved suppliers (2)	1,376	2,303	2,270
Amount invoiced by Special Employment Centres	€3.7m	€3.1m	€2.9m

These figures exclude those relating to brokerage, securities firms, subsidiaries, duties and taxes, pension funds, homeowners' associations, SOCIMIs (REITs) and rental of premises.

(1) The year 2024 includes 438 suppliers in Spain, 228 suppliers in TSB, 40 suppliers in Mexico, and 34 suppliers in foreign branches.

(2) The year 2024 includes 1,369 suppliers in Spain, 342 in Mexico, 525 in TSB and 34 in branches with billing of > €100,000.

## Policy to prevent delays in payments to suppliers

To prevent delayed payments, Banco Sabadell has an internally developed platform that serves as an in-tray for invoices, in which suppliers send their own invoices, thus preventing them from being lost. This platform serves not only as a channel for receiving and approving invoices, but also as a documentation repository.

Once submitted by suppliers, invoices undergo an approval workflow in which managers approve their respective invoices and, once approved by all corresponding levels, they are relayed to the Invoices Management unit so that each invoice may undergo formal and fiscal validation and be entered in the accounts. The time available for validation and account entry is four days (two for validation and two for accounting), although usually the entire process is completed within two or three days at most.

In addition, the Bank's regulations state that on the 10<sup>th</sup> and 25<sup>th</sup> of every month, payments should be launched to all suppliers; however, since March 2020 (due to the pandemic) to date, payments have been launched on a weekly basis.

## 5.4.3.4 G1-3: Prevention and detection of corruption and bribery

The Group undertakes to safeguard integrity and promote a culture of zero-tolerance of corruption, expressly prohibiting any and all actions of this kind. Similarly, as a signatory of the United Nations Global Compact, it is committed to complying with the ten principles established therein, among them that of working to combat corruption in all its forms, including extortion and bribery.

The Group's Anti-Corruption Policy defines all acts that would qualify as corruption, as well as actions related to the topic that are not permitted. It is available to the entire workforce on the corporate intranet and also to business partners, as it is also published on the corporate website.

As for the identification and control of risks related to corruption, it should be pointed out that a Corporate Crime Risk and Anti-Corruption Management and Organisation Model is in place, which is re-evaluated annually and has its own specific section on the fight against corruption. As a result of the activities carried out as part of the aforesaid model and the management of the whistleblowing channel, described above, no risks related to corruption materialised in 2024, 2023, 2022 or in 2021.

The whistleblowing channel has a specific area dedicated to submitting reports of 'corruption / bribery', through which those covered by the personal scope of application may submit reports, which will be covered by the guarantees and dealt with and investigated in an independent and impartial manner, according to that provided in the Banco Sabadell Group Policy on the Internal Reporting System and Protection of Reporting Persons and its implementing procedure.

Particular importance is also attached to the oversight of loans and accounts held by political parties, by following a very rigorous customer onboarding protocol, and to the controls over donations and contributions received from third parties. Similarly, the Bank does not make contributions of any kind to political parties, politically exposed persons or related institutions. Likewise, in terms of transparency, all donations to NGOs and foundations are analysed and assessed by the Foundation's Board of Trustees. In relation to the Bank's sponsorship commitments, internal regulations are available containing criteria for their final approval or rejection.

## 5.4.4 Metrics and targets

### 5.4.4.1 G1-4: Confirmed incidents of corruption or bribery

In relation to incidents of corruption and bribery, it is important to note that in 2024:

- There have been no convictions or fines for breaches of anti-corruption and bribery laws.
- There have been no confirmed incidents of corruption or bribery in the Institution, with no employee having been dismissed or penalised internally for incidents related to this topic, and with no contract with business partners having been terminated or not renewed due to infractions related to corruption and bribery.
- At present, there have been no public legal cases regarding corruption or bribery brought against the undertaking and its own workers during the reporting period or during previous years.





## 5.5. Entity-specific disclosures: Tax responsibility

**One way in which Banco Sabadell Group's commitment to sustainability materialises is in the promotion and development of responsible tax management, aligned with the Sustainable Development Goals (SDGs) approved by the United Nations.**

The action principles followed for tax matters are geared towards compliance with the SDGs, particularly those relating to fostering a fairer, more respectful, sustainable and cohesive society (e.g. "No poverty", "Reduced inequalities"), SDG 8 "Decent work and economic growth" being one of the priority goals for the Group according to the Group's Sustainability Policy<sup>66</sup> that is closely related to tax affairs.

### Tax strategy

The principles of the Group's tax-related actions are listed and explained in the tax strategy approved by its Board of Directors<sup>67</sup>, which is reviewed annually, although it can be adapted if necessary in the event of regulatory changes or changes in the fiscal environment.

The tax strategy is applicable to all companies controlled by the Group and they are all required to comply with it, regardless of their geographical location, without prejudice to any adaptations made to comply with the requirements of jurisdictions' own legislation, as in the case of the United Kingdom. Such transpositions must be aligned with the principles, values and common action guidelines established in the aforesaid tax strategy. Similarly, the Group undertakes to ensure that, for investments in which control is shared with partners outside of the Group, or in which there is a significant shareholding, certain action principles in relation to tax matters are followed that are aligned with the tax strategy.

The tax strategy's principles and action guidelines are established in a way that is aligned and consistent with the Group's mission, values and business strategy, based on ethical and responsible management, guiding its commitment so that its activities have a positive impact on society as a whole. In the same vein, the business strategy is geared towards profitable growth that generates value for shareholders, with a conservative risk profile, as part of the framework of ethical and professional codes and taking into account the needs of the various stakeholders.

To that end, the Group has a set of policies, internal rules and codes of conduct that guarantee the aforesaid ethical and responsible behaviour at all levels of the organisation and in all of its activities.

The Group's Code of Conduct establishes the fulfilment of tax obligations as one of the fundamental elements that will allow it to deliver on its commitment to the economic development of society in all jurisdictions in which it operates<sup>68</sup>, and to act in accordance with the principles established in its tax strategy, as well as making tax

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<sup>66</sup> The Sustainability Policy can be viewed on the corporate website: [Policies, codes and rules](#)

<sup>67</sup> The Tax Strategy can be viewed on the corporate website: [Tax responsibility](#)

<sup>68</sup> Banco Sabadell Group's Code of Conduct can be viewed on the website: [Internal regulations](#)

contributions stemming from the Group's responsible taxation actions in each of those jurisdictions.

In order to detect and manage any elements that could put the aforesaid ethical and responsible behaviour at risk, the Group has a complaints channel in place that enables participation and dialogue with the various stakeholders.

The principles set forth in the aforesaid tax strategy are the principles of efficiency, prudence, transparency and minimisation of tax risk, which aim to ensure compliance with current tax legislation by promoting responsible and transparent actions with regard to tax, in accordance with the requirements of customers, shareholders, tax authorities and other stakeholders. These principles are the following:

- Guarantee and ensure compliance with and observance of the current tax-related laws and regulations in effect in each and every one of the countries and territories in which the Group's companies operate and/or are present, as well as the international guidelines and principles stipulated in tax matters by the OECD, by means of a reasonable interpretation of the regulations that takes into account both their literal meaning and their spirit and purpose.
- Establish tax criteria on a sound legal basis, grounded in existing doctrinal and jurisprudential criteria, as well as international guidelines and standards.
- Verify that transactions are carried out only where there are sound commercial and business reasons, whilst ensuring that obtaining maximum tax efficiency is not prejudiced in the achievement of such an objective.
- Conduct the prior analysis of the tax implications of transactions with the aim of minimising tax risks, including reputational risk.
- Design and market banking products, assessing all their tax implications, which will be clearly and transparently communicated to customers.
- Value related party transactions, as legally defined at all times, on the basis of the arm's length principle in the terms established by the OECD, taking into account the functions, assets and risks of the parties involved, and observing the recommendations approved by the OECD.
- Avoid structures or entities of an opaque nature or resident in territories classified as tax havens/non-cooperative jurisdictions whose purpose would be to reduce the tax burden of the Banco Sabadell Group. In the event of a presence or transactions in these territories, it shall be for economic and business reasons.
- Encourage constructive and collaborative relations with tax authorities on a reciprocal basis of good faith and transparency, guided by institutional respect and seeking mutually agreed solutions in case of divergent views. As an example of these initiatives, Banco Sabadell has adhered to the Code of Good Practices of the Spanish Tax Authority, acting collaboratively and in line with the recommendations set out in that text.

In addition, the tax strategy establishes that the Group shall disclose relevant tax information in a direct, clear and transparent manner to its customers and shareholders, to tax authorities and to other stakeholders, taking their needs into consideration.

The attainment of the objectives set out in the tax strategy and compliance with the fundamental principles that govern it are ensured through the establishment of a tax risk management and control system, which is embedded in Banco Sabadell Group's Global Risk Framework.

In this respect, the Group's Tax Risk Policy aims to ensure that any tax risks that could affect its tax strategy are identified, assessed and managed in a systematic way through their categorisation and proactive management, in order to anticipate, detect and respond to



possible risk situations in an appropriate and timely manner. It also lays down a governance structure in relation to tax risk management and control, which ensures that the tax approach is embedded throughout the organisation.

The core principle of this structure is the direct involvement of the entity's governing and management bodies within a corporate model based on three lines of defence, with a clear assignment of roles and responsibilities and an adequate level of separation and independence to avoid compromising the effectiveness of this model.

In terms of the roles and responsibilities of the model of three lines of defence:

- The first line of defence includes (i) the business and support units responsible for complying with Banco Sabadell's obligations in tax matters, and for managing the corporate and operational processes that support the information and data necessary for the correct calculation of taxes and reporting to the Public Administration agencies and (ii) Tax Advisory, which, by establishing the tax criteria applicable in taxation matters, oversees the proper application and due compliance with the principles governing this tax strategy as well as promoting actions aimed at increasing knowledge and awareness of tax risk in the Group. An example of such actions is the effort to keep on top of the ever-changing tax regulations and standards in relation to responsible taxation; these tasks are carried out through an ongoing review by the experts dedicated to this topic, who prepare the corresponding communications that are then supplemented with the necessary explanations and training content aimed at the units affected by any tax-related amendments, generating a process of fluid and continuous communication.
- The second line of defence includes Internal Control and Regulatory Compliance, which, in general terms, must ensure that the first line of defence is well-designed and performs its assigned duties, with a view to its continuous improvement.
- Lastly, the supervisory function of the third line of defence is carried out by Internal Audit, whose mission is to help the Group to achieve its objectives by providing a systematic and disciplined approach to assess the adequacy and effectiveness of the organisation's governance processes and its risk management and internal control activities.

To this end, the Board Audit and Control Committee supervises the Group's tax management, focusing particularly on the implementation of the tax strategy and its guiding principles, through regular reports received from Tax Advisory regarding the actions carried out to adequately analyse tax affairs, the main tax-related proceedings and actions on Corporate Tax Governance (such as the voluntary submission of the Annual Tax Transparency Report for 2023, or the development of the stages subsequent to the submission and receipt of the Annual Tax Transparency Report for 2022)<sup>69</sup>.

It also ensures the continuity of the management and control system, which guarantees the application of the principles laid down in the tax strategy, through mechanisms for the smooth succession of certain positions, as provided in the Group's internal regulations.

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<sup>69</sup> The report on the operation and activities of the Board Audit and Control Committee, which is available on the corporate website: <https://www.grupbancsabadell.com/corp/en/corporate-governance-and-remuneration-policy/committee-reports.html>, contains details of the key aspects relating to the financial year 2024

# Collaborative relationship with the State Tax Agency, Good Tax Practices and Transparency

## Banco Sabadell adheres to the Code of Good Tax Practice (Código de Buenas Prácticas Tributarias, or CBPT).

Banco Sabadell adheres to the Code of Good Tax Practice (*Código de Buenas Prácticas Tributarias*, or CBPT), approved by the Large Companies Forum, of which it is a member, and acts in accordance with the recommendations contained therein. Banco Sabadell voluntarily submits the “Annual Tax Transparency Report” on a yearly basis to the State Tax Agency (AEAT)<sup>70</sup>.

It also proactively collaborates with competent authorities, accommodating their requests and taking part in cooperative forums and schemes promoted by local authorities, such as the Large Companies Forum, in order to help strengthen the fiscal system and prevent the generation of tax-related litigation and conflicts<sup>71</sup>. In addition, it takes part in the tax boards of various associations, which address topical matters, such as the Spanish Banking Association (Asociación Española de Banca, or AEB), the Spanish Confederation Business Organisations (Confederación Española de Organizaciones Empresariales, or CEOE), and the Spanish International Chamber of Commerce (ICC Spain).

Furthermore, through its subsidiary in the United Kingdom, it follows the Code of Practice on Taxation for Banks, promoted by the UK tax authorities, complying with its content.

## The Group discloses relevant tax information directly, clearly and transparently to its customers and shareholders, to tax authorities and to all other stakeholder groups.

In line with the principle of transparency, the Group discloses relevant tax information directly, clearly and transparently to its customers and shareholders, to tax authorities and to all other stakeholder groups, and it includes that information in the various documents accessible on its corporate website (Tax Strategy, Annual Financial Statements, Board Audit and Control Committee report, Tax Liability and Tax Responsibility and Good Practices document, etc.). It also monitors the various initiatives in relation to tax transparency, in order to continuously make progress in this regard and instil best practice in its organisation.

This commitment to the principle of transparency has been recognised by Fundación Haz, which awarded Banco Sabadell the “t for transparent” label in relation to the tax information published for 2023. The Institution received the highest rating category for the third consecutive year, as a result of complying with 100% of the transparency and tax responsibility indicators.

<sup>70</sup> The Annual Tax Transparency Report for the 2023 financial year was sent to the AEAT in October 2024

<sup>71</sup> Information on this topic can be found in the document “Tax Responsibility and Good Practices of Banco Sabadell Group”, which is available on Banco Sabadell’s website. Details about the status of the main tax disputes and the years open to tax inspection can be found in Banco Sabadell Group’s consolidated annual financial statements for 2024 (Note 39 – Tax situation)

# Presence in tax havens/non-cooperative jurisdictions

In accordance with the corporate principles governing its tax strategy and the CBPT to which it adheres, Banco Sabadell Group has undertaken a commitment to avoid opaque structures or entities resident in tax havens/non-cooperative jurisdictions, unless their presence or operations are justified on economic or business grounds. Therefore, given that there is no single definition of the concept of a tax haven / non-cooperative jurisdiction, the Group takes into consideration the lists of tax havens/non-cooperative jurisdictions set out regulations in Spain<sup>72</sup> and the criteria of the EU<sup>73</sup> and the OECD<sup>74</sup>, which are put together on the basis of a series of characteristic aspects, such as lack of transparency, low or non-existent taxation, or the absence of any regulations that permit the exchange of information.

Thus, pursuant to the commitment it has taken on, Banco Sabadell Group has no active presence in territories considered to be tax havens/non-cooperative jurisdictions, in accordance with the applicable regulations in Spain<sup>75</sup>, the stance of the European Union and the criteria of the OECD<sup>76</sup>, as stated in the 'Declaration of presence in territories classified as tax havens/non-cooperative jurisdictions', published on Banco Sabadell's website<sup>77</sup>.

On the other hand, on an international scale, there are several non-governmental organisations, such as the Tax Justice Network, Oxfam Intermon, the Fair Tax Foundation and the Observatorio de Responsabilidad Social Corporativa, which have put together, according to their own criteria, lists of non-cooperative jurisdictions, and even lists that make reference to other additional concepts, such as tax haven (territories that have approved tax-related and legal frameworks that are thought to reduce the payment of taxes to the bare minimum) or tax niches (territories which, in certain circumstances, permit taxation that is considered to be extremely low, even though the usual taxation regime is normal).

As an additional exercise in transparency, and heeding the opinions and concerns expressed by the aforesaid organisations (that comprise one more of Banco Sabadell Group's stakeholder groups), the lists of territories identified by those organisations have been reviewed and the information in this regard has been included in the "Tax Responsibility and Good Practices" document<sup>78</sup>. In any case, the active presence in those territories is only ever due to business reasons (such as the banking activity carried out in the United Kingdom, Mexico and the United States) and, in the case of any presence with no activity with third parties (Jersey, Bahamas and Andorra), that presence is irrelevant or practically non-existent as those companies are in the process of liquidation.

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<sup>72</sup> Law 11/2021 of 9 July and Order HFP/115/2023 of 9 February determining countries and territories, as well as harmful fiscal regimes considered non-cooperative jurisdictions

<sup>73</sup> List of non-cooperative countries and territories for tax purposes

<sup>74</sup> List of territories that do not meet standards of transparency and exchange of information, neither in relation to the Automatic Exchange of Information (AEOI) nor in relation to the Exchange of Information on Request (EOIR)

<sup>75</sup> The Group has no active presence in Jersey through any subsidiary or permanent establishment, nor does it have any representative office in that territory. Its presence in Jersey is limited to a trust established in 2014 to manage and monitor long-term incentive plans established in connection with staff at TSB through the acquisition and delivery of shares to employees under the framework of those plans. Similarly, as can be seen in Schedule I to the consolidated annual financial statements for 2024, the presence in this territory is not material

<sup>76</sup> The Bahamas territory was removed from "The EU list of non-cooperative jurisdictions for tax purposes" in February 2024, although the OECD considers it a non-compliant territory in its list "Automatic Exchange of Information". In any case, the Group has no active presence in that territory through its subsidiary Bahamas Bank & Trust Ltd., which is a company with no activity (incorporated into the Group as a result of the merger by absorption of Banco Atlántico in 2006) that is currently in the process of liquidation.

<sup>77</sup> The statement is available in the document "Tax Responsibility and Good Practices of Banco Sabadell Group", which can be accessed through Banco Sabadell website through the following link: <https://www.grupbancsabadell.com/corp/en/sustainability/fiscal-transparency.html>

<sup>78</sup> The following references were used: (i) "Identifying tax havens: characteristics and 2023 tax haven listing" by Fair Tax Foundation, (ii) "Corporate Tax Haven Index" and "Financial secrecy Index 2022" by Tax Justice Network, taking the first 30 countries of each index as reference, (iii) "Desigualdad S.A., filial en España" by Oxfam Intermon, and (iv) "La Información sobre Sostenibilidad en las empresas del IBEX 35, ejercicio 2022" by Observatorio de RSC. The document "Tax Responsibility and Good Practices of Banco Sabadell Group" is available on the corporate website at the following link: <https://www.grupbancsabadell.com/corp/en/sustainability/fiscal-transparency.html>

# Breakdown of profit and tax information by country

Consolidated profit or loss before tax in each country<sup>79</sup> and details of Corporate Income Tax (CIT) paid and accrued are set out below.

Country	Consolidated profit or loss before tax		CIT paid <sup>80</sup>		CIT accrued	
	2024	2023	2024	2023	2024	2023
Spain	1,825,882	1,331,993	222,372	289,125	(509,860)	(412,217)
UK	400,486	304,732	84,162	44,361	(113,317)	(84,715)
USA	173,396	155,442	33,350	57,631	(42,245)	(40,015)
Mexico	65,718	62,862	20,273	16,090	(6,489)	(12,006)
France	39,212	27,465	12,479	(892)	(9,420)	(5,541)
Portugal	5,404	5,059	2,340	1,391	(2,289)	(1,676)
Morocco	4,046	3,323	1,475	1,150	(1,652)	(1,004)
Jersey	2	1	—	—	—	—
Andorra	(16)	(9)	—	—	—	—
Luxembourg	(90)	—	—	—	—	—
Bahamas	(142)	(90)	—	—	—	—
<b>Total</b>	<b>2,513,898</b>	<b>1,890,778</b>	<b>376,451</b>	<b>408,856</b>	<b>(685,272)</b>	<b>(557,174)</b>

Data in thousand euro.

The figure corresponding to CIT paid is determined on a cash basis, meaning that it takes into account the amounts paid for the income tax during the current year (which are mainly related to instalment payments and withholding taxes) and the amounts received (which are mainly related to tax refunds from previous years as a result of the submission of the final tax returns). The abovementioned is all based on the payment schedule and method to determine the payments on account, as established by the corresponding tax regulation applicable in each country. When applicable, payments/refunds derived from the tax proceedings carried out are also included.

The figure corresponding to CIT accrued is related to the corporation tax expense recognised in the consolidated income statements, according to the applicable accounting principles.

The two previous figures typically differ, as the first figure (CIT paid) is determined on a cash basis and therefore depends, among other considerations, on the method of calculation and the schedule of payments on account established in the corresponding tax regulation of each country, the payments and refunds of the tax corresponding to other years, or the application of tax credits generated in previous years, whereas the second figure (CIT accrued) depends, essentially, on the profit and loss of the relevant year.

The differences between the current nominal rate in a given jurisdiction and the effective rate resulting from considering CIT accrued and profit or loss before tax are mainly due to adjustments made to taxable income taking into account the applicable regulations in each jurisdiction (such as, for example, inflation adjustments in Mexico).

<sup>79</sup> As for the countries and figures included in the table, certain differences may arise in relation to other information included in the annual financial statements, which is essentially the result of (i) entities being sold or acquired during the year, or (ii) profit or loss contributed by companies consolidated using the equity method

<sup>80</sup> The 222,372 thousand euros figure shown in the column "Profit tax paid" in the Spain jurisdiction in 2024 (289,125 thousand euros in 2023) comprises 431,320 thousand euros of payments made for corporation tax during 2024 (294,610 thousand euros in 2023) and 208,947 thousand euros of refunded amounts (5,485 thousand euros in 2023). In addition, in Spain the temporary levy of credit institutions and financial credit establishments is paid, as detailed in the section "Other contributions"

## Other contributions

In addition to profit tax, the Institution contributes to the deposit guarantee schemes in place in each geography and to the European Single Resolution Fund, which have a positive impact on citizens' economic and financial security. Furthermore, every year it pays the Tax on Deposits of Credit Institutions and the capital contribution payable due to the monetisation of DTAs<sup>81</sup> and, since 2023, the temporary levy on credit institutions and financial credit establishments. The table below shows the breakdown of each of the contributions made:

	2024	2023
Contribution to deposit guarantee schemes	(25,083)	(150,784)
Banco Sabadell	(6,294)	(132,209)
TSB	(414)	(280)
Banco Sabadell IBM México	(18,375)	(18,295)
Contribution to resolution fund	—	(76,485)
Tax on Deposits of Credit Institutions	(37,972)	(34,418)
Capital contribution due to monetisation of DTAs	(35,982)	(46,251)
Temporary levy of credit institutions and financial credit establishments	(191,882)	(156,182)
<b>Total</b>	<b>(316,003)</b>	<b>(614,904)</b>

Data in thousand euro.

## Public subsidies received

In 2024, subsidies received in Spain in relation to training amounted to 1,387,138 euros.

<sup>81</sup> Deferred tax assets





# 6. Annexes

## 6.1 Initiatives and Alliances

In a cross-cutting way and in line with its commitment to sustainability, Banco Sabadell continues to forge alliances with other sectors and is part of major international initiatives designed to fight climate change and improve social development:

- Signing, in 2005, the corporate responsibility initiative of the **United Nations Global Compact** and the ten principles in the areas of human rights, labour, environment and anti-corruption.
- Signing, in 2009, the **Carbon Disclosure Project (CDP)** for action against climate change.
- Signing, in 2011, the **Equator Principles**, which incorporate social and environmental criteria in large-scale project finance and corporate loans.
- Adhering, since 2019, to the **United Nations Principles for Responsible Banking**, the first global framework of reference that defines the role and responsibilities of the banking industry in ensuring a sustainable future, to that end reinforcing the alignment with the SDGs in relation to the Paris Agreement.
- Ratifying, in 2019, the **Collective Commitment to Climate Action**, whose goals serve to further reduce the carbon footprint of balance sheets.
- Becoming a member, in 2020, of the **Task Force on Climate-related Financial Disclosures (TCFD)** for the disclosure of risks and opportunities related to climate change.
- Becoming a member, in 2021, of the **Net-Zero Banking Alliance (NZBA)**, an international alliance convened by the United Nations Environment Programme Finance Initiative (UNEP FI), through which the Bank is committed to aligning its lending and investment portfolios with net-zero emissions by 2050, in line with the targets of the Paris Climate Agreement.
- Signing up, in 2022, to the **Partnership for Carbon Accounting Financials (PCAF)**, in order to measure and disclose emissions financed through loans and investments in a standardised way.

In addition, in the Spanish market, the Bank collaborates with multisectoral and independent forums, such as the Spanish Observatory of Sustainable Financing (**Observatorio Español de la Financiación Sostenible, or OFISO**) and was recognised, in the financial institution category of the fifth edition of OFISO awards, for its sustainable financing.

In relation to infrastructure and facilities, five of the Bank's corporate buildings have the **ISO 14001 certification** and its Annual General Meeting of 10 April 2024 received the **"Sustainable Event" certification** from Econepe Consultores S.L. (Eventosost), having been deemed compliant with sustainability criteria throughout the event life cycle.

In terms of social matters and at the national level, the Bank has renewed its membership of alliances in the fields of financial education, the workplace environment, diversity and gender parity, and it participates in various social development initiatives:

- On one hand, at the institutional level, the Bank has renewed its membership of the agreement signed between the Spanish Banking Association (AEB), the Spanish Securities Market Commission (CNMV) and the Bank of Spain to pursue courses of action under the framework of the **National Plan for Financial Education** and, on the other hand, it was once again awarded the **"Equality in the Workplace"** seal of distinction by the Ministry of Equality, and has signed up to the **Plan MeCuida** initiative promoted by the Spanish government.

<sup>82</sup> The Partnership for Carbon Accounting Financials is a collaboration between financial institutions from all over the world, launched in 2019 to measure and disclose, in a standardised format, emissions financed through loans and investments. PCAF member institutions work together to develop the Global GHG Accounting and Reporting Standard for the Financial Industry. More information can be found at <https://carbonaccountingfinancials.com/Industries>



- In terms of diversity, the Bank is a signatory of the “CEOs supporting diversity” (**CEO por la diversidad**) initiative promoted by the Adecco Foundation and the CEOE, and has signed the General Protocol for “More Women, Better Companies” (**Protocolo General de Más Mujeres, Mejores Empresas**) promoted by the Women’s Institute, which establishes the commitment to boost internal diversity. Additionally, it is a member of the **Business Network Association for LGBTI Diversity and Inclusion** (REDI by its Spanish acronym), which works to promote safe and respectful workplace environments. It has also signed up to the **Empowering Women’s Talent** initiative launched by Equipos&Talento, which focuses on the empowerment of women in companies, and it is also a member of **Women in Banking (WIB)**, an initiative dedicated to promoting the role of women in Spanish banking. The Institution also forms part of the **Commission for Women in Banking**, an AEB initiative, aligned with the aim of increasing the visibility and recognition of the role of women in the banking industry, as well as promoting inclusion and diversity in decision-making processes.
- In terms of distinctions, the Bank was singled out in the list of the 25 best companies to work for in Spain, according to the **#LinkedInTopCompanies 2024 ranking**. This ranking, which includes companies with more than 5,000 employees, is based on criteria such as professional development, job stability and diversity. It also obtained the **Top Employers in Spain** certification granted by the Top Employers Institute.



In terms of governance, in the national perimeter, the Bank's membership of the **Code of Good Banking Practice** and the **Code of Good Tax Practice**, its membership of **Autocontrol** (independent advertising self-regulatory organisation in Spain), its receipt of certification of transparency and fiscal accountability ("**t for transparent**" label) awarded by Fundación Haz and the Gold Seal of Excellence awarded by the **European Foundation for Quality Management (EFQM)**, all stand out. All of these certifications were awarded with distinctions of the highest order.

Noteworthy initiatives at TSB, the Group's leading brand in the United Kingdom, include its membership of the **Good Business Charter**, a national accreditation scheme that recognises businesses that behave responsibly, and its membership of the **Prince's Responsible Business Network**, a Business In The Community (BITC) initiative that helps companies to address a wide range of essential issues to build a fairer society and a more sustainable future. The Institution is also a member of the **Prompt Payment Code** and a signatory of **HM Treasury's Mortgage Charter**.

In Mexico, where the Group operates under the Banco Sabadell Mexico brand name, the Bank participates as a signatory of the **Sustainability Protocol of the Association of Mexican Banks (Asociación de Bancos de México, or ABM)** and is a signatory of the "**Declaration in favour of the development of environmental, green and sustainable finance in the Mexican banking sector**", promoted by the Green Finance Advisory Council (Consejo Consultivo de Finanzas Verdes, or CCFV) and the ABM. It is also a member of the **Sustainability Committee of the Spanish Chamber of Commerce** (Comisión de Sostenibilidad de la Cámara Española de Comercio, or CAMESCOM) in Mexico.

These alliances, which are all embedded in the ESG framework of *Sabadell's Commitment to Sustainability*, are additional to the Group's transformation and promotion actions, both those already carried out and those planned for the future, which are aligned with the **Sustainable Development Goals (SDGs)**, where the Group has greater capacity to influence due to its systemic interconnectedness, its activity and its capacity to make an impact. In this respect, although the Institution's goal requires it to contribute to all SDGs, the following have been prioritised:



Affordable and clean energy.



Decent work and economic growth.



Industry, innovation and infrastructure.



Climate action.



Peace, justice and strong institutions.

## 6.2 Principles for Responsible Banking: Responsible Banking Progress Statement

Principle	Description	Links & References Sustainability Report for the year ended 31 December 2024:
<b>1 Alignment</b>	<p>Banco Sabadell aligns its strategy with the Sustainable Development Goals (SDGs) and the Paris Agreement, in order to support and accelerate the important economic and social transformations that contribute to sustainable development and the fight against climate change.</p> <p>In that regard, in 2022, the Group published the document <i>Sabadell's Commitment to Sustainability</i>, an action framework that integrates a forward-looking vision in relation to environmental, social and governance commitments, aligns business objectives with the SDGs and establishes action levers to generate transformation and promotion activities.</p> <p>In a cross-cutting way and in line with its commitment to sustainability, Banco Sabadell continues to forge alliances with other sectors and is part of major international initiatives designed to fight climate change and improve social development.</p>	<ul style="list-style-type: none"> <li>— <a href="#">Banco Sabadell's Commitment to Sustainability</a></li> <li>— <a href="#">3.1 SBM-1: Strategy, business model and value chain</a></li> <li>— <a href="#">5.1.3.1 E1-1: Transition plan for climate change mitigation</a></li> <li>— <a href="#">5.1.4.2 E1-2: Policies related to climate change mitigation and adaptation</a></li> <li>— <a href="#">5.3.3.1 S4-1: Policies related to consumers and end-users</a></li> <li>— <a href="#">Annex 6.1 "Initiatives and alliances"</a></li> </ul>
<b>2 Impact &amp; Target Setting</b>	<p>In 2022, Banco Sabadell carried out an analysis to identify the positive and negative impacts arising from its financing activities, in line with the requirements of the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI).</p> <p>This analysis took place using the Portfolio Impact Analysis for Banks tool for the application of the Holistic Impact Methodology devised by UNEP FI.</p> <p>This analysis was updated in 2024, concluding that the most prominent areas of impact on the portfolio continue to be "Availability, accessibility, affordability and quality of resources and services" (in particular, "Access to finance and housing") and "Climate stability", given that the Institution's business model has not changed significantly in the last two years.</p> <p>In response to the requirements of the CSRD, a double materiality analysis was carried out, in which the results obtained from the Impact Analysis Tool for Banks were taken into account.</p> <p>The Bank has defined specific targets and objectives related to the most prominent impact areas, which are regularly monitored.</p>	<ul style="list-style-type: none"> <li>— <a href="#">3.1 SBM-1: Strategy, business model and value chain</a></li> <li>— <a href="#">3.2 SBM-2: Interests and views of stakeholders</a></li> <li>— <a href="#">4.1. Double materiality</a></li> <li>— <a href="#">5. Material disclosures</a></li> <li>— <a href="#">5.1.5. Metrics and targets (Environmental: Climate change)</a></li> <li>— <a href="#">5.3.4 Metrics and targets (Social: Consumers and end-users)</a></li> </ul>

Principle	Description	Links & References Sustainability Report for the year ended 31 December 2024:
<b>3</b> <b>Clients &amp; Customers</b>	<p>Banco Sabadell established <i>Sabadell's Commitment to Sustainability</i> as an ESG framework, in which one of the main courses of action is to support customers in the transition to a sustainable economy, laying down decarbonisation pathways, helping customers in the transition with specialised solutions for renewable energy, energy efficiency and sustainable mobility, and defining sectoral standards that limit controversial activities and/or activities with negative impacts on environmental and social development.</p> <p>The Group promotes sustainable financing and investment to drive forward the transition towards a more sustainable model and a low-carbon economy, offering customers and investors the best possible solutions. Therefore, as part of <i>Sabadell's Commitment to Sustainability</i>, the Bank undertook to mobilise a cumulative total of 65 billion euros of financial products and services in sustainable finance solutions during the 2021-2025 period.</p> <p>In the area of social loans, it is worth highlighting those granted to micro-enterprises for the purpose of promoting and maintaining employment.</p>	<ul style="list-style-type: none"> <li>— <a href="#">3.1 SBM-1: Strategy, business model and value chain</a></li> <li>— <a href="#">5.1.3.1 E1-1: Transition plan for climate change mitigation</a></li> <li>— <a href="#">5.1.4.1 ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities</a></li> <li>— <a href="#">5.1.4.3 E1-3: Actions and resources in relation to climate change policies</a></li> <li>— <a href="#">5.2.3.4. S4-1: Policies related to consumers and end-users</a></li> <li>— <a href="#">5.3.3.2. S4-2: Processes for engaging with consumers and end-users about impacts</a></li> </ul>
<b>4</b> <b>Stakeholders</b>	<p>Banco Sabadell remains committed to its main stakeholders. To that end, it involves the main stakeholder groups and collaborates with them.</p> <p>The Group, in keeping with its commitment, has been conducting materiality assessments of topics related to sustainability, aligning with best practice in relation to sustainability and transparency. With the entry into force of the new European Corporate Sustainability Reporting Directive (CSRD), a new double materiality exercise has been carried out in order to identify the material impacts, risks and opportunities related to sustainability. As part of this process, the Bank's main stakeholder groups were identified by reviewing previous exercises, analysing recommendations included in the CSRD, and analysing peer group entities. The main stakeholders identified are the financial community (investors, shareholders and rating agencies), employees, suppliers, customers, organisations and institutions, society and peers. Once identified, channels to listen to what they had to say were determined.</p>	<ul style="list-style-type: none"> <li>— <a href="#">3.2. SBM-2: Interests and views of stakeholders</a></li> <li>— <a href="#">3.3. SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model</a></li> <li>— <a href="#">4.1. Double materiality</a></li> <li>— <a href="#">5.3.2.1 ESRS 2 SBM-2: Interests and views of stakeholders</a></li> <li>— <a href="#">5.3.3.2 S4-2: Processes for engaging with consumers and end-users about impacts</a></li> </ul>

Principle	Description	Links & References Sustainability Report for the year ended 31 December 2024:
<b>5 Governance &amp; Culture</b>	<p>The governance system and the organisation of the different decision-making levels are both being continuously improved and adapted to the needs that are emerging from the new sustainability environment.</p> <p>The remuneration policy and practices integrate sustainability risks, encouraging behaviour consistent with the Group's risk-based approaches related to climate and the environment, as well as with the commitments voluntarily undertaken by the Group.</p> <p>The Bank continues to support workers in sustainability training, focusing on environmental management, the energy crisis and other content to provide continuous training on sustainability.</p>	<ul style="list-style-type: none"> <li>— <a href="#">2.1 GOV-1: The role of the administrative, management and supervisory bodies</a></li> <li>— <a href="#">2.3 GOV-3: Integration of sustainability-related performance in incentive schemes</a></li> <li>— <a href="#">2.4 GOV-4: Statement on due diligence</a></li> <li>— <a href="#">5.2.3.4. S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions – Section: “Training – Apartado “Formación”</a></li> </ul>
<b>6 Transparency &amp; Accountability</b>	<p>The references included in the Responsible Banking Progress Statement are part of the Group's Sustainability Report, which underwent limited independent third-party verification.</p>	<ul style="list-style-type: none"> <li>— <a href="#">Audit Report</a></li> </ul>

## 6.3 Taxonomy indicators

### 0. Summary of GAR KPIs in relation to turnover and CapEx KPIs Summary of GAR KPIs in relation to turnover KPIs

Summary of GAR KPIs in relation to **turnover** KPIs

Disclosure reference date 31/12/2024		Total environmentally sustainable assets	KPI <sup>84</sup>	KPI <sup>85</sup>	% coverage (over total assets) <sup>86</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>87</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>88</sup>
Main KPI	Green asset ratio (GAR) stock	8,292	4.43%		77.19%	25.72%	22.81%
		Total environmentally sustainable activities	KPI <sup>84</sup>	KPI <sup>85</sup>	% coverage (over total assets) <sup>86</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>87</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>88</sup>
Additional KPIs	GAR (flow)	1,914	3.59%		82.05%	31.85%	17.95%
	Trading book						
	Financial guarantees	8	1.01%				
	Assets under management	96	2.03%				
	Fees and commissions income <sup>89</sup>						

Disclosure reference date 31/12/2023 <sup>83</sup>		Total environmentally sustainable assets	KPI <sup>84</sup>	KPI <sup>85</sup>	% coverage (over total assets) <sup>86</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>87</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>88</sup>
Main KPI	Green asset ratio (GAR) stock	7,774	4.45%		72.99%	25.70%	27.01%

		Total environmentally sustainable activities	KPI <sup>84</sup>	KPI <sup>85</sup>	% coverage (over total assets) <sup>86</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>87</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>88</sup>
Additional KPIs	GAR (flow)	2,149	6.30%		58.53%	29.01%	41.47%
	Trading book						
	Financial guarantees	14	1.48%				
	Assets under management	79	2.80%				
	Fees and commissions income <sup>89</sup>						



## Summary of GAR KPIs in relation to CapEx KPIs

Disclosure reference date 31/12/2024	Total environmentally sustainable assets	KPI <sup>84</sup>	KPI <sup>85</sup>	% coverage (over total assets) <sup>86</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>87</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>88</sup>
Main KPI	Green asset ratio (GAR) stock	8,762	4.68 %	77.19 %	25.72 %	22.81 %

	Total environmentally sustainable activities	KPI <sup>84</sup>	KPI <sup>85</sup>	% coverage (over total assets) <sup>86</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>87</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>88</sup>
Additional KPIs	GAR (flow)	1,999	3.75 %	82.05 %	31.85 %	17.95 %
	Trading book					
	Financial guarantees	4	0.50 %			
	Assets under management	66	1.40 %			
	Fees and commissions income <sup>89</sup>					

Disclosure reference date 31/12/2023 <sup>83</sup>	Total environmentally sustainable assets	KPI <sup>84</sup>	KPI <sup>85</sup>	% coverage (over total assets) <sup>86</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>87</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>88</sup>
Main KPI	Green asset ratio (GAR) stock	7,706	4.41 %	72.99 %	25.70 %	27.01 %

	Total environmentally sustainable activities	KPI <sup>84</sup>	KPI <sup>85</sup>	% coverage (over total assets) <sup>86</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>87</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>88</sup>
Additional KPIs	GAR (flow)	2,019	6.12 %	58.53%	29.01%	41.47%
	Trading book					
	Financial guarantees	14	1.48 %			
	Assets under management	146	4.84 %			
	Fees and commissions income <sup>89</sup>					

<sup>83</sup> Data as at December 2023 in this and the following templates corresponds to the information published in the Pillar 3 Disclosures report for the year 2023, following the assessment carried out by the supervisor during 2024.

<sup>84</sup> Based on the counterparty's turnover key performance indicator.

<sup>85</sup> Based on the counterparty's CapEx key performance indicator, except in the case of loan activities for which, in relation to general loans, the turnover key performance indicator is used.

<sup>86</sup> % of assets covered by the key performance indicator relative to banks' total assets. Gross carrying amount of exposures in total GAR assets over gross carrying amount of total assets.

<sup>87</sup> Gross carrying amount of exposures not eligible for GAR calculation over gross carrying amount of total assets.

<sup>88</sup> Gross carrying amount of exposures not covered by GAR calculation over gross carrying amount of total assets.

<sup>89</sup> Fees and commissions income for services other than loans and assets under management.

**Note:** Tables 1, 2, 3, 4 and 5 below do not include information on the alignment of four new climate objectives (water resources, pollution, biodiversity and circular economy), as the information was not available. This information will be published next year.

## 1. Assets used to calculate the GAR in relation to turnover and CapEx KPIs

Assets used to calculate the GAR in relation to **turnover** KPIs

		Disclosure reference date 31/12/2024												
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)		
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)		
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation		Of which specialised lending	Of which adaptation		
in million euros														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	124,030	87,442	8,286	7,298	337	350	31	6	0	3	1		
2	Financial corporations	14,675	2,443	177	0	21	34	7	1	0	0	0		
3	Credit institutions	13,298	2,235	153	0	21	15	7	1	0	0	0		
4	Loans and advances	11,061	2,086	143	0	19	13	6	1	0	0	0		
5	Debt securities, including UoP	2,225	147	10	0	2	1	0	0	0	0	0		
6	Equity instruments	11	2	0		0	0	0	0		0	0		
7	Other financial corporations	1,378	208	24	0	0	19	0	0	0	0	0		
8	of which investment firms	1,309	192	22	0	0	19	0	0	0	0	0		
9	Loans and advances	1,151	190	22	0	0	19	0	0	0	0	0		
10	Debt securities, including UoP	48	0	0	0	0	0	0	0	0	0	0		
11	Equity instruments	110	2	0		0	0	0	0		0	0		
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0		
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0		
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0		
15	Equity instruments	0	0	0		0	0	0	0		0	0		
16	of which insurance undertakings	68	17	1	0	0	0	0	0	0	0	0		
17	Loans and advances	43	17	1	0	0	0	0	0	0	0	0		
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0		
19	Equity instruments	25	0	0		0	0	0	0		0	0		
20	Non-financial corporations (subject to NFRD disclosure obligations)	15,256	3,155	1,178	366	275	316	24	5	0	3	1		
21	Loans and advances	14,997	3,001	1,118	366	275	257	24	5	0	3	1		
22	Debt securities, including UoP	259	154	60	0	0	60	0	0	0	0	0		
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0		
24	Households	92,597	81,843	6,931	6,931	41	0	0	0	0	0	0		
25	of which loans collateralised by residential immovable property	78,458	78,458	6,890	6,890	0	0	0	0	0	0	0		
26	of which building renovation loans	1,212	1,212	0	0	0	0	0	0	0	0	0		

27	of which motor vehicle loans	2,172	2,172	41	41	41	0					0	
28	<b>Local governments financing</b>	<b>1,503</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	
30	Other local governments financing	1,503	1	0	0	0	0	0	0	0	0	0	
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>918</b>	<b>918</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>62,439</b>											
33	<b>Financial and non-financial corporations</b>	<b>43,543</b>											
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	31,228											
35	Loans and advances	31,072											
36	of which loans collateralised by commercial immovable property	4,688											
37	of which building renovation loans	0											
38	Debt securities	32											
39	Equity instruments	124											
40	Non-EU country counterparties not subject to NFRD disclosure obligations	12,315											
41	Loans and advances	12,314											
42	Debt securities	0											
43	Equity instruments	1											
44	<b>Derivatives</b>	<b>2,395</b>											
45	<b>On demand interbank loans</b>	<b>566</b>											
46	<b>Cash and cash-related assets</b>	<b>711</b>											
47	<b>Other assets (e.g. goodwill, commodities, etc.)</b>	<b>15,224</b>											
48	<b>Total GAR assets</b>	<b>187,387</b>											
49	<b>Assets not covered for GAR calculation</b>	<b>55,383</b>											
50	<b>Central governments and supranational issuers</b>	<b>35,379</b>											
51	<b>Central banks exposure</b>	<b>17,106</b>											
52	<b>Trading book</b>	<b>2,898</b>											
53	<b>Total assets</b>	<b>242,770</b>											
<b>Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations</b>													
54	Financial guarantees	756	132	7	1	0	5	2	0	0	0	1	
55	Assets under management	4,729	1,162	96	0	7	5	19	0	0	0	0	
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	

		Total gross carrying amount	Disclosure reference date 31/12/2024											
			Circular Economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)					
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)					
				Of which specialised lending	Of which adaptation			Of which specialised lending	Of which adaptation			Of which specialised lending	Of which adaptation	
in million euros														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	124,030	12			61			93					
2	Financial corporations	14,675	0			0			0					
3	Credit institutions	13,298	0			0			0					
4	Loans and advances	11,061	0			0			0					
5	Debt securities, including UoP	2,225	0			0			0					
6	Equity instruments	11	0			0			0					
7	Other financial corporations	1,378	0			0			0					
8	of which investment firms	1,309	0			0			0					
9	Loans and advances	1,151	0			0			0					
10	Debt securities, including UoP	48	0			0			0					
11	Equity instruments	110	0			0			0					
12	of which management companies	0	0			0			0					
13	Loans and advances	0	0			0			0					
14	Debt securities, including UoP	0	0			0			0					
15	Equity instruments	0	0			0			0					
16	of which insurance undertakings	68	0			0			0					
17	Loans and advances	43	0			0			0					
18	Debt securities, including UoP	0	0			0			0					
19	Equity instruments	25	0			0			0					
20	Non-financial corporations (subject to NFRD disclosure obligations)	15,256	12			61			93					
21	Loans and advances	14,997	12			29			93					
22	Debt securities, including UoP	259	0			32			0					
23	Equity instruments	0	0			0			0					
24	Households	92,597	0			0			0					
25	of which loans collateralised by residential immovable property	78,458	0			0			0					
26	of which building renovation loans	1,212	0			0			0					
27	of which motor vehicle loans	2,172	0			0			0					
28	Local governments financing	1,503	0			0			0					
29	Housing financing	0	0			0			0					
30	Other local governments financing	1,503	0			0			0					
31	Collateral obtained by taking possession: residential and commercial immovable properties	918	0			0			0					

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	62,439					
33	Financial and non-financial corporations	43,543					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	31,228					
35	Loans and advances	31,072					
36	of which loans collateralised by commercial immovable property	4,688					
37	of which building renovation loans	0					
38	Debt securities	32					
39	Equity instruments	124					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	12,315					
41	Loans and advances	12,314					
42	Debt securities	0					
43	Equity instruments	1					
44	Derivatives	2,395					
45	On demand interbank loans	566					
46	Cash and cash-related assets	711					
47	Other assets (e.g. goodwill, commodities, etc.)	15,224					
48	Total GAR assets	187,387					
49	Assets not covered for GAR calculation	55,383					
50	Central governments and supranational issuers	35,379					
51	Central banks exposure	17,106					
52	Trading book	2,898					
53	Total assets	242,770					
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations							
54	Financial guarantees	756	4		6		10
55	Assets under management	4,729	2		0		0
56	Of which debt securities	0	0		0		0
57	Of which equity instruments	0	0		0		0

		Disclosure reference date 31/12/2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					
in million euros		Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling
<b>GAR - Covered assets in both numerator and denominator</b>							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	124,030	87,641	8,292	7,298	337	353
2	<b>Financial corporations</b>	<b>14,675</b>	<b>2,450</b>	<b>178</b>	<b>0</b>	<b>21</b>	<b>34</b>
3	Credit institutions	13,298	2,241	154	0	21	15
4	Loans and advances	11,061	2,092	144	0	19	13
5	Debt securities, including UoP	2,225	148	10	0	2	2
6	Equity instruments	11	2	0		0	0
7	Other financial corporations	1,378	209	24	0	0	19
8	of which investment firms	1,309	192	22	0	0	19
9	Loans and advances	1,151	190	22	0	0	19
10	Debt securities, including UoP	48	0	0	0	0	0
11	Equity instruments	110	2	0		0	0
12	of which management companies	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0
16	of which insurance undertakings	68	17	1	0	0	0
17	Loans and advances	43	17	1	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0
19	Equity instruments	25	0	0		0	0
20	<b>Non-financial corporations (subject to NFRD disclosure obligations)</b>	<b>15,256</b>	<b>3,347</b>	<b>1,183</b>	<b>366</b>	<b>275</b>	<b>319</b>
21	Loans and advances	14,997	3,161	1,123	366	275	260
22	Debt securities, including UoP	259	186	60	0	0	60
23	Equity instruments	0	0	0	0	0	0
24	<b>Households</b>	<b>92,597</b>	<b>81,843</b>	<b>6,931</b>	<b>6,931</b>	<b>41</b>	<b>0</b>
25	of which loans collateralised by residential immovable property	78,458	78,458	6,890	6,890	0	0
26	of which building renovation loans	1,212	1,212	0	0	0	0
27	of which motor vehicle loans	2,172	2,172	41	41	41	0
28	<b>Local governments financing</b>	<b>1,503</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29	Housing financing	0	0	0	0	0	0
30	Other local governments financing	1,503	1	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>918</b>	<b>918</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>62,439</b>					



33	Financial and non-financial corporations	43,543			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	31,228			
35	Loans and advances	31,072			
36	of which loans collateralised by commercial immovable property	4,688			
37	of which building renovation loans	0			
38	Debt securities	32			
39	Equity instruments	124			
40	Non-EU country counterparties not subject to NFRD disclosure obligations	12,315			
41	Loans and advances	12,314			
42	Debt securities	0			
43	Equity instruments	1			
44	Derivatives	2,395			
45	On demand interbank loans	566			
46	Cash and cash-related assets	711			
47	Other assets (e.g. goodwill, commodities, etc.)	15,224			
48	Total GAR assets	187,387			
49	Assets not covered for GAR calculation	55,383			
50	Central governments and supranational issuers	35,379			
51	Central banks exposure	17,106			
52	Trading book	2,898			
53	Total assets	242,770			
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations					
54	Financial guarantees	756	155	8	1 0 5
55	Assets under management	4,729	1,183	96	0 7 6
56	Of which debt securities	0	0	0	0 0 0
57	Of which equity instruments	0	0	0	0 0 0

			Disclosure reference date 31/12/2023													
			Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)			Water and Marine Resources (WTR)				
				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				
in million euros					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation			Of which specialised lending	Of which adaptation	
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation		113,203	86,881	7,558	0	114	233	316	127	0	10				
2	Financial corporations		7,684	0	0	0	0	0	0	0	0	0				
3	Credit institutions		6,588	0	0	0	0	0	0	0	0	0				
4	Loans and advances		5,608	0	0	0	0	0	0	0	0	0				
5	Debt securities, including UoP		970	0	0	0	0	0	0	0	0	0				
6	Equity instruments		10	0	0		0	0	0	0		0				
7	Other financial corporations		1,096	0	0	0	0	0	0	0	0	0				
8	of which investment firms		1,064	0	0	0	0	0	0	0	0	0				
9	Loans and advances		951	0	0	0	0	0	0	0	0	0				
10	Debt securities, including UoP		62	0	0	0	0	0	0	0	0	0				
11	Equity instruments		51	0	0		0	0	0	0		0				
12	of which management companies		0	0	0	0	0	0	0	0	0	0				
13	Loans and advances		0	0	0	0	0	0	0	0	0	0				
14	Debt securities, including UoP		0	0	0	0	0	0	0	0	0	0				
15	Equity instruments		0	0	0		0	0	0	0		0				
16	of which insurance undertakings		32	0	0	0	0	0	0	0	0	0				
17	Loans and advances		11	0	0	0	0	0	0	0	0	0				
18	Debt securities, including UoP		0	0	0	0	0	0	0	0	0	0				
19	Equity instruments		21	0	0		0	0	0	0		0				
20	Non-financial corporations (subject to NFRD disclosure obligations)		14,829	2,069	910	0	112	233	316	127	0	10				
21	Loans and advances		14,638	1,979	845	0	112	169	311	126	0	9				
22	Debt securities, including UoP		191	90	65	0	0	64	5	1	0	1				
23	Equity instruments		0	0	0	0	0	0	0	0	0	0				
24	Households		89,144	84,812	6,648	0	1	0	0	0	0	0				
25	of which loans collateralised by residential immovable property		75,576	75,576	6,647	0	0	0	0	0	0	0				
26	of which building renovation loans		1,316	1,316	1	0	1	0	0	0	0	0				
27	of which motor vehicle loans		1,825	382	0	0	0	0								
28	Local governments financing		1,546	0	0	0	0	0	0	0	0	0				
29	Housing financing		0	0	0	0	0	0	0	0	0	0				
30	Other local governments financing		1,546	0	0	0	0	0	0	0	0	0				
31	Collateral obtained by taking possession: residential and commercial immovable properties		1,268	1,268	89	0	0	0	0	0	0	0				

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	61,510									
33	Financial and non-financial corporations	41,414									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	30,121									
35	Loans and advances	29,946									
36	of which loans collateralised by commercial immovable property	4,900									
37	of which building renovation loans	0									
38	Debt securities	63									
39	Equity instruments	112									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,293									
41	Loans and advances	11,286									
42	Debt securities	0									
43	Equity instruments	7									
44	Derivatives	2,425									
45	On demand interbank loans	693									
46	Cash and cash-related assets	726									
47	Other assets (e.g. goodwill, commodities, etc.)	16,253									
48	Total GAR assets	174,713									
49	Assets not covered for GAR calculation	64,649									
50	Central governments and supranational issuers	33,219									
51	Central banks exposure	28,723									
52	Trading book	2,706									
53	Total assets	239,362									
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial guarantees	914	507	14	0	0	0	0	0	0	0
55	Assets under management	3,007	79	79	0	0	0	5	5	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0

		Disclosure reference date 31/12/2023										
		Total gross carrying amount	Circular Economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			
			Of which specialised lending	Of which adaptation		Of which specialised lending	Of which adaptation		Of which specialised lending	Of which adaptation		
in million euros												
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	113,203										
2	Financial corporations	7,684										
3	Credit institutions	6,588										
4	Loans and advances	5,608										
5	Debt securities, including UoP	970										
6	Equity instruments	10										
7	Other financial corporations	1,096										
8	of which investment firms	1,064										
9	Loans and advances	951										
10	Debt securities, including UoP	62										
11	Equity instruments	51										
12	of which management companies	0										
13	Loans and advances	0										
14	Debt securities, including UoP	0										
15	Equity instruments	0										
16	of which insurance undertakings	32										
17	Loans and advances	11										
18	Debt securities, including UoP	0										
19	Equity instruments	21										
20	Non-financial corporations (subject to NFRD disclosure obligations)	14,829										
21	Loans and advances	14,638										
22	Debt securities, including UoP	191										
23	Equity instruments	0										
24	Households	89,144										
25	of which loans collateralised by residential immovable property	75,576										
26	of which building renovation loans	1,316										
27	of which motor vehicle loans	1,825										
28	Local governments financing	1,546										
29	Housing financing	0										
30	Other local governments financing	1,546										
31	Collateral obtained by taking possession: residential and commercial immovable properties	1,268										

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	61,510			
33	Financial and non-financial corporations	41,414			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	30,121			
35	Loans and advances	29,946			
36	of which loans collateralised by commercial immovable property	4,900			
37	of which building renovation loans	0			
38	Debt securities	63			
39	Equity instruments	112			
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,293			
41	Loans and advances	11,286			
42	Debt securities	0			
43	Equity instruments	7			
44	Derivatives	2,425			
45	On demand interbank loans	693			
46	Cash and cash-related assets	726			
47	Other assets (e.g. goodwill, commodities, etc.)	16,253			
48	Total GAR assets	174,713			
49	Assets not covered for GAR calculation	64,649			
50	Central governments and supranational issuers	33,219			
51	Central banks exposure	28,723			
52	Trading book	2,706			
53	Total assets	239,362			
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations					
54	Financial guarantees	914			
55	Assets under management	3,007			
56	Of which debt securities	0			
57	Of which equity instruments	0			

in million euros		Disclosure reference date 31/12/2023					
		Total gross carrying amount	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
					Of which environmentally sustainable (Taxonomy-aligned)		
				Of which specialised lending	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	113,203	87,197	7,685	0	124	233
2	Financial corporations	7,684	0	0	0	0	0
3	Credit institutions	6,588	0	0	0	0	0
4	Loans and advances	5,608	0	0	0	0	0
5	Debt securities, including UoP	970	0	0	0	0	0
6	Equity instruments	10	0	0		0	0
7	Other financial corporations	1,096	0	0	0	0	0
8	of which investment firms	1,064	0	0	0	0	0
9	Loans and advances	951	0	0	0	0	0
10	Debt securities, including UoP	62	0	0	0	0	0
11	Equity instruments	51	0	0		0	0
12	of which management companies	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0
16	of which insurance undertakings	32	0	0	0	0	0
17	Loans and advances	11	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0
19	Equity instruments	21	0	0		0	0
20	Non-financial corporations (subject to NFRD disclosure obligations)	14,829	2,385	1,037	0	123	233
21	Loans and advances	14,638	2,290	971	0	122	169
22	Debt securities, including UoP	191	95	66	0	1	64
23	Equity instruments	0	0	0	0	0	0
24	Households	89,144	84,812	6,648	0	1	0
25	of which loans collateralised by residential immovable property	75,576	75,576	6,647	0	0	0
26	of which building renovation loans	1,316	1,316	1	0	1	0
27	of which motor vehicle loans	1,825	382	0	0	0	0
28	Local governments financing	1,546	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0
30	Other local governments financing	1,546	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	1,268	1,268	89	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	61,510					

33	Financial and non-financial corporations	41,414			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	30,121			
35	Loans and advances	29,946			
36	of which loans collateralised by commercial immovable property	4,900			
37	of which building renovation loans	0			
38	Debt securities	63			
39	Equity instruments	112			
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,293			
41	Loans and advances	11,286			
42	Debt securities	0			
43	Equity instruments	7			
44	Derivatives	2,425			
45	On demand interbank loans	693			
46	Cash and cash-related assets	726			
47	Other assets (e.g. goodwill, commodities, etc.)	16,253			
48	Total GAR assets	174,713			
49	Assets not covered for GAR calculation	64,649			
50	Central governments and supranational issuers	33,219			
51	Central banks exposure	28,723			
52	Trading book	2,706			
53	Total assets	239,362			
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations					
54	Financial guarantees	914	507	14	0 0 0
55	Assets under management	3,007	236	84	0 4 43
56	Of which debt securities	0	0	0	0 0 0
57	Of which equity instruments	0	0	0	0 0 0



## Assets used to calculate the GAR in relation to CapEx KPIs

			Disclosure reference date 31/12/2024												
			Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)		
				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)		
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
in million euros					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation		Of which specialised lending	Of which adaptation	
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation		124,030	88,324	8,754	7,298	367	506	63	8	0	1	3		
2	Financial corporations		14,675	2,445	205	0	28	43	6	2	0	0	0		
3	Credit institutions		13,298	2,246	184	0	28	25	6	1	0	0	0		
4	Loans and advances		11,061	2,093	171	0	25	22	5	1	0	0	0		
5	Debt securities, including UoP		2,225	151	13	0	3	2	1	0	0	0	0		
6	Equity instruments		11	2	0		0	0	0	0		0	0		
7	Other financial corporations		1,378	199	21	0	0	18	0	0	0	0	0		
8	of which investment firms		1,309	182	19	0	0	18	0	0	0	0	0		
9	Loans and advances		1,151	175	19	0	0	18	0	0	0	0	0		
10	Debt securities, including UoP		48	0	0	0	0	0	0	0	0	0	0		
11	Equity instruments		110	7	0		0	0	0	0		0	0		
12	of which management companies		0	0	0	0	0	0	0	0	0	0	0		
13	Loans and advances		0	0	0	0	0	0	0	0	0	0	0		
14	Debt securities, including UoP		0	0	0	0	0	0	0	0	0	0	0		
15	Equity instruments		0	0	0		0	0	0	0		0	0		
16	of which insurance undertakings		68	18	1	0	0	0	0	0	0	0	0		
17	Loans and advances		43	18	1	0	0	0	0	0	0	0	0		
18	Debt securities, including UoP		0	0	0	0	0	0	0	0	0	0	0		
19	Equity instruments		25	0	0		0	0	0	0		0	0		
20	Non-financial corporations (subject to NFRD disclosure obligations)		15,256	4,035	1,617	366	298	463	57	7	0	1	3		
21	Loans and advances		14,997	3,880	1,547	366	298	394	57	7	0	1	3		
22	Debt securities, including UoP		259	155	70	0	0	70	0	0	0	0	0		
23	Equity instruments		0	0	0	0	0	0	0	0	0	0	0		
24	Households		92,597	81,843	6,931	6,931	41	0	0	0	0	0	0		
25	of which loans collateralised by residential immovable property		78,458	78,458	6,890	6,890	0	0	0	0	0	0	0		
26	of which building renovation loans		1,212	1,212	0	0	0	0	0	0	0	0	0		
27	of which motor vehicle loans		2,172	2,172	41	41	41	0					0		
28	Local governments financing		1,503	1	0	0	0	0	0	0	0	0	0		
29	Housing financing		0	0	0	0	0	0	0	0	0	0	0		
30	Other local governments financing		1,503	1	0	0	0	0	0	0	0	0	0		

31	Collateral obtained by taking possession: residential and commercial immovable properties	918	918	0	0	0	0	0	0	0	0	0	
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	62,439	0	0	0	0	0	0	0	0	0	0	
33	Financial and non-financial corporations	43,543											
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	31,228											
35	Loans and advances	31,072											
36	of which loans collateralised by commercial immovable property	4,688											
37	of which building renovation loans	0											
38	Debt securities	32											
39	Equity instruments	124											
40	Non-EU country counterparties not subject to NFRD disclosure obligations	12,315											
41	Loans and advances	12,314											
42	Debt securities	0											
43	Equity instruments	1											
44	Derivatives	2,395											
45	On demand interbank loans	566											
46	Cash and cash-related assets	711											
47	Other assets (e.g. goodwill, commodities, etc.)	15,224											
48	Total GAR assets	187,387											
49	Assets not covered for GAR calculation	55,383											
50	Central governments and supranational issuers	35,379											
51	Central banks exposure	17,106											
52	Trading book	2,898											
53	Total assets	242,770											
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations													
54	Financial guarantees	756	218	4	1	0	1	1	0	0	0	0	
55	Assets under management	4,729	988	66	0	17	13	3	1	0	0	0	
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	

		Disclosure reference date 31/12/2024										
		Total gross carrying amount	Circular Economy (CE)				Pollution (PPC)			Biodiversity and ecosystems (BIO)		
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which specialised lending	Of which adaptation			Of which specialised lending	Of which adaptation			
in million euros												
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	124,030	43			29			100			
2	Financial corporations	14,675	0			0			0			
3	Credit institutions	13,298	0			0			0			
4	Loans and advances	11,061	0			0			0			
5	Debt securities, including UoP	2,225	0			0			0			
6	Equity instruments	11	0			0			0			
7	Other financial corporations	1,378	0			0			0			
8	of which investment firms	1,309	0			0			0			
9	Loans and advances	1,151	0			0			0			
10	Debt securities, including UoP	48	0			0			0			
11	Equity instruments	110	0			0			0			
12	of which management companies	0	0			0			0			
13	Loans and advances	0	0			0			0			
14	Debt securities, including UoP	0	0			0			0			
15	Equity instruments	0	0			0			0			
16	of which insurance undertakings	68	0			0			0			
17	Loans and advances	43	0			0			0			
18	Debt securities, including UoP	0	0			0			0			
19	Equity instruments	25	0			0			0			
20	Non-financial corporations (subject to NFRD disclosure obligations)	15,256	43			29			100			
21	Loans and advances	14,997	43			25			100			
22	Debt securities, including UoP	259	0			4			0			
23	Equity instruments	0	0			0			0			
24	Households	92,597	0			0			0			
25	of which loans collateralised by residential immovable property	78,458	0			0			0			
26	of which building renovation loans	1,212	0			0			0			
27	of which motor vehicle loans	2,172				0			0			
28	Local governments financing	1,503	0			0			0			
29	Housing financing	0	0			0			0			
30	Other local governments financing	1,503	0			0			0			
31	Collateral obtained by taking possession: residential and commercial immovable properties	918	0			0			0			

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	62,439	0		0		0	
33	Financial and non-financial corporations	43,543						
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	31,228						
35	Loans and advances	31,072						
36	of which loans collateralised by commercial immovable property	4,688						
37	of which building renovation loans	0						
38	Debt securities	32						
39	Equity instruments	124						
40	Non-EU country counterparties not subject to NFRD disclosure obligations	12,315						
41	Loans and advances	12,314						
42	Debt securities	0						
43	Equity instruments	1						
44	Derivatives	2,395						
45	On demand interbank loans	566						
46	Cash and cash-related assets	711						
47	Other assets (e.g. goodwill, commodities, etc.)	15,224						
48	Total GAR assets	187,387						
49	Assets not covered for GAR calculation	55,383						
50	Central governments and supranational issuers	35,379						
51	Central banks exposure	17,106						
52	Trading book	2,898						
53	Total assets	242,770						
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations								
54	Financial guarantees	756	4		5		11	
55	Assets under management	4,729	2		0		0	
56	Of which debt securities	0	0		0		0	
57	Of which equity instruments	0	0		0		0	

in million euros		Disclosure reference date 31/12/2024					
		Total gross carrying amount	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which specialised lending	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	124,030	88,562	8,762	7,298	367	507
2	Financial corporations	14,675	2,451	207	0	28	43
3	Credit institutions	13,298	2,252	186	0	28	25
4	Loans and advances	11,061	2,098	172	0	25	22
5	Debt securities, including UoP	2,225	152	13	0	3	2
6	Equity instruments	11	2	0		0	0
7	Other financial corporations	1,378	200	21	0	0	18
8	of which investment firms	1,309	182	19	0	0	18
9	Loans and advances	1,151	175	19	0	0	18
10	Debt securities, including UoP	48	0	0	0	0	0
11	Equity instruments	110	7	0		0	0
12	of which management companies	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0
16	of which insurance undertakings	68	18	1	0	0	0
17	Loans and advances	43	18	1	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0
19	Equity instruments	25	0	0		0	0
20	Non-financial corporations (subject to NFRD disclosure obligations)	15,256	4,267	1,624	366	298	464
21	Loans and advances	14,997	4,107	1,554	366	298	394
22	Debt securities, including UoP	259	159	70	0	0	70
23	Equity instruments	0	0	0	0	0	0
24	Households	92,597	81,843	6,931	6,931	41	0
25	of which loans collateralised by residential immovable property	78,458	78,458	6,890	6,890	0	0
26	of which building renovation loans	1,212	1,212	0	0	0	0
27	of which motor vehicle loans	2,172	2,172	41	41	41	0
28	Local governments financing	1,503	1	0	0	0	0
29	Housing financing	0	0	0	0	0	0
30	Other local governments financing	1,503	1	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	918	918	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	62,439	0	0	0	0	0

33	Financial and non-financial corporations	43,543			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	31,228			
35	Loans and advances	31,072			
36	of which loans collateralised by commercial immovable property	4,688			
37	of which building renovation loans	0			
38	Debt securities	32			
39	Equity instruments	124			
40	Non-EU country counterparties not subject to NFRD disclosure obligations	12,315			
41	Loans and advances	12,314			
42	Debt securities	0			
43	Equity instruments	1			
44	Derivatives	2,395			
45	On demand interbank loans	566			
46	Cash and cash-related assets	711			
47	Other assets (e.g. goodwill, commodities, etc.)	15,224			
48	Total GAR assets	187,387			
49	Assets not covered for GAR calculation	55,383			
50	Central governments and supranational issuers	35,379			
51	Central banks exposure	17,106			
52	Trading book	2,898			
53	Total assets	242,770			
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations					
54	Financial guarantees	756	239	4	1 0 2
55	Assets under management	4,729	993	66	0 17 13
56	Of which debt securities	0	0	0	0 0 0
57	Of which equity instruments	0	0	0	0 0 0

		Disclosure reference date 31/12/2023												
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)		
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)		
			Of which environmentally sustainable (Taxonomy-aligned)		Of which specialised lending	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)		Of which specialised lending	Of which adaptation	Of which environmentally sustainable (Taxonomy-aligned)		
in million euros														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	113,203	87,160	7,496	0	114	382	292	121	0	7			
2	Financial corporations	7,684	0	0	0	0	0	0	0	0	0			
3	Credit institutions	6,588	0	0	0	0	0	0	0	0	0			
4	Loans and advances	5,608	0	0	0	0	0	0	0	0	0			
5	Debt securities, including UoP	970	0	0	0	0	0	0	0	0	0			
6	Equity instruments	10	0	0	0	0	0	0	0	0	0			
7	Other financial corporations	1,096	0	0	0	0	0	0	0	0	0			
8	of which investment firms	1,001	0	0	0	0	0	0	0	0	0			
9	Loans and advances	889	0	0	0	0	0	0	0	0	0			
10	Debt securities, including UoP	62	0	0	0	0	0	0	0	0	0			
11	Equity instruments	51	0	0		0	0	0	0	0	0			
12	of which management companies	0	0	0	0	0	0	0	0	0	0			
13	Loans and advances	0	0	0	0	0	0	0	0	0	0			
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0			
15	Equity instruments	0	0	0		0	0	0	0		0			
16	of which insurance undertakings	32	0	0	0	0	0	0	0	0	0			
17	Loans and advances	11	0	0	0	0	0	0	0	0	0			
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0			
19	Equity instruments	21	0	0		0	0	0	0		0			
20	Non-financial corporations (subject to NFRD disclosure obligations)	14,829	2,348	847	0	113	382	292	121	0	7			
21	Loans and advances	14,638	2,240	824	0	113	359	288	120	0	6			
22	Debt securities, including UoP	191	108	23	0	0	23	4	1	0	1			
23	Equity instruments	0	0	0	0	0	0	0	0	0	0			
24	Households	89,144	84,812	6,648	0	1	0	0	0	0	0			
25	of which loans collateralised by residential immovable property	75,576	75,576	6,647	0	0	0	0	0	0	0			
26	of which building renovation loans	1,316	1,316	1	0	1	0	0	0	0	0			
27	of which motor vehicle loans	1,825	382	0	0	0	0							
28	Local governments financing	1,546	0	0	0	0	0	0	0	0	0			
29	Housing financing	0	0	0	0	0	0	0	0	0	0			
30	Other local governments financing	1,546	0	0	0	0	0	0	0	0	0			
31	Collateral obtained by taking possession: residential and commercial immovable properties	1,268	1,268	89	0	0	0	0	0	0	0			



32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	61,510	0	0	0	0	0	0	0	0	0	
33	Financial and non-financial corporations	41,414										
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	30,121										
35	Loans and advances	29,946										
36	of which loans collateralised by commercial immovable property	4,900										
37	of which building renovation loans	0										
38	Debt securities	63										
39	Equity instruments	112										
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,293										
41	Loans and advances	11,286										
42	Debt securities	0										
43	Equity instruments	7										
44	Derivatives	2,425										
45	On demand interbank loans	693										
46	Cash and cash-related assets	726										
47	Other assets (e.g. goodwill, commodities, etc.)	16,253										
48	Total GAR assets	174,713										
49	Assets not covered for GAR calculation	64,649										
50	Central governments and supranational issuers	33,219										
51	Central banks exposure	28,723										
52	Trading book	2,706										
53	Total assets	239,362										
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations												
54	Financial guarantees	914	507	14	0	0	0	0	0	0	0	
55	Assets under management	3,007	146	146	0	0	0	8	8	0	0	
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	

			Disclosure reference date 31/12/2023									
			Circular Economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			
			Of which specialised lending		Of which adaptation	Of which specialised lending		Of which adaptation	Of which specialised lending		Of which adaptation	
in million euros			Total gross carrying amount									
<b>GAR - Covered assets in both numerator and denominator</b>												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	113,203										
2	<b>Financial corporations</b>	<b>7,684</b>										
3	Credit institutions	6,588										
4	Loans and advances	5,608										
5	Debt securities, including UoP	970										
6	Equity instruments	10										
7	Other financial corporations	1,096										
8	of which investment firms	1,001										
9	Loans and advances	889										
10	Debt securities, including UoP	62										
11	Equity instruments	51										
12	of which management companies	0										
13	Loans and advances	0										
14	Debt securities, including UoP	0										
15	Equity instruments	0										
16	of which insurance undertakings	32										
17	Loans and advances	11										
18	Debt securities, including UoP	0										
19	Equity instruments	21										
20	<b>Non-financial corporations (subject to NFRD disclosure obligations)</b>	<b>14,829</b>										
21	Loans and advances	14,638										
22	Debt securities, including UoP	191										
23	Equity instruments	0										
24	<b>Households</b>	<b>89,144</b>										
25	of which loans collateralised by residential immovable property	75,576										
26	of which building renovation loans	1,316										
27	of which motor vehicle loans	1,825										
28	<b>Local governments financing</b>	<b>1,546</b>										
29	Housing financing	0										
30	Other local governments financing	1,546										
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>1,268</b>										

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	61,510			
33	Financial and non-financial corporations	41,414			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	30,121			
35	Loans and advances	29,946			
36	of which loans collateralised by commercial immovable property	4,900			
37	of which building renovation loans	0			
38	Debt securities	63			
39	Equity instruments	112			
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,293			
41	Loans and advances	11,286			
42	Debt securities	0			
43	Equity instruments	7			
44	Derivatives	2,425			
45	On demand interbank loans	693			
46	Cash and cash-related assets	726			
47	Other assets (e.g. goodwill, commodities, etc.)	16,253			
48	Total GAR assets	174,713			
49	Assets not covered for GAR calculation	64,649			
50	Central governments and supranational issuers	33,219			
51	Central banks exposure	28,723			
52	Trading book	2,706			
53	Total assets	239,362			
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations					
54	Financial guarantees	914			
55	Assets under management	3,007			
56	Of which debt securities	0			
57	Of which equity instruments	0			

		Disclosure reference date 31/12/2023					
		Total gross carrying amount	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				
in million euros					Of which specialised lending	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	113,203	87,453	7,617	0	121	382
2	Financial corporations	7,684	0	0	0	0	0
3	Credit institutions	6,588	0	0	0	0	0
4	Loans and advances	5,608	0	0	0	0	0
5	Debt securities, including UoP	970	0	0	0	0	0
6	Equity instruments	10	0	0		0	0
7	Other financial corporations	1,096	0	0	0	0	0
8	of which investment firms	1,001	0	0	0	0	0
9	Loans and advances	889	0	0	0	0	0
10	Debt securities, including UoP	62	0	0	0	0	0
11	Equity instruments	51	0	0		0	0
12	of which management companies	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0
16	of which insurance undertakings	32	0	0	0	0	0
17	Loans and advances	11	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0
19	Equity instruments	21	0	0		0	0
20	Non-financial corporations (subject to NFRD disclosure obligations)	14,829	2,641	969	0	120	382
21	Loans and advances	14,638	2,528	945	0	119	359
22	Debt securities, including UoP	191	113	24	0	1	23
23	Equity instruments	0	0	0	0	0	0
24	Households	89,144	84,812	6,648	0	1	0
25	of which loans collateralised by residential immovable property	75,576	75,576	6,647	0	0	0
26	of which building renovation loans	1,316	1,316	1	0	1	0
27	of which motor vehicle loans	1,825	382	0	0	0	0
28	Local governments financing	1,546	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0
30	Other local governments financing	1,546	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	1,268	1,268	89	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	61,510	0	0	0	0	0

33	Financial and non-financial corporations	41,414			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	30,121			
35	Loans and advances	29,946			
36	of which loans collateralised by commercial immovable property	4,900			
37	of which building renovation loans	0			
38	Debt securities	63			
39	Equity instruments	112			
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,293			
41	Loans and advances	11,286			
42	Debt securities	0			
43	Equity instruments	7			
44	Derivatives	2,425			
45	On demand interbank loans	693			
46	Cash and cash-related assets	726			
47	Other assets (e.g. goodwill, commodities, etc.)	16,253			
48	Total GAR assets	174,713			
49	Assets not covered for GAR calculation	64,649			
50	Central governments and supranational issuers	33,219			
51	Central banks exposure	28,723			
52	Trading book	2,706			
53	Total assets	239,362			
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations					
54	Financial guarantees	914	507	14	0 0 0
55	Assets under management	3,007	350	157	0 6 70
56	Of which debt securities	0	0	0	0 0 0
57	Of which equity instruments	0	0	0	0 0 0



## 2. Assets of non-financial corporations used to calculate the GAR in relation to turnover and CapEx KPIs, broken down by activity sector

Assets of non-financial corporations used to calculate the GAR in relation to **turnover** KPIs, broken down by activity sector

			Climate Change Adaptation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)				Circular Economy (CE)			
			Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD	
			Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
			in million euros	Of which environmentally sustainable (CCM)	in million euros	Of which environmentally sustainable (CCM)	in million euros	Of which environmentally sustainable (CCA)	in million euros	Of which environmentally sustainable (CCA)	in million euros	Of which environmentally sustainable (WTR)	in million euros	Of which environmentally sustainable (WTR)	in million euros	Of which environmentally sustainable (CE)	in million euros	Of which environmentally sustainable (CE)
Breakdown by sector - NACE 4 digits level (code and label)																		
1	111	Growing of cereals (except rice), leguminous crops and oil seeds	4.15	0			-	0			-				-			
2	113	Growing of vegetables and melons, roots and tubers	18.28	0			-	0			-				-			
3	119	Growing of other nonperennial crops	1.95	0			-	0			-				-			
4	122	Growing of tropical and subtropical fruits	0.71	0			-	0			-				-			
5	123	Growing of citrus fruits	30.59	0			-	0			-				-			
6	124	Growing of pome fruits and stone fruits	1.78	0			-	0			-				-			
7	125	Growing of other tree and bush fruits and nuts	8.83	0			-	0			-				-			
8	130	Plant propagation	7.15	0			-	0			-				-			
9	143	Raising of horses and other equines	0	0			-	0			-				-			
10	145	Raising of sheep and goats	2.24	0			-	0			-				-			
11	146	Raising of swine/pigs	38.46	0			-	0			-				-			
12	147	Raising of poultry	9.7	0			-	0			-				-			
13	149	Raising of other animals	2.08	0			-	0			-				-			
14	150	Mixed farming	0.34	0			-	0			-				-			
15	161	Support activities for crop production	11.71	0			-	0			-				-			
16	162	Support activities for animal production	5	0			-	0			-				-			
17	210	Silviculture and other forestry activities	3.45	0			-	0			-				-			
18	220	Logging	0.06	0			-	0			-				-			
19	311	Marine fishing	11.23	0			-	0			-				-			
20	321	Marine aquaculture	4.76	0			-	0			-				-			
21	610	Extraction of crude petroleum	38.46	0.1			-	0			-				-			
22	729	Mining of other nonferrous metal ores	39.5	0.01			-	0			-				-			
23	811	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	2.02	0			-	0			-				-			
24	812	Operation of gravel and sand pits; mining of clays and kaolin	0.08	0			-	0			-				-			
25	891	Mining of chemical and fertiliser minerals	0.01	0			-	0			-				-			
26	893	Extraction of salt	0	0			-	0			-				-			
27	899	Other mining and quarrying n.e.c.	0.15	0			-	0			-				-			
28	1011	Processing and preserving of meat	80.1	0			-	0			-				-			
29	1012	Processing and preserving of poultry meat	4.31	0			-	0			-				-			
30	1013	Production of meat and poultry meat products	95.8	0			-	0			-				-			



31	1020	Processing and preserving of fish, crustaceans and molluscs	54.45	0		-	0		-		-	
32	1032	Manufacture of fruit and vegetable juice	15.59	0		-	0		-		-	
33	1039	Other processing and preserving of fruit and vegetables	9.33	0		-	0		-		-	
34	1041	Manufacture of oils and fats	1.24	0		-	0		-		-	
35	1051	Operation of dairies and cheese making	77.83	0		-	0		-		-	
36	1052	Manufacture of ice cream	1.22	0		-	0		-		-	
37	1061	Manufacture of grain mill products	3.05	0		-	0		-		-	
38	1071	Manufacture of bread; manufacture of fresh pastry goods and cakes	80.76	0		-	0		-		-	
39	1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	1.08	0		-	0		-		-	
40	1073	Manufacture of macaroni, noodles, couscous and similar farinaceous products	29.25	0		-	0		-		-	
41	1082	Manufacture of cocoa, chocolate and sugar confectionery	77.3	0		-	0		-		-	
42	1084	Manufacture of condiments and seasonings	7.32	0		-	0		-		-	
43	1085	Manufacture of prepared meals and dishes	1.79	0		-	0		-		-	
44	1086	Manufacture of homogenised food preparations and dietetic food	1.98	0		-	0		-		-	
45	1089	Manufacture of other food products n.e.c.	35.1	0		-	0		-		-	
46	1091	Manufacture of prepared feeds for farm animals	91.42	0		-	0		-		-	
47	1092	Manufacture of prepared pet foods	8.41	0		-	0		-		-	
48	1101	Distilling, rectifying and blending of spirits	0.45	0		-	0		-		-	
49	1102	Manufacture of wine from grape	88.09	0		-	0		-		-	
50	1105	Manufacture of beer	55.94	0		-	0		-		-	
51	1106	Manufacture of malt	0	0		-	0		-		-	
52	1107	Manufacture of soft drinks; production of mineral waters and other bottled waters	131.01	0		-	0		-		-	
53	1310	Preparation and spinning of textile fibres	2.83	0		-	0		-		-	
54	1320	Weaving of textiles	3.47	0		-	0		-		-	
55	1330	Finishing of textiles	0.42	0		-	0		-		-	
56	1391	Manufacture of knitted and crocheted fabrics	0.01	0		-	0		-		-	
57	1396	Manufacture of other technical and industrial textiles	0.85	0		-	0		-		-	
58	1399	Manufacture of other textiles n.e.c.	0	0		-	0		-		-	
59	1412	Manufacture of workwear	0.37	0		-	0		-		-	
60	1413	Manufacture of other outerwear	7.56	0		-	0		-		-	
61	1419	Manufacture of other wearing apparel and accessories	8.04	0		-	0		-		-	
62	1431	Manufacture of knitted and crocheted hosiery	0	0		-	0		-		-	
63	1511	Tanning and dressing of leather; dressing and dyeing of fur	5.45	0		-	0		-		-	
64	1520	Manufacture of footwear	0.93	0		-	0		-		-	
65	1610	Sawmilling and planing of wood	0.13	0		-	0		-		-	
66	1621	Manufacture of veneer sheets and woodbased panels	27.36	0		-	0		-		-	
67	1623	Manufacture of other builders' carpentry and joinery	7.34	0		-	0		-		-	
68	1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	0	0		-	0		-		-	
69	1711	Manufacture of pulp	30.89	7.36		-	0		-		-	
70	1712	Manufacture of paper and paperboard	47.91	0		-	0		-		-	
71	1721	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	20.04	0		-	0		-		-	

72	1722	Manufacture of household and sanitary goods and of toilet requisites	0.01	0		-	0		-		-	
73	1723	Manufacture of paper stationery	2.4	0		-	0		-		-	
74	1811	Printing of newspapers	0.71	0		-	0		-		-	
75	1812	Other printing	0.8	0		-	0		-		-	
76	1920	Manufacture of refined petroleum products	123.97	0.03		-	0		-		-	
77	2011	Manufacture of industrial gases	0.02	0		-	0		-		-	
78	2012	Manufacture of dyes and pigments	1.68	0		-	0		-		-	
79	2013	Manufacture of other inorganic basic chemicals	14.78	0		-	0		-		-	
80	2014	Manufacture of other organic basic chemicals	0.7	0		-	0		-		-	
81	2015	Manufacture of fertilisers and nitrogen compounds	21.44	0.01		-	1.75		-		-	
82	2016	Manufacture of plastics in primary forms	8.57	0		-	0		-		-	
83	2017	Manufacture of synthetic rubber in primary forms	14.19	0		-	0		-		-	
84	2020	Manufacture of pesticides and other agrochemical products	13.79	0		-	0		-		-	
85	2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	17.85	0		-	0		-		-	
86	2041	Manufacture of soap and detergents, cleaning and polishing preparations	5.97	0		-	0		-		-	
87	2042	Manufacture of perfumes and toilet preparations	2.39	0		-	0		-		-	
88	2051	Manufacture of explosives	72.03	0		-	0		-		-	
89	2059	Manufacture of other chemical products n.e.c.	4.39	0		-	0		-		-	
90	2110	Manufacture of basic pharmaceutical products	112.87	0		-	0		-		-	
91	2120	Manufacture of pharmaceutical preparations	34.79	0		-	0		-		-	
92	2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	10.41	0		-	0		-		-	
93	2219	Manufacture of other rubber products	5.6	0		-	0		-		-	
94	2221	Manufacture of plastic plates, sheets, tubes and profiles	16.43	0		-	0		-		-	
95	2222	Manufacture of plastic packing goods	14.14	0		-	0		-		-	
96	2223	Manufacture of builders' ware of plastic	6.09	0		-	0		-		-	
97	2229	Manufacture of other plastic products	80.54	0		-	0		-		-	
98	2311	Manufacture of flat glass	1.2	0		-	0		-		-	
99	2312	Shaping and processing of flat glass	0.6	0		-	0		-		-	
100	2313	Manufacture of hollow glass	2.63	0		-	0		-		-	
101	2314	Manufacture of glass fibres	0.05	0		-	0		-		-	
102	2319	Manufacture and processing of other glass, including technical glassware	2.52	0		-	0		-		-	
103	2320	Manufacture of refractory products	2.9	0		-	0		-		-	
104	2331	Manufacture of ceramic tiles and flags	53.47	0		-	0		-		-	
105	2332	Manufacture of bricks, tiles and construction products, in baked clay	1.11	0		-	0		-		-	
106	2342	Manufacture of ceramic sanitary fixtures	44.63	0		-	0		-		-	
107	2344	Manufacture of other technical ceramic products	2.15	0		-	0		-		-	
108	2349	Manufacture of other ceramic products	4.36	0		-	0		-		-	
109	2351	Manufacture of cement	55.16	0.39		-	0		-		-	
110	2352	Manufacture of lime and plaster	6.84	0		-	0		-		-	
111	2361	Manufacture of concrete products for construction purposes	0.11	0		-	0		-		-	
112	2363	Manufacture of ready-mixed concrete	3.78	0		-	0		-		-	
113	2364	Manufacture of mortars	0.02	0		-	0		-		-	
114	2369	Manufacture of other articles of concrete, plaster and cement	0.12	0		-	0		-		-	
115	2370	Cutting, shaping and finishing of stone	8.86	0		-	0		-		-	

116	2399	Manufacture of other non-metallic mineral products n.e.c.	5.74	0	-	0	-	-
117	2410	Manufacture of basic iron and steel and of ferroalloys	56.32	7.53	-	0	-	-
118	2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	28.03	0.55	-	0	-	-
119	2431	Cold drawing of bars	0.01	0	-	0	-	-
120	2432	Cold rolling of narrow strip	19.92	0	-	0	-	-
121	2433	Cold forming or folding	0.07	0	-	0	-	-
122	2434	Cold drawing of wire	0.09	0	-	0	-	-
123	2442	Aluminium production	37.59	0	-	0	-	-
124	2445	Other nonferrous metal production	381.3	264.4	-	0	-	-
125	2446	Processing of nuclear fuel	40	0	-	0	-	-
126	2451	Casting of iron	3.56	0	-	0	-	-
127	2452	Casting of steel	10.42	0	-	0	-	-
128	2453	Casting of light metals	4.47	0	-	0	-	-
129	2454	Casting of other nonferrous metals	0.41	0	-	0	-	-
130	2511	Manufacture of metal structures and parts of structures	63.78	0	-	0	-	-
131	2512	Manufacture of doors and windows of metal	0.86	0	-	0	-	-
132	2521	Manufacture of central heating radiators and boilers	0	0	-	0	-	-
133	2529	Manufacture of other tanks, reservoirs and containers of metal	1.7	0	-	0	-	-
134	2540	Manufacture of weapons and ammunition	2.08	0	-	0	-	-
135	2550	Forging, pressing, stamping and rollforming of metal; powder metallurgy	78	0.19	-	0	-	-
136	2561	Treatment and coating of metals	9.43	0	-	0	-	-
137	2562	Machining	4.65	0	-	0	-	-
138	2571	Manufacture of cutlery	0.03	0	-	0	-	-
139	2572	Manufacture of locks and hinges	1.84	0	-	0	-	-
140	2592	Manufacture of light metal packaging	14.69	0	-	0	-	-
141	2593	Manufacture of wire products, chain and springs	3.58	0	-	0	-	-
142	2594	Manufacture of fasteners and screw machine products	1.63	0	-	0	-	-
143	2599	Manufacture of other fabricated metal products n.e.c.	16.51	0	-	0	-	-
144	2611	Manufacture of electronic components	4.65	0	-	0	-	-
145	2612	Manufacture of loaded electronic boards	0.7	0	-	0	-	-
146	2620	Repair of computers and peripheral equipment	0	0	-	0	-	-
147	2630	Manufacture of communication equipment	0	0	-	0	-	-
148	2651	Manufacture of instruments and appliances for measuring, testing and navigation	0.07	0	-	0	-	-
149	2652	Manufacture of watches and clocks	3.94	0	-	0	-	-
150	2660	Manufacture of irradiation, electromedical and electrotherapeutic equipment	3.75	0	-	0	-	-
151	2670	Manufacture of optical instruments and photographic equipment	0.04	0	-	0	-	-
152	2711	Manufacture of electric motors, generators and transformers	95.29	0	-	0	-	-
153	2712	Manufacture of electricity distribution and control apparatus	3.71	0	-	0	-	-
154	2720	Manufacture of batteries and accumulators	0.02	0	-	0	-	-
155	2732	Manufacture of other electronic and electric wires and cables	11.14	0	-	0	-	-
156	2740	Manufacture of electric lighting equipment	0.01	0	-	0	-	-
157	2751	Manufacture of electric domestic appliances	1.48	0	-	0	-	-
158	2790	Manufacture of other electrical equipment	14.86	0.11	-	0	-	-

159	2811	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0.04	0		-	0		-		-
160	2813	Manufacture of other pumps and compressors	0	0		-	0		-		-
161	2815	Manufacture of bearings, gears, gearing and driving elements	6.68	0		-	0		-		-
162	2822	Manufacture of lifting and handling equipment	13.63	0		-	0		-		-
163	2825	Manufacture of nondomestic cooling and ventilation equipment	78	0		-	0		-		-
164	2829	Manufacture of other general purpose machinery n.e.c.	3.98	0		-	0		-		-
165	2830	Manufacture of agricultural and forestry machinery	1.99	0		-	0		-		-
166	2841	Manufacture of metal forming machinery	17.83	0		-	0		-		-
167	2849	Manufacture of other machine tools	1.89	0		-	0		-		-
168	2891	Manufacture of machinery for metallurgy	0.26	0		-	0		-		-
169	2892	Manufacture of machinery for mining, quarrying and construction	4.96	0		-	0		-		-
170	2893	Manufacture of machinery for food, beverage and tobacco processing	0	0		-	0		-		-
171	2894	Manufacture of machinery for textile, apparel and leather production	0.96	0		-	0		-		-
172	2895	Manufacture of machinery for paper and paperboard production	0.19	0		-	0		-		-
173	2896	Manufacture of plastics and rubber machinery	5.35	0		-	0		-		-
174	2899	Manufacture of other special purpose machinery n.e.c.	7.98	0		-	0		-		-
175	2910	Manufacture of motor vehicles	43.72	0		-	0		-		-
176	2920	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semitrailers	2.35	0		-	0		-		-
177	2931	Manufacture of electrical and electronic equipment for motor vehicles	1.36	0		-	0		-		-
178	2932	Manufacture of other parts and accessories for motor vehicles	329.51	0.47		-	0		-		-
179	3011	Building of ships and floating structures	4.21	0.85		-	0		-		-
180	3020	Manufacture of railway locomotives and rolling stock	46.29	16.05		-	0		-		-
181	3030	Manufacture of air and spacecraft and related machinery	72.53	0		-	0		-		-
182	3040	Manufacture of military fighting vehicles	0.1	0		-	0		-		-
183	3101	Manufacture of office and shop furniture	0.98	0		-	0		-		-
184	3102	Manufacture of kitchen furniture	1.55	0		-	0		-		-
185	3103	Manufacture of mattresses	2.3	0		-	0		-		-
186	3109	Manufacture of other furniture	0.04	0		-	0		-		-
187	3250	Manufacture of medical and dental instruments and supplies	5.87	0		-	0		-		-
188	3299	Other manufacturing n.e.c.	4.31	0		-	0		-		-
189	3312	Repair of machinery	0.43	0		-	0		-		-
190	3314	Repair of electrical equipment	0	0		-	0		-		-
191	3317	Repair and maintenance of other transport equipment	0.49	0.01		-	0		-		-
192	3319	Repair of other equipment	0	0		-	0		-		-
193	3320	Installation of industrial machinery and equipment	4.39	0.14		-	0		-		-
194	3511	Production of electricity	461.94	101.11		-	0		-		-
195	3512	Transmission of electricity	11.39	0		-	0		-		-
196	3513	Distribution of electricity	260.39	39.51		-	0		-		-
197	3514	Trade of electricity	12.04	0.51		-	0		-		-
198	3521	Manufacture of gas	104.12	6.25		-	0		-		-
199	3522	Distribution of gaseous fuels through mains	251.37	28		-	0		-		-
200	3523	Trade of gas through mains	5.8	0		-	0		-		-
201	3600	Water collection, treatment and supply	121.24	11.86		-	0		-		-

202	3700	Sewerage	11.22	4.81		-	0		-		-
203	3811	Collection of non-hazardous waste	22.27	0.01		-	0		-		-
204	3821	Treatment and disposal of non-hazardous waste	47.48	0		-	0		-		-
205	3822	Treatment and disposal of hazardous waste	0.1	0		-	0		-		-
206	3831	Dismantling of wrecks	15.37	0		-	0		-		-
207	3832	Recovery of sorted materials	6.5	4.66		-	0		-		-
208	3900	Remediation activities and other waste management services	0.73	0		-	0		-		-
209	4110	Development of building projects	105.6	0		-	0		-		-
210	4120	Construction of residential and non-residential buildings	65.79	0		-	0		-		-
211	4211	Construction of roads and motorways	89.95	5.32		-	0.02		-		-
212	4212	Construction of railways and underground railways	322.43	157.01		-	0		-		-
213	4213	Construction of bridges and tunnels	31.21	11.72		-	0		-		-
214	4222	Construction of utility projects for electricity and telecommunications	11.16	0		-	0		-		-
215	4291	Construction of water projects	0.43	0		-	0		-		-
216	4299	Construction of other civil engineering projects n.e.c.	196.41	23.21		-	0.09		-		-
217	4311	Demolition	0	0		-	0		-		-
218	4312	Site preparation	0	0		-	0		-		-
219	4321	Electrical installation	198.18	0.04		-	0		-		-
220	4322	Plumbing, heat and airconditioning installation	44.4	0		-	0		-		-
221	4329	Other construction installation	0.1	0		-	0		-		-
222	4331	Plastering	0	0		-	0		-		-
223	4333	Floor and wall covering	1.85	0		-	0		-		-
224	4334	Painting and glazing	0.07	0		-	0		-		-
225	4339	Other building completion and finishing	0.29	0		-	0		-		-
226	4399	Other specialised construction activities n.e.c.	104.79	11.6		-	0.01		-		-
227	4511	Sale of cars and light motor vehicles	36.05	0		-	0		-		-
228	4519	Sale of other motor vehicles	3.43	0		-	0		-		-
229	4520	Maintenance and repair of motor vehicles	0.14	0		-	0		-		-
230	4531	Wholesale trade of motor vehicle parts and accessories	1.61	0		-	0		-		-
231	4532	Retail trade of motor vehicle parts and accessories	1.37	0		-	0		-		-
232	4540	Sale, maintenance and repair of motorcycles and related parts and accessories	0.59	0.32		-	0		-		-
233	4611	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semifinished goods	0.2	0		-	0		-		-
234	4612	Agents involved in the sale of fuels, ores, metals and industrial chemicals	1.95	0		-	0		-		-
235	4613	Agents involved in the sale of timber and building materials	2.16	0		-	0		-		-
236	4614	Agents involved in the sale of machinery, industrial equipment, ships and aircraft	4.78	0		-	0		-		-
237	4615	Agents involved in the sale of furniture, household goods, hardware and ironmongery	6.5	0		-	0		-		-
238	4617	Agents involved in the sale of food, beverages and tobacco	6.62	0		-	0		-		-
239	4619	Agents involved in the sale of a variety of goods	12.49	0		-	0		-		-
240	4621	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	42.95	0		-	0		-		-
241	4623	Wholesale of live animals	1.49	0		-	0		-		-
242	4624	Wholesale of hides, skins and leather	3.14	0		-	0		-		-
243	4631	Wholesale of fruit and vegetables	51.83	0		-	0		-		-

244	4632	Wholesale of meat and meat products	30.52	0		-	0		-		-	
245	4633	Wholesale of dairy products, eggs and edible oils and fats	47.67	0		-	0		-		-	
246	4634	Wholesale of beverages	14.35	0		-	0		-		-	
247	4635	Wholesale of tobacco products	0	0		-	0		-		-	
248	4636	Wholesale of sugar and chocolate and sugar confectionery	3.46	0		-	0		-		-	
249	4637	Wholesale of coffee, tea, cocoa and spices	0.94	0		-	0		-		-	
250	4638	Wholesale of other food, including fish, crustaceans and molluscs	45.85	0		-	0		-		-	
251	4639	Nonspecialised wholesale of food, beverages and tobacco	78.74	0		-	0		-		-	
252	4641	Wholesale of textiles	0.34	0		-	0		-		-	
253	4642	Wholesale of clothing and footwear	43.72	0		-	0		-		-	
254	4643	Wholesale of electrical household appliances	29.75	0		-	0		-		-	
255	4644	Wholesale of china and glassware and cleaning materials	1.59	0		-	0		-		-	
256	4645	Wholesale of perfume and cosmetics	324.42	0		-	0		-		-	
257	4646	Wholesale of pharmaceutical goods	93.54	0		-	0		-		-	
258	4648	Wholesale of watches and jewellery	0.08	0		-	0		-		-	
259	4649	Wholesale of other household goods	4.71	0		-	0		-		-	
260	4651	Wholesale of computers, computer peripheral equipment and software	12.39	0		-	0		-		-	
261	4652	Wholesale of electronic and telecommunications equipment and parts	3.34	0		-	0		-		-	
262	4661	Wholesale of agricultural machinery, equipment and supplies	0.05	0		-	0		-		-	
263	4662	Wholesale of machine tools	0.13	0		-	0		-		-	
264	4663	Wholesale of mining, construction and civil engineering machinery	0.18	0		-	0		-		-	
265	4665	Wholesale of office furniture	6.16	0		-	0		-		-	
266	4666	Wholesale of other office machinery and equipment	9.93	0		-	0		-		-	
267	4669	Wholesale of other machinery and equipment	35.06	0		-	0		-		-	
268	4671	Wholesale of solid, liquid and gaseous fuels and related products	14.29	0		-	0		-		-	
269	4672	Wholesale of metals and metal ores	120.84	3.18		-	0		-		-	
270	4673	Wholesale of wood, construction materials and sanitary equipment	114.93	0		-	0		-		-	
271	4674	Wholesale of hardware, plumbing and heating equipment and supplies	47.59	0		-	0		-		-	
272	4675	Wholesale of chemical products	33.26	0		-	0		-		-	
273	4676	Wholesale of other intermediate products	52.03	0		-	0		-		-	
274	4677	Wholesale of waste and scrap	0.83	0		-	0		-		-	
275	4690	Nonspecialised wholesale trade	16.77	0		-	0		-		-	
276	4711	Retail sale in nonspecialised stores with food, beverages or tobacco predominating	433.56	0		-	0		-		-	
277	4719	Other retail sale in nonspecialised stores	163.82	0.03		-	0		-		-	
278	4721	Retail sale of fruit and vegetables in specialised stores	15.73	0		-	0		-		-	
279	4722	Retail sale of meat and meat products in specialised stores	6.61	0		-	0		-		-	
280	4724	Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	0.32	0		-	0		-		-	
281	4729	Other retail sale of food in specialised stores	29.34	0		-	0		-		-	
282	4730	Retail sale of automotive fuel in specialised stores	47.17	0.04		-	0		-		-	
283	4741	Retail sale of computers, peripheral units and software in specialised stores	0.69	0		-	0		-		-	
284	4742	Retail sale of telecommunications equipment in specialised stores	7.44	0		-	0		-		-	
285	4751	Retail sale of textiles in specialised stores	0	0		-	0		-		-	
286	4752	Retail sale of hardware, paints and glass in specialised stores	36.63	0		-	0		-		-	

287	4759	Retail sale of furniture, lighting equipment and other household articles in specialised stores	18.58	0		-	0		-		-	
288	4761	Retail sale of books in specialised stores	0.15	0		-	0		-		-	
289	4764	Retail sale of sporting equipment in specialised stores	1.71	0		-	0		-		-	
290	4765	Retail sale of games and toys in specialised stores	0.03	0		-	0		-		-	
291	4771	Retail sale of clothing in specialised stores	107.04	0		-	0		-		-	
292	4772	Retail sale of footwear and leather goods in specialised stores	1.96	0		-	0		-		-	
293	4773	Dispensing chemist in specialised stores	0.05	0		-	0		-		-	
294	4774	Retail sale of medical and orthopaedic goods in specialised stores	0.09	0		-	0		-		-	
295	4775	Retail sale of cosmetic and toilet articles in specialised stores	35.39	0		-	0		-		-	
296	4776	Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	0.93	0		-	0		-		-	
297	4777	Retail sale of watches and jewellery in specialised stores	0.68	0		-	0		-		-	
298	4778	Other retail sale of new goods in specialised stores	100.63	0.01		-	0		-		-	
299	4781	Retail sale via stalls and markets of food, beverages and tobacco products	3.46	0		-	0		-		-	
300	4791	Retail sale via mail order houses or via Internet	2.12	0		-	0		-		-	
301	4799	Other retail sale not in stores, stalls or markets	3.99	0		-	0		-		-	
302	4910	Passenger rail transport, interurban	405	5.7		-	0		-		-	
303	4920	Freight rail transport	0.01	0		-	0		-		-	
304	4931	Urban and suburban passenger land transport	156.45	0		-	0		-		-	
305	4932	Taxi operation	0.6	0		-	0		-		-	
306	4939	Other passenger land transport n.e.c.	37.58	0		-	0		-		-	
307	4941	Freight transport by road	67.63	0		-	0		-		-	
308	4950	Transport via pipeline	26.07	0		-	0		-		-	
309	5010	Sea and coastal passenger water transport	19.72	0		-	0		-		-	
310	5020	Sea and coastal freight water transport	47.19	0		-	0		-		-	
311	5110	Passenger air transport	5.42	0		-	0		-		-	
312	5121	Freight air transport	0	0		-	0		-		-	
313	5210	Warehousing and storage	7.63	0		-	0		-		-	
314	5221	Service activities incidental to land transportation	281.1	6.63		-	0.03		-		-	
315	5222	Service activities incidental to water transportation	109.35	0		-	0		-		-	
316	5223	Service activities incidental to air transportation	360.73	126.06		-	0		-		-	
317	5224	Cargo handling	0.29	0		-	0		-		-	
318	5229	Other transportation support activities	36.44	0		-	0		-		-	
319	5310	Postal activities under universal service obligation	48.1	0		-	0		-		-	
320	5320	Other postal and courier activities	12.57	0		-	0		-		-	
321	5510	Hotels and similar accommodation	676.74	0		-	0		-		-	
322	5520	Holiday and other short-stay accommodation	22.86	0		-	0		-		-	
323	5530	Camping grounds, recreational vehicle parks and trailer parks	1.25	0		-	0		-		-	
324	5590	Other accommodation	1.02	0		-	0		-		-	
325	5610	Restaurants and mobile food service activities	92.67	0		-	0		-		-	
326	5621	Event catering activities	0.24	0		-	0		-		-	
327	5629	Other food service activities	0.94	0		-	0		-		-	
328	5630	Beverage serving activities	2.93	0		-	0		-		-	
329	5811	Book publishing	1.39	0		-	0		-		-	



330	5813	Publishing of newspapers	3.93	0		-	0		-		-	
331	5819	Other publishing activities	5.06	0		-	0		-		-	
332	5821	Publishing of computer games	20.1	0		-	0		-		-	
333	5829	Other software publishing	0.43	0		-	0		-		-	
334	5912	Motion picture, video and television programme postproduction activities	9.5	0		-	0		-		-	
335	6010	Radio broadcasting	0.01	0		-	0		-		-	
336	6020	Television programming and broadcasting activities	8.44	0		-	0		-		-	
337	6110	Wired telecommunications activities	289.91	1.61		-	0		-		-	
338	6120	Wireless telecommunications activities	0.23	0		-	0		-		-	
339	6130	Satellite telecommunications activities	0.09	0		-	0		-		-	
340	6190	Other telecommunications activities	401.62	1.19		-	1.15		-		-	
341	6201	Computer programming activities	8.19	0.01		-	0		-		-	
342	6202	Computer consultancy activities	27.35	0		-	0.55		-		-	
343	6203	Computer facilities management activities	1.34	0		-	0		-		-	
344	6209	Other information technology and computer service activities	19.1	0		-	0		-		-	
345	6311	Data processing, hosting and related activities	3.3	0		-	0		-		-	
346	6312	Web portals	0.17	0		-	0		-		-	
347	6391	News agency activities	0	0		-	0		-		-	
348	6399	Other information service activities n.e.c.	0	0		-	0		-		-	
349	6420	Activities of holding companies	765.71	0.01		-	0		-		-	
350	6499	Other financial service activities, except insurance and pension funding n.e.c.	149.29	53.08		-	0.01		-		-	
351	6612	Security and commodity contracts brokerage	0.2	0		-	0		-		-	
352	6619	Other activities auxiliary to financial services, except insurance and pension funding	332.46	266.14		-	0		-		-	
353	6622	Activities of insurance agents and brokers	0.84	0.01		-	0		-		-	
354	6810	Buying and selling of own real estate	74.96	0		-	0		-		-	
355	6820	Renting and operating of own or leased real estate	347.72	0.91		-	0		-		-	
356	6831	Real estate agencies	0.95	0		-	0		-		-	
357	6832	Management of real estate on a fee or contract basis	38.6	0.01		-	0.22		-		-	
358	6910	Legal activities	7.59	0		-	0		-		-	
359	6920	Accounting, bookkeeping and auditing activities; tax consultancy	21.83	0		-	0		-		-	
360	7010	Activities of head offices	256.85	5.61		-	0.14		-		-	
361	7021	Public relations and communication activities	0	0		-	0		-		-	
362	7022	Business and other management consultancy activities	70.45	0.01		-	0		-		-	
363	7111	Architectural activities	0.25	0		-	0		-		-	
364	7112	Engineering activities and related technical consultancy	104.83	0.1		-	0		-		-	
365	7120	Technical testing and analysis	15.45	0		-	0		-		-	
366	7219	Other research and experimental development on natural sciences and engineering	2.01	0		-	0		-		-	
367	7220	Research and experimental development on social sciences and humanities	0.79	0		-	0		-		-	
368	7311	Advertising agencies	16.72	0		-	0		-		-	
369	7312	Media representation	0	0		-	0		-		-	
370	7320	Market research and public opinion polling	1.5	0		-	0		-		-	
371	7410	Specialised design activities	0.01	0		-	0		-		-	
372	7420	Photographic activities	0.11	0.02		-	0		-		-	

373	7490	Other professional, scientific and technical activities n.e.c.	51.56	2.21		-	0.02		-		-
374	7500	Veterinary activities	3.26	0		-	0		-		-
375	7711	Renting and leasing of cars and light motor vehicles	24.79	0		-	0		-		-
376	7712	Renting and leasing of trucks	3.68	0		-	0		-		-
377	7732	Renting and leasing of construction and civil engineering machinery and equipment	12.91	0		-	0		-		-
378	7734	Renting and leasing of water transport equipment	1.21	0		-	0		-		-
379	7735	Renting and leasing of air transport equipment	57.81	0		-	0		-		-
380	7739	Renting and leasing of other machinery, equipment and tangible goods n.e.c.	84.58	0.03		-	0.54		-		-
381	7740	Leasing of intellectual property and similar products, except copyrighted works	0.74	0		-	0		-		-
382	7810	Activities of employment placement agencies	0.02	0		-	0		-		-
383	7820	Temporary employment agency activities	11.19	0		-	0		-		-
384	7830	Other human resources provision	0.01	0		-	0		-		-
385	7911	Travel agency activities	11.91	0		-	0		-		-
386	7912	Tour operator activities	7.15	0		-	0		-		-
387	7990	Other reservation service and related activities	0.01	0		-	0		-		-
388	8010	Private security activities	4.65	0		-	0		-		-
389	8020	Security systems service activities	5.19	0		-	0		-		-
390	8110	Combined facilities support activities	12.86	0		-	0		-		-
391	8121	General cleaning of buildings	3.74	0.24		-	0		-		-
392	8122	Other building and industrial cleaning activities	11.81	0		-	0		-		-
393	8129	Other cleaning activities	4.86	0		-	0		-		-
394	8130	Landscape service activities	0.08	0		-	0		-		-
395	8211	Combined office administrative service activities	1.61	0		-	0		-		-
396	8219	Photocopying, document preparation and other specialised office support activities	0.42	0		-	0		-		-
397	8220	Activities of call centres	0.84	0		-	0		-		-
398	8230	Organisation of conventions and trade shows	3.09	0		-	0		-		-
399	8291	Activities of collection agencies and credit bureaus	2.74	0		-	0		-		-
400	8292	Packaging activities	0.02	0		-	0		-		-
401	8299	Other business support service activities n.e.c.	3.91	0		-	0		-		-
402	8411	General public administration activities	573.54	0.94		-	0		-		-
403	8412	Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security	0	0		-	0		-		-
404	8413	Regulation of and contribution to more efficient operation of businesses	0	0		-	0		-		-
405	8520	Primary education	0.04	0		-	0		-		-
406	8531	General secondary education	0.2	0		-	0		-		-
407	8532	Technical and vocational secondary education	30.01	0		-	0		-		-
408	8541	Postsecondary non	10.81	0		-	0		-		-
409	8552	Cultural education	0.91	0		-	0		-		-
410	8559	Other education n.e.c.	8.83	0		-	0		-		-
411	8560	Educational support activities	2.48	0		-	0		-		-
412	8610	Hospital activities	73.86	0		-	0		-		-
413	8621	General medical practice activities	10.27	0.01		-	0		-		-
414	8622	Specialist medical practice activities	5.08	0		-	0		-		-

415	8623	Dental practice activities	0	0		-	0		-		-	
416	8690	Other human health activities	13.67	0		-	0		-		-	
417	8710	Residential nursing care activities	3.21	0		-	0		-		-	
418	8720	Residential care activities for mental retardation, mental health and substance abuse	2.01	0.22		-	0		-		-	
419	8730	Residential care activities for the elderly and disabled	51.48	0		-	0.01		-		-	
420	8790	Other residential care activities	25.9	0.01		-	0		-		-	
421	8810	Social work activities without accommodation for the elderly and disabled	0.89	0		-	0		-		-	
422	8891	Child daycare activities	0.08	0		-	0		-		-	
423	8899	Other social work activities without accommodation n.e.c.	1.75	0		-	0		-		-	
424	9004	Operation of arts facilities	0	0		-	0		-		-	
425	9103	Operation of historical sites and buildings and similar visitor attractions	0.01	0		-	0		-		-	
426	9104	Botanical and zoological gardens and nature reserves activities	0.01	0		-	0		-		-	
427	9200	Gambling and betting activities	9.25	0.03		-	0		-		-	
428	9311	Operation of sports facilities	1.62	0		-	0		-		-	
429	9312	Activities of sport clubs	0.05	0		-	0		-		-	
430	9313	Fitness facilities	9.72	0		-	0		-		-	
431	9319	Other sports activities	0.75	0		-	0		-		-	
432	9321	Activities of amusement parks and theme parks	1.29	0		-	0		-		-	
433	9329	Other amusement and recreation activities	0.63	0		-	0		-		-	
434	9412	Activities of professional membership organisations	0	0		-	0		-		-	
435	9499	Activities of other membership organisations n.e.c.	1.56	0		-	0		-		-	
436	9511	Repair of computers and peripheral equipment	0	0		-	0		-		-	
437	9512	Repair of communication equipment	0	0		-	0		-		-	
438	9601	Washing and (dry)cleaning of textile and fur products	2.38	0		-	0		-		-	
439	9602	Hairdressing and other beauty treatment	0.19	0		-	0		-		-	
440	9603	Funeral and related activities	36.39	0		-	0.17		-		-	
441	9604	Physical wellbeing activities	0.67	0		-	0		-		-	
442	9609	Other personal service activities n.e.c.	5.53	0		-	0		-		-	

			Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
			Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD	
			Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
Breakdown by sector - NACE 4 digits level (code and label)			in million euros	Of which environmental ly sustainable (PPC)	in million euros	Of which environmental ly sustainable (PPC)	in million euros	Of which environmental ly sustainable (BIO)	in million euros	Of which environmental ly sustainable (BIO)	in million euros	Of which environmental ly sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in million euros	Of which environmental ly sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	111	Growing of cereals (except rice), leguminous crops and oil seeds	-				-				4.15	0		
2	113	Growing of vegetables and melons, roots and tubers	-				-				18.28	0		
3	119	Growing of other nonperennial crops	-				-				1.95	0		
4	122	Growing of tropical and subtropical fruits	-				-				0.71	0		
5	123	Growing of citrus fruits	-				-				30.59	0		
6	124	Growing of pome fruits and stone fruits	-				-				1.78	0		
7	125	Growing of other tree and bush fruits and nuts	-				-				8.83	0		
8	130	Plant propagation	-				-				7.15	0		
9	143	Raising of horses and other equines	-				-				0	0		
10	145	Raising of sheep and goats	-				-				2.24	0		
11	146	Raising of swine/pigs	-				-				38.46	0		
12	147	Raising of poultry	-				-				9.7	0		
13	149	Raising of other animals	-				-				2.08	0		
14	150	Mixed farming	-				-				0.34	0		
15	161	Support activities for crop production	-				-				11.71	0		
16	162	Support activities for animal production	-				-				5	0		
17	210	Silviculture and other forestry activities	-				-				3.45	0		
18	220	Logging	-				-				0.06	0		
19	311	Marine fishing	-				-				11.23	0		
20	321	Marine aquaculture	-				-				4.76	0		
21	610	Extraction of crude petroleum	-				-				38.46	0.1		
22	729	Mining of other nonferrous metal ores	-				-				39.5	0.01		
23	811	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	-				-				2.02	0		
24	812	Operation of gravel and sand pits; mining of clays and kaolin	-				-				0.08	0		
25	891	Mining of chemical and fertiliser minerals	-				-				0.01	0		
26	893	Extraction of salt	-				-				0	0		
27	899	Other mining and quarrying n.e.c.	-				-				0.15	0		
28	1011	Processing and preserving of meat	-				-				80.1	0		
29	1012	Processing and preserving of poultry meat	-				-				4.31	0		
30	1013	Production of meat and poultry meat products	-				-				95.8	0		
31	1020	Processing and preserving of fish, crustaceans and molluscs	-				-				54.45	0		
32	1032	Manufacture of fruit and vegetable juice	-				-				15.59	0		
33	1039	Other processing and preserving of fruit and vegetables	-				-				9.33	0		
34	1041	Manufacture of oils and fats	-				-				1.24	0		
35	1051	Operation of dairies and cheese making	-				-				77.83	0		
36	1052	Manufacture of ice cream	-				-				1.22	0		

37	1061	Manufacture of grain mill products	-		-	3.05	0	
38	1071	Manufacture of bread; manufacture of fresh pastry goods and cakes	-		-	80.76	0	
39	1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	-		-	1.08	0	
40	1073	Manufacture of macaroni, noodles, couscous and similar farinaceous products	-		-	29.25	0	
41	1082	Manufacture of cocoa, chocolate and sugar confectionery	-		-	77.3	0	
42	1084	Manufacture of condiments and seasonings	-		-	7.32	0	
43	1085	Manufacture of prepared meals and dishes	-		-	1.79	0	
44	1086	Manufacture of homogenised food preparations and dietetic food	-		-	1.98	0	
45	1089	Manufacture of other food products n.e.c.	-		-	35.1	0	
46	1091	Manufacture of prepared feeds for farm animals	-		-	91.42	0	
47	1092	Manufacture of prepared pet foods	-		-	8.41	0	
48	1101	Distilling, rectifying and blending of spirits	-		-	0.45	0	
49	1102	Manufacture of wine from grape	-		-	88.09	0	
50	1105	Manufacture of beer	-		-	55.94	0	
51	1106	Manufacture of malt	-		-	0	0	
52	1107	Manufacture of soft drinks; production of mineral waters and other bottled waters	-		-	131.01	0	
53	1310	Preparation and spinning of textile fibres	-		-	2.83	0	
54	1320	Weaving of textiles	-		-	3.47	0	
55	1330	Finishing of textiles	-		-	0.42	0	
56	1391	Manufacture of knitted and crocheted fabrics	-		-	0.01	0	
57	1396	Manufacture of other technical and industrial textiles	-		-	0.85	0	
58	1399	Manufacture of other textiles n.e.c.	-		-	0	0	
59	1412	Manufacture of workwear	-		-	0.37	0	
60	1413	Manufacture of other outerwear	-		-	7.56	0	
61	1419	Manufacture of other wearing apparel and accessories	-		-	8.04	0	
62	1431	Manufacture of knitted and crocheted hosiery	-		-	0	0	
63	1511	Tanning and dressing of leather; dressing and dyeing of fur	-		-	5.45	0	
64	1520	Manufacture of footwear	-		-	0.93	0	
65	1610	Sawmilling and planing of wood	-		-	0.13	0	
66	1621	Manufacture of veneer sheets and woodbased panels	-		-	27.36	0	
67	1623	Manufacture of other builders' carpentry and joinery	-		-	7.34	0	
68	1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	-		-	0	0	
69	1711	Manufacture of pulp	-		-	30.89	7.36	
70	1712	Manufacture of paper and paperboard	-		-	47.91	0	
71	1721	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	-		-	20.04	0	
72	1722	Manufacture of household and sanitary goods and of toilet requisites	-		-	0.01	0	
73	1723	Manufacture of paper stationery	-		-	2.4	0	
74	1811	Printing of newspapers	-		-	0.71	0	
75	1812	Other printing	-		-	0.8	0	
76	1920	Manufacture of refined petroleum products	-		-	123.97	0.03	
77	2011	Manufacture of industrial gases	-		-	0.02	0	
78	2012	Manufacture of dyes and pigments	-		-	1.68	0	

79	2013	Manufacture of other inorganic basic chemicals	-	-	14.78	0
80	2014	Manufacture of other organic basic chemicals	-	-	0.7	0
81	2015	Manufacture of fertilisers and nitrogen compounds	-	-	21.44	1.75
82	2016	Manufacture of plastics in primary forms	-	-	8.57	0
83	2017	Manufacture of synthetic rubber in primary forms	-	-	14.19	0
84	2020	Manufacture of pesticides and other agrochemical products	-	-	13.79	0
85	2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	-	-	17.85	0
86	2041	Manufacture of soap and detergents, cleaning and polishing preparations	-	-	5.97	0
87	2042	Manufacture of perfumes and toilet preparations	-	-	2.39	0
88	2051	Manufacture of explosives	-	-	72.03	0
89	2059	Manufacture of other chemical products n.e.c.	-	-	4.39	0
90	2110	Manufacture of basic pharmaceutical products	-	-	112.87	0
91	2120	Manufacture of pharmaceutical preparations	-	-	34.79	0
92	2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	-	-	10.41	0
93	2219	Manufacture of other rubber products	-	-	5.6	0
94	2221	Manufacture of plastic plates, sheets, tubes and profiles	-	-	16.43	0
95	2222	Manufacture of plastic packing goods	-	-	14.14	0
96	2223	Manufacture of builders' ware of plastic	-	-	6.09	0
97	2229	Manufacture of other plastic products	-	-	80.54	0
98	2311	Manufacture of flat glass	-	-	1.2	0
99	2312	Shaping and processing of flat glass	-	-	0.6	0
100	2313	Manufacture of hollow glass	-	-	2.63	0
101	2314	Manufacture of glass fibres	-	-	0.05	0
102	2319	Manufacture and processing of other glass, including technical glassware	-	-	2.52	0
103	2320	Manufacture of refractory products	-	-	2.9	0
104	2331	Manufacture of ceramic tiles and flags	-	-	53.47	0
105	2332	Manufacture of bricks, tiles and construction products, in baked clay	-	-	1.11	0
106	2342	Manufacture of ceramic sanitary fixtures	-	-	44.63	0
107	2344	Manufacture of other technical ceramic products	-	-	2.15	0
108	2349	Manufacture of other ceramic products	-	-	4.36	0
109	2351	Manufacture of cement	-	-	55.16	0.39
110	2352	Manufacture of lime and plaster	-	-	6.84	0
111	2361	Manufacture of concrete products for construction purposes	-	-	0.11	0
112	2363	Manufacture of ready-mixed concrete	-	-	3.78	0
113	2364	Manufacture of mortars	-	-	0.02	0
114	2369	Manufacture of other articles of concrete, plaster and cement	-	-	0.12	0
115	2370	Cutting, shaping and finishing of stone	-	-	8.86	0
116	2399	Manufacture of other non-metallic mineral products n.e.c.	-	-	5.74	0
117	2410	Manufacture of basic iron and steel and of ferroalloys	-	-	56.32	7.53
118	2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	-	-	28.03	0.55
119	2431	Cold drawing of bars	-	-	0.01	0
120	2432	Cold rolling of narrow strip	-	-	19.92	0
121	2433	Cold forming or folding	-	-	0.07	0
122	2434	Cold drawing of wire	-	-	0.09	0

123	2442	Aluminium production	-		-		37.59	0	
124	2445	Other nonferrous metal production	-		-		381.3	264.4	
125	2446	Processing of nuclear fuel	-		-		40	0	
126	2451	Casting of iron	-		-		3.56	0	
127	2452	Casting of steel	-		-		10.42	0	
128	2453	Casting of light metals	-		-		4.47	0	
129	2454	Casting of other nonferrous metals	-		-		0.41	0	
130	2511	Manufacture of metal structures and parts of structures	-		-		63.78	0	
131	2512	Manufacture of doors and windows of metal	-		-		0.86	0	
132	2521	Manufacture of central heating radiators and boilers	-		-		0	0	
133	2529	Manufacture of other tanks, reservoirs and containers of metal	-		-		1.7	0	
134	2540	Manufacture of weapons and ammunition	-		-		2.08	0	
135	2550	Forging, pressing, stamping and rollforming of metal; powder metallurgy	-		-		78	0.19	
136	2561	Treatment and coating of metals	-		-		9.43	0	
137	2562	Machining	-		-		4.65	0	
138	2571	Manufacture of cutlery	-		-		0.03	0	
139	2572	Manufacture of locks and hinges	-		-		1.84	0	
140	2592	Manufacture of light metal packaging	-		-		14.69	0	
141	2593	Manufacture of wire products, chain and springs	-		-		3.58	0	
142	2594	Manufacture of fasteners and screw machine products	-		-		1.63	0	
143	2599	Manufacture of other fabricated metal products n.e.c.	-		-		16.51	0	
144	2611	Manufacture of electronic components	-		-		4.65	0	
145	2612	Manufacture of loaded electronic boards	-		-		0.7	0	
146	2620	Repair of computers and peripheral equipment	-		-		0	0	
147	2630	Manufacture of communication equipment	-		-		0	0	
148	2651	Manufacture of instruments and appliances for measuring, testing and navigation	-		-		0.07	0	
149	2652	Manufacture of watches and clocks	-		-		3.94	0	
150	2660	Manufacture of irradiation, electromedical and electrotherapeutic equipment	-		-		3.75	0	
151	2670	Manufacture of optical instruments and photographic equipment	-		-		0.04	0	
152	2711	Manufacture of electric motors, generators and transformers	-		-		95.29	0	
153	2712	Manufacture of electricity distribution and control apparatus	-		-		3.71	0	
154	2720	Manufacture of batteries and accumulators	-		-		0.02	0	
155	2732	Manufacture of other electronic and electric wires and cables	-		-		11.14	0	
156	2740	Manufacture of electric lighting equipment	-		-		0.01	0	
157	2751	Manufacture of electric domestic appliances	-		-		1.48	0	
158	2790	Manufacture of other electrical equipment	-		-		14.86	0.11	
159	2811	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	-		-		0.04	0	
160	2813	Manufacture of other pumps and compressors	-		-		0	0	
161	2815	Manufacture of bearings, gears, gearing and driving elements	-		-		6.68	0	
162	2822	Manufacture of lifting and handling equipment	-		-		13.63	0	
163	2825	Manufacture of nondomestic cooling and ventilation equipment	-		-		78	0	
164	2829	Manufacture of other general purpose machinery n.e.c.	-		-		3.98	0	
165	2830	Manufacture of agricultural and forestry machinery	-		-		1.99	0	
166	2841	Manufacture of metal forming machinery	-		-		17.83	0	



167	2849	Manufacture of other machine tools	-		-		1.89	0	
168	2891	Manufacture of machinery for metallurgy	-		-		0.26	0	
169	2892	Manufacture of machinery for mining, quarrying and construction	-		-		4.96	0	
170	2893	Manufacture of machinery for food, beverage and tobacco processing	-		-		0	0	
171	2894	Manufacture of machinery for textile, apparel and leather production	-		-		0.96	0	
172	2895	Manufacture of machinery for paper and paperboard production	-		-		0.19	0	
173	2896	Manufacture of plastics and rubber machinery	-		-		5.35	0	
174	2899	Manufacture of other special purpose machinery n.e.c.	-		-		7.98	0	
175	2910	Manufacture of motor vehicles	-		-		43.72	0	
176	2920	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semitrailers	-		-		2.35	0	
177	2931	Manufacture of electrical and electronic equipment for motor vehicles	-		-		1.36	0	
178	2932	Manufacture of other parts and accessories for motor vehicles	-		-		329.51	0.47	
179	3011	Building of ships and floating structures	-		-		4.21	0.85	
180	3020	Manufacture of railway locomotives and rolling stock	-		-		46.29	16.05	
181	3030	Manufacture of air and spacecraft and related machinery	-		-		72.53	0	
182	3040	Manufacture of military fighting vehicles	-		-		0.1	0	
183	3101	Manufacture of office and shop furniture	-		-		0.98	0	
184	3102	Manufacture of kitchen furniture	-		-		1.55	0	
185	3103	Manufacture of mattresses	-		-		2.3	0	
186	3109	Manufacture of other furniture	-		-		0.04	0	
187	3250	Manufacture of medical and dental instruments and supplies	-		-		5.87	0	
188	3299	Other manufacturing n.e.c.	-		-		4.31	0	
189	3312	Repair of machinery	-		-		0.43	0	
190	3314	Repair of electrical equipment	-		-		0	0	
191	3317	Repair and maintenance of other transport equipment	-		-		0.49	0.01	
192	3319	Repair of other equipment	-		-		0	0	
193	3320	Installation of industrial machinery and equipment	-		-		4.39	0.14	
194	3511	Production of electricity	-		-		461.94	101.11	
195	3512	Transmission of electricity	-		-		11.39	0	
196	3513	Distribution of electricity	-		-		260.39	39.51	
197	3514	Trade of electricity	-		-		12.04	0.51	
198	3521	Manufacture of gas	-		-		104.12	6.25	
199	3522	Distribution of gaseous fuels through mains	-		-		251.37	28	
200	3523	Trade of gas through mains	-		-		5.8	0	
201	3600	Water collection, treatment and supply	-		-		121.24	11.86	
202	3700	Sewerage	-		-		11.22	4.81	
203	3811	Collection of non-hazardous waste	-		-		22.27	0.01	
204	3821	Treatment and disposal of non-hazardous waste	-		-		47.48	0	
205	3822	Treatment and disposal of hazardous waste	-		-		0.1	0	
206	3831	Dismantling of wrecks	-		-		15.37	0	
207	3832	Recovery of sorted materials	-		-		6.5	4.66	
208	3900	Remediation activities and other waste management services	-		-		0.73	0	
209	4110	Development of building projects	-		-		105.6	0	

210	4120	Construction of residential and non-residential buildings	-	-	65.79	0
211	4211	Construction of roads and motorways	-	-	89.95	5.34
212	4212	Construction of railways and underground railways	-	-	322.43	157.01
213	4213	Construction of bridges and tunnels	-	-	31.21	11.72
214	4222	Construction of utility projects for electricity and telecommunications	-	-	11.16	0
215	4291	Construction of water projects	-	-	0.43	0
216	4299	Construction of other civil engineering projects n.e.c.	-	-	196.41	23.3
217	4311	Demolition	-	-	0	0
218	4312	Site preparation	-	-	0	0
219	4321	Electrical installation	-	-	198.18	0.04
220	4322	Plumbing, heat and airconditioning installation	-	-	44.4	0
221	4329	Other construction installation	-	-	0.1	0
222	4331	Plastering	-	-	0	0
223	4333	Floor and wall covering	-	-	1.85	0
224	4334	Painting and glazing	-	-	0.07	0
225	4339	Other building completion and finishing	-	-	0.29	0
226	4399	Other specialised construction activities n.e.c.	-	-	104.79	11.61
227	4511	Sale of cars and light motor vehicles	-	-	36.05	0
228	4519	Sale of other motor vehicles	-	-	3.43	0
229	4520	Maintenance and repair of motor vehicles	-	-	0.14	0
230	4531	Wholesale trade of motor vehicle parts and accessories	-	-	1.61	0
231	4532	Retail trade of motor vehicle parts and accessories	-	-	1.37	0
232	4540	Sale, maintenance and repair of motorcycles and related parts and accessories	-	-	0.59	0.32
233	4611	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semifinished goods	-	-	0.2	0
234	4612	Agents involved in the sale of fuels, ores, metals and industrial chemicals	-	-	1.95	0
235	4613	Agents involved in the sale of timber and building materials	-	-	2.16	0
236	4614	Agents involved in the sale of machinery, industrial equipment, ships and aircraft	-	-	4.78	0
237	4615	Agents involved in the sale of furniture, household goods, hardware and ironmongery	-	-	6.5	0
238	4617	Agents involved in the sale of food, beverages and tobacco	-	-	6.62	0
239	4619	Agents involved in the sale of a variety of goods	-	-	12.49	0
240	4621	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	-	-	42.95	0
241	4623	Wholesale of live animals	-	-	1.49	0
242	4624	Wholesale of hides, skins and leather	-	-	3.14	0
243	4631	Wholesale of fruit and vegetables	-	-	51.83	0
244	4632	Wholesale of meat and meat products	-	-	30.52	0
245	4633	Wholesale of dairy products, eggs and edible oils and fats	-	-	47.67	0
246	4634	Wholesale of beverages	-	-	14.35	0
247	4635	Wholesale of tobacco products	-	-	0	0
248	4636	Wholesale of sugar and chocolate and sugar confectionery	-	-	3.46	0
249	4637	Wholesale of coffee, tea, cocoa and spices	-	-	0.94	0
250	4638	Wholesale of other food, including fish, crustaceans and molluscs	-	-	45.85	0
251	4639	Nonspecialised wholesale of food, beverages and tobacco	-	-	78.74	0
252	4641	Wholesale of textiles	-	-	0.34	0

253	4642	Wholesale of clothing and footwear	-	-	43.72	0
254	4643	Wholesale of electrical household appliances	-	-	29.75	0
255	4644	Wholesale of china and glassware and cleaning materials	-	-	1.59	0
256	4645	Wholesale of perfume and cosmetics	-	-	324.42	0
257	4646	Wholesale of pharmaceutical goods	-	-	93.54	0
258	4648	Wholesale of watches and jewellery	-	-	0.08	0
259	4649	Wholesale of other household goods	-	-	4.71	0
260	4651	Wholesale of computers, computer peripheral equipment and software	-	-	12.39	0
261	4652	Wholesale of electronic and telecommunications equipment and parts	-	-	3.34	0
262	4661	Wholesale of agricultural machinery, equipment and supplies	-	-	0.05	0
263	4662	Wholesale of machine tools	-	-	0.13	0
264	4663	Wholesale of mining, construction and civil engineering machinery	-	-	0.18	0
265	4665	Wholesale of office furniture	-	-	6.16	0
266	4666	Wholesale of other office machinery and equipment	-	-	9.93	0
267	4669	Wholesale of other machinery and equipment	-	-	35.06	0
268	4671	Wholesale of solid, liquid and gaseous fuels and related products	-	-	14.29	0
269	4672	Wholesale of metals and metal ores	-	-	120.84	3.18
270	4673	Wholesale of wood, construction materials and sanitary equipment	-	-	114.93	0
271	4674	Wholesale of hardware, plumbing and heating equipment and supplies	-	-	47.59	0
272	4675	Wholesale of chemical products	-	-	33.26	0
273	4676	Wholesale of other intermediate products	-	-	52.03	0
274	4677	Wholesale of waste and scrap	-	-	0.83	0
275	4690	Nonspecialised wholesale trade	-	-	16.77	0
276	4711	Retail sale in nonspecialised stores with food, beverages or tobacco predominating	-	-	433.56	0
277	4719	Other retail sale in nonspecialised stores	-	-	163.82	0.03
278	4721	Retail sale of fruit and vegetables in specialised stores	-	-	15.73	0
279	4722	Retail sale of meat and meat products in specialised stores	-	-	6.61	0
280	4724	Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	-	-	0.32	0
281	4729	Other retail sale of food in specialised stores	-	-	29.34	0
282	4730	Retail sale of automotive fuel in specialised stores	-	-	47.17	0.04
283	4741	Retail sale of computers, peripheral units and software in specialised stores	-	-	0.69	0
284	4742	Retail sale of telecommunications equipment in specialised stores	-	-	7.44	0
285	4751	Retail sale of textiles in specialised stores	-	-	0	0
286	4752	Retail sale of hardware, paints and glass in specialised stores	-	-	36.63	0
287	4759	Retail sale of furniture, lighting equipment and other household articles in specialised stores	-	-	18.58	0
288	4761	Retail sale of books in specialised stores	-	-	0.15	0
289	4764	Retail sale of sporting equipment in specialised stores	-	-	1.71	0
290	4765	Retail sale of games and toys in specialised stores	-	-	0.03	0
291	4771	Retail sale of clothing in specialised stores	-	-	107.04	0
292	4772	Retail sale of footwear and leather goods in specialised stores	-	-	1.96	0
293	4773	Dispensing chemist in specialised stores	-	-	0.05	0
294	4774	Retail sale of medical and orthopaedic goods in specialised stores	-	-	0.09	0
295	4775	Retail sale of cosmetic and toilet articles in specialised stores	-	-	35.39	0

296	4776	Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	-		-	0.93	0	
297	4777	Retail sale of watches and jewellery in specialised stores	-		-	0.68	0	
298	4778	Other retail sale of new goods in specialised stores	-		-	100.63	0.01	
299	4781	Retail sale via stalls and markets of food, beverages and tobacco products	-		-	3.46	0	
300	4791	Retail sale via mail order houses or via Internet	-		-	2.12	0	
301	4799	Other retail sale not in stores, stalls or markets	-		-	3.99	0	
302	4910	Passenger rail transport, interurban	-		-	405	5.7	
303	4920	Freight rail transport	-		-	0.01	0	
304	4931	Urban and suburban passenger land transport	-		-	156.45	0	
305	4932	Taxi operation	-		-	0.6	0	
306	4939	Other passenger land transport n.e.c.	-		-	37.58	0	
307	4941	Freight transport by road	-		-	67.63	0	
308	4950	Transport via pipeline	-		-	26.07	0	
309	5010	Sea and coastal passenger water transport	-		-	19.72	0	
310	5020	Sea and coastal freight water transport	-		-	47.19	0	
311	5110	Passenger air transport	-		-	5.42	0	
312	5121	Freight air transport	-		-	0	0	
313	5210	Warehousing and storage	-		-	7.63	0	
314	5221	Service activities incidental to land transportation	-		-	281.1	6.66	
315	5222	Service activities incidental to water transportation	-		-	109.35	0	
316	5223	Service activities incidental to air transportation	-		-	360.73	126.06	
317	5224	Cargo handling	-		-	0.29	0	
318	5229	Other transportation support activities	-		-	36.44	0	
319	5310	Postal activities under universal service obligation	-		-	48.1	0	
320	5320	Other postal and courier activities	-		-	12.57	0	
321	5510	Hotels and similar accommodation	-		-	676.74	0	
322	5520	Holiday and other short-stay accommodation	-		-	22.86	0	
323	5530	Camping grounds, recreational vehicle parks and trailer parks	-		-	1.25	0	
324	5590	Other accommodation	-		-	1.02	0	
325	5610	Restaurants and mobile food service activities	-		-	92.67	0	
326	5621	Event catering activities	-		-	0.24	0	
327	5629	Other food service activities	-		-	0.94	0	
328	5630	Beverage serving activities	-		-	2.93	0	
329	5811	Book publishing	-		-	1.39	0	
330	5813	Publishing of newspapers	-		-	3.93	0	
331	5819	Other publishing activities	-		-	5.06	0	
332	5821	Publishing of computer games	-		-	20.1	0	
333	5829	Other software publishing	-		-	0.43	0	
334	5912	Motion picture, video and television programme postproduction activities	-		-	9.5	0	
335	6010	Radio broadcasting	-		-	0.01	0	
336	6020	Television programming and broadcasting activities	-		-	8.44	0	
337	6110	Wired telecommunications activities	-		-	289.91	1.61	
338	6120	Wireless telecommunications activities	-		-	0.23	0	

339	6130	Satellite telecommunications activities	-	-	0.09	0
340	6190	Other telecommunications activities	-	-	401.62	2.35
341	6201	Computer programming activities	-	-	8.19	0.01
342	6202	Computer consultancy activities	-	-	27.35	0.55
343	6203	Computer facilities management activities	-	-	1.34	0
344	6209	Other information technology and computer service activities	-	-	19.1	0
345	6311	Data processing, hosting and related activities	-	-	3.3	0
346	6312	Web portals	-	-	0.17	0
347	6391	News agency activities	-	-	0	0
348	6399	Other information service activities n.e.c.	-	-	0	0
349	6420	Activities of holding companies	-	-	765.71	0.01
350	6499	Other financial service activities, except insurance and pension funding n.e.c.	-	-	149.29	53.09
351	6612	Security and commodity contracts brokerage	-	-	0.2	0
352	6619	Other activities auxiliary to financial services, except insurance and pension funding	-	-	332.46	266.14
353	6622	Activities of insurance agents and brokers	-	-	0.84	0.01
354	6810	Buying and selling of own real estate	-	-	74.96	0
355	6820	Renting and operating of own or leased real estate	-	-	347.72	0.91
356	6831	Real estate agencies	-	-	0.95	0
357	6832	Management of real estate on a fee or contract basis	-	-	38.6	0.23
358	6910	Legal activities	-	-	7.59	0
359	6920	Accounting, bookkeeping and auditing activities; tax consultancy	-	-	21.83	0
360	7010	Activities of head offices	-	-	256.85	5.75
361	7021	Public relations and communication activities	-	-	0	0
362	7022	Business and other management consultancy activities	-	-	70.45	0.01
363	7111	Architectural activities	-	-	0.25	0
364	7112	Engineering activities and related technical consultancy	-	-	104.83	0.1
365	7120	Technical testing and analysis	-	-	15.45	0
366	7219	Other research and experimental development on natural sciences and engineering	-	-	2.01	0
367	7220	Research and experimental development on social sciences and humanities	-	-	0.79	0
368	7311	Advertising agencies	-	-	16.72	0
369	7312	Media representation	-	-	0	0
370	7320	Market research and public opinion polling	-	-	1.5	0
371	7410	Specialised design activities	-	-	0.01	0
372	7420	Photographic activities	-	-	0.11	0.02
373	7490	Other professional, scientific and technical activities n.e.c.	-	-	51.56	2.23
374	7500	Veterinary activities	-	-	3.26	0
375	7711	Renting and leasing of cars and light motor vehicles	-	-	24.79	0
376	7712	Renting and leasing of trucks	-	-	3.68	0
377	7732	Renting and leasing of construction and civil engineering machinery and equipment	-	-	12.91	0
378	7734	Renting and leasing of water transport equipment	-	-	1.21	0
379	7735	Renting and leasing of air transport equipment	-	-	57.81	0
380	7739	Renting and leasing of other machinery, equipment and tangible goods n.e.c.	-	-	84.58	0.57
381	7740	Leasing of intellectual property and similar products, except copyrighted works	-	-	0.74	0
382	7810	Activities of employment placement agencies	-	-	0.02	0

383	7820	Temporary employment agency activities	-		-	11.19	0	
384	7830	Other human resources provision	-		-	0.01	0	
385	7911	Travel agency activities	-		-	11.91	0	
386	7912	Tour operator activities	-		-	7.15	0	
387	7990	Other reservation service and related activities	-		-	0.01	0	
388	8010	Private security activities	-		-	4.65	0	
389	8020	Security systems service activities	-		-	5.19	0	
390	8110	Combined facilities support activities	-		-	12.86	0	
391	8121	General cleaning of buildings	-		-	3.74	0.24	
392	8122	Other building and industrial cleaning activities	-		-	11.81	0	
393	8129	Other cleaning activities	-		-	4.86	0	
394	8130	Landscape service activities	-		-	0.08	0	
395	8211	Combined office administrative service activities	-		-	1.61	0	
396	8219	Photocopying, document preparation and other specialised office support activities	-		-	0.42	0	
397	8220	Activities of call centres	-		-	0.84	0	
398	8230	Organisation of conventions and trade shows	-		-	3.09	0	
399	8291	Activities of collection agencies and credit bureaus	-		-	2.74	0	
400	8292	Packaging activities	-		-	0.02	0	
401	8299	Other business support service activities n.e.c.	-		-	3.91	0	
402	8411	General public administration activities	-		-	573.54	0.94	
403	8412	Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security	-		-	0	0	
404	8413	Regulation of and contribution to more efficient operation of businesses	-		-	0	0	
405	8520	Primary education	-		-	0.04	0	
406	8531	General secondary education	-		-	0.2	0	
407	8532	Technical and vocational secondary education	-		-	30.01	0	
408	8541	Postsecondary non	-		-	10.81	0	
409	8552	Cultural education	-		-	0.91	0	
410	8559	Other education n.e.c.	-		-	8.83	0	
411	8560	Educational support activities	-		-	2.48	0	
412	8610	Hospital activities	-		-	73.86	0	
413	8621	General medical practice activities	-		-	10.27	0.01	
414	8622	Specialist medical practice activities	-		-	5.08	0	
415	8623	Dental practice activities	-		-	0	0	
416	8690	Other human health activities	-		-	13.67	0	
417	8710	Residential nursing care activities	-		-	3.21	0	
418	8720	Residential care activities for mental retardation, mental health and substance abuse	-		-	2.01	0.22	
419	8730	Residential care activities for the elderly and disabled	-		-	51.48	0.01	
420	8790	Other residential care activities	-		-	25.9	0.01	
421	8810	Social work activities without accommodation for the elderly and disabled	-		-	0.89	0	
422	8891	Child daycare activities	-		-	0.08	0	
423	8899	Other social work activities without accommodation n.e.c.	-		-	1.75	0	
424	9004	Operation of arts facilities	-		-	0	0	
425	9103	Operation of historical sites and buildings and similar visitor attractions	-		-	0.01	0	

426	9104	Botanical and zoological gardens and nature reserves activities	-		-	0.01	0	
427	9200	Gambling and betting activities	-		-	9.25	0.03	
428	9311	Operation of sports facilities	-		-	1.62	0	
429	9312	Activities of sport clubs	-		-	0.05	0	
430	9313	Fitness facilities	-		-	9.72	0	
431	9319	Other sports activities	-		-	0.75	0	
432	9321	Activities of amusement parks and theme parks	-		-	1.29	0	
433	9329	Other amusement and recreation activities	-		-	0.63	0	
434	9412	Activities of professional membership organisations	-		-	0	0	
435	9499	Activities of other membership organisations n.e.c.	-		-	1.56	0	
436	9511	Repair of computers and peripheral equipment	-		-	0	0	
437	9512	Repair of communication equipment	-		-	0	0	
438	9601	Washing and (dry)cleaning of textile and fur products	-		-	2.38	0	
439	9602	Hairdressing and other beauty treatment	-		-	0.19	0	
440	9603	Funeral and related activities	-		-	36.39	0.17	
441	9604	Physical wellbeing activities	-		-	0.67	0	
442	9609	Other personal service activities n.e.c.	-		-	5.53	0	





## Assets of non-financial corporations used to calculate the GAR in relation to CapEx KPIs, broken down by activity sector

			Climate Change Adaptation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)				Circular Economy (CE)			
			Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD	
			Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
			in million euros	Of which environmentally sustainable (CCM)	in million euros	Of which environmentally sustainable (CCM)	in million euros	Of which environmentally sustainable (CCA)	in million euros	Of which environmentally sustainable (CCA)	in million euros	Of which environmentally sustainable (WTR)	in million euros	Of which environmentally sustainable (WTR)	in million euros	Of which environmentally sustainable (CE)	in million euros	Of which environmentally sustainable (CE)
Breakdown by sector - NACE 4 digits level (code and label)																		
1	111	Growing of cereals (except rice), leguminous crops and oil seeds	4.15	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
2	113	Growing of vegetables and melons, roots and tubers	18.28	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
3	119	Growing of other nonperennial crops	1.95	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
4	122	Growing of tropical and subtropical fruits	0.71	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
5	123	Growing of citrus fruits	30.59	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
6	124	Growing of pome fruits and stone fruits	1.78	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
7	125	Growing of other tree and bush fruits and nuts	8.83	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
8	130	Plant propagation	7.15	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
9	143	Raising of horses and other equines	0	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
10	145	Raising of sheep and goats	2.24	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
11	146	Raising of swine/pigs	38.46	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
12	147	Raising of poultry	9.7	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
13	149	Raising of other animals	2.08	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
14	150	Mixed farming	0.34	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
15	161	Support activities for crop production	11.71	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
16	162	Support activities for animal production	5	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
17	210	Silviculture and other forestry activities	3.45	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
18	220	Logging	0.06	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
19	311	Marine fishing	11.23	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
20	321	Marine aquaculture	4.76	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
21	610	Extraction of crude petroleum	38.46	12.33	0	0	-	0	0	0	-	-	-	-	-	-	-	-
22	729	Mining of other nonferrous metal ores	39.5	0.07	0	0	-	0	0	0	-	-	-	-	-	-	-	-
23	811	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	2.02	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
24	812	Operation of gravel and sand pits; mining of clays and kaolin	0.08	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
25	891	Mining of chemical and fertiliser minerals	0.01	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
26	893	Extraction of salt	0	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
27	899	Other mining and quarrying n.e.c.	0.15	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
28	1011	Processing and preserving of meat	80.1	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
29	1012	Processing and preserving of poultry meat	4.31	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
30	1013	Production of meat and poultry meat products	95.8	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
31	1020	Processing and preserving of fish, crustaceans and molluscs	54.45	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
32	1032	Manufacture of fruit and vegetable juice	15.59	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
33	1039	Other processing and preserving of fruit and vegetables	9.33	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-
34	1041	Manufacture of oils and fats	1.24	0	0	0	-	0	0	0	-	-	-	-	-	-	-	-

35	1051	Operation of dairies and cheese making	77.83	0	0	0	-	0	0	0	-	-
36	1052	Manufacture of ice cream	1.22	0	0	0	-	0	0	0	-	-
37	1061	Manufacture of grain mill products	3.05	0	0	0	-	0	0	0	-	-
38	1071	Manufacture of bread; manufacture of fresh pastry goods and cakes	80.76	0	0	0	-	0	0	0	-	-
39	1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	1.08	0	0	0	-	0	0	0	-	-
40	1073	Manufacture of macaroni, noodles, couscous and similar farinaceous products	29.25	0	0	0	-	0	0	0	-	-
41	1082	Manufacture of cocoa, chocolate and sugar confectionery	77.3	0	0	0	-	0	0	0	-	-
42	1084	Manufacture of condiments and seasonings	7.32	0	0	0	-	0	0	0	-	-
43	1085	Manufacture of prepared meals and dishes	1.79	0	0	0	-	0	0	0	-	-
44	1086	Manufacture of homogenised food preparations and dietetic food	1.98	0	0	0	-	0	0	0	-	-
45	1089	Manufacture of other food products n.e.c.	35.1	0	0	0	-	0	0	0	-	-
46	1091	Manufacture of prepared feeds for farm animals	91.42	0	0	0	-	0	0	0	-	-
47	1092	Manufacture of prepared pet foods	8.41	0	0	0	-	0	0	0	-	-
48	1101	Distilling, rectifying and blending of spirits	0.45	0	0	0	-	0	0	0	-	-
49	1102	Manufacture of wine from grape	88.09	0	0	0	-	0	0	0	-	-
50	1105	Manufacture of beer	55.94	0	0	0	-	0	0	0	-	-
51	1106	Manufacture of malt	0	0	0	0	-	0	0	0	-	-
52	1107	Manufacture of soft drinks; production of mineral waters and other bottled waters	131.01	0	0	0	-	0	0	0	-	-
53	1310	Preparation and spinning of textile fibres	2.83	0	0	0	-	0	0	0	-	-
54	1320	Weaving of textiles	3.47	0	0	0	-	0	0	0	-	-
55	1330	Finishing of textiles	0.42	0	0	0	-	0	0	0	-	-
56	1391	Manufacture of knitted and crocheted fabrics	0.01	0	0	0	-	0	0	0	-	-
57	1396	Manufacture of other technical and industrial textiles	0.85	0	0	0	-	0	0	0	-	-
58	1399	Manufacture of other textiles n.e.c.	0	0	0	0	-	0	0	0	-	-
59	1412	Manufacture of workwear	0.37	0	0	0	-	0	0	0	-	-
60	1413	Manufacture of other outerwear	7.56	0.12	0	0	-	0	0	0	-	-
61	1419	Manufacture of other wearing apparel and accessories	8.04	0	0	0	-	0	0	0	-	-
62	1431	Manufacture of knitted and crocheted hosiery	0	0	0	0	-	0	0	0	-	-
63	1511	Tanning and dressing of leather; dressing and dyeing of fur	5.45	0	0	0	-	0	0	0	-	-
64	1520	Manufacture of footwear	0.93	0	0	0	-	0	0	0	-	-
65	1610	Sawmilling and planing of wood	0.13	0	0	0	-	0	0	0	-	-
66	1621	Manufacture of veneer sheets and woodbased panels	27.36	0	0	0	-	0	0	0	-	-
67	1623	Manufacture of other builders' carpentry and joinery	7.34	0	0	0	-	0	0	0	-	-
68	1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	0	0	0	0	-	0	0	0	-	-
69	1711	Manufacture of pulp	30.89	14.63	0	0	-	0	0	0	-	-
70	1712	Manufacture of paper and paperboard	47.91	0	0	0	-	0	0	0	-	-
71	1721	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	20.04	0	0	0	-	0	0	0	-	-
72	1722	Manufacture of household and sanitary goods and of toilet requisites	0.01	0	0	0	-	0	0	0	-	-
73	1723	Manufacture of paper stationery	2.4	0	0	0	-	0	0	0	-	-
74	1811	Printing of newspapers	0.71	0	0	0	-	0	0	0	-	-
75	1812	Other printing	0.8	0	0	0	-	0	0	0	-	-
76	1920	Manufacture of refined petroleum products	123.97	10.49	0	0	-	0	0	0	-	-
77	2011	Manufacture of industrial gases	0.02	0	0	0	-	0	0	0	-	-

78	2012	Manufacture of dyes and pigments	1.68	0	0	0	-	0	0	0	-	-
79	2013	Manufacture of other inorganic basic chemicals	14.78	0	0	0	-	2.06	0	0	-	-
80	2014	Manufacture of other organic basic chemicals	0.7	0	0	0	-	0	0	0	-	-
81	2015	Manufacture of fertilisers and nitrogen compounds	21.44	1.7	0	0	-	1.01	0	0	-	-
82	2016	Manufacture of plastics in primary forms	8.57	0	0	0	-	0	0	0	-	-
83	2017	Manufacture of synthetic rubber in primary forms	14.19	0	0	0	-	0	0	0	-	-
84	2020	Manufacture of pesticides and other agrochemical products	13.79	0	0	0	-	0	0	0	-	-
85	2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	17.85	0	0	0	-	0	0	0	-	-
86	2041	Manufacture of soap and detergents, cleaning and polishing preparations	5.97	0	0	0	-	0	0	0	-	-
87	2042	Manufacture of perfumes and toilet preparations	2.39	0	0	0	-	0	0	0	-	-
88	2051	Manufacture of explosives	72.03	0	0	0	-	0	0	0	-	-
89	2059	Manufacture of other chemical products n.e.c.	4.39	0	0	0	-	0	0	0	-	-
90	2110	Manufacture of basic pharmaceutical products	112.87	0	0	0	-	0	0	0	-	-
91	2120	Manufacture of pharmaceutical preparations	34.79	0	0	0	-	0	0	0	-	-
92	2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	10.41	0	0	0	-	0	0	0	-	-
93	2219	Manufacture of other rubber products	5.6	0	0	0	-	0	0	0	-	-
94	2221	Manufacture of plastic plates, sheets, tubes and profiles	16.43	0	0	0	-	0	0	0	-	-
95	2222	Manufacture of plastic packing goods	14.14	0	0	0	-	0	0	0	-	-
96	2223	Manufacture of builders' ware of plastic	6.09	0	0	0	-	0	0	0	-	-
97	2229	Manufacture of other plastic products	80.54	0	0	0	-	0	0	0	-	-
98	2311	Manufacture of flat glass	1.2	0	0	0	-	0	0	0	-	-
99	2312	Shaping and processing of flat glass	0.6	0	0	0	-	0	0	0	-	-
100	2313	Manufacture of hollow glass	2.63	0	0	0	-	0	0	0	-	-
101	2314	Manufacture of glass fibres	0.05	0	0	0	-	0	0	0	-	-
102	2319	Manufacture and processing of other glass, including technical glassware	2.52	0	0	0	-	0	0	0	-	-
103	2320	Manufacture of refractory products	2.9	0	0	0	-	0	0	0	-	-
104	2331	Manufacture of ceramic tiles and flags	53.47	0	0	0	-	0	0	0	-	-
105	2332	Manufacture of bricks, tiles and construction products, in baked clay	1.11	0	0	0	-	0	0	0	-	-
106	2342	Manufacture of ceramic sanitary fixtures	44.63	0	0	0	-	0	0	0	-	-
107	2344	Manufacture of other technical ceramic products	2.15	0	0	0	-	0	0	0	-	-
108	2349	Manufacture of other ceramic products	4.36	0	0	0	-	0	0	0	-	-
109	2351	Manufacture of cement	55.16	1.17	0	0	-	0	0	0	-	-
110	2352	Manufacture of lime and plaster	6.84	0	0	0	-	0	0	0	-	-
111	2361	Manufacture of concrete products for construction purposes	0.11	0	0	0	-	0	0	0	-	-
112	2363	Manufacture of ready-mixed concrete	3.78	0	0	0	-	0	0	0	-	-
113	2364	Manufacture of mortars	0.02	0	0	0	-	0	0	0	-	-
114	2369	Manufacture of other articles of concrete, plaster and cement	0.12	0	0	0	-	0	0	0	-	-
115	2370	Cutting, shaping and finishing of stone	8.86	0	0	0	-	0	0	0	-	-
116	2399	Manufacture of other non-metallic mineral products n.e.c.	5.74	0	0	0	-	0	0	0	-	-
117	2410	Manufacture of basic iron and steel and of ferroalloys	56.32	8.18	0	0	-	0	0	0	-	-
118	2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	28.03	0.23	0	0	-	0	0	0	-	-
119	2431	Cold drawing of bars	0.01	0	0	0	-	0	0	0	-	-
120	2432	Cold rolling of narrow strip	19.92	0	0	0	-	0	0	0	-	-
121	2433	Cold forming or folding	0.07	0	0	0	-	0	0	0	-	-

122	2434	Cold drawing of wire	0.09	0	0	0	-	0	0	0	-	-
123	2442	Aluminium production	37.59	0	0	0	-	0	0	0	-	-
124	2445	Other nonferrous metal production	381.3	287.52	0	0	-	0	0	0	-	-
125	2446	Processing of nuclear fuel	40	0	0	0	-	0	0	0	-	-
126	2451	Casting of iron	3.56	0	0	0	-	0	0	0	-	-
127	2452	Casting of steel	10.42	0	0	0	-	0	0	0	-	-
128	2453	Casting of light metals	4.47	0	0	0	-	0	0	0	-	-
129	2454	Casting of other nonferrous metals	0.41	0	0	0	-	0	0	0	-	-
130	2511	Manufacture of metal structures and parts of structures	63.78	0	0	0	-	0	0	0	-	-
131	2512	Manufacture of doors and windows of metal	0.86	0	0	0	-	0	0	0	-	-
132	2521	Manufacture of central heating radiators and boilers	0	0	0	0	-	0	0	0	-	-
133	2529	Manufacture of other tanks, reservoirs and containers of metal	1.7	0	0	0	-	0	0	0	-	-
134	2540	Manufacture of weapons and ammunition	2.08	0	0	0	-	0	0	0	-	-
135	2550	Forging, pressing, stamping and rollforming of metal; powder metallurgy	78	0.95	0	0	-	0	0	0	-	-
136	2561	Treatment and coating of metals	9.43	0	0	0	-	0	0	0	-	-
137	2562	Machining	4.65	0	0	0	-	0	0	0	-	-
138	2571	Manufacture of cutlery	0.03	0	0	0	-	0	0	0	-	-
139	2572	Manufacture of locks and hinges	1.84	0	0	0	-	0	0	0	-	-
140	2592	Manufacture of light metal packaging	14.69	0	0	0	-	0	0	0	-	-
141	2593	Manufacture of wire products, chain and springs	3.58	0	0	0	-	0	0	0	-	-
142	2594	Manufacture of fasteners and screw machine products	1.63	0	0	0	-	0	0	0	-	-
143	2599	Manufacture of other fabricated metal products n.e.c.	16.51	0	0	0	-	0	0	0	-	-
144	2611	Manufacture of electronic components	4.65	0	0	0	-	0	0	0	-	-
145	2612	Manufacture of loaded electronic boards	0.7	0	0	0	-	0	0	0	-	-
146	2620	Repair of computers and peripheral equipment	0	0	0	0	-	0	0	0	-	-
147	2630	Manufacture of communication equipment	0	0	0	0	-	0	0	0	-	-
148	2651	Manufacture of instruments and appliances for measuring, testing and navigation	0.07	0	0	0	-	0	0	0	-	-
149	2652	Manufacture of watches and clocks	3.94	0	0	0	-	0	0	0	-	-
150	2660	Manufacture of irradiation, electromedical and electrotherapeutic equipment	3.75	0	0	0	-	0	0	0	-	-
151	2670	Manufacture of optical instruments and photographic equipment	0.04	0	0	0	-	0	0	0	-	-
152	2711	Manufacture of electric motors, generators and transformers	95.29	0	0	0	-	0	0	0	-	-
153	2712	Manufacture of electricity distribution and control apparatus	3.71	0	0	0	-	0	0	0	-	-
154	2720	Manufacture of batteries and accumulators	0.02	0	0	0	-	0	0	0	-	-
155	2732	Manufacture of other electronic and electric wires and cables	11.14	0	0	0	-	0	0	0	-	-
156	2740	Manufacture of electric lighting equipment	0.01	0	0	0	-	0	0	0	-	-
157	2751	Manufacture of electric domestic appliances	1.48	0	0	0	-	0	0	0	-	-
158	2790	Manufacture of other electrical equipment	14.86	0.12	0	0	-	0	0	0	-	-
159	2811	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0.04	0	0	0	-	0	0	0	-	-
160	2813	Manufacture of other pumps and compressors	0	0	0	0	-	0	0	0	-	-
161	2815	Manufacture of bearings, gears, gearing and driving elements	6.68	0	0	0	-	0	0	0	-	-
162	2822	Manufacture of lifting and handling equipment	13.63	0	0	0	-	0	0	0	-	-
163	2825	Manufacture of nondomestic cooling and ventilation equipment	78	0	0	0	-	0	0	0	-	-
164	2829	Manufacture of other general purpose machinery n.e.c.	3.98	0	0	0	-	0	0	0	-	-
165	2830	Manufacture of agricultural and forestry machinery	1.99	0	0	0	-	0	0	0	-	-

166	2841	Manufacture of metal forming machinery	17.83	0	0	0	-	0	0	0	-	-
167	2849	Manufacture of other machine tools	1.89	0	0	0	-	0	0	0	-	-
168	2891	Manufacture of machinery for metallurgy	0.26	0	0	0	-	0	0	0	-	-
169	2892	Manufacture of machinery for mining, quarrying and construction	4.96	0	0	0	-	0	0	0	-	-
170	2893	Manufacture of machinery for food, beverage and tobacco processing	0	0	0	0	-	0	0	0	-	-
171	2894	Manufacture of machinery for textile, apparel and leather production	0.96	0	0	0	-	0	0	0	-	-
172	2895	Manufacture of machinery for paper and paperboard production	0.19	0	0	0	-	0	0	0	-	-
173	2896	Manufacture of plastics and rubber machinery	5.35	0	0	0	-	0	0	0	-	-
174	2899	Manufacture of other special purpose machinery n.e.c.	7.98	0	0	0	-	0	0	0	-	-
175	2910	Manufacture of motor vehicles	43.72	0	0	0	-	0	0	0	-	-
176	2920	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semitrailers	2.35	0	0	0	-	0	0	0	-	-
177	2931	Manufacture of electrical and electronic equipment for motor vehicles	1.36	0	0	0	-	0	0	0	-	-
178	2932	Manufacture of other parts and accessories for motor vehicles	329.51	2.3	0	0	-	0	0	0	-	-
179	3011	Building of ships and floating structures	4.21	1.1	0	0	-	0	0	0	-	-
180	3020	Manufacture of railway locomotives and rolling stock	46.29	14.79	0	0	-	0	0	0	-	-
181	3030	Manufacture of air and spacecraft and related machinery	72.53	0	0	0	-	0	0	0	-	-
182	3040	Manufacture of military fighting vehicles	0.1	0	0	0	-	0	0	0	-	-
183	3101	Manufacture of office and shop furniture	0.98	0	0	0	-	0	0	0	-	-
184	3102	Manufacture of kitchen furniture	1.55	0	0	0	-	0	0	0	-	-
185	3103	Manufacture of mattresses	2.3	0	0	0	-	0	0	0	-	-
186	3109	Manufacture of other furniture	0.04	0	0	0	-	0	0	0	-	-
187	3250	Manufacture of medical and dental instruments and supplies	5.87	0	0	0	-	0	0	0	-	-
188	3299	Other manufacturing n.e.c.	4.31	0	0	0	-	0	0	0	-	-
189	3312	Repair of machinery	0.43	0	0	0	-	0	0	0	-	-
190	3314	Repair of electrical equipment	0	0	0	0	-	0	0	0	-	-
191	3317	Repair and maintenance of other transport equipment	0.49	0.01	0	0	-	0	0	0	-	-
192	3319	Repair of other equipment	0	0	0	0	-	0	0	0	-	-
193	3320	Installation of industrial machinery and equipment	4.39	0.23	0	0	-	0	0	0	-	-
194	3511	Production of electricity	461.94	128.25	0	0	-	0	0	0	-	-
195	3512	Transmission of electricity	11.39	0	0	0	-	0	0	0	-	-
196	3513	Distribution of electricity	260.39	191.48	0	0	-	0	0	0	-	-
197	3514	Trade of electricity	12.04	3.4	0	0	-	0	0	0	-	-
198	3521	Manufacture of gas	104.12	41.49	0	0	-	0	0	0	-	-
199	3522	Distribution of gaseous fuels through mains	251.37	185.89	0	0	-	0	0	0	-	-
200	3523	Trade of gas through mains	5.8	0	0	0	-	0	0	0	-	-
201	3600	Water collection, treatment and supply	121.24	11.65	0	0	-	0	0	0	-	-
202	3700	Sewerage	11.22	4.57	0	0	-	0	0	0	-	-
203	3811	Collection of non-hazardous waste	22.27	0	0	0	-	0	0	0	-	-
204	3821	Treatment and disposal of non-hazardous waste	47.48	0	0	0	-	0	0	0	-	-
205	3822	Treatment and disposal of hazardous waste	0.1	0	0	0	-	0	0	0	-	-
206	3831	Dismantling of wrecks	15.37	0	0	0	-	0	0	0	-	-

207	3832	Recovery of sorted materials	6.5	4.7	0	0	-	0	0	0	-	-
208	3900	Remediation activities and other waste management services	0.73	0	0	0	-	0	0	0	-	-
209	4110	Development of building projects	105.6	0	0	0	-	0	0	0	-	-
210	4120	Construction of residential and non-residential buildings	65.79	0	0	0	-	0	0	0	-	-
211	4211	Construction of roads and motorways	89.95	4.43	0	0	-	0	0	0	-	-
212	4212	Construction of railways and underground railways	322.43	183.25	0	0	-	0	0	0	-	-
213	4213	Construction of bridges and tunnels	31.21	18.98	0	0	-	0	0	0	-	-
214	4222	Construction of utility projects for electricity and telecommunications	11.16	0	0	0	-	0	0	0	-	-
215	4291	Construction of water projects	0.43	0	0	0	-	0	0	0	-	-
216	4299	Construction of other civil engineering projects n.e.c.	196.41	19.28	0	0	-	0	0	0	-	-
217	4311	Demolition	0	0	0	0	-	0	0	0	-	-
218	4312	Site preparation	0	0	0	0	-	0	0	0	-	-
219	4321	Electrical installation	198.18	0	0	0	-	0	0	0	-	-
220	4322	Plumbing, heat and airconditioning installation	44.4	0	0	0	-	0	0	0	-	-
221	4329	Other construction installation	0.1	0	0	0	-	0	0	0	-	-
222	4331	Plastering	0	0	0	0	-	0	0	0	-	-
223	4333	Floor and wall covering	1.85	0	0	0	-	0	0	0	-	-
224	4334	Painting and glazing	0.07	0	0	0	-	0	0	0	-	-
225	4339	Other building completion and finishing	0.29	0	0	0	-	0	0	0	-	-
226	4399	Other specialised construction activities n.e.c.	104.79	6	0	0	-	0	0	0	-	-
227	4511	Sale of cars and light motor vehicles	36.05	0	0	0	-	0	0	0	-	-
228	4519	Sale of other motor vehicles	3.43	0	0	0	-	0	0	0	-	-
229	4520	Maintenance and repair of motor vehicles	0.14	0	0	0	-	0	0	0	-	-
230	4531	Wholesale trade of motor vehicle parts and accessories	1.61	0	0	0	-	0	0	0	-	-
231	4532	Retail trade of motor vehicle parts and accessories	1.37	0	0	0	-	0	0	0	-	-
232	4540	Sale, maintenance and repair of motorcycles and related parts and accessories	0.59	0.51	0	0	-	0	0	0	-	-
233	4611	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semifinished goods	0.2	0	0	0	-	0	0	0	-	-
234	4612	Agents involved in the sale of fuels, ores, metals and industrial chemicals	1.95	0	0	0	-	0	0	0	-	-
235	4613	Agents involved in the sale of timber and building materials	2.16	0	0	0	-	0	0	0	-	-
236	4614	Agents involved in the sale of machinery, industrial equipment, ships and aircraft	4.78	0	0	0	-	0	0	0	-	-
237	4615	Agents involved in the sale of furniture, household goods, hardware and ironmongery	6.5	0	0	0	-	0	0	0	-	-
238	4617	Agents involved in the sale of food, beverages and tobacco	6.62	0	0	0	-	0	0	0	-	-
239	4619	Agents involved in the sale of a variety of goods	12.49	0	0	0	-	0	0	0	-	-
240	4621	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	42.95	0	0	0	-	0	0	0	-	-
241	4623	Wholesale of live animals	1.49	0	0	0	-	0	0	0	-	-
242	4624	Wholesale of hides, skins and leather	3.14	0	0	0	-	0	0	0	-	-
243	4631	Wholesale of fruit and vegetables	51.83	0	0	0	-	0	0	0	-	-
244	4632	Wholesale of meat and meat products	30.52	0	0	0	-	0	0	0	-	-
245	4633	Wholesale of dairy products, eggs and edible oils and fats	47.67	0	0	0	-	0	0	0	-	-
246	4634	Wholesale of beverages	14.35	0	0	0	-	0	0	0	-	-

247	4635	Wholesale of tobacco products	0	0	0	0	-	0	0	0	-	-
248	4636	Wholesale of sugar and chocolate and sugar confectionery	3.46	0	0	0	-	0	0	0	-	-
249	4637	Wholesale of coffee, tea, cocoa and spices	0.94	0	0	0	-	0	0	0	-	-
250	4638	Wholesale of other food, including fish, crustaceans and molluscs	45.85	0	0	0	-	0	0	0	-	-
251	4639	Nonspecialised wholesale of food, beverages and tobacco	78.74	0	0	0	-	0	0	0	-	-
252	4641	Wholesale of textiles	0.34	0	0	0	-	0	0	0	-	-
253	4642	Wholesale of clothing and footwear	43.72	0	0	0	-	0	0	0	-	-
254	4643	Wholesale of electrical household appliances	29.75	0	0	0	-	0	0	0	-	-
255	4644	Wholesale of china and glassware and cleaning materials	1.59	0	0	0	-	0	0	0	-	-
256	4645	Wholesale of perfume and cosmetics	324.42	0	0	0	-	0	0	0	-	-
257	4646	Wholesale of pharmaceutical goods	93.54	0	0	0	-	0	0	0	-	-
258	4648	Wholesale of watches and jewellery	0.08	0	0	0	-	0	0	0	-	-
259	4649	Wholesale of other household goods	4.71	0	0	0	-	0	0	0	-	-
260	4651	Wholesale of computers, computer peripheral equipment and software	12.39	0	0	0	-	0	0	0	-	-
261	4652	Wholesale of electronic and telecommunications equipment and parts	3.34	0	0	0	-	0	0	0	-	-
262	4661	Wholesale of agricultural machinery, equipment and supplies	0.05	0	0	0	-	0	0	0	-	-
263	4662	Wholesale of machine tools	0.13	0	0	0	-	0	0	0	-	-
264	4663	Wholesale of mining, construction and civil engineering machinery	0.18	0	0	0	-	0	0	0	-	-
265	4665	Wholesale of office furniture	6.16	0	0	0	-	0	0	0	-	-
266	4666	Wholesale of other office machinery and equipment	9.93	0	0	0	-	0	0	0	-	-
267	4669	Wholesale of other machinery and equipment	35.06	0	0	0	-	0	0	0	-	-
268	4671	Wholesale of solid, liquid and gaseous fuels and related products	14.29	0	0	0	-	0	0	0	-	-
269	4672	Wholesale of metals and metal ores	120.84	25.08	0	0	-	0.11	0	0	-	-
270	4673	Wholesale of wood, construction materials and sanitary equipment	114.93	0	0	0	-	0	0	0	-	-
271	4674	Wholesale of hardware, plumbing and heating equipment and supplies	47.59	0	0	0	-	0	0	0	-	-
272	4675	Wholesale of chemical products	33.26	0	0	0	-	0	0	0	-	-
273	4676	Wholesale of other intermediate products	52.03	0	0	0	-	0	0	0	-	-
274	4677	Wholesale of waste and scrap	0.83	0	0	0	-	0	0	0	-	-
275	4690	Nonspecialised wholesale trade	16.77	0	0	0	-	0	0	0	-	-
276	4711	Retail sale in nonspecialised stores with food, beverages or tobacco predominating	433.56	0	0	0	-	0	0	0	-	-
277	4719	Other retail sale in nonspecialised stores	163.82	1.66	0	0	-	0	0	0	-	-
278	4721	Retail sale of fruit and vegetables in specialised stores	15.73	0	0	0	-	0	0	0	-	-
279	4722	Retail sale of meat and meat products in specialised stores	6.61	0	0	0	-	0	0	0	-	-
280	4724	Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	0.32	0	0	0	-	0	0	0	-	-
281	4729	Other retail sale of food in specialised stores	29.34	0	0	0	-	0	0	0	-	-
282	4730	Retail sale of automotive fuel in specialised stores	47.17	0.04	0	0	-	0	0	0	-	-
283	4741	Retail sale of computers, peripheral units and software in specialised stores	0.69	0	0	0	-	0	0	0	-	-
284	4742	Retail sale of telecommunications equipment in specialised stores	7.44	0	0	0	-	0	0	0	-	-
285	4751	Retail sale of textiles in specialised stores	0	0	0	0	-	0	0	0	-	-
286	4752	Retail sale of hardware, paints and glass in specialised stores	36.63	0	0	0	-	0	0	0	-	-
287	4759	Retail sale of furniture, lighting equipment and other household articles in specialised stores	18.58	0	0	0	-	0	0	0	-	-



288	4761	Retail sale of books in specialised stores	0.15	0	0	0	-	0	0	0	-	-
289	4764	Retail sale of sporting equipment in specialised stores	1.71	0	0	0	-	0	0	0	-	-
290	4765	Retail sale of games and toys in specialised stores	0.03	0	0	0	-	0	0	0	-	-
291	4771	Retail sale of clothing in specialised stores	107.04	0.19	0	0	-	0	0	0	-	-
292	4772	Retail sale of footwear and leather goods in specialised stores	1.96	0	0	0	-	0	0	0	-	-
293	4773	Dispensing chemist in specialised stores	0.05	0	0	0	-	0	0	0	-	-
294	4774	Retail sale of medical and orthopaedic goods in specialised stores	0.09	0	0	0	-	0	0	0	-	-
295	4775	Retail sale of cosmetic and toilet articles in specialised stores	35.39	0	0	0	-	0	0	0	-	-
296	4776	Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	0.93	0	0	0	-	0	0	0	-	-
297	4777	Retail sale of watches and jewellery in specialised stores	0.68	0	0	0	-	0	0	0	-	-
298	4778	Other retail sale of new goods in specialised stores	100.63	0	0	0	-	0	0	0	-	-
299	4781	Retail sale via stalls and markets of food, beverages and tobacco products	3.46	0	0	0	-	0	0	0	-	-
300	4791	Retail sale via mail order houses or via Internet	2.12	0	0	0	-	0	0	0	-	-
301	4799	Other retail sale not in stores, stalls or markets	3.99	0	0	0	-	0	0	0	-	-
302	4910	Passenger rail transport, interurban	405	5.71	0	0	-	0	0	0	-	-
303	4920	Freight rail transport	0.01	0	0	0	-	0	0	0	-	-
304	4931	Urban and suburban passenger land transport	156.45	0	0	0	-	0	0	0	-	-
305	4932	Taxi operation	0.6	0	0	0	-	0	0	0	-	-
306	4939	Other passenger land transport n.e.c.	37.58	0	0	0	-	0	0	0	-	-
307	4941	Freight transport by road	67.63	0	0	0	-	0	0	0	-	-
308	4950	Transport via pipeline	26.07	0	0	0	-	0	0	0	-	-
309	5010	Sea and coastal passenger water transport	19.72	0	0	0	-	0	0	0	-	-
310	5020	Sea and coastal freight water transport	47.19	0	0	0	-	0	0	0	-	-
311	5110	Passenger air transport	5.42	0	0	0	-	0	0	0	-	-
312	5121	Freight air transport	0	0	0	0	-	0	0	0	-	-
313	5210	Warehousing and storage	7.63	0	0	0	-	0	0	0	-	-
314	5221	Service activities incidental to land transportation	281.1	5.54	0	0	-	0	0	0	-	-
315	5222	Service activities incidental to water transportation	109.35	0	0	0	-	0	0	0	-	-
316	5223	Service activities incidental to air transportation	360.73	55.32	0	0	-	0	0	0	-	-
317	5224	Cargo handling	0.29	0	0	0	-	0	0	0	-	-
318	5229	Other transportation support activities	36.44	0	0	0	-	0	0	0	-	-
319	5310	Postal activities under universal service obligation	48.1	0	0	0	-	0	0	0	-	-
320	5320	Other postal and courier activities	12.57	0	0	0	-	0	0	0	-	-
321	5510	Hotels and similar accommodation	676.74	0	0	0	-	0	0	0	-	-
322	5520	Holiday and other short-stay accommodation	22.86	0	0	0	-	0	0	0	-	-
323	5530	Camping grounds, recreational vehicle parks and trailer parks	1.25	0	0	0	-	0	0	0	-	-
324	5590	Other accommodation	1.02	0	0	0	-	0	0	0	-	-
325	5610	Restaurants and mobile food service activities	92.67	0	0	0	-	0	0	0	-	-
326	5621	Event catering activities	0.24	0	0	0	-	0	0	0	-	-
327	5629	Other food service activities	0.94	0	0	0	-	0	0	0	-	-
328	5630	Beverage serving activities	2.93	0	0	0	-	0	0	0	-	-

329	5811	Book publishing	1.39	0	0	0	-	0	0	0	-	-
330	5813	Publishing of newspapers	3.93	0	0	0	-	0	0	0	-	-
331	5819	Other publishing activities	5.06	0	0	0	-	0	0	0	-	-
332	5821	Publishing of computer games	20.1	0	0	0	-	0	0	0	-	-
333	5829	Other software publishing	0.43	0	0	0	-	0	0	0	-	-
334	5912	Motion picture, video and television programme postproduction activities	9.5	0	0	0	-	0	0	0	-	-
335	6010	Radio broadcasting	0.01	0	0	0	-	0	0	0	-	-
336	6020	Television programming and broadcasting activities	8.44	0.1	0	0	-	0.02	0	0	-	-
337	6110	Wired telecommunications activities	289.91	0.55	0	0	-	0	0	0	-	-
338	6120	Wireless telecommunications activities	0.23	0	0	0	-	0	0	0	-	-
339	6130	Satellite telecommunications activities	0.09	0	0	0	-	0	0	0	-	-
340	6190	Other telecommunications activities	401.62	0.6	0	0	-	0.12	0	0	-	-
341	6201	Computer programming activities	8.19	0.04	0	0	-	0	0	0	-	-
342	6202	Computer consultancy activities	27.35	0	0	0	-	0.21	0	0	-	-
343	6203	Computer facilities management activities	1.34	0	0	0	-	0	0	0	-	-
344	6209	Other information technology and computer service activities	19.1	0.01	0	0	-	0	0	0	-	-
345	6311	Data processing, hosting and related activities	3.3	0	0	0	-	0	0	0	-	-
346	6312	Web portals	0.17	0	0	0	-	0	0	0	-	-
347	6391	News agency activities	0	0	0	0	-	0	0	0	-	-
348	6399	Other information service activities n.e.c.	0	0	0	0	-	0	0	0	-	-
349	6420	Activities of holding companies	765.71	0.86	0	0	-	0.06	0	0	-	-
350	6499	Other financial service activities, except insurance and pension funding n.e.c.	149.29	75.97	0	0	-	0	0	0	-	-
351	6612	Security and commodity contracts brokerage	0.2	0	0	0	-	0	0	0	-	-
352	6619	Other activities auxiliary to financial services, except insurance and pension funding	332.46	266.14	0	0	-	0	0	0	-	-
353	6622	Activities of insurance agents and brokers	0.84	0.01	0	0	-	0	0	0	-	-
354	6810	Buying and selling of own real estate	74.96	0	0	0	-	0	0	0	-	-
355	6820	Renting and operating of own or leased real estate	347.72	4.68	0	0	-	2.62	0	0	-	-
356	6831	Real estate agencies	0.95	0	0	0	-	0	0	0	-	-
357	6832	Management of real estate on a fee or contract basis	38.6	0.04	0	0	-	0.02	0	0	-	-
358	6910	Legal activities	7.59	0	0	0	-	0	0	0	-	-
359	6920	Accounting, bookkeeping and auditing activities; tax consultancy	21.83	0	0	0	-	0	0	0	-	-
360	7010	Activities of head offices	256.85	10.71	0	0	-	0.05	0	0	-	-
361	7021	Public relations and communication activities	0	0	0	0	-	0	0	0	-	-
362	7022	Business and other management consultancy activities	70.45	0	0	0	-	0	0	0	-	-
363	7111	Architectural activities	0.25	0	0	0	-	0	0	0	-	-
364	7112	Engineering activities and related technical consultancy	104.83	0.01	0	0	-	0	0	0	-	-
365	7120	Technical testing and analysis	15.45	0	0	0	-	0	0	0	-	-
366	7219	Other research and experimental development on natural sciences and engineering	2.01	0	0	0	-	0	0	0	-	-
367	7220	Research and experimental development on social sciences and humanities	0.79	0	0	0	-	0	0	0	-	-
368	7311	Advertising agencies	16.72	0	0	0	-	0	0	0	-	-
369	7312	Media representation	0	0	0	0	-	0	0	0	-	-

370	7320	Market research and public opinion polling	1.5	0	0	0	-	0	0	0	-	-
371	7410	Specialised design activities	0.01	0	0	0	-	0	0	0	-	-
372	7420	Photographic activities	0.11	0.02	0	0	-	0	0	0	-	-
373	7490	Other professional, scientific and technical activities n.e.c.	51.56	2.22	0	0	-	0.1	0	0	-	-
374	7500	Veterinary activities	3.26	0	0	0	-	0	0	0	-	-
375	7711	Renting and leasing of cars and light motor vehicles	24.79	0	0	0	-	0	0	0	-	-
376	7712	Renting and leasing of trucks	3.68	0	0	0	-	0	0	0	-	-
377	7732	Renting and leasing of construction and civil engineering machinery and equipment	12.91	0	0	0	-	0	0	0	-	-
378	7734	Renting and leasing of water transport equipment	1.21	0	0	0	-	0	0	0	-	-
379	7735	Renting and leasing of air transport equipment	57.81	0	0	0	-	0	0	0	-	-
380	7739	Renting and leasing of other machinery, equipment and tangible goods n.e.c.	84.58	0.1	0	0	-	0.06	0	0	-	-
381	7740	Leasing of intellectual property and similar products, except copyrighted works	0.74	0	0	0	-	0	0	0	-	-
382	7810	Activities of employment placement agencies	0.02	0	0	0	-	0	0	0	-	-
383	7820	Temporary employment agency activities	11.19	0	0	0	-	0	0	0	-	-
384	7830	Other human resources provision	0.01	0	0	0	-	0	0	0	-	-
385	7911	Travel agency activities	11.91	0	0	0	-	0	0	0	-	-
386	7912	Tour operator activities	7.15	0	0	0	-	0	0	0	-	-
387	7990	Other reservation service and related activities	0.01	0	0	0	-	0	0	0	-	-
388	8010	Private security activities	4.65	0	0	0	-	0	0	0	-	-
389	8020	Security systems service activities	5.19	0.02	0	0	-	0	0	0	-	-
390	8110	Combined facilities support activities	12.86	0	0	0	-	0	0	0	-	-
391	8121	General cleaning of buildings	3.74	0.24	0	0	-	0	0	0	-	-
392	8122	Other building and industrial cleaning activities	11.81	0	0	0	-	0	0	0	-	-
393	8129	Other cleaning activities	4.86	0	0	0	-	0	0	0	-	-
394	8130	Landscape service activities	0.08	0	0	0	-	0	0	0	-	-
395	8211	Combined office administrative service activities	1.61	0	0	0	-	0	0	0	-	-
396	8219	Photocopying, document preparation and other specialised office support activities	0.42	0	0	0	-	0	0	0	-	-
397	8220	Activities of call centres	0.84	0	0	0	-	0	0	0	-	-
398	8230	Organisation of conventions and trade shows	3.09	0	0	0	-	0	0	0	-	-
399	8291	Activities of collection agencies and credit bureaus	2.74	0	0	0	-	0	0	0	-	-
400	8292	Packaging activities	0.02	0	0	0	-	0	0	0	-	-
401	8299	Other business support service activities n.e.c.	3.91	0	0	0	-	0	0	0	-	-
402	8411	General public administration activities	573.54	0.43	0	0	-	0	0	0	-	-
403	8412	Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security	0	0	0	0	-	0	0	0	-	-
404	8413	Regulation of and contribution to more efficient operation of businesses	0	0	0	0	-	0	0	0	-	-
405	8520	Primary education	0.04	0	0	0	-	0	0	0	-	-
406	8531	General secondary education	0.2	0	0	0	-	0	0	0	-	-
407	8532	Technical and vocational secondary education	30.01	0	0	0	-	0	0	0	-	-
408	8541	Postsecondary non	10.81	0	0	0	-	0	0	0	-	-
409	8552	Cultural education	0.91	0	0	0	-	0	0	0	-	-

410	8559	Other education n.e.c.	8.83	0	0	0	-	0	0	0	-	-
411	8560	Educational support activities	2.48	0	0	0	-	0	0	0	-	-
412	8610	Hospital activities	73.86	0	0	0	-	0	0	0	-	-
413	8621	General medical practice activities	10.27	0.57	0	0	-	0	0	0	-	-
414	8622	Specialist medical practice activities	5.08	0.03	0	0	-	0	0	0	-	-
415	8623	Dental practice activities	0	0	0	0	-	0	0	0	-	-
416	8690	Other human health activities	13.67	0	0	0	-	0	0	0	-	-
417	8710	Residential nursing care activities	3.21	0	0	0	-	0	0	0	-	-
418	8720	Residential care activities for mental retardation, mental health and substance abuse	2.01	0.19	0	0	-	0	0	0	-	-
419	8730	Residential care activities for the elderly and disabled	51.48	0	0	0	-	0.01	0	0	-	-
420	8790	Other residential care activities	25.9	0.01	0	0	-	0	0	0	-	-
421	8810	Social work activities without accommodation for the elderly and disabled	0.89	0	0	0	-	0	0	0	-	-
422	8891	Child daycare activities	0.08	0	0	0	-	0	0	0	-	-
423	8899	Other social work activities without accommodation n.e.c.	1.75	0	0	0	-	0	0	0	-	-
424	9004	Operation of arts facilities	0	0	0	0	-	0	0	0	-	-
425	9103	Operation of historical sites and buildings and similar visitor attractions	0.01	0	0	0	-	0	0	0	-	-
426	9104	Botanical and zoological gardens and nature reserves activities	0.01	0	0	0	-	0	0	0	-	-
427	9200	Gambling and betting activities	9.25	0.23	0	0	-	0	0	0	-	-
428	9311	Operation of sports facilities	1.62	0	0	0	-	0	0	0	-	-
429	9312	Activities of sport clubs	0.05	0	0	0	-	0	0	0	-	-
430	9313	Fitness facilities	9.72	0	0	0	-	0	0	0	-	-
431	9319	Other sports activities	0.75	0	0	0	-	0	0	0	-	-
432	9321	Activities of amusement parks and theme parks	1.29	0	0	0	-	0	0	0	-	-
433	9329	Other amusement and recreation activities	0.63	0	0	0	-	0	0	0	-	-
434	9412	Activities of professional membership organisations	0	0	0	0	-	0	0	0	-	-
435	9499	Activities of other membership organisations n.e.c.	1.56	0	0	0	-	0	0	0	-	-
436	9511	Repair of computers and peripheral equipment	0	0	0	0	-	0	0	0	-	-
437	9512	Repair of communication equipment	0	0	0	0	-	0	0	0	-	-
438	9601	Washing and (dry)cleaning of textile and fur products	2.38	0	0	0	-	0	0	0	-	-
439	9602	Hairdressing and other beauty treatment	0.19	0	0	0	-	0	0	0	-	-
440	9603	Funeral and related activities	36.39	0	0	0	-	0.169531	0	0	-	-
441	9604	Physical wellbeing activities	0.67	0	0	0	-	0	0	0	-	-
442	9609	Other personal service activities n.e.c.	5.53	0	0	0	-	0	0	0	-	-

			Pollution (PPC)		Biodiversity and ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
			Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other NFCs not subject to NFRD	
			Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
			in million euros	Of which environmentally sustainable (PPC)	in million euros	Of which environmentally sustainable (PPC)	in million euros	Of which environmentally sustainable (BIO)	in million euros	Of which environmentally sustainable (BIO)
Breakdown by sector - NACE 4 digits level (code and label)										
1	111	Growing of cereals (except rice), leguminous crops and oil seeds	-		-		4.15	0	0	0
2	113	Growing of vegetables and melons, roots and tubers	-		-		18.28	0	0	0
3	119	Growing of other nonperennial crops	-		-		1.95	0	0	0
4	122	Growing of tropical and subtropical fruits	-		-		0.71	0	0	0
5	123	Growing of citrus fruits	-		-		30.59	0	0	0
6	124	Growing of pome fruits and stone fruits	-		-		1.78	0	0	0
7	125	Growing of other tree and bush fruits and nuts	-		-		8.83	0	0	0
8	130	Plant propagation	-		-		7.15	0	0	0
9	143	Raising of horses and other equines	-		-		0	0	0	0
10	145	Raising of sheep and goats	-		-		2.24	0	0	0
11	146	Raising of swine/pigs	-		-		38.46	0	0	0
12	147	Raising of poultry	-		-		9.7	0	0	0
13	149	Raising of other animals	-		-		2.08	0	0	0
14	150	Mixed farming	-		-		0.34	0	0	0
15	161	Support activities for crop production	-		-		11.71	0	0	0
16	162	Support activities for animal production	-		-		5	0	0	0
17	210	Silviculture and other forestry activities	-		-		3.45	0	0	0
18	220	Logging	-		-		0.06	0	0	0
19	311	Marine fishing	-		-		11.23	0	0	0
20	321	Marine aquaculture	-		-		4.76	0	0	0
21	610	Extraction of crude petroleum	-		-		38.46	12.33	0	0
22	729	Mining of other nonferrous metal ores	-		-		39.5	0.07	0	0
23	811	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	-		-		2.02	0	0	0
24	812	Operation of gravel and sand pits; mining of clays and kaolin	-		-		0.08	0	0	0
25	891	Mining of chemical and fertiliser minerals	-		-		0.01	0	0	0
26	893	Extraction of salt	-		-		0	0	0	0
27	899	Other mining and quarrying n.e.c.	-		-		0.15	0	0	0
28	1011	Processing and preserving of meat	-		-		80.1	0	0	0
29	1012	Processing and preserving of poultry meat	-		-		4.31	0	0	0
30	1013	Production of meat and poultry meat products	-		-		95.8	0	0	0
31	1020	Processing and preserving of fish, crustaceans and molluscs	-		-		54.45	0	0	0
32	1032	Manufacture of fruit and vegetable juice	-		-		15.59	0	0	0
33	1039	Other processing and preserving of fruit and vegetables	-		-		9.33	0	0	0
34	1041	Manufacture of oils and fats	-		-		1.24	0	0	0
35	1051	Operation of dairies and cheese making	-		-		77.83	0	0	0
36	1052	Manufacture of ice cream	-		-		1.22	0	0	0

37	1061	Manufacture of grain mill products	-	-	3.05	0	0	0
38	1071	Manufacture of bread; manufacture of fresh pastry goods and cakes	-	-	80.76	0	0	0
39	1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	-	-	1.08	0	0	0
40	1073	Manufacture of macaroni, noodles, couscous and similar farinaceous products	-	-	29.25	0	0	0
41	1082	Manufacture of cocoa, chocolate and sugar confectionery	-	-	77.3	0	0	0
42	1084	Manufacture of condiments and seasonings	-	-	7.32	0	0	0
43	1085	Manufacture of prepared meals and dishes	-	-	1.79	0	0	0
44	1086	Manufacture of homogenised food preparations and dietetic food	-	-	1.98	0	0	0
45	1089	Manufacture of other food products n.e.c.	-	-	35.1	0	0	0
46	1091	Manufacture of prepared feeds for farm animals	-	-	91.42	0	0	0
47	1092	Manufacture of prepared pet foods	-	-	8.41	0	0	0
48	1101	Distilling, rectifying and blending of spirits	-	-	0.45	0	0	0
49	1102	Manufacture of wine from grape	-	-	88.09	0	0	0
50	1105	Manufacture of beer	-	-	55.94	0	0	0
51	1106	Manufacture of malt	-	-	0	0	0	0
52	1107	Manufacture of soft drinks; production of mineral waters and other bottled waters	-	-	131.01	0	0	0
53	1310	Preparation and spinning of textile fibres	-	-	2.83	0	0	0
54	1320	Weaving of textiles	-	-	3.47	0	0	0
55	1330	Finishing of textiles	-	-	0.42	0	0	0
56	1391	Manufacture of knitted and crocheted fabrics	-	-	0.01	0	0	0
57	1396	Manufacture of other technical and industrial textiles	-	-	0.85	0	0	0
58	1399	Manufacture of other textiles n.e.c.	-	-	0	0	0	0
59	1412	Manufacture of workwear	-	-	0.37	0	0	0
60	1413	Manufacture of other outerwear	-	-	7.56	0.12	0	0
61	1419	Manufacture of other wearing apparel and accessories	-	-	8.04	0	0	0
62	1431	Manufacture of knitted and crocheted hosiery	-	-	0	0	0	0
63	1511	Tanning and dressing of leather; dressing and dyeing of fur	-	-	5.45	0	0	0
64	1520	Manufacture of footwear	-	-	0.93	0	0	0
65	1610	Sawmilling and planing of wood	-	-	0.13	0	0	0
66	1621	Manufacture of veneer sheets and woodbased panels	-	-	27.36	0	0	0
67	1623	Manufacture of other builders' carpentry and joinery	-	-	7.34	0	0	0
68	1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	-	-	0	0	0	0
69	1711	Manufacture of pulp	-	-	30.89	14.63	0	0
70	1712	Manufacture of paper and paperboard	-	-	47.91	0	0	0
71	1721	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	-	-	20.04	0	0	0
72	1722	Manufacture of household and sanitary goods and of toilet requisites	-	-	0.01	0	0	0
73	1723	Manufacture of paper stationery	-	-	2.4	0	0	0
74	1811	Printing of newspapers	-	-	0.71	0	0	0
75	1812	Other printing	-	-	0.8	0	0	0
76	1920	Manufacture of refined petroleum products	-	-	123.97	10.49	0	0
77	2011	Manufacture of industrial gases	-	-	0.02	0	0	0
78	2012	Manufacture of dyes and pigments	-	-	1.68	0	0	0
79	2013	Manufacture of other inorganic basic chemicals	-	-	14.78	2.06	0	0

80	2014	Manufacture of other organic basic chemicals	-	-	0.7	0	0	0
81	2015	Manufacture of fertilisers and nitrogen compounds	-	-	21.44	2.71	0	0
82	2016	Manufacture of plastics in primary forms	-	-	8.57	0	0	0
83	2017	Manufacture of synthetic rubber in primary forms	-	-	14.19	0	0	0
84	2020	Manufacture of pesticides and other agrochemical products	-	-	13.79	0	0	0
85	2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	-	-	17.85	0	0	0
86	2041	Manufacture of soap and detergents, cleaning and polishing preparations	-	-	5.97	0	0	0
87	2042	Manufacture of perfumes and toilet preparations	-	-	2.39	0	0	0
88	2051	Manufacture of explosives	-	-	72.03	0	0	0
89	2059	Manufacture of other chemical products n.e.c.	-	-	4.39	0	0	0
90	2110	Manufacture of basic pharmaceutical products	-	-	112.87	0	0	0
91	2120	Manufacture of pharmaceutical preparations	-	-	34.79	0	0	0
92	2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	-	-	10.41	0	0	0
93	2219	Manufacture of other rubber products	-	-	5.6	0	0	0
94	2221	Manufacture of plastic plates, sheets, tubes and profiles	-	-	16.43	0	0	0
95	2222	Manufacture of plastic packing goods	-	-	14.14	0	0	0
96	2223	Manufacture of builders' ware of plastic	-	-	6.09	0	0	0
97	2229	Manufacture of other plastic products	-	-	80.54	0	0	0
98	2311	Manufacture of flat glass	-	-	1.2	0	0	0
99	2312	Shaping and processing of flat glass	-	-	0.6	0	0	0
100	2313	Manufacture of hollow glass	-	-	2.63	0	0	0
101	2314	Manufacture of glass fibres	-	-	0.05	0	0	0
102	2319	Manufacture and processing of other glass, including technical glassware	-	-	2.52	0	0	0
103	2320	Manufacture of refractory products	-	-	2.9	0	0	0
104	2331	Manufacture of ceramic tiles and flags	-	-	53.47	0	0	0
105	2332	Manufacture of bricks, tiles and construction products, in baked clay	-	-	1.11	0	0	0
106	2342	Manufacture of ceramic sanitary fixtures	-	-	44.63	0	0	0
107	2344	Manufacture of other technical ceramic products	-	-	2.15	0	0	0
108	2349	Manufacture of other ceramic products	-	-	4.36	0	0	0
109	2351	Manufacture of cement	-	-	55.16	1.17	0	0
110	2352	Manufacture of lime and plaster	-	-	6.84	0	0	0
111	2361	Manufacture of concrete products for construction purposes	-	-	0.11	0	0	0
112	2363	Manufacture of ready-mixed concrete	-	-	3.78	0	0	0
113	2364	Manufacture of mortars	-	-	0.02	0	0	0
114	2369	Manufacture of other articles of concrete, plaster and cement	-	-	0.12	0	0	0
115	2370	Cutting, shaping and finishing of stone	-	-	8.86	0	0	0
116	2399	Manufacture of other non-metallic mineral products n.e.c.	-	-	5.74	0	0	0
117	2410	Manufacture of basic iron and steel and of ferroalloys	-	-	56.32	8.18	0	0
118	2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	-	-	28.03	0.23	0	0
119	2431	Cold drawing of bars	-	-	0.01	0	0	0
120	2432	Cold rolling of narrow strip	-	-	19.92	0	0	0
121	2433	Cold forming or folding	-	-	0.07	0	0	0
122	2434	Cold drawing of wire	-	-	0.09	0	0	0
123	2442	Aluminium production	-	-	37.59	0	0	0



124	2445	Other nonferrous metal production	-	-	381.3	287.52	0	0
125	2446	Processing of nuclear fuel	-	-	40	0	0	0
126	2451	Casting of iron	-	-	3.56	0	0	0
127	2452	Casting of steel	-	-	10.42	0	0	0
128	2453	Casting of light metals	-	-	4.47	0	0	0
129	2454	Casting of other nonferrous metals	-	-	0.41	0	0	0
130	2511	Manufacture of metal structures and parts of structures	-	-	63.78	0	0	0
131	2512	Manufacture of doors and windows of metal	-	-	0.86	0	0	0
132	2521	Manufacture of central heating radiators and boilers	-	-	0	0	0	0
133	2529	Manufacture of other tanks, reservoirs and containers of metal	-	-	1.7	0	0	0
134	2540	Manufacture of weapons and ammunition	-	-	2.08	0	0	0
135	2550	Forging, pressing, stamping and rollforming of metal; powder metallurgy	-	-	78	0.95	0	0
136	2561	Treatment and coating of metals	-	-	9.43	0	0	0
137	2562	Machining	-	-	4.65	0	0	0
138	2571	Manufacture of cutlery	-	-	0.03	0	0	0
139	2572	Manufacture of locks and hinges	-	-	1.84	0	0	0
140	2592	Manufacture of light metal packaging	-	-	14.69	0	0	0
141	2593	Manufacture of wire products, chain and springs	-	-	3.58	0	0	0
142	2594	Manufacture of fasteners and screw machine products	-	-	1.63	0	0	0
143	2599	Manufacture of other fabricated metal products n.e.c.	-	-	16.51	0	0	0
144	2611	Manufacture of electronic components	-	-	4.65	0	0	0
145	2612	Manufacture of loaded electronic boards	-	-	0.7	0	0	0
146	2620	Repair of computers and peripheral equipment	-	-	0	0	0	0
147	2630	Manufacture of communication equipment	-	-	0	0	0	0
148	2651	Manufacture of instruments and appliances for measuring, testing and navigation	-	-	0.07	0	0	0
149	2652	Manufacture of watches and clocks	-	-	3.94	0	0	0
150	2660	Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-	3.75	0	0	0
151	2670	Manufacture of optical instruments and photographic equipment	-	-	0.04	0	0	0
152	2711	Manufacture of electric motors, generators and transformers	-	-	95.29	0	0	0
153	2712	Manufacture of electricity distribution and control apparatus	-	-	3.71	0	0	0
154	2720	Manufacture of batteries and accumulators	-	-	0.02	0	0	0
155	2732	Manufacture of other electronic and electric wires and cables	-	-	11.14	0	0	0
156	2740	Manufacture of electric lighting equipment	-	-	0.01	0	0	0
157	2751	Manufacture of electric domestic appliances	-	-	1.48	0	0	0
158	2790	Manufacture of other electrical equipment	-	-	14.86	0.12	0	0
159	2811	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	-	-	0.04	0	0	0
160	2813	Manufacture of other pumps and compressors	-	-	0	0	0	0
161	2815	Manufacture of bearings, gears, gearing and driving elements	-	-	6.68	0	0	0
162	2822	Manufacture of lifting and handling equipment	-	-	13.63	0	0	0
163	2825	Manufacture of nondomestic cooling and ventilation equipment	-	-	78	0	0	0
164	2829	Manufacture of other general purpose machinery n.e.c.	-	-	3.98	0	0	0
165	2830	Manufacture of agricultural and forestry machinery	-	-	1.99	0	0	0
166	2841	Manufacture of metal forming machinery	-	-	17.83	0	0	0
167	2849	Manufacture of other machine tools	-	-	1.89	0	0	0

168	2891	Manufacture of machinery for metallurgy	-	-	0.26	0	0	0
169	2892	Manufacture of machinery for mining, quarrying and construction	-	-	4.96	0	0	0
170	2893	Manufacture of machinery for food, beverage and tobacco processing	-	-	0	0	0	0
171	2894	Manufacture of machinery for textile, apparel and leather production	-	-	0.96	0	0	0
172	2895	Manufacture of machinery for paper and paperboard production	-	-	0.19	0	0	0
173	2896	Manufacture of plastics and rubber machinery	-	-	5.35	0	0	0
174	2899	Manufacture of other special purpose machinery n.e.c.	-	-	7.98	0	0	0
175	2910	Manufacture of motor vehicles	-	-	43.72	0	0	0
176	2920	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semitrailers	-	-	2.35	0	0	0
177	2931	Manufacture of electrical and electronic equipment for motor vehicles	-	-	1.36	0	0	0
178	2932	Manufacture of other parts and accessories for motor vehicles	-	-	329.51	2.3	0	0
179	3011	Building of ships and floating structures	-	-	4.21	1.1	0	0
180	3020	Manufacture of railway locomotives and rolling stock	-	-	46.29	14.79	0	0
181	3030	Manufacture of air and spacecraft and related machinery	-	-	72.53	0	0	0
182	3040	Manufacture of military fighting vehicles	-	-	0.1	0	0	0
183	3101	Manufacture of office and shop furniture	-	-	0.98	0	0	0
184	3102	Manufacture of kitchen furniture	-	-	1.55	0	0	0
185	3103	Manufacture of mattresses	-	-	2.3	0	0	0
186	3109	Manufacture of other furniture	-	-	0.04	0	0	0
187	3250	Manufacture of medical and dental instruments and supplies	-	-	5.87	0	0	0
188	3299	Other manufacturing n.e.c.	-	-	4.31	0	0	0
189	3312	Repair of machinery	-	-	0.43	0	0	0
190	3314	Repair of electrical equipment	-	-	0	0	0	0
191	3317	Repair and maintenance of other transport equipment	-	-	0.49	0.01	0	0
192	3319	Repair of other equipment	-	-	0	0	0	0
193	3320	Installation of industrial machinery and equipment	-	-	4.39	0.23	0	0
194	3511	Production of electricity	-	-	461.94	128.25	0	0
195	3512	Transmission of electricity	-	-	11.39	0	0	0
196	3513	Distribution of electricity	-	-	260.39	191.48	0	0
197	3514	Trade of electricity	-	-	12.04	3.4	0	0
198	3521	Manufacture of gas	-	-	104.12	41.49	0	0
199	3522	Distribution of gaseous fuels through mains	-	-	251.37	185.89	0	0
200	3523	Trade of gas through mains	-	-	5.8	0	0	0
201	3600	Water collection, treatment and supply	-	-	121.24	11.65	0	0
202	3700	Sewerage	-	-	11.22	4.57	0	0
203	3811	Collection of non-hazardous waste	-	-	22.27	0	0	0
204	3821	Treatment and disposal of non-hazardous waste	-	-	47.48	0	0	0
205	3822	Treatment and disposal of hazardous waste	-	-	0.1	0	0	0
206	3831	Dismantling of wrecks	-	-	15.37	0	0	0
207	3832	Recovery of sorted materials	-	-	6.5	4.7	0	0
208	3900	Remediation activities and other waste management services	-	-	0.73	0	0	0
209	4110	Development of building projects	-	-	105.6	0	0	0
210	4120	Construction of residential and non-residential buildings	-	-	65.79	0	0	0
211	4211	Construction of roads and motorways	-	-	89.95	4.43	0	0

212	4212	Construction of railways and underground railways	-	-	322.43	183.25	0	0
213	4213	Construction of bridges and tunnels	-	-	31.21	18.98	0	0
214	4222	Construction of utility projects for electricity and telecommunications	-	-	11.16	0	0	0
215	4291	Construction of water projects	-	-	0.43	0	0	0
216	4299	Construction of other civil engineering projects n.e.c.	-	-	196.41	19.28	0	0
217	4311	Demolition	-	-	0	0	0	0
218	4312	Site preparation	-	-	0	0	0	0
219	4321	Electrical installation	-	-	198.18	0.01	0	0
220	4322	Plumbing, heat and airconditioning installation	-	-	44.4	0	0	0
221	4329	Other construction installation	-	-	0.1	0	0	0
222	4331	Plastering	-	-	0	0	0	0
223	4333	Floor and wall covering	-	-	1.85	0	0	0
224	4334	Painting and glazing	-	-	0.07	0	0	0
225	4339	Other building completion and finishing	-	-	0.29	0	0	0
226	4399	Other specialised construction activities n.e.c.	-	-	104.79	6	0	0
227	4511	Sale of cars and light motor vehicles	-	-	36.05	0	0	0
228	4519	Sale of other motor vehicles	-	-	3.43	0	0	0
229	4520	Maintenance and repair of motor vehicles	-	-	0.14	0	0	0
230	4531	Wholesale trade of motor vehicle parts and accessories	-	-	1.61	0	0	0
231	4532	Retail trade of motor vehicle parts and accessories	-	-	1.37	0	0	0
232	4540	Sale, maintenance and repair of motorcycles and related parts and accessories	-	-	0.59	0.51	0	0
233	4611	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semifinished goods	-	-	0.2	0	0	0
234	4612	Agents involved in the sale of fuels, ores, metals and industrial chemicals	-	-	1.95	0	0	0
235	4613	Agents involved in the sale of timber and building materials	-	-	2.16	0	0	0
236	4614	Agents involved in the sale of machinery, industrial equipment, ships and aircraft	-	-	4.78	0	0	0
237	4615	Agents involved in the sale of furniture, household goods, hardware and ironmongery	-	-	6.5	0	0	0
238	4617	Agents involved in the sale of food, beverages and tobacco	-	-	6.62	0	0	0
239	4619	Agents involved in the sale of a variety of goods	-	-	12.49	0	0	0
240	4621	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	-	-	42.95	0	0	0
241	4623	Wholesale of live animals	-	-	1.49	0	0	0
242	4624	Wholesale of hides, skins and leather	-	-	3.14	0	0	0
243	4631	Wholesale of fruit and vegetables	-	-	51.83	0	0	0
244	4632	Wholesale of meat and meat products	-	-	30.52	0	0	0
245	4633	Wholesale of dairy products, eggs and edible oils and fats	-	-	47.67	0	0	0
246	4634	Wholesale of beverages	-	-	14.35	0	0	0
247	4635	Wholesale of tobacco products	-	-	0	0	0	0
248	4636	Wholesale of sugar and chocolate and sugar confectionery	-	-	3.46	0	0	0
249	4637	Wholesale of coffee, tea, cocoa and spices	-	-	0.94	0	0	0
250	4638	Wholesale of other food, including fish, crustaceans and molluscs	-	-	45.85	0	0	0
251	4639	Nonspecialised wholesale of food, beverages and tobacco	-	-	78.74	0	0	0
252	4641	Wholesale of textiles	-	-	0.34	0	0	0
253	4642	Wholesale of clothing and footwear	-	-	43.72	0	0	0
254	4643	Wholesale of electrical household appliances	-	-	29.75	0	0	0

255	4644	Wholesale of china and glassware and cleaning materials	-	-	1.59	0	0	0
256	4645	Wholesale of perfume and cosmetics	-	-	324.42	0	0	0
257	4646	Wholesale of pharmaceutical goods	-	-	93.54	0	0	0
258	4648	Wholesale of watches and jewellery	-	-	0.08	0	0	0
259	4649	Wholesale of other household goods	-	-	4.71	0	0	0
260	4651	Wholesale of computers, computer peripheral equipment and software	-	-	12.39	0	0	0
261	4652	Wholesale of electronic and telecommunications equipment and parts	-	-	3.34	0	0	0
262	4661	Wholesale of agricultural machinery, equipment and supplies	-	-	0.05	0	0	0
263	4662	Wholesale of machine tools	-	-	0.13	0	0	0
264	4663	Wholesale of mining, construction and civil engineering machinery	-	-	0.18	0	0	0
265	4665	Wholesale of office furniture	-	-	6.16	0	0	0
266	4666	Wholesale of other office machinery and equipment	-	-	9.93	0	0	0
267	4669	Wholesale of other machinery and equipment	-	-	35.06	0	0	0
268	4671	Wholesale of solid, liquid and gaseous fuels and related products	-	-	14.29	0	0	0
269	4672	Wholesale of metals and metal ores	-	-	120.84	25.19	0	0
270	4673	Wholesale of wood, construction materials and sanitary equipment	-	-	114.93	0	0	0
271	4674	Wholesale of hardware, plumbing and heating equipment and supplies	-	-	47.59	0	0	0
272	4675	Wholesale of chemical products	-	-	33.26	0	0	0
273	4676	Wholesale of other intermediate products	-	-	52.03	0	0	0
274	4677	Wholesale of waste and scrap	-	-	0.83	0	0	0
275	4690	Nonspecialised wholesale trade	-	-	16.77	0	0	0
276	4711	Retail sale in nonspecialised stores with food, beverages or tobacco predominating	-	-	433.56	0	0	0
277	4719	Other retail sale in nonspecialised stores	-	-	163.82	1.66	0	0
278	4721	Retail sale of fruit and vegetables in specialised stores	-	-	15.73	0	0	0
279	4722	Retail sale of meat and meat products in specialised stores	-	-	6.61	0	0	0
280	4724	Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	-	-	0.32	0	0	0
281	4729	Other retail sale of food in specialised stores	-	-	29.34	0	0	0
282	4730	Retail sale of automotive fuel in specialised stores	-	-	47.17	0.04	0	0
283	4741	Retail sale of computers, peripheral units and software in specialised stores	-	-	0.69	0	0	0
284	4742	Retail sale of telecommunications equipment in specialised stores	-	-	7.44	0	0	0
285	4751	Retail sale of textiles in specialised stores	-	-	0	0	0	0
286	4752	Retail sale of hardware, paints and glass in specialised stores	-	-	36.63	0	0	0
287	4759	Retail sale of furniture, lighting equipment and other household articles in specialised stores	-	-	18.58	0	0	0
288	4761	Retail sale of books in specialised stores	-	-	0.15	0	0	0
289	4764	Retail sale of sporting equipment in specialised stores	-	-	1.71	0	0	0
290	4765	Retail sale of games and toys in specialised stores	-	-	0.03	0	0	0
291	4771	Retail sale of clothing in specialised stores	-	-	107.04	0.19	0	0
292	4772	Retail sale of footwear and leather goods in specialised stores	-	-	1.96	0	0	0
293	4773	Dispensing chemist in specialised stores	-	-	0.05	0	0	0
294	4774	Retail sale of medical and orthopaedic goods in specialised stores	-	-	0.09	0	0	0
295	4775	Retail sale of cosmetic and toilet articles in specialised stores	-	-	35.39	0	0	0
296	4776	Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	-	-	0.93	0	0	0
297	4777	Retail sale of watches and jewellery in specialised stores	-	-	0.68	0	0	0
298	4778	Other retail sale of new goods in specialised stores	-	-	100.63	0	0	0

299	4781	Retail sale via stalls and markets of food, beverages and tobacco products	-	-	3.46	0	0	0
300	4791	Retail sale via mail order houses or via Internet	-	-	2.12	0	0	0
301	4799	Other retail sale not in stores, stalls or markets	-	-	3.99	0	0	0
302	4910	Passenger rail transport, interurban	-	-	405	5.71	0	0
303	4920	Freight rail transport	-	-	0.01	0	0	0
304	4931	Urban and suburban passenger land transport	-	-	156.45	0	0	0
305	4932	Taxi operation	-	-	0.6	0	0	0
306	4939	Other passenger land transport n.e.c.	-	-	37.58	0	0	0
307	4941	Freight transport by road	-	-	67.63	0	0	0
308	4950	Transport via pipeline	-	-	26.07	0	0	0
309	5010	Sea and coastal passenger water transport	-	-	19.72	0	0	0
310	5020	Sea and coastal freight water transport	-	-	47.19	0	0	0
311	5110	Passenger air transport	-	-	5.42	0	0	0
312	5121	Freight air transport	-	-	0	0	0	0
313	5210	Warehousing and storage	-	-	7.63	0	0	0
314	5221	Service activities incidental to land transportation	-	-	281.1	5.54	0	0
315	5222	Service activities incidental to water transportation	-	-	109.35	0	0	0
316	5223	Service activities incidental to air transportation	-	-	360.73	55.32	0	0
317	5224	Cargo handling	-	-	0.29	0	0	0
318	5229	Other transportation support activities	-	-	36.44	0	0	0
319	5310	Postal activities under universal service obligation	-	-	48.1	0	0	0
320	5320	Other postal and courier activities	-	-	12.57	0	0	0
321	5510	Hotels and similar accommodation	-	-	676.74	0	0	0
322	5520	Holiday and other short-stay accommodation	-	-	22.86	0	0	0
323	5530	Camping grounds, recreational vehicle parks and trailer parks	-	-	1.25	0	0	0
324	5590	Other accommodation	-	-	1.02	0	0	0
325	5610	Restaurants and mobile food service activities	-	-	92.67	0	0	0
326	5621	Event catering activities	-	-	0.24	0	0	0
327	5629	Other food service activities	-	-	0.94	0	0	0
328	5630	Beverage serving activities	-	-	2.93	0	0	0
329	5811	Book publishing	-	-	1.39	0	0	0
330	5813	Publishing of newspapers	-	-	3.93	0	0	0
331	5819	Other publishing activities	-	-	5.06	0	0	0
332	5821	Publishing of computer games	-	-	20.1	0	0	0
333	5829	Other software publishing	-	-	0.43	0	0	0
334	5912	Motion picture, video and television programme postproduction activities	-	-	9.5	0	0	0
335	6010	Radio broadcasting	-	-	0.01	0	0	0
336	6020	Television programming and broadcasting activities	-	-	8.44	0.13	0	0
337	6110	Wired telecommunications activities	-	-	289.91	0.55	0	0
338	6120	Wireless telecommunications activities	-	-	0.23	0	0	0
339	6130	Satellite telecommunications activities	-	-	0.09	0	0	0
340	6190	Other telecommunications activities	-	-	401.62	0.72	0	0
341	6201	Computer programming activities	-	-	8.19	0.04	0	0
342	6202	Computer consultancy activities	-	-	27.35	0.21	0	0

343	6203	Computer facilities management activities	-	-	1.34	0	0	0
344	6209	Other information technology and computer service activities	-	-	19.1	0.01	0	0
345	6311	Data processing, hosting and related activities	-	-	3.3	0	0	0
346	6312	Web portals	-	-	0.17	0	0	0
347	6391	News agency activities	-	-	0	0	0	0
348	6399	Other information service activities n.e.c.	-	-	0	0	0	0
349	6420	Activities of holding companies	-	-	765.71	0.92	0	0
350	6499	Other financial service activities, except insurance and pension funding n.e.c.	-	-	149.29	75.97	0	0
351	6612	Security and commodity contracts brokerage	-	-	0.2	0	0	0
352	6619	Other activities auxiliary to financial services, except insurance and pension funding	-	-	332.46	266.14	0	0
353	6622	Activities of insurance agents and brokers	-	-	0.84	0.01	0	0
354	6810	Buying and selling of own real estate	-	-	74.96	0	0	0
355	6820	Renting and operating of own or leased real estate	-	-	347.72	7.3	0	0
356	6831	Real estate agencies	-	-	0.95	0	0	0
357	6832	Management of real estate on a fee or contract basis	-	-	38.6	0.06	0	0
358	6910	Legal activities	-	-	7.59	0	0	0
359	6920	Accounting, bookkeeping and auditing activities; tax consultancy	-	-	21.83	0	0	0
360	7010	Activities of head offices	-	-	256.85	10.76	0	0
361	7021	Public relations and communication activities	-	-	0	0	0	0
362	7022	Business and other management consultancy activities	-	-	70.45	0	0	0
363	7111	Architectural activities	-	-	0.25	0	0	0
364	7112	Engineering activities and related technical consultancy	-	-	104.83	0.01	0	0
365	7120	Technical testing and analysis	-	-	15.45	0	0	0
366	7219	Other research and experimental development on natural sciences and engineering	-	-	2.01	0	0	0
367	7220	Research and experimental development on social sciences and humanities	-	-	0.79	0	0	0
368	7311	Advertising agencies	-	-	16.72	0	0	0
369	7312	Media representation	-	-	0	0	0	0
370	7320	Market research and public opinion polling	-	-	1.5	0	0	0
371	7410	Specialised design activities	-	-	0.01	0	0	0
372	7420	Photographic activities	-	-	0.11	0.02	0	0
373	7490	Other professional, scientific and technical activities n.e.c.	-	-	51.56	2.31	0	0
374	7500	Veterinary activities	-	-	3.26	0	0	0
375	7711	Renting and leasing of cars and light motor vehicles	-	-	24.79	0	0	0
376	7712	Renting and leasing of trucks	-	-	3.68	0	0	0
377	7732	Renting and leasing of construction and civil engineering machinery and equipment	-	-	12.91	0	0	0
378	7734	Renting and leasing of water transport equipment	-	-	1.21	0	0	0
379	7735	Renting and leasing of air transport equipment	-	-	57.81	0	0	0
380	7739	Renting and leasing of other machinery, equipment and tangible goods n.e.c.	-	-	84.58	0.16	0	0
381	7740	Leasing of intellectual property and similar products, except copyrighted works	-	-	0.74	0	0	0
382	7810	Activities of employment placement agencies	-	-	0.02	0	0	0
383	7820	Temporary employment agency activities	-	-	11.19	0	0	0
384	7830	Other human resources provision	-	-	0.01	0	0	0
385	7911	Travel agency activities	-	-	11.91	0	0	0
386	7912	Tour operator activities	-	-	7.15	0	0	0

387	7990	Other reservation service and related activities	-	-	0.01	0	0	0
388	8010	Private security activities	-	-	4.65	0	0	0
389	8020	Security systems service activities	-	-	5.19	0.02	0	0
390	8110	Combined facilities support activities	-	-	12.86	0	0	0
391	8121	General cleaning of buildings	-	-	3.74	0.24	0	0
392	8122	Other building and industrial cleaning activities	-	-	11.81	0	0	0
393	8129	Other cleaning activities	-	-	4.86	0	0	0
394	8130	Landscape service activities	-	-	0.08	0	0	0
395	8211	Combined office administrative service activities	-	-	1.61	0	0	0
396	8219	Photocopying, document preparation and other specialised office support activities	-	-	0.42	0	0	0
397	8220	Activities of call centres	-	-	0.84	0	0	0
398	8230	Organisation of conventions and trade shows	-	-	3.09	0	0	0
399	8291	Activities of collection agencies and credit bureaus	-	-	2.74	0	0	0
400	8292	Packaging activities	-	-	0.02	0	0	0
401	8299	Other business support service activities n.e.c.	-	-	3.91	0	0	0
402	8411	General public administration activities	-	-	573.54	0.43	0	0
403	8412	Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security	-	-	0	0	0	0
404	8413	Regulation of and contribution to more efficient operation of businesses	-	-	0	0	0	0
405	8520	Primary education	-	-	0.04	0	0	0
406	8531	General secondary education	-	-	0.2	0	0	0
407	8532	Technical and vocational secondary education	-	-	30.01	0	0	0
408	8541	Postsecondary non	-	-	10.81	0	0	0
409	8552	Cultural education	-	-	0.91	0	0	0
410	8559	Other education n.e.c.	-	-	8.83	0	0	0
411	8560	Educational support activities	-	-	2.48	0	0	0
412	8610	Hospital activities	-	-	73.86	0	0	0
413	8621	General medical practice activities	-	-	10.27	0.57	0	0
414	8622	Specialist medical practice activities	-	-	5.08	0.03	0	0
415	8623	Dental practice activities	-	-	0	0	0	0
416	8690	Other human health activities	-	-	13.67	0	0	0
417	8710	Residential nursing care activities	-	-	3.21	0	0	0
418	8720	Residential care activities for mental retardation, mental health and substance abuse	-	-	2.01	0.19	0	0
419	8730	Residential care activities for the elderly and disabled	-	-	51.48	0.01	0	0
420	8790	Other residential care activities	-	-	25.9	0.01	0	0
421	8810	Social work activities without accommodation for the elderly and disabled	-	-	0.89	0	0	0
422	8891	Child daycare activities	-	-	0.08	0	0	0
423	8899	Other social work activities without accommodation n.e.c.	-	-	1.75	0	0	0
424	9004	Operation of arts facilities	-	-	0	0	0	0
425	9103	Operation of historical sites and buildings and similar visitor attractions	-	-	0.01	0	0	0
426	9104	Botanical and zoological gardens and nature reserves activities	-	-	0.01	0	0	0
427	9200	Gambling and betting activities	-	-	9.25	0.23	0	0
428	9311	Operation of sports facilities	-	-	1.62	0	0	0
429	9312	Activities of sport clubs	-	-	0.05	0	0	0



430	9313	Fitness facilities	-		-		9.72	0	0	0
431	9319	Other sports activities	-		-		0.75	0	0	0
432	9321	Activities of amusement parks and theme parks	-		-		1.29	0		
433	9329	Other amusement and recreation activities	-		-		0.63	0		
434	9412	Activities of professional membership organisations	-		-		0	0		
435	9499	Activities of other membership organisations n.e.c.	-		-		1.56	0		
436	9511	Repair of computers and peripheral equipment	-		-		0	0		
437	9512	Repair of communication equipment	-		-		0	0		
438	9601	Washing and (dry)cleaning of textile and fur products	-		-		2.38	0		
439	9602	Hairdressing and other beauty treatment	-		-		0.19	0		
440	9603	Funeral and related activities	-		-		36.39	0.17		
441	9604	Physical wellbeing activities	-		-		0.67	0		
442	9609	Other personal service activities n.e.c.	-		-		5.53	0		



### 3. GAR (%) in terms of stock in relation to turnover and CapEx KPIs

GAR KPI stock - **Turnover** based

		Disclosure reference date 31/12/2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which UoP	Of which transitional	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling		
% (compared to total covered assets in the denominator)														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	70.50%	6.68%	5.88%	0.27%	0.28%	0.02%	—%	—%	—%	—%		51.09%	
2	Financial corporations	16.65%	1.20%	—%	0.14%	0.23%	0.05%	0.01%	—%	—%	—%		6.04%	
3	Credit institutions	16.81%	1.15%	—%	0.16%	0.11%	0.05%	0.01%	—%	—%	—%		5.48%	
4	Loans and advances	18.85%	1.29%	—%	0.17%	0.12%	0.06%	0.01%	—%	—%	—%		4.56%	
5	Debt securities, including UoP	6.62%	0.45%	—%	0.09%	0.07%	0.01%	—%	—%	—%	—%		0.92%	
6	Equity instruments	15.90%	1.67%		0.02%	0.14%	0.04%	0.02%		0.02%	—%		—%	
7	Other financial corporations	15.13%	1.72%	0.01%	0.03%	1.41%	0.02%	0.01%	—%	—%	—%		0.57%	
8	of which investment firms	14.65%	1.70%	0.01%	0.03%	1.48%	0.01%	—%	—%	—%	—%		0.54%	
9	Loans and advances	16.51%	1.93%	0.01%	0.03%	1.68%	0.01%	—%	—%	—%	—%		0.47%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.02%	
11	Equity instruments	1.50%	0.09%	—%		0.02%	0.01%	—%	—%		—%		0.05%	
12	of which management companies	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
15	Equity instruments	—%	—%	—%		—%	—%	—%	—%		—%		—%	
16	of which insurance undertakings	24.45%	2.12%	—%	0.03%	0.06%	0.20%	0.05%	—%	0.02%	—%		0.03%	
17	Loans and advances	38.59%	3.35%	—%	0.05%	0.10%	0.32%	0.08%	—%	0.04%	—%		0.02%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
19	Equity instruments	—%	—%	—%		—%	—%	—%	—%		—%		0.01%	
20	Non-financial corporations (subject to NFRD disclosure obligations)	20.68%	7.72%	2.40%	1.80%	2.07%	0.16%	0.03%	—%	0.02%	0.01%		6.28%	
21	Loans and advances	20.01%	7.45%	2.44%	1.83%	1.71%	0.16%	0.03%	—%	0.02%	0.01%		6.18%	
22	Debt securities, including UoP	59.36%	23.27%	—%	0.02%	23.11%	—%	—%	—%	—%	—%		0.11%	
23	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
24	Households	88.39%	7.49%	7.49%	0.04%	—%	—%	—%	—%	—%	—%		38.14%	
25	of which loans collateralised by residential immovable property	100.00%	8.78%	8.78%	—%	—%	—%	—%	—%	—%	—%		32.32%	
26	of which building renovation loans	100.00%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.50%	
27	of which motor vehicle loans	100.00%	1.88%	1.88%	1.88%	—%	—%						0.89%	
28	Local governments financing	0.08%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.62%	
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
30	Other local governments financing	0.08%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.62%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.38%	
32	Total GAR assets	47.15%	4.42%	3.89%	0.18%	0.19%	0.02%	—%	—%	—%	—%		77.19%	

		Disclosure reference date 31/12/2024										Proportion of total assets covered
		Circular Economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which UoP	Of which enabling			Of which UoP	Of which enabling		Of which UoP	Of which enabling	
% (compared to total covered assets in the denominator)												
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%			0.05%			0.08%				51.09%
2	Financial corporations	—%			—%			—%				6.04%
3	Credit institutions	—%			—%			—%				5.48%
4	Loans and advances	—%			—%			—%				4.56%
5	Debt securities, including UoP	—%			—%			—%				0.92%
6	Equity instruments	—%			—%			—%				—%
7	Other financial corporations	—%			—%			—%				0.57%
8	of which investment firms	—%			—%			—%				0.54%
9	Loans and advances	—%			—%			—%				0.47%
10	Debt securities, including UoP	—%			—%			—%				0.02%
11	Equity instruments	—%			—%			—%				0.05%
12	of which management companies	—%			—%			—%				—%
13	Loans and advances	—%			—%			—%				—%
14	Debt securities, including UoP	—%			—%			—%				—%
15	Equity instruments	—%			—%			—%				—%
16	of which insurance undertakings	—%			—%			—%				0.03%
17	Loans and advances	—%			—%			—%				0.02%
18	Debt securities, including UoP	—%			—%			—%				—%
19	Equity instruments	—%			—%			—%				0.01%
20	Non-financial corporations (subject to NFRD disclosure obligations)	0.08%			0.40%			0.61%				6.28%
21	Loans and advances	0.08%			0.19%			0.62%				6.18%
22	Debt securities, including UoP	—%			12.38%			—%				0.11%
23	Equity instruments	—%			—%			—%				—%
24	Households	—%			—%			—%				38.14%
25	of which loans collateralised by residential immovable property	—%			—%			—%				32.32%
26	of which building renovation loans	—%			—%			—%				0.50%
27	of which motor vehicle loans	—%			—%			—%				0.89%
28	Local governments financing	—%			—%			—%				0.62%
29	Housing financing	—%			—%			—%				—%
30	Other local governments financing	—%			—%			—%				0.62%
31	Collateral obtained by taking possession: residential and commercial immovable properties	—%			—%			—%				0.38%
32	Total GAR assets	0.01%			0.03%			0.05%				77.19%

Disclosure reference date 31/12/2024							
TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
Of which UoP							
Of which transitional							
Of which enabling							
Proportion of total assets covered							
% (compared to total covered assets in the denominator)							
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	70.66%	6.69%	5.88%	0.27%	0.28%	51.09%
2	<b>Financial corporations</b>	<b>16.69%</b>	<b>1.21%</b>	<b>—%</b>	<b>0.14%</b>	<b>0.23%</b>	<b>6.04%</b>
3	Credit institutions	16.85%	1.16%	—%	0.16%	0.11%	5.48%
4	Loans and advances	18.91%	1.30%	—%	0.17%	0.12%	4.56%
5	Debt securities, including UoP	6.63%	0.46%	—%	0.09%	0.07%	0.92%
6	Equity instruments	15.94%	1.69%		0.02%	0.16%	—%
7	Other financial corporations	15.15%	1.73%	0.01%	0.03%	1.41%	0.57%
8	of which investment firms	14.65%	1.71%	0.01%	0.03%	1.48%	0.54%
9	Loans and advances	16.52%	1.93%	0.01%	0.03%	1.68%	0.47%
10	Debt securities, including UoP	—%	—%	—%	—%	—%	0.02%
11	Equity instruments	1.51%	0.09%	—%		0.02%	0.05%
12	of which management companies	—%	—%	—%	—%	—%	—%
13	Loans and advances	—%	—%	—%	—%	—%	—%
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
15	Equity instruments	—%	—%	—%		—%	—%
16	of which insurance undertakings	24.65%	2.17%	—%	0.03%	0.09%	0.03%
17	Loans and advances	38.90%	3.43%	—%	0.05%	0.14%	0.02%
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
19	Equity instruments	—%	—%	—%		—%	0.01%
20	<b>Non-financial corporations (subject to NFRD disclosure obligations)</b>	<b>21.94%</b>	<b>7.75%</b>	<b>2.40%</b>	<b>1.80%</b>	<b>2.09%</b>	<b>6.28%</b>
21	Loans and advances	21.08%	7.49%	2.44%	1.83%	1.73%	6.18%
22	Debt securities, including UoP	71.74%	23.27%	—%	0.02%	23.11%	0.11%
23	Equity instruments	—%	—%	—%	—%	—%	—%
24	<b>Households</b>	<b>88.39%</b>	<b>7.49%</b>	<b>7.49%</b>	<b>0.04%</b>	<b>—%</b>	<b>38.14%</b>
25	of which loans collateralised by residential immovable property	100.00%	8.78%	8.78%	—%	—%	32.32%
26	of which building renovation loans	100.00%	—%	—%	—%	—%	0.50%
27	of which motor vehicle loans	100.00%	1.88%	1.88%	1.88%	—%	0.89%
28	<b>Local governments financing</b>	<b>0.08%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>0.62%</b>
29	Housing financing	—%	—%	—%	—%	—%	—%
30	Other local governments financing	0.08%	—%	—%	—%	—%	0.62%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>100.00%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>0.38%</b>
32	<b>Total GAR assets</b>	<b>47.26%</b>	<b>4.43%</b>	<b>3.89%</b>	<b>0.18%</b>	<b>0.19%</b>	<b>77.19%</b>

		Disclosure reference date 31/12/2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which UoP	Of which transitional	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling		
% (compared to total covered assets in the denominator)														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	49.73%	4.33%	—%	0.07%	0.13%	0.18%	0.07%	—%	0.01%		64.79%		
2	Financial corporations	—%	—%	—%	—%	—%	—%	—%	—%	—%		4.40%		
3	Credit institutions	—%	—%	—%	—%	—%	—%	—%	—%	—%		3.77%		
4	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%		3.21%		
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.56%		
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%		0.01%		
7	Other financial corporations	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.63%		
8	of which investment firms	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.61%		
9	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.54%		
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.04%		
11	Equity instruments	—%	—%		—%	—%	—%	—%		—%		0.03%		
12	of which management companies	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%		
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%		
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%		
15	Equity instruments	—%	—%		—%	—%	—%	—%		—%		—%		
16	of which insurance undertakings	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.02%		
17	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.01%		
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%		
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%		0.01%		
20	Non-financial corporations (subject to NFRD disclosure obligations)	1.18%	0.52%	—%	0.06%	0.13%	0.18%	0.07%	—%	0.01%		8.49%		
21	Loans and advances	1.13%	0.48%	—%	0.06%	0.10%	0.18%	0.07%	—%	0.01%		8.38%		
22	Debt securities, including UoP	0.05%	0.04%	—%	—%	0.04%	—%	—%	—%	—%		0.11%		
23	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%		
24	Households	48.54%	3.81%	—%	—%	—%	—%	—%	—%	—%		51.02%		
25	of which loans collateralised by residential immovable property	43.26%	3.80%	—%	—%	—%	—%	—%	—%	—%		43.26%		
26	of which building renovation loans	0.75%	—%	—%	—%	—%	—%	—%	—%	—%		0.75%		
27	of which motor vehicle loans	0.22%	—%	—%	—%	—%	—%					1.04%		
28	Local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.88%		
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%		
30	Other local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.88%		
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.73%	0.05%	—%	—%	—%	—%	—%	—%	—%		0.73%		
32	Total GAR assets	49.73%	4.33%	—%	0.07%	0.13%	0.18%	0.07%	—%	0.01%		64.79%		

		Disclosure reference date 31/12/2023									
		Circular Economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which UoP	Of which enabling		Of which UoP	Of which enabling		Of which UoP	Of which enabling	
% (compared to total covered assets in the denominator)											
GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation										64.79%
2	Financial corporations										4.40%
3	Credit institutions										3.77%
4	Loans and advances										3.21%
5	Debt securities, including UoP										0.56%
6	Equity instruments										0.01%
7	Other financial corporations										0.63%
8	of which investment firms										0.61%
9	Loans and advances										0.54%
10	Debt securities, including UoP										0.04%
11	Equity instruments										0.03%
12	of which management companies										—%
13	Loans and advances										—%
14	Debt securities, including UoP										—%
15	Equity instruments										—%
16	of which insurance undertakings										0.02%
17	Loans and advances										0.01%
18	Debt securities, including UoP										—%
19	Equity instruments										0.01%
20	Non-financial corporations (subject to NFRD disclosure obligations)										8.49%
21	Loans and advances										8.38%
22	Debt securities, including UoP										0.11%
23	Equity instruments										—%
24	Households										51.02%
25	of which loans collateralised by residential immovable property										43.26%
26	of which building renovation loans										0.75%
27	of which motor vehicle loans										1.04%
28	Local governments financing										0.88%
29	Housing financing										—%
30	Other local governments financing										0.88%
31	Collateral obtained by taking possession: residential and commercial immovable properties										0.73%
32	Total GAR assets										64.79%

		Disclosure reference date 31/12/2024					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which UoP	Of which transitional	Of which enabling	
% (compared to total covered assets in the denominator)							
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	49.91%	4.40%	—%	0.07%	0.14%	64.79%
2	Financial corporations	—%	—%	—%	—%	—%	4.40%
3	Credit institutions	—%	—%	—%	—%	—%	3.77%
4	Loans and advances	—%	—%	—%	—%	—%	3.21%
5	Debt securities, including UoP	—%	—%	—%	—%	—%	0.56%
6	Equity instruments	—%	—%		—%	—%	0.01%
7	Other financial corporations	—%	—%	—%	—%	—%	0.63%
8	of which investment firms	—%	—%	—%	—%	—%	0.61%
9	Loans and advances	—%	—%	—%	—%	—%	0.54%
10	Debt securities, including UoP	—%	—%	—%	—%	—%	0.04%
11	Equity instruments	—%	—%		—%	—%	0.03%
12	of which management companies	—%	—%	—%	—%	—%	—%
13	Loans and advances	—%	—%	—%	—%	—%	—%
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
15	Equity instruments	—%	—%		—%	—%	—%
16	of which insurance undertakings	—%	—%	—%	—%	—%	0.02%
17	Loans and advances	—%	—%	—%	—%	—%	0.01%
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
19	Equity instruments	—%	—%		—%	—%	0.01%
20	Non-financial corporations (subject to NFRD disclosure obligations)	1.37%	0.59%	—%	0.06%	0.14%	8.49%
21	Loans and advances	1.31%	0.56%	—%	0.06%	0.10%	8.38%
22	Debt securities, including UoP	0.05%	0.04%	—%	—%	0.04%	0.11%
23	Equity instruments	—%	—%	—%	—%	—%	—%
24	Households	48.54%	3.81%	—%	—%	—%	51.02%
25	of which loans collateralised by residential immovable property	43.26%	3.80%	—%	—%	—%	43.26%
26	of which building renovation loans	0.75%	—%	—%	—%	—%	0.75%
27	of which motor vehicle loans	0.22%	—%	—%	—%	—%	1.04%
28	Local governments financing	—%	—%	—%	—%	—%	0.88%
29	Housing financing	—%	—%	—%	—%	—%	—%
30	Other local governments financing	—%	—%	—%	—%	—%	0.88%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.73%	0.05%	—%	—%	—%	0.73%
32	Total GAR assets	50.63%	4.45%	—%	0.07%	0.14%	64.79%



## GAR KPI stock - CapEx based

		Disclosure reference date 31/12/2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total covered assets in the denominator)														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	71.21%	7.06%	5.88%	0.30%	0.41%	0.05%	0.01%	—%	—%	—%		51.09%	
2	Financial corporations	16.66%	1.40%	—%	0.19%	0.29%	0.04%	0.01%	—%	—%	—%		6.04%	
3	Credit institutions	16.89%	1.39%	—%	0.21%	0.19%	0.04%	0.01%	—%	—%	—%		5.48%	
4	Loans and advances	18.92%	1.55%	—%	0.23%	0.20%	0.05%	0.01%	—%	—%	—%		4.56%	
5	Debt securities, including UoP	6.80%	0.58%	—%	0.12%	0.11%	0.03%	0.01%	—%	—%	—%		0.92%	
6	Equity instruments	15.83%	1.76%		0.02%	0.07%	0.04%	0.02%		0.01%	—%		—%	
7	Other financial corporations	14.47%	1.51%	0.01%	0.01%	1.32%	0.01%	—%	—%	—%	—%		0.57%	
8	of which investment firms	13.88%	1.48%	0.01%	—%	1.38%	—%	—%	—%	—%	—%		0.54%	
9	Loans and advances	15.18%	1.68%	0.01%	—%	1.56%	—%	—%	—%	—%	—%		0.47%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.02%	
11	Equity instruments	6.33%	0.12%		—%	0.04%	0.01%	—%		—%	—%		0.05%	
12	of which management companies	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
15	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%		—%	
16	of which insurance undertakings	25.83%	2.10%	—%	0.03%	0.11%	0.20%	0.05%	—%	0.02%	—%		0.03%	
17	Loans and advances	40.77%	3.32%	—%	0.05%	0.17%	0.31%	0.08%	—%	0.03%	—%		0.02%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%		0.01%	
20	Non-financial corporations (subject to NFRD disclosure obligations)	26.45%	10.60%	2.40%	1.95%	3.04%	0.37%	0.04%	—%	0.01%	0.02%		6.28%	
21	Loans and advances	25.87%	10.32%	2.44%	1.99%	2.62%	0.38%	0.04%	—%	0.01%	0.02%		6.18%	
22	Debt securities, including UoP	59.89%	27.05%	—%	—%	27.02%	—%	—%	—%	—%	—%		0.11%	
23	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%		—%	
24	Households	88.39%	7.49%	7.49%	0.04%	—%	—%	—%	—%	—%	—%		38.14%	
25	of which loans collateralised by residential immovable property	100.00%	8.78%	8.78%	—%	—%	—%	—%	—%	—%	—%		32.32%	
26	of which building renovation loans	100.00%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.50%	
27	of which motor vehicle loans	100.00%	1.88%	1.88%	1.88%	—%	—%	—%	—%	—%	—%		0.89%	
28	Local governments financing	0.08%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.62%	
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
30	Other local governments financing	0.08%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.62%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.38%	
32	Total GAR assets	47.62%	4.67%	3.89%	0.20%	0.27%	0.03%	—%	—%	—%	—%		77.19%	

		Disclosure reference date 31/12/2024										
		Circular Economy (CE)			Pollution (PPC)				Biodiversity and ecosystems (BIO)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which UoP	Of which enabling		Of which UoP	Of which enabling		Of which UoP	Of which enabling				
% (compared to total covered assets in the denominator)												
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.03%			0.02%				0.08%			51.09%
2	Financial corporations	—%			—%				—%			6.04%
3	Credit institutions	—%			—%				—%			5.48%
4	Loans and advances	—%			—%				—%			4.56%
5	Debt securities, including UoP	—%			—%				—%			0.92%
6	Equity instruments	—%			—%				—%			—%
7	Other financial corporations	—%			—%				—%			0.57%
8	of which investment firms	—%			—%				—%			0.54%
9	Loans and advances	—%			—%				—%			0.47%
10	Debt securities, including UoP	—%			—%				—%			0.02%
11	Equity instruments	—%			—%				—%			0.05%
12	of which management companies	—%			—%				—%			—%
13	Loans and advances	—%			—%				—%			—%
14	Debt securities, including UoP	—%			—%				—%			—%
15	Equity instruments	—%			—%				—%			—%
16	of which insurance undertakings	—%			—%				—%			0.03%
17	Loans and advances	—%			—%				—%			0.02%
18	Debt securities, including UoP	—%			—%				—%			—%
19	Equity instruments	—%			—%				—%			0.01%
20	Non-financial corporations (subject to NFRD disclosure obligations)	0.28%			0.19%				0.66%			6.28%
21	Loans and advances	0.28%			0.16%				0.67%			6.18%
22	Debt securities, including UoP	—%			1.70%				—%			0.11%
23	Equity instruments	—%			—%				—%			—%
24	Households	—%			—%				—%			38.14%
25	of which loans collateralised by residential immovable property	—%			—%				—%			32.32%
26	of which building renovation loans	—%			—%				—%			0.50%
27	of which motor vehicle loans	—%			—%				—%			0.89%
28	Local governments financing	—%			—%				—%			0.62%
29	Housing financing	—%			—%				—%			—%
30	Other local governments financing	—%			—%				—%			0.62%
31	Collateral obtained by taking possession: residential and commercial immovable properties	—%			—%				—%			0.38%
32	Total GAR assets	0.02%			0.02%				0.05%			77.19%

		Disclosure reference date 31/12/2024					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which UoP	Of which transitional	Of which enabling	
% (compared to total covered assets in the denominator)							
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	71.40%	7.06%	5.88%	0.30%	0.41%	51.09%
2	Financial corporations	16.70%	1.41%	—%	0.19%	0.29%	6.04%
3	Credit institutions	16.93%	1.40%	—%	0.21%	0.19%	5.48%
4	Loans and advances	18.97%	1.56%	—%	0.23%	0.20%	4.56%
5	Debt securities, including UoP	6.83%	0.59%	—%	0.12%	0.11%	0.92%
6	Equity instruments	15.87%	1.78%		0.02%	0.08%	—%
7	Other financial corporations	14.49%	1.52%	0.01%	0.01%	1.32%	0.57%
8	of which investment firms	13.89%	1.49%	0.01%	—%	1.38%	0.54%
9	Loans and advances	15.19%	1.68%	0.01%	—%	1.57%	0.47%
10	Debt securities, including UoP	—%	—%	—%	—%	—%	0.02%
11	Equity instruments	6.34%	0.12%		—%	0.04%	0.05%
12	of which management companies	—%	—%	—%	—%	—%	—%
13	Loans and advances	—%	—%	—%	—%	—%	—%
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
15	Equity instruments	—%	—%		—%	—%	—%
16	of which insurance undertakings	26.03%	2.16%	—%	0.03%	0.13%	0.03%
17	Loans and advances	41.08%	3.40%	—%	0.05%	0.20%	0.02%
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
19	Equity instruments	—%	—%		—%	—%	0.01%
20	Non-financial corporations (subject to NFRD disclosure obligations)	27.97%	10.64%	2.40%	1.95%	3.04%	6.28%
21	Loans and advances	27.39%	10.36%	2.44%	1.99%	2.63%	6.18%
22	Debt securities, including UoP	61.59%	27.05%	—%	—%	27.02%	0.11%
23	Equity instruments	—%	—%	—%	—%	—%	—%
24	Households	88.39%	7.49%	7.49%	0.04%	—%	38.14%
25	of which loans collateralised by residential immovable property	100.00%	8.78%	8.78%	—%	—%	32.32%
26	of which building renovation loans	100.00%	—%	—%	—%	—%	0.50%
27	of which motor vehicle loans	100.00%	1.88%	1.88%	1.88%	—%	0.89%
28	Local governments financing	0.08%	—%	—%	—%	—%	0.62%
29	Housing financing	—%	—%	—%	—%	—%	—%
30	Other local governments financing	0.08%	—%	—%	—%	—%	0.62%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	—%	—%	—%	—%	0.38%
32	Total GAR assets	47.75%	4.68%	3.89%	0.20%	0.27%	77.19%

		Disclosure reference date 31/12/2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
% (compared to total covered assets in the denominator)				Of which UoP	Of which transitional	Of which enabling			Of which UoP	Of which enabling		Of which UoP	Of which enabling	
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	49.89%	4.29%	—%	0.07%	0.22%	0.17%	0.07%	—%	—%			64.79%	
2	Financial corporations	—%	—%	—%	—%	—%	—%	—%	—%	—%			4.40%	
3	Credit institutions	—%	—%	—%	—%	—%	—%	—%	—%	—%			3.77%	
4	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			3.21%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.56%	
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%			0.01%	
7	Other financial corporations	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.63%	
8	of which investment firms	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.57%	
9	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.51%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.04%	
11	Equity instruments	—%	—%		—%	—%	—%	—%		—%			0.03%	
12	of which management companies	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
15	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
16	of which insurance undertakings	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.02%	
17	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.01%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%			0.01%	
20	Non-financial corporations (subject to NFRD disclosure obligations)	1.34%	0.49%	—%	0.06%	0.22%	0.17%	0.07%	—%	—%			8.49%	
21	Loans and advances	1.28%	0.47%	—%	0.06%	0.21%	0.16%	0.07%	—%	—%			8.38%	
22	Debt securities, including UoP	0.06%	0.01%	—%	—%	0.01%	—%	—%	—%	—%			0.11%	
23	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
24	Households	48.54%	3.81%	—%	—%	—%	—%	—%	—%	—%			51.02%	
25	of which loans collateralised by residential immovable property	43.26%	3.80%	—%	—%	—%	—%	—%	—%	—%			43.26%	
26	of which building renovation loans	0.75%	—%	—%	—%	—%	—%	—%	—%	—%			0.75%	
27	of which motor vehicle loans	0.22%	—%	—%	—%	—%	—%						1.04%	
28	Local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.88%	
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
30	Other local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.88%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.73%	0.05%	—%	—%	—%	—%	—%	—%	—%			0.73%	
32	Total GAR assets	49.89%	4.29%	—%	0.07%	0.22%	0.17%	0.07%	—%	—%			64.79%	

		Disclosure reference date 31/12/2023									
		Circular Economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which UoP	Of which enabling		Of which UoP	Of which enabling		Of which UoP	Of which enabling			
% (compared to total covered assets in the denominator)											
GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation										64.79%
2	Financial corporations										4.40%
3	Credit institutions										3.77%
4	Loans and advances										3.21%
5	Debt securities, including UoP										0.56%
6	Equity instruments										0.01%
7	Other financial corporations										0.63%
8	of which investment firms										0.57%
9	Loans and advances										0.51%
10	Debt securities, including UoP										0.04%
11	Equity instruments										0.03%
12	of which management companies										—%
13	Loans and advances										—%
14	Debt securities, including UoP										—%
15	Equity instruments										—%
16	of which insurance undertakings										0.02%
17	Loans and advances										0.01%
18	Debt securities, including UoP										—%
19	Equity instruments										0.01%
20	Non-financial corporations (subject to NFRD disclosure obligations)										8.49%
21	Loans and advances										8.38%
22	Debt securities, including UoP										0.11%
23	Equity instruments										—%
24	Households										51.02%
25	of which loans collateralised by residential immovable property										43.26%
26	of which building renovation loans										0.75%
27	of which motor vehicle loans										1.04%
28	Local governments financing										0.88%
29	Housing financing										—%
30	Other local governments financing										0.88%
31	Collateral obtained by taking possession: residential and commercial immovable properties										0.73%
32	Total GAR assets										64.79%

		Disclosure reference date 31/12/2024					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
% (compared to total covered assets in the denominator)				Of which UoP	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	50.06%	4.36%	—%	0.07%	0.22%	64.79%
2	Financial corporations	—%	—%	—%	—%	—%	4.40%
3	Credit institutions	—%	—%	—%	—%	—%	3.77%
4	Loans and advances	—%	—%	—%	—%	—%	3.21%
5	Debt securities, including UoP	—%	—%	—%	—%	—%	0.56%
6	Equity instruments	—%	—%		—%	—%	0.01%
7	Other financial corporations	—%	—%	—%	—%	—%	0.63%
8	of which investment firms	—%	—%	—%	—%	—%	0.57%
9	Loans and advances	—%	—%	—%	—%	—%	0.51%
10	Debt securities, including UoP	—%	—%	—%	—%	—%	0.04%
11	Equity instruments	—%	—%		—%	—%	0.03%
12	of which management companies	—%	—%	—%	—%	—%	—%
13	Loans and advances	—%	—%	—%	—%	—%	—%
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
15	Equity instruments	—%	—%		—%	—%	—%
16	of which insurance undertakings	—%	—%	—%	—%	—%	0.02%
17	Loans and advances	—%	—%	—%	—%	—%	0.01%
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
19	Equity instruments	—%	—%		—%	—%	0.01%
20	Non-financial corporations (subject to NFRD disclosure obligations)	1.51%	0.55%	—%	0.06%	0.22%	8.49%
21	Loans and advances	1.45%	0.54%	—%	0.06%	0.21%	8.38%
22	Debt securities, including UoP	0.06%	0.01%	—%	—%	0.01%	0.11%
23	Equity instruments	—%	—%	—%	—%	—%	—%
24	Households	48.54%	3.81%	—%	—%	—%	51.02%
25	of which loans collateralised by residential immovable property	43.26%	3.80%	—%	—%	—%	43.26%
26	of which building renovation loans	0.75%	—%	—%	—%	—%	0.75%
27	of which motor vehicle loans	0.22%	—%	—%	—%	—%	1.04%
28	Local governments financing	—%	—%	—%	—%	—%	0.88%
29	Housing financing	—%	—%	—%	—%	—%	—%
30	Other local governments financing	—%	—%	—%	—%	—%	0.88%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.73%	0.05%	—%	—%	—%	0.73%
32	Total GAR assets	50.78%	4.41%	—%	0.07%	0.22%	64.79%

## 4. GAR (%) in terms of flow in relation to turnover and CapEx KPIs

### GAR KPI flow - Turnover based

		Disclosure reference date 31/12/2024													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)				Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which UoP					Of which UoP				Of which UoP				
%		(compared to flow of eligible assets)													
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	47.12%	5.85%	4.11%	0.62%	0.51%	0.06%	0.01%	—%	0.01%	—%			50.17%	
2	Financial corporations	16.60%	1.22%	—%	0.12%	0.10%	0.06%	0.01%	—%	—%	—%			15.21%	
3	Credit institutions	16.95%	1.26%	—%	0.12%	0.10%	0.06%	0.01%	—%	—%	—%			14.70%	
4	Loans and advances	17.04%	1.27%	—%	0.12%	0.10%	0.06%	0.01%	—%	—%	—%			14.63%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.08%	
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%			—%	
7	Other financial corporations	6.16%	0.06%	0.01%	—%	0.01%	—%	—%	—%	—%	—%			0.50%	
8	of which investment firms	6.16%	0.06%	0.01%	—%	0.01%	—%	—%	—%	—%	—%			0.50%	
9	Loans and advances	6.16%	0.06%	0.01%	—%	0.01%	—%	—%	—%	—%	—%			0.50%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
11	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%			—%	
12	of which management companies	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
15	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%			—%	
16	of which insurance undertakings	0.45%	0.04%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
17	Loans and advances	0.45%	0.04%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%			—%	
20	Non-financial corporations (subject to NFRD disclosure obligations)	21.39%	10.62%	4.51%	2.41%	2.15%	0.18%	0.05%	—%	0.03%	0.02%			11.26%	
21	Loans and advances	21.39%	10.62%	4.51%	2.41%	2.15%	0.18%	0.05%	—%	0.03%	0.02%			11.26%	
22	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
23	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
24	Households	79.76%	6.62%	6.62%	0.09%	—%	—%	—%	—%	—%	—%			23.46%	
25	of which loans collateralised by residential immovable property	100.00%	8.87%	8.87%	—%	—%	—%	—%	—%	—%	—%			17.26%	
26	of which building renovation loans	100.00%	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.12%	
27	of which motor vehicle loans	100.00%	1.65%	1.65%	1.65%	—%	—%							1.33%	
28	Local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.24%	
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
30	Other local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.24%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.03%	
32	Total GAR assets	28.85%	3.58%	2.51%	0.38%	0.31%	0.03%	0.01%	—%	—%	—%			82.05%	



		Disclosure reference date 31/12/2024												
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which UoP	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling			
% (compared to flow of eligible assets)														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.02%			0.08%				0.02%			50.17%		
2	Financial corporations	—%			—%				—%			15.21%		
3	Credit institutions	—%			—%				—%			14.70%		
4	Loans and advances	—%			—%				—%			14.63%		
5	Debt securities, including UoP	—%			—%				—%			0.08%		
6	Equity instruments	—%			—%				—%			—%		
7	Other financial corporations	—%			—%				—%			0.50%		
8	of which investment firms	—%			—%				—%			0.50%		
9	Loans and advances	—%			—%				—%			0.50%		
10	Debt securities, including UoP	—%			—%				—%			—%		
11	Equity instruments	—%			—%				—%			—%		
12	of which management companies	—%			—%				—%			—%		
13	Loans and advances	—%			—%				—%			—%		
14	Debt securities, including UoP	—%			—%				—%			—%		
15	Equity instruments	—%			—%				—%			—%		
16	of which insurance undertakings	—%			—%				—%			—%		
17	Loans and advances	—%			—%				—%			—%		
18	Debt securities, including UoP	—%			—%				—%			—%		
19	Equity instruments	—%			—%				—%			—%		
20	Non-financial corporations (subject to NFRD disclosure obligations)	0.09%			0.34%				0.10%			11.26%		
21	Loans and advances	0.09%			0.34%				0.10%			11.26%		
22	Debt securities, including UoP	—%			—%				—%			—%		
23	Equity instruments	—%			—%				—%			—%		
24	Households	—%			—%				—%			23.46%		
25	of which loans collateralised by residential immovable property	—%			—%				—%			17.26%		
26	of which building renovation loans	—%			—%				—%			0.12%		
27	of which motor vehicle loans	—%			—%				—%			1.33%		
28	Local governments financing	—%			—%				—%			0.24%		
29	Housing financing	—%			—%				—%			—%		
30	Other local governments financing	—%			—%				—%			0.24%		
31	Collateral obtained by taking possession: residential and commercial immovable properties	—%			—%				—%			0.03%		
32	Total GAR assets	0.01%			0.05%				0.01%			82.05%		

		Disclosure reference date 31/12/2024					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
% (compared to flow of eligible assets)				Of which UoP	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	47.30%	5.86%	4.11%	0.62%	0.52%	50.17%
2	Financial corporations	16.65%	1.23%	—%	0.12%	0.10%	15.21%
3	Credit institutions	17.01%	1.27%	—%	0.12%	0.10%	14.70%
4	Loans and advances	17.10%	1.27%	—%	0.12%	0.10%	14.63%
5	Debt securities, including UoP	—%	—%	—%	—%	—%	0.08%
6	Equity instruments	—%	—%		—%	—%	—%
7	Other financial corporations	6.16%	0.06%	0.01%	—%	0.01%	0.50%
8	of which investment firms	6.17%	0.06%	0.01%	—%	0.01%	0.50%
9	Loans and advances	6.17%	0.06%	0.01%	—%	0.01%	0.50%
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
11	Equity instruments	—%	—%		—%	—%	—%
12	of which management companies	—%	—%	—%	—%	—%	—%
13	Loans and advances	—%	—%	—%	—%	—%	—%
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
15	Equity instruments	—%	—%		—%	—%	—%
16	of which insurance undertakings	0.45%	0.04%	—%	—%	—%	—%
17	Loans and advances	0.45%	0.04%	—%	—%	—%	—%
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
19	Equity instruments	—%	—%		—%	—%	—%
20	Non-financial corporations (subject to NFRD disclosure obligations)	22.11%	10.67%	4.51%	2.41%	2.17%	11.26%
21	Loans and advances	22.11%	10.67%	4.51%	2.41%	2.17%	11.26%
22	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
23	Equity instruments	—%	—%	—%	—%	—%	—%
24	Households	79.76%	6.62%	6.62%	0.09%	—%	23.46%
25	of which loans collateralised by residential immovable property	100.00%	8.87%	8.87%	—%	—%	17.26%
26	of which building renovation loans	100.00%	—%	—%	—%	—%	0.12%
27	of which motor vehicle loans	100.00%	1.65%	1.65%	1.65%	—%	1.33%
28	Local governments financing	—%	—%	—%	—%	—%	0.24%
29	Housing financing	—%	—%	—%	—%	—%	—%
30	Other local governments financing	—%	—%	—%	—%	—%	0.24%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	—%	—%	—%	—%	0.03%
32	Total GAR assets	28.96%	3.59%	2.51%	0.38%	0.32%	82.05%

		Disclosure reference date 31/12/2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which UoP	Of which transitional	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling		
% (compared to flow of total eligible assets)														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	32.90%	5.84%	—%	0.04%	0.22%	0.17%	0.04%	—%	—%			69.24%	
2	Financial corporations	—%	—%	—%	—%	—%	—%	—%	—%	—%			15.48%	
3	Credit institutions	—%	—%	—%	—%	—%	—%	—%	—%	—%			14.94%	
4	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			14.94%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
7	Other financial corporations	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.54%	
8	of which investment firms	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.54%	
9	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.54%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
11	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
12	of which management companies	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
15	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
16	of which insurance undertakings	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
17	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
20	Non-financial corporations (subject to NFRD disclosure obligations)	2.02%	0.75%	—%	0.03%	0.22%	0.17%	0.04%	—%	—%			16.82%	
21	Loans and advances	2.02%	0.75%	—%	0.03%	0.22%	0.17%	0.04%	—%	—%			16.82%	
22	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
23	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
24	Households	30.88%	5.09%	—%	0.01%	—%	—%	—%	—%	—%			36.71%	
25	of which loans collateralised by residential immovable property	25.27%	5.08%	—%	—%	—%	—%	—%	—%	—%			25.27%	
26	of which building renovation loans	0.28%	—%	—%	—%	—%	—%	—%	—%	—%			0.28%	
27	of which motor vehicle loans	0.52%	—%	—%	—%	—%	—%						4.73%	
28	Local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.23%	
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
30	Other local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.23%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.09%	—%	—%	—%	—%	—%	—%	—%	—%			0.09%	
32	Total GAR assets	32.90%	5.84%	—%	0.04%	0.22%	0.17%	0.04%	—%	—%			69.24%	

		Disclosure reference date 31/12/2023										
		Circular Economy (CE)				Pollution (PPC)			Biodiversity and ecosystems (BIO)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which UoP	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling	
% (compared to flow of total eligible assets)												
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation											69.24%
2	Financial corporations											15.48%
3	Credit institutions											14.94%
4	Loans and advances											14.94%
5	Debt securities, including UoP											—%
6	Equity instruments											—%
7	Other financial corporations											0.54%
8	of which investment firms											0.54%
9	Loans and advances											0.54%
10	Debt securities, including UoP											—%
11	Equity instruments											—%
12	of which management companies											—%
13	Loans and advances											—%
14	Debt securities, including UoP											—%
15	Equity instruments											—%
16	of which insurance undertakings											—%
17	Loans and advances											—%
18	Debt securities, including UoP											—%
19	Equity instruments											—%
20	Non-financial corporations (subject to NFRD disclosure obligations)											16.82%
21	Loans and advances											16.82%
22	Debt securities, including UoP											—%
23	Equity instruments											—%
24	Households											36.71%
25	of which loans collateralised by residential immovable property											25.27%
26	of which building renovation loans											0.28%
27	of which motor vehicle loans											4.73%
28	Local governments financing											0.23%
29	Housing financing											—%
30	Other local governments financing											0.23%
31	Collateral obtained by taking possession: residential and commercial immovable properties											0.09%
32	Total GAR assets											69.24%

		Disclosure reference date 31/12/2023					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which UoP	Of which transitional	Of which enabling	
% (compared to flow of total eligible assets)							
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	33.15%	6.30%	—%	0.07%	0.22%	69.24%
2	Financial corporations	—%	—%	—%	—%	—%	15.48%
3	Credit institutions	—%	—%	—%	—%	—%	14.94%
4	Loans and advances	—%	—%	—%	—%	—%	14.94%
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
6	Equity instruments	—%	—%		—%	—%	—%
7	Other financial corporations	—%	—%	—%	—%	—%	0.54%
8	of which investment firms	—%	—%	—%	—%	—%	0.54%
9	Loans and advances	—%	—%	—%	—%	—%	0.54%
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
11	Equity instruments	—%	—%		—%	—%	—%
12	of which management companies	—%	—%	—%	—%	—%	—%
13	Loans and advances	—%	—%	—%	—%	—%	—%
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
15	Equity instruments	—%	—%		—%	—%	—%
16	of which insurance undertakings	—%	—%	—%	—%	—%	—%
17	Loans and advances	—%	—%	—%	—%	—%	—%
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
19	Equity instruments	—%	—%		—%	—%	—%
20	Non-financial corporations (subject to NFRD disclosure obligations)	2.27%	0.85%	—%	0.07%	0.22%	16.82%
21	Loans and advances	2.27%	0.85%	—%	0.07%	0.22%	16.82%
22	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
23	Equity instruments	—%	—%	—%	—%	—%	—%
24	Households	30.88%	5.45%	—%	—%	—%	36.71%
25	of which loans collateralised by residential immovable property	25.27%	5.45%	—%	—%	—%	25.27%
26	of which building renovation loans	0.28%	—%	—%	—%	—%	0.28%
27	of which motor vehicle loans	0.52%	—%	—%	—%	—%	4.73%
28	Local governments financing	—%	—%	—%	—%	—%	0.23%
29	Housing financing	—%	—%	—%	—%	—%	—%
30	Other local governments financing	—%	—%	—%	—%	—%	0.23%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.09%	—%	—%	—%	—%	0.09%
32	Total GAR assets	33.15%	6.30%	—%	0.07%	0.22%	69.24%

## GAR KPI flow - CapEx based

		Disclosure reference date 31/12/2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which UoP	Of which transitional	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling		
% (compared to flow of eligible assets)														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	47.77%	6.11%	4.11%	0.67%	0.56%	0.09%	0.01%	—%	—%	0.01%		50.17%	
2	Financial corporations	16.52%	1.39%	—%	0.14%	0.16%	0.04%	0.01%	—%	—%	—%		15.21%	
3	Credit institutions	16.87%	1.44%	—%	0.14%	0.17%	0.04%	0.01%	—%	—%	—%		14.70%	
4	Loans and advances	16.96%	1.44%	—%	0.14%	0.17%	0.04%	0.01%	—%	—%	—%		14.63%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.08%	
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%		—%	
7	Other financial corporations	6.20%	0.08%	0.01%	—%	0.02%	—%	—%	—%	—%	—%		0.50%	
8	of which investment firms	6.20%	0.08%	0.01%	—%	0.02%	—%	—%	—%	—%	—%		0.50%	
9	Loans and advances	6.20%	0.08%	0.01%	—%	0.02%	—%	—%	—%	—%	—%		0.50%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
11	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%		—%	
12	of which management companies	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
15	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%		—%	
16	of which insurance undertakings	0.45%	0.04%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
17	Loans and advances	0.45%	0.04%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%		—%	
20	Non-financial corporations (subject to NFRD disclosure obligations)	24.38%	11.57%	4.51%	2.60%	2.26%	0.34%	0.03%	—%	0.01%	0.02%		11.26%	
21	Loans and advances	24.38%	11.57%	4.51%	2.60%	2.26%	0.34%	0.03%	—%	0.01%	0.02%		11.26%	
22	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
23	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
24	Households	79.76%	6.62%	6.62%	0.09%	—%	—%	—%	—%	—%	—%		23.46%	
25	of which loans collateralised by residential immovable property	100.00%	8.87%	8.87%	—%	—%	—%	—%	—%	—%	—%		17.26%	
26	of which building renovation loans	100.00%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.12%	
27	of which motor vehicle loans	100.00%	1.65%	1.65%	1.65%	—%	—%	—%	—%	—%	—%		1.33%	
28	Local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.24%	
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
30	Other local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.24%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	—%	—%	—%	—%	—%	—%	—%	—%	—%		0.03%	
32	Total GAR assets	29.24%	3.74%	2.51%	0.41%	0.34%	0.05%	0.01%	—%	—%	—%		82.05%	

		Disclosure reference date 31/12/2024										Proportion of total assets covered
		Circular Economy (CE)			Pollution (PPC)				Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which UoP	Of which enabling		Of which UoP	Of which enabling		Of which UoP	Of which enabling		
% (compared to flow of eligible assets)												
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.07%			0.06%			0.02%				50.17%
2	Financial corporations	—%			—%			—%				15.21%
3	Credit institutions	—%			—%			—%				14.70%
4	Loans and advances	—%			—%			—%				14.63%
5	Debt securities, including UoP	—%			—%			—%				0.08%
6	Equity instruments	—%			—%			—%				—%
7	Other financial corporations	—%			—%			—%				0.50%
8	of which investment firms	—%			—%			—%				0.50%
9	Loans and advances	—%			—%			—%				0.50%
10	Debt securities, including UoP	—%			—%			—%				—%
11	Equity instruments	—%			—%			—%				—%
12	of which management companies	—%			—%			—%				—%
13	Loans and advances	—%			—%			—%				—%
14	Debt securities, including UoP	—%			—%			—%				—%
15	Equity instruments	—%			—%			—%				—%
16	of which insurance undertakings	—%			—%			—%				—%
17	Loans and advances	—%			—%			—%				—%
18	Debt securities, including UoP	—%			—%			—%				—%
19	Equity instruments	—%			—%			—%				—%
20	Non-financial corporations (subject to NFRD disclosure obligations)	0.31%			0.29%			0.10%				11.26%
21	Loans and advances	0.31%			0.29%			0.10%				11.26%
22	Debt securities, including UoP	—%			—%			—%				—%
23	Equity instruments	—%			—%			—%				—%
24	Households	—%			—%			—%				23.46%
25	of which loans collateralised by residential immovable property	—%			—%			—%				17.26%
26	of which building renovation loans	—%			—%			—%				0.12%
27	of which motor vehicle loans	—%			—%			—%				1.33%
28	Local governments financing	—%			—%			—%				0.24%
29	Housing financing	—%			—%			—%				—%
30	Other local governments financing	—%			—%			—%				0.24%
31	Collateral obtained by taking possession: residential and commercial immovable properties	—%			—%			—%				0.03%
32	Total GAR assets	0.04%			0.04%			0.01%				82.05%



Disclosure reference date 31/12/2024							
TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
Of which UoP							
Of which transitional							
Of which enabling							
Proportion of total assets covered							
% (compared to flow of eligible assets)							
<b>GAR - Covered assets in both numerator and denominator</b>							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	48.02%	6.12%	4.11%	0.67%	0.56%	50.17%
2	<b>Financial corporations</b>	<b>16.55%</b>	<b>1.40%</b>	<b>—%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>15.21%</b>
3	Credit institutions	16.91%	1.44%	—%	0.14%	0.17%	14.70%
4	Loans and advances	17.00%	1.45%	—%	0.14%	0.17%	14.63%
5	Debt securities, including UoP	—%	—%	—%	—%	—%	0.08%
6	Equity instruments	—%	—%		—%	—%	—%
7	Other financial corporations	6.21%	0.08%	0.01%	—%	0.02%	0.50%
8	of which investment firms	6.21%	0.08%	0.01%	—%	0.02%	0.50%
9	Loans and advances	6.21%	0.08%	0.01%	—%	0.02%	0.50%
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
11	Equity instruments	—%	—%		—%	—%	—%
12	of which management companies	—%	—%	—%	—%	—%	—%
13	Loans and advances	—%	—%	—%	—%	—%	—%
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
15	Equity instruments	—%	—%		—%	—%	—%
16	of which insurance undertakings	0.45%	0.04%	—%	—%	—%	—%
17	Loans and advances	0.45%	0.04%	—%	—%	—%	—%
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
19	Equity instruments	—%	—%		—%	—%	—%
20	<b>Non-financial corporations (subject to NFRD disclosure obligations)</b>	<b>25.45%</b>	<b>11.60%</b>	<b>4.51%</b>	<b>2.60%</b>	<b>2.26%</b>	<b>11.26%</b>
21	Loans and advances	25.45%	11.60%	4.51%	2.60%	2.26%	11.26%
22	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
23	Equity instruments	—%	—%	—%	—%	—%	—%
24	<b>Households</b>	<b>79.76%</b>	<b>6.62%</b>	<b>6.62%</b>	<b>0.09%</b>	<b>—%</b>	<b>23.46%</b>
25	of which loans collateralised by residential immovable property	100.00%	8.87%	8.87%	—%	—%	17.26%
26	of which building renovation loans	100.00%	—%	—%	—%	—%	0.12%
27	of which motor vehicle loans	100.00%	1.65%	1.65%	1.65%	—%	1.33%
28	<b>Local governments financing</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>0.24%</b>
29	Housing financing	—%	—%	—%	—%	—%	—%
30	Other local governments financing	—%	—%	—%	—%	—%	0.24%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>100.00%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>0.03%</b>
32	<b>Total GAR assets</b>	<b>29.40%</b>	<b>3.75%</b>	<b>2.51%</b>	<b>0.41%</b>	<b>0.34%</b>	<b>82.05%</b>

		Disclosure reference date 31/12/2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which UoP	Of which transitional	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling		
% (compared to flow of total eligible assets)														
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	34.40%	6.04%	—%	0.03%	0.43%	0.08%	0.03%	—%	—%			73.41%	
2	Financial corporations	—%	—%	—%	—%	—%	—%	—%	—%	—%			16.02%	
3	Credit institutions	—%	—%	—%	—%	—%	—%	—%	—%	—%			15.46%	
4	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			15.46%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
7	Other financial corporations	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.56%	
8	of which investment firms	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.56%	
9	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.56%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
11	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
12	of which management companies	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
15	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
16	of which insurance undertakings	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
17	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%			—%	
20	Non-financial corporations (subject to NFRD disclosure obligations)	2.44%	0.78%	—%	0.03%	0.43%	0.08%	0.03%	—%	—%			19.16%	
21	Loans and advances	2.44%	0.78%	—%	0.03%	0.43%	0.08%	0.03%	—%	—%			19.16%	
22	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
23	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
24	Households	31.96%	5.26%	—%	—%	—%	—%	—%	—%	—%			37.99%	
25	of which loans collateralised by residential immovable property	26.15%	5.26%	—%	—%	—%	—%	—%	—%	—%			26.15%	
26	of which building renovation loans	0.29%	—%	—%	—%	—%	—%	—%	—%	—%			0.29%	
27	of which motor vehicle loans	0.54%	—%	—%	—%	—%	—%						4.89%	
28	Local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.24%	
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			—%	
30	Other local governments financing	—%	—%	—%	—%	—%	—%	—%	—%	—%			0.24%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.09%	—%	—%	—%	—%	—%	—%	—%	—%			0.09%	
32	Total GAR assets	34.40%	6.04%	—%	0.03%	0.43%	0.08%	0.03%	—%	—%			73.41%	

% (compared to flow of total eligible assets)

		Disclosure reference date 31/12/2023										
		Circular Economy (CE)				Pollution (PPC)			Biodiversity and ecosystems (BIO)			Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which UoP	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling	
% (compared to flow of total eligible assets)												
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation											73.41%
2	Financial corporations											16.02%
3	Credit institutions											15.46%
4	Loans and advances											15.46%
5	Debt securities, including UoP											—%
6	Equity instruments											—%
7	Other financial corporations											0.56%
8	of which investment firms											0.56%
9	Loans and advances											0.56%
10	Debt securities, including UoP											—%
11	Equity instruments											—%
12	of which management companies											—%
13	Loans and advances											—%
14	Debt securities, including UoP											—%
15	Equity instruments											—%
16	of which insurance undertakings											—%
17	Loans and advances											—%
18	Debt securities, including UoP											—%
19	Equity instruments											—%
20	Non-financial corporations (subject to NFRD disclosure obligations)											19.16%
21	Loans and advances											19.16%
22	Debt securities, including UoP											—%
23	Equity instruments											—%
24	Households											37.99%
25	of which loans collateralised by residential immovable property											26.15%
26	of which building renovation loans											0.29%
27	of which motor vehicle loans											4.89%
28	Local governments financing											0.24%
29	Housing financing											—%
30	Other local governments financing											0.24%
31	Collateral obtained by taking possession: residential and commercial immovable properties											0.09%
32	Total GAR assets											73.41%

Disclosure reference date 31/12/2023							
TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
Of which UoP							
Of which transitional							
Of which enabling							
Proportion of total assets covered							
% (compared to flow of total eligible assets)							
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	34.63%	6.12%	—%	0.05%	0.43%	73.41%
2	<b>Financial corporations</b>	—%	—%	—%	—%	—%	<b>16.02%</b>
3	Credit institutions	—%	—%	—%	—%	—%	15.46%
4	Loans and advances	—%	—%	—%	—%	—%	15.46%
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
6	Equity instruments	—%	—%		—%	—%	—%
7	Other financial corporations	—%	—%	—%	—%	—%	0.56%
8	of which investment firms	—%	—%	—%	—%	—%	0.56%
9	Loans and advances	—%	—%	—%	—%	—%	0.56%
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
11	Equity instruments	—%	—%		—%	—%	—%
12	of which management companies	—%	—%	—%	—%	—%	—%
13	Loans and advances	—%	—%	—%	—%	—%	—%
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
15	Equity instruments	—%	—%		—%	—%	—%
16	of which insurance undertakings	—%	—%	—%	—%	—%	—%
17	Loans and advances	—%	—%	—%	—%	—%	—%
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
19	Equity instruments	—%	—%		—%	—%	—%
20	<b>Non-financial corporations (subject to NFRD disclosure obligations)</b>	<b>2.67%</b>	<b>0.87%</b>	—%	<b>0.05%</b>	<b>0.43%</b>	<b>19.16%</b>
21	Loans and advances	2.67%	0.87%	—%	0.05%	0.43%	19.16%
22	Debt securities, including UoP	—%	—%	—%	—%	—%	—%
23	Equity instruments	—%	—%	—%	—%	—%	—%
24	<b>Households</b>	<b>31.96%</b>	<b>5.26%</b>	—%	—%	—%	<b>37.99%</b>
25	of which loans collateralised by residential immovable property	26.15%	5.26%	—%	—%	—%	26.15%
26	of which building renovation loans	0.29%	—%	—%	—%	—%	0.29%
27	of which motor vehicle loans	0.54%	—%	—%	—%	—%	4.89%
28	<b>Local governments financing</b>	—%	—%	—%	—%	—%	<b>0.24%</b>
29	Housing financing	—%	—%	—%	—%	—%	—%
30	Other local governments financing	—%	—%	—%	—%	—%	0.24%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0.09%</b>	—%	—%	—%	—%	<b>0.09%</b>
32	<b>Total GAR assets</b>	<b>34.63%</b>	<b>6.12%</b>	—%	<b>0.05%</b>	<b>0.43%</b>	<b>73.41%</b>

## 5. Ratio of Taxonomy-aligned off-balance sheet exposures in relation to turnover and CapEx KPIs

Ratio of Taxonomy-aligned off-balance sheet exposures in relation to **turnover** KPIs

		Disclosure reference date 31/12/2024											
		Climate Change Mitigation (CCM)					Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which UoP	Of which transitional	Of which enabling			Of which UoP	Of which enabling			Of which UoP
% (compared to total eligible off-balance sheet assets)													
1	Financial guarantees (FinGuar KPI)	17.00%	1.00%	—%	—%	1.00%	—%	—%	—%	—%	—%		
2	Assets under management (AuM KPI)	25.00%	2.00%	—%	—%	—%	—%	—%	—%	—%	—%		

		Disclosure reference date 31/12/2024											
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which UoP	Of which enabling			Of which UoP	Of which enabling			Of which UoP	Of which enabling
% (compared to total eligible off-balance sheet assets)													
1	Financial guarantees (FinGuar KPI)	—%				1.00 %				1.00 %			
2	Assets under management (AuM KPI)	—%				—%				—%			

Disclosure reference date 31/12/2024						
TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
				Of which UoP	Of which transitional	Of which enabling
% (compared to total eligible off-balance sheet assets)						
1	Financial guarantees (FinGuar KPI)	20.00%	1.00%		—%	1.00%
2	Assets under management (AuM KPI)	25.00%	2.00%		—%	—%

## Ratio of Taxonomy-aligned off-balance sheet exposures in relation to CapEx KPIs

Disclosure reference date 31/12/2024											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (ACC)				Water and Marine Resources (WTR)	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	
				Of which UoP	Of which transitional	Of which enabling			Of which UoP	Of which enabling	Of which enabling
% (compared to total eligible off-balance sheet assets)											
1	Financial guarantees (FinGuar KPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	Assets under management (AuM KPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Disclosure reference date 31/12/2024											
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	
				Of which UoP	Of which enabling			Of which UoP	Of which enabling		
% (compared to total eligible off-balance sheet assets)											
1	Financial guarantees (FinGuar KPI)	0.00				0.00				0.00	
2	Assets under management (AuM KPI)	0.00				0.00				0.00	

Disclosure reference date 31/12/2024						
TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
% (compared to total eligible off-balance sheet assets)						
1	Financial guarantees (FinGuar KPI)	0.00	0.00	0.00	0.00	0.00
2	Assets under management (AuM KPI)	0.00	0.00	0.00	0.00	0.00

## Amount and proportion of Taxonomy-aligned exposures reported in the GAR's denominator and numerator for nuclear and gas activities, mainly, in terms of both CapEx and turnover for each environmental objective.

### Nuclear energy and fossil gas related activities in terms of turnover

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
<b>Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

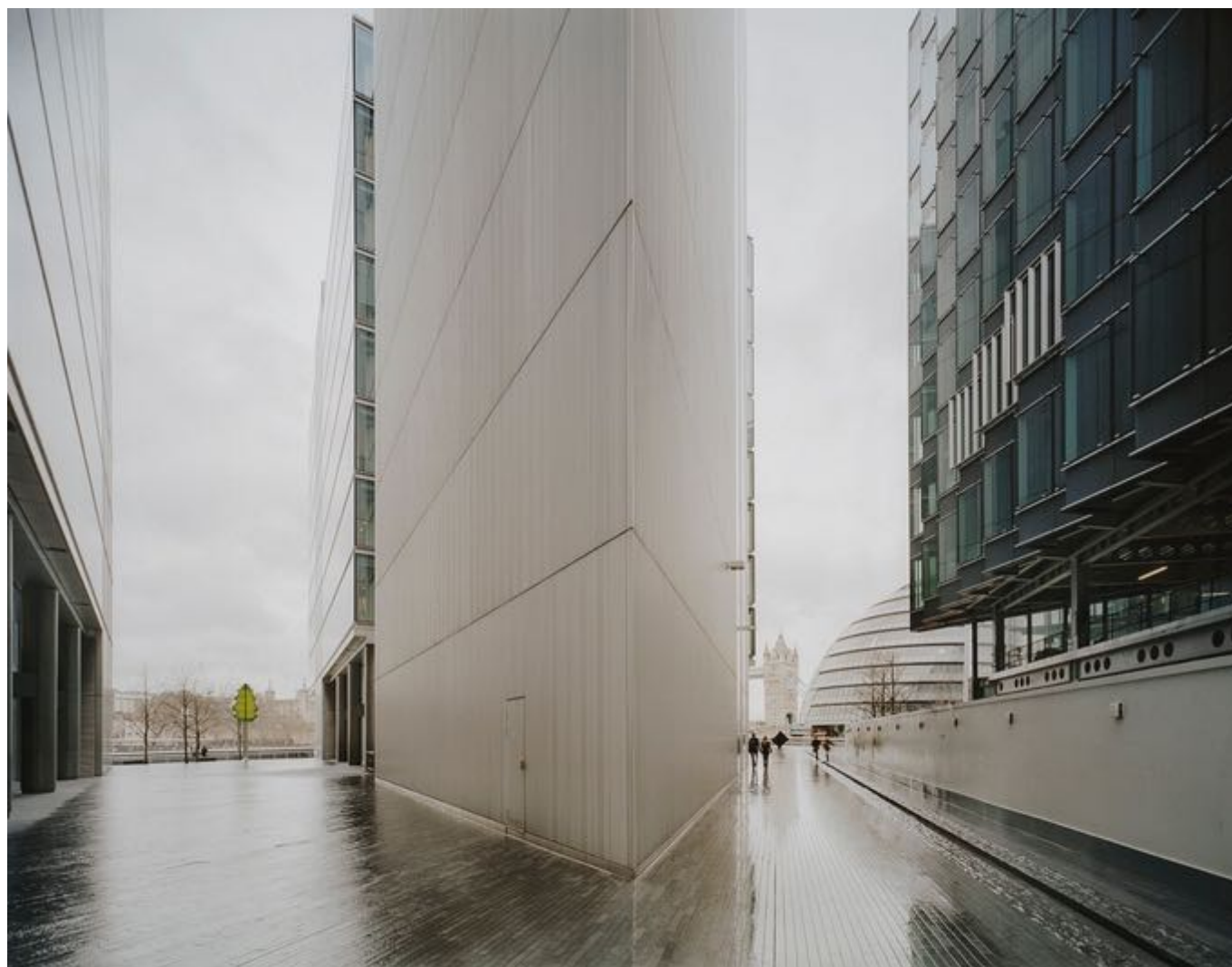
### Nuclear energy and fossil gas related activities in terms of CapEx

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
<b>Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES



## Taxonomy-aligned economic activities (denominator) in terms of turnover

Row	Economic activities	Amount and proportion (Amounts presented in million euros)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.03%	—	0.03%	—	—%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.9	1.27%	1.9	1.35%	—	—%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.05%	0.1	0.05%	—	—%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.01%	—	0.01%	—	—%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	145.9	98.61%	136.7	98.52%	1.2	100.00%
8	<b>Total applicable KPI</b>	<b>148.0</b>	<b>100.00%</b>	<b>138.7</b>	<b>100.00%</b>	<b>1.2</b>	<b>100.00%</b>



## Taxonomy-aligned economic activities (denominator) in terms of CapEx

Row	Economic activities	Amount and proportion (Amounts presented in million euros)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.08%	0.2	0.08%	—	—%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.1	0.79%	2.1	0.83%	—	—%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.02%	—	0.02%	—	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.08%	0.2	0.09%	—	—%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	266.4	98.91%	255.7	98.88%	1.3	100.00%
8	<b>Total applicable KPI</b>	<b>269.3</b>	<b>100.00%</b>	<b>258.6</b>	<b>100.00%</b>	<b>1.3</b>	<b>100.00%</b>



## Taxonomy-aligned economic activities (numerator) in terms of turnover

Row	Economic activities	Amount and proportion (Amounts presented in million euros)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.2	—%	0.2	—%	—	—%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	265.6	3.22%	264.5	3.27%	—	—%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	5.6	0.07%	2.0	0.03%	3.6	2.76%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	7,971.0	96.70%	7,811.4	96.69%	126.9	97.24%
8	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	8,242.7	100.00%	8,078.5	100.00%	130.5	100.00%

## Taxonomy-aligned economic activities (numerator) in terms of CapEx

Row	Economic activities	Amount and proportion (Amounts presented in million euros)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	35.4	0.43%	35.2	0.44%	—	—%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	249.5	3.04%	248.4	3.07%	—	—%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.1	—%	0.1	—%	—	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2.8	0.03%	2.8	0.03%	—	—%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.3	—%	0.3	—%	—	—%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	7,922.7	96.50%	7,811.3	96.46%	113.8	100.00%
8	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	8,210.4	100.00%	8,098.0	100.00%	113.8	100.00%

**Taxonomy-eligible but not taxonomy-aligned economic activities  
in terms of turnover**

Row	Economic activities	Proportion (Amounts presented in million euros)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.01%	0.2	0.01%	—	—%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	66.7	3.57%	80.3	4.38%	—	—%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.2	0.17%	3.2	0.17%	—	0.10%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,804.5	96.65%	1,757.9	95.83%	6.4	99.90%
8	<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>1,867.0</b>	<b>100.00%</b>	<b>1,834.5</b>	<b>100.00%</b>	<b>6.4</b>	<b>100.00%</b>

**Taxonomy-eligible but not taxonomy-aligned economic activities  
in terms of CapEx**

Row	Economic activities	Proportion (Amounts presented in million euros)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	20.0	1.12%	25.3	1.45%	—	—%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.5	0.08%	1.5	0.09%	—	—%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	—%	—	—%	—	—%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,758.2	98.79%	1,714.3	98.45%	4.3	100.00%
8	<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>1,779.8</b>	<b>100.00%</b>	<b>1,741.3</b>	<b>100.00%</b>	<b>4.3</b>	<b>100.00%</b>

## Taxonomy non-eligible economic activities in terms of turnover

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.5	0.06%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.1	0.09%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	31.9	0.58%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.6	0.10%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.1	0.09%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.4	0.08%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5,404.8	98.97%
8	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>5,461.0</b>	<b>100.00%</b>

## Taxonomy non-eligible economic activities in terms of CapEx

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.3	0.07%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.6	0.11%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	28.2	0.57%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.3	0.09%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.3	0.05%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.7	0.01%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,912.0	99.10%
8	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>4,956.6</b>	<b>100.00%</b>





## 6.4 Equator Principles

Since 2011, the Group has adhered to the Equator Principles, an international voluntary framework of policies, standards and guidelines which aims to identify, assess and manage environmental and social risks relating to project finance of 10 million US dollars or more and corporate loans related to projects of more than 50 million US dollars. Through the standards of the Equator Principles, a social and environmental assessment of the potential impacts of the project is carried out by an independent expert.

During 2024, a total of 31 new structured finance projects incorporating the Equator Principles were signed, 74.2% of which are renewable energy projects.

Sector	Number of projects	Category	Country	Region	Designated country	Independent review
Renewable energies	15	B	Spain	Europe	Yes	Yes
Renewable energies	1	C	Spain	Europe	Yes	Yes
Renewable energies	5	B	USA	Americas	Yes	Yes
Renewable energies	1	B	UK	Europe	Yes	Yes
Renewable energies	1	A	USA	Americas	Yes	Yes
Infrastructure	3	B	Spain	Europe	Yes	Yes
Infrastructure	1	C	Spain	Europe	Yes	Yes
Energy, Gas	2	B	Mexico	Americas	No	Yes
Waste	2	B	UK	Europe	Yes	Yes





## 6.5 List of disclosure requirements fulfilled

The table of contents of the information required pursuant to Law 11/2018 of 28 December on non-financial and diversity disclosures, together with its reporting framework, is set out below.

		Reporting framework	Page
<b>General disclosures</b>			
<b>Business model</b>	Description of the business model:	BP-1 and BP-2	156
	— Business environment	GOV-1	158
	— Organisation and structure	GOV-3	169
	— Markets in which it operates	SBM-1	179
	— Objectives and strategy	SBM-2	195
	— Key factors and trends that could affect its future performance	SBM-3	198
	— Main policies applied by the Group		
		IRO-1 and IRO-2	204
		ESRS 2 GOV-3	222
		ESRS 2 IRO-1	229
		E1-2	240
		E1-3	244
		E1-4	255
		ESRS 2 SBM-2	273
		ESRS 2 SBM-3	273
		S1-1	275
		S1-2	279
		S1-3	280
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		S1-5	294
		ESRS 2 SBM-2	313
		ESRS 2 SBM-3	313
		S4-1	324
		S4-2	328
		S4-3	329
		S4-4	333
		S4-5	340
		ESRS 2 GOV-1	343
		ESRS 2 IRO-1	344
		G1-1	344
<b>Main risks and impacts identified</b>	Internal Control and Risk Management System	GOV-5	173
	Analysis of risks and impacts related to key matters	ESRS 2 IRO-1	229
		S1-4	287
		S4-4	333
		G1-3	356

## Environmental matters

<b>Environmental management</b>	Detailed information about the current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety	SBM-3	198
		IRO-1; IRO-2 and SBM-3	204
		ESRS 2 IRO-1	229
	Environmental assessment or certification procedures	E1-1	223
		E1-3	244
	Resources dedicated to environmental risk prevention	GOV-1	158
		GOV-2	164
		E1-1	223
		E1-3	244
	Application of the precautionary principle	ESRS 2 IRO-1	229
		E1-2	240
		E1-3	244
	Amount of provisions and guarantees for environmental risks	ESRS 2 IRO-1	229
<b>Pollution</b>	Measures to prevent, reduce or offset carbon emissions that severely affect the environment, taking into account any form of atmospheric pollution caused by a specific activity, including noise and light pollution	Non-material	
<b>Circular economy and waste prevention and management</b>	Measures on the prevention, recycling, reuse and other forms of recovery and disposal of waste	E1-3	244
	Actions to combat food waste	Non-material	
<b>Sustainable use of resources</b>	Water consumption and water supply in accordance with local restrictions	E1-3	244
		E1-6	264
	Consumption of raw materials and measures adopted to make their use more efficient	E1-3	244
		E1-6	264
	Direct and indirect energy consumption	E1-3	244
		E1-5	260
		E1-6	264
	Measures taken to improve energy efficiency	E1-3	244
		E1-5	260
	Use of renewable energies	E1-3	244
<b>Climate change</b>	Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods it produces and the services it provides	E1-3	244
		E1-6	264
	Measures taken to adapt to the consequences of climate change	E1-3	244
	Voluntary reduction targets established for the medium and long term to reduce greenhouse gas emissions and the measures implemented for such purposes	E1-4	255
<b>Protection of biodiversity</b>	Measures taken to preserve or restore biodiversity	Non-material	
	Impacts caused by activities or operations in protected areas	Non-material	

## Corporate and staff-related matters

<b>Employment</b>	Total number and breakdown of employees by country, sex, age and professional category	S1-6	295
	Total number and breakdown of types of employment contract	S1-6	295
	Annual average by type of contract (permanent, temporary or part-time) and by sex, age and professional category	S1-6	295
	Number and breakdown of dismissals by sex, age and professional category	S1-6	295
	Average remuneration and its evolution, broken down by sex, age and professional category or categories of equivalent value	S1-16	304
	Average remuneration of directors and senior managers, including variable pay, subsistence allowances, severance pay, payments into long-term retirement plans or any other amounts received, broken down by sex	S1-16	304
	Pay gap	S1-3	280
		S1-16	304
	Implementation of policies safeguarding employees' right to disconnect	S1-4	287
	Employees with disabilities	S1-6	295
	Total remuneration ratio	S1-16, DP 97b	158
<b>Workplace organisation</b>	Organisation of working hours	S1-4	287
	Number of hours of employee absence	S1-14	301
	Measures aimed at facilitating the achievement of a work-life balance and encouraging the equal enjoyment of such measures by both parents	S1-4	287
<b>Health and safety</b>	Health and safety conditions in the workplace	S1-14	301
	Number of work-related accidents and work-related ill health, broken down by gender, and frequency and severity rates by gender	S1-14	301
<b>Workplace relations</b>	Organisation of social dialogue, including procedures for informing and consulting with staff and for negotiating with them	S1-2	279
	Percentage of employees covered by a collective bargaining agreement, by country	S1-8	299
	Status of collective bargaining agreements, particularly in relation to occupational health and safety	S1-2	279
	Mechanisms and procedures that the company has in place to promote the involvement of employees in the company's management in terms of information, consultation and participation	S1-2	279
		S1-3	280
<b>Training</b>	Policies implemented in relation to training	S1-4	287
	Total hours of training, broken down by professional category	S1-13	300
<b>Accessibility</b>	Integration and universal accessibility for people with disabilities	S1-6	295
<b>Equality</b>	Measures adopted to promote equal treatment and opportunities between women and men	S1-3	280
		S1-4	287
	Equality Plans (Chapter III of Organic Law 3/2007 of 22 March on effective equality between women and men)	S1-1	275
	Measures adopted to promote employment, protocols against sexual and sex-based harassment	S1-3	280
		S1-4	287
	Policy against all forms of discrimination and, where applicable, gender diversity management	S1-1	275
		S1-4	287

		Reporting framework	Page
Disclosures on respecting human rights			
Human rights	Application of due diligence procedures in relation to human rights, prevention of risks of human rights violations and, where applicable, measures to mitigate, manage and redress any such violations	S1-1	275
		S4-1	324
	Reported human rights violations	S4-4	333
		G1-1	344
	Advocacy of, and compliance with, the provisions of fundamental conventions of the International Labour Organisation related to safeguarding the freedom of association and the right to collective bargaining, elimination of workplace discrimination and job discrimination, elimination of forced or compulsory labour, effective abolition of child labour	S4-1	324
Information regarding the fight against corruption and bribery			
Corruption and bribery	Measures adopted to prevent corruption and bribery	G1-3	356
	Measures to combat money laundering	G1-1	344
	Contributions to foundations and non-profit organisations	ESRS 2 SBM-3	313
		G1-3	356
Information regarding society			
The company's commitments to sustainable development	Impact of the company's activities on local employment and development	ESRS 2 SBM-3	313
		S4-4	333
	Impact of the company's activities on local communities and in the area	ESRS 2 SBM-3	313
		S4-4	333
	Relationships with key members of local communities and the different forms of dialogue with the same	ESRS 2 SBM-3	313
		S4-4	333
	Association and sponsorship activities	Non-material	
Outsourcing and suppliers	Inclusion in the procurement policy of social, gender equality and environmental matters	G1-2	352
	Consideration in relationships with suppliers and subcontractors of their social and environmental responsibilities	G1-2	352
	Supervision and audit systems and their results	G1-2	352
Consumers	Consumer health and safety measures	S4-1	324
	Grievance systems, complaints received and their resolution	S4-3	329
Tax information	Country-by-country earnings obtained	GRI 207-4 (in relation to net profit and taxes)	357
	Corporation tax paid		
	Public subsidies received		
Regulation (EU) 2020/852 - Taxonomy			
Requirements of the Regulation		Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	215
		6.3 Taxonomy indicators	371

## 6.6 Table of datapoints associated with other European regulations

List of datapoints in cross-cutting and topical standards that derive from EU legislation other than the CSRD and the ESRS.

Disclosure requirement and related datapoint	Description	Section	SFDR <sup>90</sup>	Pillar 3 <sup>91</sup>	Benchmarks Regulation <sup>92</sup>	European Climate Law <sup>93</sup>
ESRS 2 GOV-1	Board's gender diversity, paragraph 21 (d)	<a href="#">2.1 GOV-1: The role of the administrative, management and supervisory bodies</a>	x		x	
ESRS 2 GOV-1	Percentage of Board members who are independent, paragraph 21 (e)	<a href="#">2.1 GOV-1: The role of the administrative, management and supervisory bodies</a>			x	
ESRS 2 GOV-4	Statement on due diligence, paragraph 30	<a href="#">2.4 GOV-4: Statement on due diligence</a>	x			
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities, paragraph 40 (d) (i)	<a href="#">3.1 SBM-1: Strategy, business model and value chain</a>	x	x	x	
ESRS 2 SBM-1	Involvement in activities related to chemicals production, paragraph 40 (d) (ii)	<a href="#">3.1 SBM-1: Strategy, business model and value chain</a>	x		x	
ESRS 2 SBM-1	Involvement in activities related to controversial weapons, paragraph 40 (d) (iii)	<a href="#">3.1 SBM-1: Strategy, business model and value chain</a>	x		x	
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) (iv)	<a href="#">3.1 SBM-1: Strategy, business model and value chain</a>			x	
ESRS E1-1	Transition plan to reach climate neutrality by 2050, paragraph 14	<a href="#">5.1.3.1 E1-1: Transition plan for climate change mitigation</a>				x
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	<a href="#">5.1.3.1 E1-1: Transition plan for climate change mitigation</a>		x	x	
ESRS E1-4	GHG emission reduction targets, paragraph 34	<a href="#">5.1.5.1. E1-4: Targets related to climate change mitigation and adaptation</a>	x	x	x	

<sup>90</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1)

<sup>91</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, or CRR) (OJ L 176 27.6.2013, p. 1)

<sup>92</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1)

<sup>93</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1)

Disclosure requirement and related datapoint	Description	Section	SFDR <sup>90</sup>	Pillar 3 <sup>91</sup>	Benchmarks Regulation <sup>92</sup>	European Climate Law <sup>93</sup>
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	5.1.5.2. E1-5: Energy consumption and mix	x			
ESRS E1-5	Energy consumption and mix, paragraph 37	5.1.5.2. E1-5: Energy consumption and mix	x			
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	5.1.5.2. E1-5: Energy consumption and mix	x			
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	5.1.5.3. E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x	
ESRS E1-6	Gross GHG emissions intensity, paragraphs 53 to 55	5.1.5.3. E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x	
ESRS E1-7	GHG removals and carbon credits, paragraph 56	5.1.5.4. E1-7: GHG removals and GHG mitigation projects financed through carbon credits				x
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	Information not required for 2024				x
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) Location of significant assets at material physical risk, paragraph 66 (c)	Information not required for 2024		x		
ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)	Information not required for 2024		x		
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	Information not required for 2024				x
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Non-material	x			
ESRS E3-1	Water and marine resources, paragraph 9	Non-material	x			
ESRS E3-1	Dedicated policy, paragraph 13	Non-material	x			
ESRS E3-1	Sustainable oceans and seas, paragraph 14	Non-material	x			
ESRS E3-4	Total water recycled and reused, paragraph 28 (c)	Non-material	x			
ESRS E3-4	Total water consumption in m <sup>3</sup> per net revenue on own operations, paragraph 29	Non-material	x			
ESRS 2 - IRO 1 - E4	paragraph 16 (a) (i)	Non-material	x			
ESRS 2 - IRO 1 - E4	paragraph 16 (b)	Non-material	x			

Disclosure requirement and related datapoint	Description	Section	SFDR <sup>90</sup>	Pillar 3 <sup>91</sup>	Benchmarks Regulation <sup>92</sup>	European Climate Law <sup>93</sup>
ESRS 2 - IRO 1 - E4	paragraph 16 (c)	Non-material	x			
ESRS E4-2	Sustainable land / agriculture practices or policies, paragraph 24 (b)	Non-material	x			
ESRS E4-2	Sustainable oceans / seas practices or policies, paragraph 24 (c)	Non-material	x			
ESRS E4-2	Policies to address deforestation, paragraph 24 (d)	Non-material	x			
ESRS E5-5	Non-recycled waste, paragraph 37 (d)	Non-material	x			
ESRS E5-5	Hazardous waste and radioactive waste, paragraph 39	Non-material	x			
ESRS 2 - SBM3 - S1	Risk of incidents of forced labour, paragraph 14 (f)	5.2.2.2. ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	x			
ESRS 2 - SBM3 - S1	Risk of incidents of child labour, paragraph 14 (g)	5.2.2.2. ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	x			
ESRS S1-1	Human rights policy commitments, paragraph 20	5.2.3.1. S1-1: Policies related to own workforce	x			
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	5.2.3.1. S1-1: Policies related to own workforce			x	
ESRS S1-1	Processes and measures for preventing trafficking in human beings, paragraph 22	5.2.3.1. S1-1: Policies related to own workforce	x			
ESRS S1-1	Workplace accident prevention policy or management system, paragraph 23	5.2.3.1. S1-1: Policies related to own workforce	x			
ESRS S1-3	Grievance/complaints handling mechanisms, paragraph 32 (c)	5.2.3.3. S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns	x			
ESRS S1-14	Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	5.2.4.6 S1-14: Health and safety metrics	x		x	
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	5.2.4.6 S1-14: Health and safety metrics	x			
ESRS S1-16	Unadjusted gender pay gap, paragraph 97 (a)	5.2.4.8 S1-16: Compensation metrics (pay gap and total compensation)	x		x	
ESRS S1-16	Excessive CEO pay ratio, paragraph 97 (b)	5.2.4.8 S1-16: Compensation metrics (pay gap and total compensation)	x			
ESRS S1-17	Incidents of discrimination, paragraph 103 (a)	5.2.4.9 S1-17: Incidents, complaints and severe human rights impacts	x			



Disclosure requirement and related datapoint	Description	Section	SFDR <sup>90</sup>	Pillar 3 <sup>91</sup>	Benchmarks Regulation <sup>92</sup>	European Climate Law <sup>93</sup>
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	<b>5.2.4.9 S1-17: Incidents, complaints and severe human rights impacts</b>	x		x	
ESRS 2 - SBM3 - S2	Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	<b>Non-material</b>	x			
ESRS S2-1	Human rights policy commitments, paragraph 17	<b>Non-material</b>	x			
ESRS S2-1	Policies related to value chain workers, paragraph 18	<b>Non-material</b>	x			
ESRS S1-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 19	<b>Non-material</b>	x		x	
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	<b>Non-material</b>			x	
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	<b>Non-material</b>	x			
ESRS S3-1	Human rights policy commitments, paragraph 16	<b>Non-material</b>	x			
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	<b>Non-material</b>	x		x	
ESRS S3-4	Human rights issues and incidents, paragraph 36	<b>Non-material</b>	x			
ESRS S4-1	Policies related to consumers and end-users, paragraph 16	<b>5.3.3.1 S4-1: Policies related to consumers and end-users</b>	x			
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	<b>5.3.3.1 S4-1: Policies related to consumers and end-users</b>	x		x	
ESRS S4-4	Human rights issues and incidents, paragraph 35	<b>5.3.3.4 S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions</b>	x			
ESRS G1-1	United Nations Convention against Corruption, paragraph 10 (b)	<b>5.4.3.2 G1-1: Corporate culture and business conduct policies and corporate culture</b>	x			
ESRS G1-1	Protection of whistleblowers, paragraph 10 (d)	<b>5.4.3.2 G1-1: Corporate culture and business conduct policies and corporate culture</b>	x			
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	<b>5.4.4.1 G1-4: Confirmed incidents of corruption or bribery</b>	x		x	
ESRS G1-4	Standards of anti-corruption and anti-bribery, paragraph 24 (b)	<b>5.4.4.1 G1-4: Confirmed incidents of corruption or bribery</b>	x			



# Banco de Sabadell, S.A. and subsidiaries

Limited Assurance Report issued by an assurance provider on the Consolidated Non-Financial Information Statement (NFIS) and the Sustainability Reporting

31 December 2024

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*



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## **Limited Assurance Report on the Consolidated Non-Financial Information Statement and the Sustainability Reporting of Banco de Sabadell, S.A. and subsidiaries for 2024**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Shareholders of Banco de Sabadell, S.A.

### **Limited Assurance Conclusion**

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying Consolidated Non-Financial Information Statement (hereinafter, NFIS) of Banco de Sabadell, S.A. (hereinafter, the Entity) and its subsidiaries (hereinafter, the Group) for the year ended 31 December 2024, which forms part of the consolidated directors' report of the Group.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, namely the sustainability reporting prepared by the Group for the year ended 31 December 2024 (hereinafter, the Sustainability Reporting) in accordance with the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on Corporate Sustainability Reporting (CSRD). This Sustainability Reporting has also been subject to a limited assurance review.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

- a) The Group's Non-Financial Information Statement for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected criteria of the European Sustainability Reporting Standards (ESRS), as well as the other criteria described based on each subject area in the "6.5 List of disclosure requirements fulfilled" table of the aforementioned Statement;
- b) The Sustainability Reporting as a whole has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying note "1.1 BP-1: General basis for preparation of the sustainability report and BP-2: Disclosures in relation to specific circumstance", including:
  - That the description of the process for identifying the sustainability reporting information included in note "4.1. Double materiality (IRO-1, IRO-2 and SBM-3)" is consistent with the process carried out and that it identifies the material information to be disclosed in accordance with the requirements of the ESRS.
  - Compliance with ESRS.
  - Compliance of the disclosure requirements, included in subsection "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the environment section of the Sustainability Reporting, with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.



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## **Basis for Conclusion**

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We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Guidelines 47 and 56 for assurance engagements on non-financial information issued by the Spanish Institute of Registered Auditors (ICJCE) and considering the contents of the note published by the Spanish Accounting and Audit Institute (ICAC) on 18 December 2024 (hereinafter, Generally Accepted Professional Standards).

The scope of the procedures applied in a limited assurance engagement is less than those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the Assurance Provider Responsibilities section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## **Directors' Responsibility**

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The preparation of the NFIS included in the consolidated directors' report of the Group, and the content thereof, is the responsibility of the Directors of Banco de Sabadell, S.A. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected criteria of the ESRS, as well as the other criteria described based on each subject area in the "6.5 List of disclosure requirements fulfilled" table of the aforementioned Statement.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of Banco de Sabadell, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

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In relation to the Sustainability Reporting, the entity's Directors are responsible for developing and implementing a process for identifying the information to be included in the Sustainability Reporting in accordance with the contents of the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and for disclosing information about this process in the Sustainability Reporting in note *"Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)"*. This responsibility includes:

- understanding the context in which the Group's business activities and relationships are conducted, and its stakeholders, in relation to the Group's impact on people and the environment;
- identifying actual and potential impacts (both negative and positive), and any risks and opportunities that might affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing and the cost of capital in the short, medium or long term;
- evaluating the materiality of the impacts, risks and opportunities identified; and
- making assumptions and estimates that are reasonable in the circumstances.

The Directors are also responsible for the preparation of the Sustainability Reporting, including the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance of the CSRD, the ESRS and the disclosure requirements included in subsection *"Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)"* of the environmental section of the Sustainability Reporting with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors consider necessary to enable the preparation of sustainability reporting that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates that are reasonable in the circumstances for specific disclosures.

### **Inherent Limitations in the Preparation of the Information**

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In accordance with the ESRS, the Entity's Directors are required to prepare prospective information based on assumptions and hypotheses, which are to be included in the Sustainability Reporting, regarding events that may occur in the future, as well as any possible future actions that the Group may take. The actual outcome may differ significantly from the estimates, as future events often do not occur as expected.

In determining sustainability disclosures, the Entity's Directors interpret legal and other terms that are not clearly defined and may be interpreted differently by others, including the legal conformity of such interpretations, and are therefore subject to uncertainty.

## **Responsibility of the Assurance Provider**

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Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and Sustainability Reporting are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusions thereon. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Design and implement procedures to assess whether the process for identifying the information to be included in both the NFIS and Sustainability Reporting is consistent with the description of the process followed by the Group and allows, where appropriate, for the identification of material information to be disclosed in accordance with the requirements of the ESRS.
- Apply risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement in order to identify the disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.
- Design and implement procedures that respond to disclosures in both the NFIS and the Sustainability Reporting that are likely to contain material misstatements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **Summary of Work Performed**

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A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and scope of the procedures selected depend on professional judgement, including the identification of the disclosures in which material misstatements, whether due to fraud or error, are likely to arise in the NFIS and the Sustainability Reporting.

Our work consisted of making inquiries of management, as well as of the different units and components of the Group that participated in the preparation of the NFIS and the Sustainability Reporting, reviewing the processes for compiling and validating the information presented in the NFIS and the Sustainability Reporting and applying certain analytical procedures and sample review tests, which are described below:

In relation to the NFIS assurance process:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in the note "4.1. Double materiality (IRO-1, IRO-2 and SBM-3)", considering the content required by prevailing mercantile legislation.

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- Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.

In relation to the assurance work on the Sustainability Reporting:

- Making inquiries of Group personnel:
  - to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain information necessary for the external review.
  - to understand the source of information used by management (e.g. stakeholder interaction, business plans and strategy documents) and review the Group's internal documentation on its process.
- Through inquiries of Group personnel, gaining an understanding of the Group's processes for collecting, validating and reporting information relevant to the preparation of its sustainability reporting.
- Assessment of how consistent the evidence obtained from our procedures on the Group's process for determining the information to be included in the Sustainability Reporting is with the description of the process included in the Sustainability Reporting, and assessment of whether the Group's process duly identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Assessment of whether all the information identified in the Group's process for determining the information to be included in the Sustainability Reporting is effectively included.
- Assessment of how consistent the structure and presentation of the Sustainability Reporting is with the provisions of the ESRS and the rest of the sustainability reporting framework applied by the Group.
- Inquiries of relevant personnel and performance of analytical procedures on the information disclosed in the Sustainability Reporting considering where material misstatements are likely to arise, whether due to fraud or error.
- Performance of sample substantive procedures on information disclosed in the Sustainability Reporting considering where material misstatements are likely to arise, whether due to fraud or error.
- Procurement of any reports issued by accredited independent third parties included as an appendix to the consolidated directors' report in response to the requirements of European regulations and, in relation to the information to which they refer and in accordance with Generally Accepted Professional Standards, confirmation solely that the accreditation of the assurance provider and the scope of the report issued is in line with European regulations.





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- Procurement of any documents containing the information included by reference, the reports issued by auditors or assurance providers on those documents and, in accordance with Generally Accepted Professional Standards, confirmation solely that the document referred to by such information included by reference meets the conditions described in the ESRS for incorporating information by reference in the Sustainability Reporting.
- Procurement of a representation letter from the Directors and management regarding the NFIS and the Sustainability Reporting.

## Other Information

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*Management of the entity is* responsible for other information. Other information comprises the consolidated annual accounts and other information included in the consolidated directors' report, but does not include either the auditor's report on the consolidated annual accounts or assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the Sustainability Reporting included as an appendix to the consolidated directors' report.

Our assurance report does not cover other information and we do not express any assurance conclusions on said information.

In connection with our engagement to provide assurance on the Sustainability Reporting, our responsibility is to read the other information identified above and, in so doing, consider whether the other information is materially inconsistent with the Sustainability Reporting or with the knowledge we have acquired during the assurance engagement that could be indicative of material misstatements in the Sustainability Reporting.

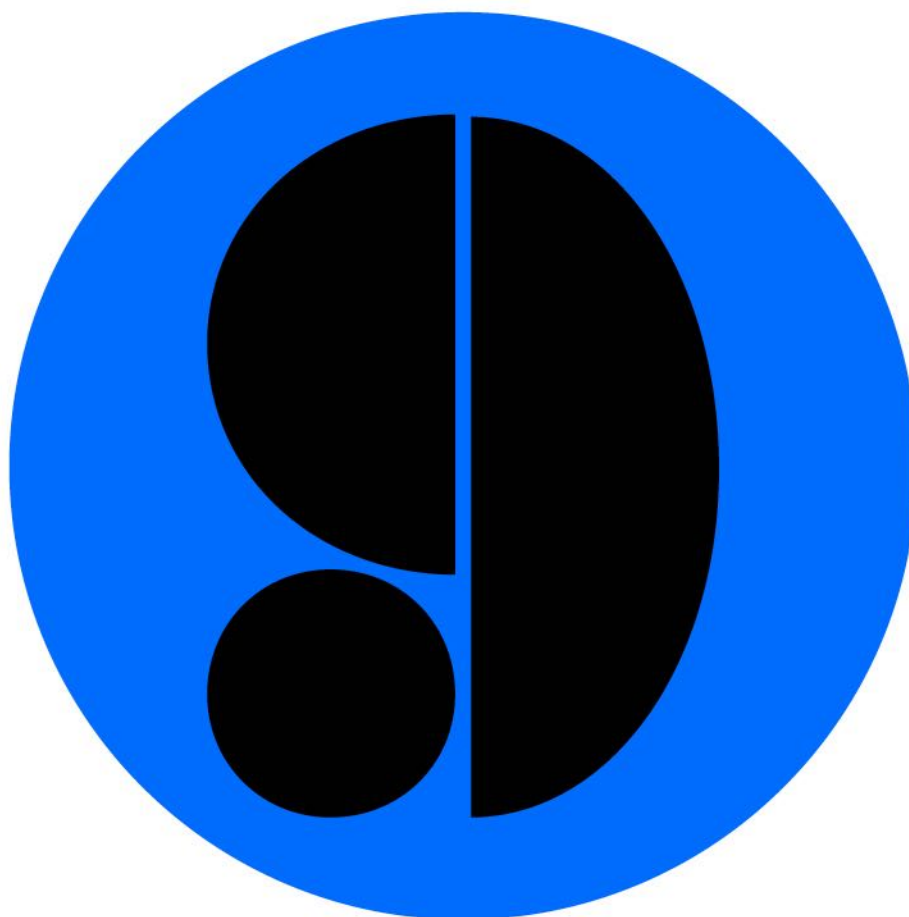
KPMG Auditores, S.L.

*(Signed on original in Spanish)*

Patricia Reverter Guillot

10 February 2025

# Annual Corporate Governance Report



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<sup>1</sup> The references alongside each section heading in this report refer to the sections of the standard form for the Annual Corporate Governance Report from the Spanish National Securities Market Commission (CNMV).

Banco de Sabadell, S.A. (hereinafter, Banco Sabadell, the Bank or the Institution) has a solid corporate governance structure that guarantees efficient and prudent management which prioritises sound ethical and transparent governance, taking into account the interests of shareholders, customers, employees and society in the geographies in which it operates.

The Bank reaffirms its commitment to strengthen and continuously improve its corporate governance, on which it has been working constantly in order to remain to the forefront of advanced corporate governance systems, to be aligned with best practices, and to adapt to the needs and challenges arising in the new environment. Particularly during 2024, Banco Sabadell's commitment to corporate governance was visible in quality management that generated considerable value for the Bank and its shareholders, as well as for its stakeholders and society in general. Moreover, during the year, the Board of Directors of Banco Sabadell acted at all times with absolute transparency and with the goal of returning value to its shareholders.

The Annual Corporate Governance Report is drawn up with information on the Bank at 2024 year-end and, with the Annual Report on Director Remuneration, forms part of the Directors' Report that accompanies the separate and consolidated financial statements. It was approved unanimously by the Board of Directors at a meeting on 29 January 2025 in compliance with the provisions of Article 540 of the Capital Companies Law and Circular 5/2013, of 12 June 2013, of the National Securities Market Commission (CNMV).

The preparation and format of the Report is governed by the provisions of CNMV Circular 5/2013, as amended by CNMV Circular 2/2018 of 12 June, CNMV Circular 1/2020 of 6 October, and CNMV Circular 3/2021, of 28 September. As in previous years, Banco Sabadell has decided to adopt the free PDF format in accordance with Circular 2/2018, of 12 June, in order to disclose and describe the main aspects of its corporate governance with the utmost transparency. This document is available in the "Corporate Governance and Remuneration Policy" section of the Bank's corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com).

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**[www.grupobancsabadell.com](http://www.grupobancsabadell.com)**

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**>Corporate Governance and  
Remuneration Policy**

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**>Annual Corporate Governance Report**

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# Corporate Governance of Banco Sabadell in 2024

In 2024, Banco Sabadell continued to enhance its corporate governance in line with best practices. In particular, the Bank was active in the following areas:

## Strategy

Banco Sabadell continues to devote the necessary attention to strategic matters through continuous oversight by the Strategy and Sustainability Committee and by the Board of Directors.

In particular, in 2024, the Strategy and Sustainability Committee was the Board committee in charge of monitoring the takeover bid for all the shares of Banco Sabadell made on 9 May 2024 by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). Section "3.9 Takeover bids" details the entire process of the takeover bid during 2024. Additionally, the "Hostile Takeover Bid" section of Banco Sabadell's corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com) sets out the main details of the takeover bid, Banco Sabadell's communications to shareholders, the key speeches made by the Chairman and CEO of Banco Sabadell, and frequently asked questions about this process.

## Transparency and participation

The Bank maintained the highest standards of transparency and participation to improve and encourage shareholder participation in the General Meeting of Shareholders on 10 April 2024; shareholders were able, not only in person, as since 2022, but also by distance means via direct webcast, to attend, vote on the motions on the agenda, and submit their comments during the question and answer session.

To this end, the Bank again arranged the usual electronic channels through Banco Sabadell's websites (corporate and BSOOnline) and the mobile app (BSMóvil) to enable shareholders to grant proxy and vote in advance of the General Meeting of Shareholders.

Those channels are integrated with the Bank's website and provide shareholders (both customers and non-customers) with a straightforward agile experience and a simple form of interaction. For further details on the means of participation in the General Meeting of Shareholders, see the section "Communications within the framework of the General Meeting of Shareholders" in the section "2.1.2 Shareholder participation in 2024" of the Annual Corporate Governance Report.

In addition to the measures related to the General Meeting of Shareholders, the Bank increased the number of contacts with investors and proxy advisors through roadshows organized by Investor Relations, all of which enhanced transparency in engagement.

In pursuit of transparency and in response to feedback from investors and proxy advisors at the corporate governance roadshows, a new Director Remuneration Policy was approved in 2023 that includes, among other items, a new remuneration item for the Chief Executive Officer for performing executive duties. This new remuneration was

reported in the 2023 Director Remuneration Report, which was submitted to a consultative vote at the 2024 General Meeting of Shareholders and was approved with 96.91% of votes in favour. The purpose of the Bank's engagement with proxy advisors is detailed under "Proxy Advisors" in section "2.1.2 Shareholder participation in 2024" of the Annual Corporate Governance Report.

## Sustainability and diversity

Banco Sabadell continues to advance in its activity and organization with the goal of supporting and accelerating major economic and social transformations that contribute to sustainable development and the fight against climate change. Firm in this resolve, the Bank maintains its Sustainable Commitment, which was adopted in 2022 and sets out a framework for action that integrates a forward-looking view of environmental, social and governance (ESG) commitments for 2025-2050 into the Bank's strategy, aligns business objectives with the Sustainable Development Goals (SDGs), and establishes levers for action with steps to transform and promote initiatives in this area. For further details on the Bank's Sustainable Commitment, see the next section, "The importance of Sustainability in the Banco Sabadell Group's Corporate Governance".

For the fourth consecutive year, Banco Sabadell's General Meeting of Shareholders was certified as a "sustainable event" as it met the requirements for sustainability certification and passed the preliminary evaluation process and the on-site audit established by Eventsost.

## External assessment and other evaluations

Banco Sabadell's commitment to following best practices and the highest standards of corporate governance is reflected in the good results obtained by the Bank in ESG analysts' reports during 2024. In the area of governance, the Bank received excellent scores in connection with the Board of Directors, shareholder rights and the effective control and supervision of risks.

Additionally, an external consultant checked the procedures established for preparing and holding the 2024 General Meeting of Shareholders. The external consultant checked that, from a technical, procedural and legal standpoint, the requirements, internal procedures and applicable standards were applied in Phase I (before the Meeting), Phase II (Meeting) and Phase III (after the Meeting). Greater details on the checks performed in connection with the General Meeting of Shareholders can be found in section "2.3 General Meeting of Shareholders 2024" of the Annual Corporate Governance Report.

With regard to the recommendations of the CNMV's Code of Good Governance, in 2024 Banco Sabadell fully complied with the 56 recommendations applicable to it, including recommendation 15, which establishes that women should account for at least 40% of the members of the Board of Directors.

The Board of Directors and the Appointments and Corporate Governance Committee are committed to favouring diversity on the Board; they work to ensure that the Board has a sufficient number of female directors and to fulfil objective for representation of the gender that is under-represented on the Board.

To this end, the Appointments and Corporate Governance Committee proposed that the Board of Directors submit to the 2024 General Meeting of Shareholders a motion to appoint Ms. Ana Colonques García-Planas as an independent director to replace independent director

Mr. José Manuel Martínez Martínez, who resigned effective as of the date of the Ordinary General Meeting of Shareholders. This appointment increased the percentage of female representation on the Board to 40% in 2024, bringing forward fulfilment of the Bank's commitment as set out in the Sabadell Sustainable Commitment and thereby complying in advance with the provisions of Spain's Organic Law 2/2024, of 1 August, on the equal representation and balanced presence of women and men.

A majority (75%) of the members of the Appointments and Corporate Governance Committee are women.

In order to maintain the Bank's high standards of corporate governance and ensure its continuous alignment with regulatory requirements, supervisors' expectations and national and international best practices, the Appointments and Corporate Governance Committee regularly (every three years) engages independent experts to assess the performance of the Board and its committees. This good practice, which is aligned with the CNMV's Code of Good Governance, provides external input to validate the effectiveness of the performance of the Board and its committees and to identify areas for improvement to ensure that the Board is always at the forefront.

In 2024, as in 2023, the self-assessment of the functioning of the Board and its committees was conducted internally since three years had not yet elapsed since the last external assessment (2022).

The most recent assessment of the Board of Directors and its committees, performed in 2022 with the support of an external expert, indicated that, based on the analysis that was performed, Banco Sabadell complies with all the regulatory requirements and that it has a very high degree of compliance with corporate governance recommendations and best practices. In this same vein, the 2024 internal assessment ratified the result of the evaluation of previous years and the Board of Directors concluded that the performance of the Board and its committees, and of the Chairman, Deputy Chairman, Chief Executive Officer, Lead Independent Director and Secretary and Deputy Secretary of the Board in 2024 were excellent.

It is also noteworthy that the motions on the agenda for the General Meeting of Shareholders obtained a high proportion of votes in favour. The items on the agenda were approved with more than 96% of votes in favour, the average vote in favour of all the items being 99.08%. By way of illustration, the motions to approve the financial statements and grant discharge were approved with 99.19% of votes in favour, and the distribution of income and the dividend were approved with 99.71% of votes in favour. The appointment of Ms. Ana Colonques García-Planas as an independent director was approved with 99.47% of votes in favour, and the consultative vote on the Annual Report on Director Remuneration for the previous year obtained 96.91% of votes in favour.

## Banco Sabadell joins the MSCI World Index

Banco Sabadell has been a component of the MSCI World index since the end of May 2024. This index brings together more than 1,400 companies from the world's most developed economies and serves as a benchmark for analysing international market performance. The Bank's inclusion in the index increases its presence in international financial media and in other sub-indexes, which means that passively managed funds, whose strategies are based on replicating this type of indicators, increase their holdings in the Bank.



# Board of Directors

The following changes were made in the Board of Directors in 2024:

- Mr. José Manuel Martínez Martínez resigned as an independent director of Banco Sabadell with effect as of the date of the Ordinary General Meeting of Shareholders, which took place on 10 April 2024.
- Ms. Ana Colonques García-Planas was appointed as an independent director to fill the vacancy produced by the resignation of Mr. José Manuel Martínez Martínez, by means of a resolution by the General Meeting of Shareholders on 10 April 2024, and she attended her first Board meeting on 30 May 2023, once the pertinent regulatory authorizations had been received.

The appointment of Ms. Ana Colonques García-Planas increased and strengthened the diversity of banking knowledge and experience and, in particular, the profile of finance with executive and business experience, knowledge of accounting and auditing, risk management and control, planning and strategy, corporate governance and sustainability, and the ability to apply such knowledge and skills to the banking business. All the foregoing, combined with the new director's multidisciplinary and executive skills, contributed to strengthening the collective suitability of the Board of Directors and maintaining its collective capacity to challenge the Bank's executives and to exercise supervisory oversight.

In addition, as indicated above, her appointment increased the percentage of female representation on the Board to 40% in 2024.

Following these changes, the Board of Directors of Banco Sabadell is composed of its Chairman, ten independent directors, two executive directors, one other external director and one proprietary director.

## Board of Directors Committees

The structure of the Board committees remained unchanged in 2024, as reflected in the Articles of Association, which were last amended by the General Meeting of Shareholders in 2021.

On 10 April 2024, Mr. José Manuel Martínez Martínez ceased to be a member of the Appointments and Corporate Governance Committee and of the Remuneration Committee as a result of his resignation from the Board of Directors. At a meeting on that same date, the Board of Directors resolved to appoint Mr. Pedro Fontana García, an independent director and Deputy Chairman of the Board of Directors, as Chairman of the Appointments and Corporate Governance Committee; at the same time, he stepped down as a member of the Audit and Control Committee, a position he had held since December 2017.

At a meeting on 30 May 2024, the Board of Directors resolved, following a report from the Appointments and Corporate Governance Committee, to amend the composition of the Board of Directors' Committees. The changes were made after Ms. Ana Colonques García-Planas joined the Board as an independent director, following the analysis by the Appointments and Corporate Governance Committee of the composition of the committees in pursuit of continuous improvement in the Bank's corporate governance performance.

Ms. Ana Colonques García-Planas was appointed as a member of the Audit and Control Committee and of the Remuneration Committee based on her expertise in accounting and auditing, human resources, culture, talent and remuneration, as well as the valuable contribution of

her business experience to those committees. Her appointment also increased the proportion of women, as the under-represented sex, and reinforced age diversity in committee positions.

The current composition of the Board Committees is as follows:

Committee	Name	Position
<b>Strategy and Sustainability</b>	Josep Oliu Creus	Chairman
	Lluís Deulofeu Fuguet	Member
	Pedro Fontana García	Member
	María José García Beato	Member
	César González-Bueno Mayer Wittgenstein*	Member
	George Donald Johnston III	Member
	Miquel Roca i Junyent	Non-member secretary
<b>Credit Delegated</b>	Pedro Fontana García	Chairman
	Lluís Deulofeu Fuguet	Member
	César González-Bueno Mayer Wittgenstein	Member
	Alicia Reyes Revuelta	Member
	Pedro Viñolas Serra	Member
	David Vegara Figueras	Permanent observer
	Gonzalo Barettino Coloma	Non-member secretary
<b>Audit and Control</b>	Manuel Valls Morató	Chairman
	Ana Colonques García-Planas	Member
	Laura González Molero	Member
	Pedro Viñolas Serra	Member
	Miquel Roca i Junyent	Non-member secretary
<b>Appointments and Corporate Governance</b>	Pedro Fontana García	Chairman
	Aurora Catá Sala	Member
	María José García Beato	Member
	Mireya Giné Torrens	Member
	Miquel Roca i Junyent	Non-member secretary
<b>Remuneration</b>	Mireya Giné Torrens	Chairman
	Ana Colonques García-Planas	Member
	Laura González Molero	Member
	Gonzalo Barettino Coloma	Non-member secretary
<b>Risk</b>	George Donald Johnston III	Chairman
	Aurora Catá Sala	Member
	Alicia Reyes Revuelta	Member
	Manuel Valls Morató	Member
	Gonzalo Barettino Coloma	Non-member secretary

\* Member solely for matters of strategy.

# Matrix of competencies and diversity in the Board of Directors

Since 2019, Banco Sabadell has had a Matrix of competencies and diversity, which is reviewed each year by the Board of Directors following a favourable report from the Appointments and Corporate Governance Committee; it was last reviewed on 24 April 2024 on the occasion of the most recent appointment of Ms. Ana Colongues García-Planas.

The Matrix defines the skills and knowledge of the members of the Board of Directors in the following areas: retail and corporate banking; financial and capital markets; insurance; other financial competencies; accounting and auditing; risk management; planning and strategy; governance; risk control; prevention of money laundering and terrorist financing; legal; digital and IT (digital transformation); human resources, culture, talent and remuneration; responsible business and sustainability; international experience; governing bodies; management and leadership of organizations; business experience; governance and public policy; consulting; regulatory and supervisory bodies; academia; and communication and institutional relations.

In 2024, women represented 40% of the Board of Directors and 50% of the independent directors, in line with the Directive of the European Parliament and of the Council on improving the gender balance among directors of listed companies and related measures; this also fulfilled in advance the requirements of Spain's Organic Law 2/2024, of 1 August, on the equal representation and balanced presence of women and men.

As stated earlier, the General Meeting of Shareholders on 10 April 2024 resolved to appoint an independent director in place of independent director Mr. José Manuel Martínez Martínez, who resigned effective as of the date of the Ordinary General Meeting of Shareholders. That appointment increased the percentage of female representation on the Board to 40% in 2024.

Knowledge, skills and experience were reinforced in the following areas: retail banking, accounting and auditing, risk control, responsible business and sustainability, human resources, culture, talent and compensation, and competencies in governing bodies, management and leadership of organizations and business experience.

## Diversity and competencies



# The importance of Sustainability in the Banco Sabadell Group's Corporate Governance

Sustainability played an important role within Banco Sabadell's purpose and business strategy in 2024. Environmental, social and governance factors are considered when making decisions and in responding to the needs and expectations of all stakeholders. Banco Sabadell, TSB and Banco Sabadell Mexico have made their own commitments in this regard. Since 2022, the Bank has strengthened its Sabadell Sustainable Commitment framework, which includes specific objectives for 2025-2050 along four strategic axes, as part of the Group's strategy, governance and its business model. This framework is available for consultation in the "Sustainable Commitment" section under "Sustainability" on the Bank's website [www.grupobancosabadell.com](http://www.grupobancosabadell.com). Banco Sabadell also aims to frame the Group's activity and organization within ESG parameters through its Sustainability Policy and its Environmental and Social Risk Framework, and, since 2023, by reinforcing the involvement of senior management and the group's Identified Staff by including sustainability in their multi-year objectives linked to long-term remuneration.

The Sustainable Commitment action framework integrates the vision for the future of environmental, social and governance commitments into the strategy, aligns business objectives with the Sustainable Development Goals and establishes action levers with transformational drivers. To this end, all of the Bank's bodies participated and the following four strategic axes were established and are being worked on:

- Advance as a sustainable institution
- Support our customers in the transition towards a sustainable economy
- Offer investment opportunities that contribute to sustainability
- Work together for a sustainable, cohesive society

In April 2024, the Board of Directors reviewed its sustainability policy, which frames the Banco Sabadell Group's business and organization within ESG parameters. This policy establishes the basic principles guiding the Banco Sabadell Group as it addresses the challenges posed by sustainability, and it defines the management parameters as well as the organization and governance structure necessary for its proper implementation.

The Strategy and Sustainability Committee, established in 2021, has the following competences related to sustainability:

- Analysing and advising the Board of Directors on the Bank's sustainability and environmental policies.
- Advising the Board of Directors on possible amendments and regular updates of the sustainability strategy.
- Analysing the definition and, as necessary, amending diversity and integration, human rights, equal opportunity and work-life balance policies and evaluating their degree of fulfilment on a regular basis.
- Reviewing the Bank's social action strategy and its sponsorship and patronage plans.
- Reviewing and reporting on the Non-Financial Disclosures Report before the Audit and Control Committee reviews and reports on it and it is subsequently authorised by the Board of Directors.
- Receiving information in connection with reports, written communiqués or communications from external supervisory bodies within the scope of this Committee's competencies.

The Sustainability Committee, established in 2020 and chaired since 2021 by the General Manager and head of Sustainability and Efficiency (General Manager of People and Sustainability, since 1 January 2025), is the body in charge of establishing the Bank's Sustainable Finance Plan and monitoring its execution, defining and publicising the general principles of action in sustainability matters and promoting the development of projects and initiatives.

Furthermore, the Non-Financial Information Statement and Sustainability Information of Banco de Sabadell and subsidiaries (hereinafter, the Sustainability Report), which forms part of the consolidated Directors' Report for 2024, complies with the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. Like this Annual Corporate Governance Report, the Sustainability Report is attached to the consolidated financial statements and is submitted for approval as a separate item on the agenda of the Ordinary General Meeting of Shareholders. It details the actions implemented in the area of sustainability and other non-financial information. The main disclosures contained in the Sustainability Report include:

- Progress with the Bank's commitment to sustainability and the Sustainable Finance Plan.
- ESG commitments and initiatives that the Bank has joined (e.g. Principles of Responsible Banking, Net Zero Banking Alliance, Global Compact, and the Task Force on Climate-related Financial Disclosures [TCFD] model disclosure framework).
- The materiality approach to the institution ESG aspects.
- Management of risks and opportunities related to climate change.
- The Bank's commitment to measuring and offsetting the carbon footprint, and its emission reduction plan.
- The business's contribution to sustainable finance.
- Employee-related data, including talent management, diversity, training and remuneration.
- The commitment to society.
- The fight against bribery and corruption.
- Prevention of money laundering and terrorist finance.
- Disclosures on human rights.
- Actions in pursuit of transparency and digitalization.



# Contents of the Annual Corporate Governance Report

## 1. Ownership structure (A)

### 1.1. Share capital (A.1)

At 31 December 2024, the share capital of Banco Sabadell was €680,027,680.875, represented by 5,440,221,447 registered shares, with a par value of €0.125 each, all fully subscribed and paid up, representing 5,440,221 voting rights, at a ratio of one voting right for every 1,000 shares. The share capital was last modified on 11 December 2023 as a result of the capital reduction approved by the General Meeting of Shareholders on 23 March 2023, and the Articles of Association do not provide for loyalty voting rights.

On 10 April 2024, the Ordinary General Meeting of Shareholders of Banco Sabadell approved a resolution to reduce the share capital by the nominal amount of treasury shares that may be acquired by Banco Sabadell under the share repurchase programme with a charge to 2023 profit, up to at most effective €340 million. At a meeting on 29 January 2025, the bank's Board of Directors resolved to partially execute the capital reduction resolution approved by the General Meeting of Shareholders on 10 April 2024 in the amount of €6,566,420.625, by redeeming the 52,531,365 shares acquired under the aforementioned buyback program up until it was suspended. That resolution provided for the possibility of not executing it or executing it only partially in the light of unforeseen circumstances. As of the date of the Annual Corporate Governance Report, the capital reduction has yet to be executed and registered with the Mercantile Registry.

Following this capital reduction through the cancellation of treasury stock, the bank's capital stock amounts to €673,461,260.25, represented by 5,387,690,082 registered shares of €0.125 par value each. All shares are fully paid up and are numbered sequentially from 1 to 5,387,690,082, both inclusive.

For more information, see the section entitled "Share Repurchase Programme" in section 1.4 Own Shares.

The shares of Banco Sabadell are in the form of book entries and are listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges and on the Spanish "SIBE"/Mercado Continuo stock exchange interconnection system. All shares are of the same class and have the same associated rights.

Banco Sabadell has not issued securities that are not traded on a regulated market in the European Union.

According to CNMV data, at 2024 year-end, four investor groups within the Bank's ownership structure reported a shareholding of over 3%; together those four shareholders represented 16.61% of the total share capital. The members of the Board of Directors, one of whom is deemed to control the voting rights attributed to the shares held by one of the aforementioned investors, own 3.77% of the Bank's share capital.

**680,027,680.875**

Euro

**5,440,221,447**

Registered shares

**5,440,221**

Voting rights

**4**

Investor groups that reported holdings of more than 3%.  
2024



## 1.2. Significant shareholders (A.2, A.4, A.5, A.6, A.7 and A.8)

At 31 December 2024, the direct and indirect owners of significant stakes in Banco Sabadell, including directors with significant stakes, were:

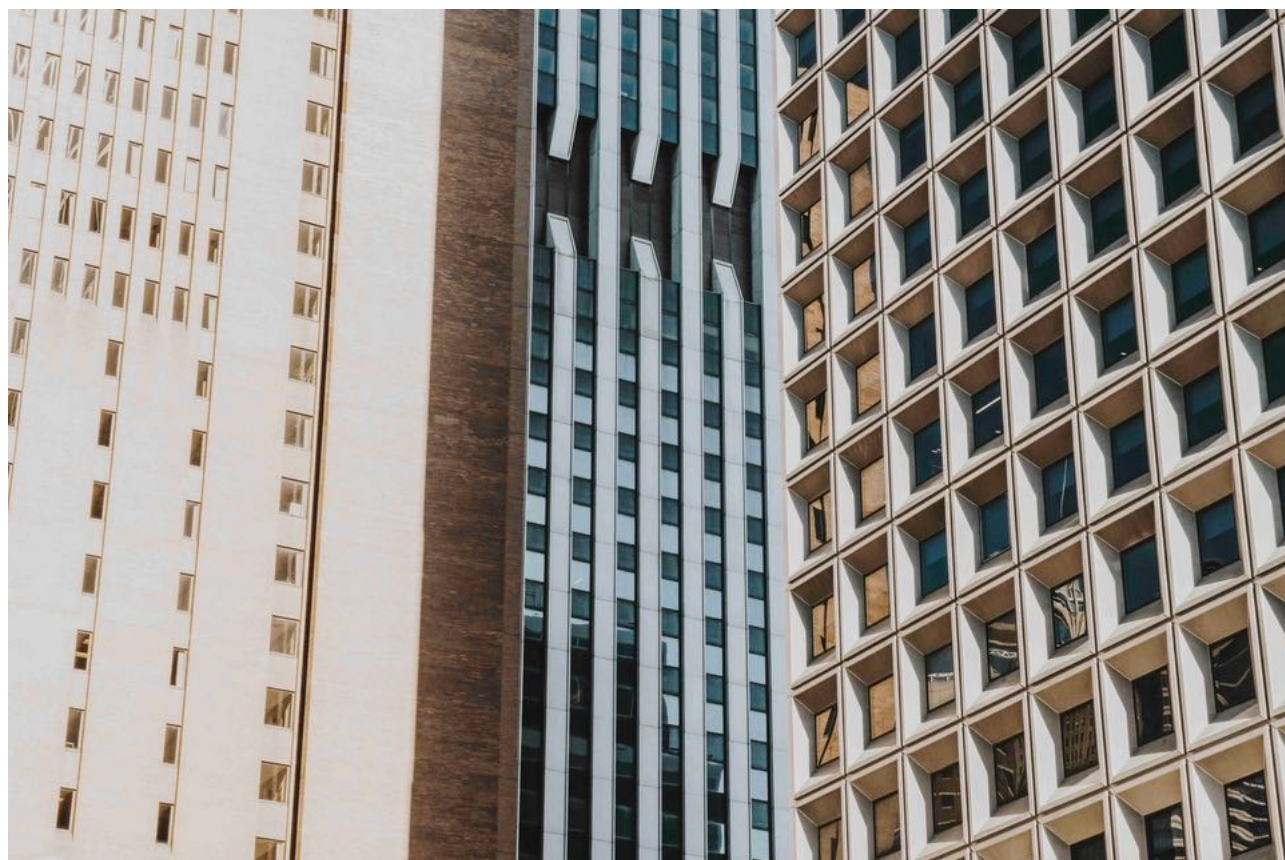
Name of shareholder	Voting rights attributed to the shares (%)		Voting rights through financial instruments(%)		Total voting rights (%)
	Direct	Indirect	Direct	Indirect	
BlackRock Inc.	0.00	6.20	0.00	0.10	6.30
Dimensional Fund Advisors LP	0.00	3.73	0.00	0.00	3.73
David Martínez Guzmán	0.00	3.56	0.00	0.00	3.56
Zurich Insurance Group Ltd.	0.00	3.02	0.00	0.00	3.02

BlackRock Inc. holds its indirect stake via a number of subsidiaries.

Dimensional Fund Advisors LP reports shareholdings held by funds and accounts advised by itself or its subsidiaries. The voting rights belong to the shares held by such funds and accounts. Neither Dimensional Fund Advisors LP nor its subsidiaries are the beneficial owners of those shares and/or their voting rights.

Fintech Europe, S.Á.R.L. (FE) is wholly owned by Fintech Investments Ltd. (FIL), the investment fund managed by Fintech Advisory Inc. (FAI). FAI is owned 100% by Mr. David Martínez Guzmán. Consequently, the shareholding now held by FE is considered to be controlled by Mr. David Martínez Guzmán.

Zurich Insurance Group Ltd. is the parent company of the Zurich Group and directly owns 100% of Zurich Insurance Company Ltd, which directly owns shares in Banco de Sabadell, S.A.



The most significant movements in the ownership structure during the financial year that were reported to the CNMV by the holders of significant stakes, in accordance with articles 23 and 32 of Royal Decree 1362/2007 of 19 October 2007, and whose disclosures are available on the CNMV's website are as follows:

Name of shareholder	Transaction date	Description of change
Blackrock Inc.	19/02/2024	Fell below 3% of voting rights attributed to shares
	20/02/2024	Exceeded 3% of voting rights attributed to shares
	22/02/2024	Fell below 3% of voting rights attributed to shares
	28/02/2024	Exceeded 3% of voting rights attributed to shares
	31/05/2024	Exceeded 5 % of voting rights attributed to shares
DWS Investment GMBH	03/01/2024	Exceeded 3% of voting rights attributed to shares
	04/01/2024	Fell below 3% of voting rights attributed to shares
Millennium Group Management LLC	28/03/2024	Exceeded 1% of voting rights through financial instruments
	31/05/2024	Fell below 1% of voting rights through financial instruments
UBS Group AG	23/09/2024	Exceeded 3% of voting rights attributed to shares and through financial instruments
	27/09/2024	Fell below 3% of voting rights attributed to shares and through financial instruments
	01/10/2024	Exceeded 3% of voting rights attributed to shares and through financial instruments
	08/10/2024	Fell below 3% of voting rights attributed to shares and through financial instruments
	19/12/2024	Exceeded 3% of voting rights attributed to shares and through financial instruments
	20/12/2024	Fell below 3% of voting rights attributed to shares and through financial instruments
Zurich Insurance Group Ltd.	22/10/2024	Exceeded 3% of voting rights attributed to shares

Banco Sabadell is not aware of any family, commercial, contractual or corporate ties between the owners of significant stakes. Moreover, the Bank and the companies that make up Banco Sabadell Group (hereinafter "Banco Sabadell Group" or "the Group") do not have any family, commercial, contractual or corporate ties with the Bank's significant shareholders other than those arising out of ordinary business relations. The Bank has not been notified of any shareholder agreements and is not aware of any concerted action between shareholders or of the existence of any natural or legal person exerting control over the Bank in the meaning of article 4 of the Spanish Securities Markets and Investment Services Law.

## 1.3. Board of Directors stake in share capital (A.3)

The members of the Board of Directors own 3.77 % of the Bank's total voting rights. This information is detailed below and updated on the Bank's website [www.grupobancosabadell.com](http://www.grupobancosabadell.com). The members of the Board of Directors do not currently hold voting rights through financial instruments.

The directors' position in share capital is detailed below, except for that relating to Mr. David Martínez Guzmán, a proprietary director, whose interest was disclosed in the preceding section:

Name of director	Voting rights attributed to the shares (%)		Voting rights through financial instruments (%)		Total voting rights (%)	Voting rights that may be transferred through financial instruments (%)	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Josep Oliu Creus	0.10	0.04	0.00	0.00	0.14	0.00	0.00
Pedro Fontana García	0.00	0.00	0.00	0.00	0.00	0.00	0.00
César González-Bueno Mayer Wittgenstein	0.02	0.00	0.00	0.00	0.02	0.00	0.00
Aurora Catá Sala	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ana Colonques García-Planas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lluís Deulofeu Fuguet	0.00	0.00	0.00	0.00	0.00	0.00	0.00
María José García-Beato	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Mireya Giné Torrens	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Laura González Molero	0.00	0.00	0.00	0.00	0.00	0.00	0.00
George Donald Johnston III	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Alicia Reyes Revuelta	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Manuel Valls Morató	0.00	0.00	0.00	0.00	0.00	0.00	0.00
David Vegara Figueras	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Pedro Viñolas Serra	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## 1.4. Own shares (A.9 and A.10)

The Bank is empowered to acquire own shares by a resolution adopted by the Ordinary General Meeting of Shareholders on 10 April 2024, under item six on the agenda, which revoked the power granted by motion eight adopted by the General Meeting of Shareholders on 23 March 2023 with respect to the part not yet executed (that power was in force through 10 April 2024 in the same terms as the current authorization) and authorized Banco Sabadell, within a maximum period of five years as from the date of the resolution, so that, directly or through subsidiaries, subject to obtaining prior authorization from the European Central Bank, it may acquire, at any time and as often as it sees fit, shares of Banco Sabadell by any of the means admitted by law, including against profit for the year and/or unrestricted reserves, and that it may subsequently dispose of or cancel any shares thus acquired or, as appropriate, deliver them to employees or directors of Banco Sabadell as part of their remuneration or as a result of the exercise of stock options which they hold, all in accordance with the provisions of articles 146, 509 and concordant articles of the Capital Companies Law.

The limits and requirements for such acquisitions are as follows:

- The par value of the shares thus acquired, directly or indirectly, in addition to any shares already held by the Bank and its subsidiaries,

may not exceed, at any time, the legal limit established from time to time by the legislation in force (currently ten per cent of share capital), subject in all cases to the limits for acquisition of own shares established by the stock market regulators in the markets in which Banco Sabadell shares are listed.

- The acquisition, plus any shares previously acquired by Banco Sabadell (or a person acting in their own name but on the Bank's behalf) and held by it, must not lead to net equity being less than the amount of share capital plus legal reserves and reserves that are designated as restricted under the Articles of Association.
- The shares acquired must have been fully paid.
- The acquisition price must be no less than par value and no higher than 20 per cent above the stock market price or any other price whereby the shares may be valued as of the date of their acquisition. All acquisitions of own shares must be made in accordance with general stock market rules and regulations.

At 2024 year-end, Banco Sabadell directly held 78,840,390 own shares, representing 1.449% of share capital. The Bank reported the following changes in treasury stock to the CNMV:

Transaction date	Total number of direct shares	Total number of indirect shares	Total % of share capital
07/05/2024	64,781,561	—	1.191

## Share Repurchase Programme

On 10 April 2024, the Ordinary General Meeting of Shareholders of Banco Sabadell approved a resolution to reduce the share capital by the nominal amount of treasury shares that may be acquired by Banco Sabadell under the share buyback programme with a charge to 2023 profit, up to at most €340 million.

As a continuation, on 25 April 2024, Banco Sabadell released a regulatory disclosure of Inside Information, with CNMV registration number 2.203, setting out the terms and announcing the commencement of the programme to repurchase own shares approved by the Board of Directors on 24 April 2024, in compliance with the provisions of Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016.

On 13 May 2024, in response to a request from the CNMV received on that same date, Banco Sabadell released a regulatory disclosure of Other Relevant Information with CNMV registration number 28.561 in which it announced the temporary suspension of the aforementioned share buyback programme due to the publication of the preliminary announcement of the voluntary public tender offer made by BBVA for all of the shares representing the capital stock of Banco Sabadell.

Transactions under the buyback programme had been interrupted before market opening on 9 May 2024; the amount paid for the shares purchased under the repurchase programme up to and including 8 May 2024 amounted to €92,864,152.55, i.e. approximately 27.31% of the maximum monetary amount of the repurchase programme, with the result that approximately 72.69% of the aforementioned maximum amount was unused.

At a meeting on 29 January 2025, the bank's Board of Directors resolved to partially execute the capital reduction resolution approved by the General Meeting of Shareholders on 10 April 2024 in the amount of €6,566,420.625, by redeeming the 52,531,365 shares acquired under the aforementioned buyback program up until it was suspended. That

resolution provided for the possibility of not executing it or executing it only partially in the light of unforeseen circumstances. As of the date of the Annual Corporate Governance Report, the capital reduction has yet to be executed and registered with the Mercantile Registry.

## **1.5. Estimated free float (A.11)**

At 2024 year-end, the estimated free float, i.e. the percentage of share capital not held by significant shareholders, members of the Board of Directors or as treasury stock, was 81.815 %.

## **1.6. Transferability and exercise of voting rights (A.12, A.13 and A.14)**

There are no restrictions on the free transferability of the Bank's shares such as to hamper the attainment of control of the Bank through the acquisition of its shares in the market. The only existing restrictions are those established in Spanish law applying to all credit institutions.

Specifically, Law 10/2014, of 26, June, on the Regulation, Supervision and Solvency of Credit Institutions, establishes that in any acquisition of at least 10 percent of the capital or of the voting rights, or that, without attaining that percentage, enables significant influence to be exerted over the institution, as well as any increases such as to exceed 20, 30 or 50 per cent, or to grant control of the institution, the purchaser must give advance notice to the Bank of Spain, which will process the request for approval or denial by the European Central Bank. The reduction of a stake below those thresholds must be notified by the seller to the Bank of Spain.

The General Meeting of Shareholders has not adopted neutralization measures against takeover bids and no securities have been issued that are not traded on a regulated market in the European Union.





## 2. Shareholders and General Meeting of Shareholders (B)

### 2.1 Shareholders

#### 2.1.1 Policy on communication and contact with shareholders, investors and proxy advisors

The relationship with shareholders, investors, proxy advisors and other stakeholders is a fundamental pillar of Banco Sabadell's communication strategy to promote transparency, build trust and, at all times, safeguard the legitimate interests of shareholders, investors and proxy advisors, as well as any other stakeholder of Banco Sabadell.

The Policy on Communication and Contact with Shareholders, Investors and Proxy Advisors establishes the following principles:

- **Involvement of the Board of Directors and senior management**  
They have the ultimate responsibility for defining strategies for communicating with shareholders, investors, financial analysts and proxy advisors.
- **Diligence and transparency**  
The Bank behaves with the utmost diligence and transparency in all its communications and relations with shareholders, investors, financial analysts and proxy advisors, in order to minimise the risks of conflicts of interest and ensure that information is distributed in a timely, homogeneous and transparent manner.
- **Integrity, accuracy and consistency of information**  
The Bank guarantees the integrity, accuracy and consistency of the information disclosed to shareholders, investors and proxy advisors. To this end, it ensures that the information disclosed is complete, honest, consistent with reality and coherent so as to contribute to transparency vis-à-vis the market, build reputation value and strengthen the corporate identity.
- **Equal treatment and diversity**  
The Bank ensures equal treatment of shareholders and investors, guaranteeing that all parties who are in the same position in relation to the distribution of information have the same rights and can exercise them in an analogous way without discrimination. The Bank also ensures the uniform distribution of information to all market participants. In addition, the Bank considers the different information needs of its stakeholders and adjusts the content, form and channels of communication to meet these needs while fully complying with applicable regulations in all cases.
- **Engagement and promoting participation**  
The Bank encourages dialogue with shareholders, investors and proxy advisors, while promoting their participation. To this end, it facilitates the exercise of stakeholders' rights in order to involve them effectively and sustainably. The Bank also allows shareholders to cooperate among themselves. For this purpose, the Bank establishes and enables the appropriate communication mechanisms to detect its stakeholders' concerns, suggestions and needs. It also provides shareholders with all the information needed for the proper exercise of their rights.
- **Compliance with internal and external regulations**  
The Bank ensures that its communications always comply with current external and internal regulations. To this end, it ensures the



proper application of the applicable current legal and regulatory requirements and the internal policies and procedures. It also complies with regulatory recommendations and guidelines in order to implement best practices in this area.

The Policy also details:

- The critical management parameters applicable to communication with shareholders, investors and proxy advisors, as well as any other Banco Sabadell stakeholder group.
- The governance and organizational structure, establishing the roles and responsibilities of the Board of Directors, the Board committees and internal committees, as well as the areas and units involved.
- The reporting, communication, contact and participation channels to safeguard the above principles.

## 2.1.2 Shareholder participation in 2024

The Policy on communication and contact with shareholders, investors and proxy advisors details the following channels through which shareholders may exercise their rights to be informed and to participate in Banco Sabadell activities and events.

- **Corporate website**

The Group has a corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)) which contains all the public information about the Group for use by shareholders, investors, financial analysts, proxy advisors and other stakeholders. In order to comply with the principle of transparency, the Bank ensures that the information posted on the corporate website is clear, correct and truthful; to this end, the information is updated constantly and published in Spanish, Catalan and English.

- **CNMV website**

In addition to the corporate website, as a listed company, the Bank releases, via the CNMV website, inside and other relevant information disclosures, regular financial reporting, issue prospectuses and all other information that is required by the applicable regulations or that may be of general interest to the Bank's stakeholders.

- **Earnings webcasts**

The Bank streams quarterly earnings presentations and other market-relevant communications and makes them readily accessible. Webcasts are also available after the fact on the corporate website. In the case of live presentations, systems are provided for participants to submit questions to the speakers or representatives of the Group, either live or by e-mail.

- **Social media**

Aware of the impact and importance of new information technologies and communication channels through the internet, the Bank promotes an active presence in social media, where, without detriment to compliance with its legal obligations, and in accordance with the criteria and requirements established by the CNMV (Communiqué dated 8/10/2020), it seeks to disseminate information on the Group's progress and establish new forms of communication with shareholders and stakeholders who regularly use these media to obtain information on matters of interest to them.

- **Means of contact with shareholders and investors**

In order to facilitate open, transparent communication between shareholders and the Bank, a telephone line (+34 93 728 88 82) and an electronic mailbox ([accionista@bancsabadell.com](mailto:accionista@bancsabadell.com)) have been established to provide shareholders with personalised attention

when handling and responding to requests for information, clarifications and questions.

Additionally, in order to ensure proper consistent and coherent communication with the market at all times, there is a telephone line +34 91 321 73 73 and an e-mail address ([investorrelations@bancsabadell.com](mailto:investorrelations@bancsabadell.com)) to enable institutional investors to submit requests and suggestions.

— **Communications within the framework of the General Meeting of Shareholders**

One of the main mechanisms for shareholder participation is the General Meeting of Shareholders. The Bank provides all shareholders with a range of resources to enable them to participate in and attend the Meeting, such as the ability to grant proxy, vote and attend by means of distance communication through the corporate website [www.grupbancsabadell.com](http://www.grupbancsabadell.com) using an electronic national ID document or a recognized electronic certificate, through the Banco Sabadell Group remote banking services (BS Online and BS Móvil) for those shareholders who use this service, and via the branch network.

As an essential part of the General Meeting of Shareholders, the Bank provides shareholders with the information that they need to decide on the matters submitted for their consideration and publishes this information in detail sufficiently in advance. Moreover, from the time notice of the General Meeting of Shareholders is given until the meeting is held, the Electronic Shareholders' Forum is enabled on the website and is accessible to Banco Sabadell shareholders and to any shareholder associations formed in accordance with current legislation solely for the purpose of communicating among themselves in connection with the General Meeting of Shareholders.

— **Proxy Advisors and investors**

The Bank maintains contact with the most important proxy advisors in the market so that their recommendations can be based on a detailed knowledge of the Group.

To this end, the Bank implements best practices and recommendations in the area of corporate governance. It conducts corporate governance roadshows with proxy advisors and investors, and holds meetings with investors' ESG departments.

— **Group and individual meetings**

Information meetings (roadshows, etc.) are organised periodically, in which representatives of the Bank meet with shareholders, investors, financial analysts and proxy advisors to present the Group's progress and other matters of interest that help to clarify aspects of public information, listen to their feedback and provide detailed answers to their questions.

— **Specialized industry events**

The Bank attends specialized international industry conferences, at which the Bank makes presentations and meets with shareholders and investors in order to create a climate of dialogue in which to inform them about the Bank's performance and respond to specific queries about its public disclosures.

— **Investor days**

The Bank arranges meetings with shareholders, investors and analysts to discuss the Group's business and strategic plans and those of its subsidiaries.

— **Meetings with retail shareholders**

The Bank organises meetings with retail shareholders at which representatives of the Bank make a presentation that includes an introduction to the macroeconomic situation and a review of the Bank's results, as well as a question and answer session.

## 2.1.3 Shareholder remuneration policy

The economic rights of all shareholders include the right to share in the Institution's profits by receiving dividends and any other distributions (issue premium refunds, repayment of contributions) that the Institution's competent bodies (General Meeting of Shareholders, based on a proposal by the Board of Directors, or the latter in the case of payment of interim dividends) resolve to distribute among the shareholders.

Pursuant to Article 529 ter of the Capital Companies Law, the Boards of Directors of capital companies have the power, which not be delegated, to approve the dividend policy in order to establish a transparent and predictable framework for decisions regarding shareholder remuneration. Banco Sabadell's policy in this respect aims to reconcile maintaining appropriate levels of capital and liquidity at all times such as to have a comfortable margin over the applicable requirements, while offering shareholders attractive remuneration in line with earnings performance.

The CNMV requires that listed companies make their shareholder remuneration policy available to shareholders and investors. Both the CNMV and the European Securities Markets Authority, as well as the stock market regulations, stress the need to disclose, transparently and with sufficient advance notice, any decisions that are adopted or submitted for approval by the competent bodies in this area in order to contribute to proper price formation of shares and derivative financial instruments in the market.

For these purposes, Banco Sabadell has a Shareholder Remuneration Policy that was approved by the Board of Directors at a meeting on 25 January 2023 and reviewed at a meeting on 31 January 2024.

The purpose of the Policy is to establish the principles that will govern the decisions regarding shareholder remuneration that the Board of Directors submits to the General Meeting of Shareholders for approval or that the latter adopts directly in the exercise of its powers regarding the distribution of interim dividends.

The principles governing shareholder remuneration comply with current legislation, Banco Sabadell's corporate governance rules and the good governance recommendations and principles adopted by the Bank, particularly those contained in the Good Governance Code for listed companies approved by the CNMV (June 2020 revision). They must also conform to the prudential and supervisory framework applicable to financial institutions and the recommendations and considerations by national and European supervisory authorities.

These principles also take consideration of best practices observed by domestic listed companies and by financial institutions listed in Europe and in the main capital markets.

Accordingly, the Bank's shareholder remuneration and dividend distribution decisions must comply with the following principles:

- Conformity to current legislation
- Proportionality to the number of shares
- Equal treatment
- Transparency
- Tied to profit
- Solvency and sustainability over time
- Value creation and profit enhancement
- Shareholder return
- Observed best practices

The Policy sets out the essential parameters established as a framework for executing this proposal. These are:

- The annual amount of shareholder remuneration
- Remuneration payment formulas
- Frequency of remuneration payments

As this right is common to all of the Bank's shareholders, in line with the provisions of Banco Sabadell's Policy on Communication and Contact with Shareholders, Investors and Proxy Advisors, Banco Sabadell's Shareholder Remuneration Policy is published on the Bank's corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)).

Likewise, any decision or proposal regarding shareholder remuneration that is adopted or made by the Board of Directors must be notified to the CNMV in the form of a regulatory disclosure of inside information in advance of the date of payment of the remuneration provided for in the applicable regulations.

As communicated to the market in the press release attached to the disclosure of Inside Information dated 6 May 2024, with CNMV registration number 2.234, the Board of Directors, at a meeting on that same date, as part of its firm commitment to shareholder value creation and backed by the Bank's business plan and solid capital generation, reiterated its commitment to distribute to shareholders, on a recurring basis, any capital in excess of a pro forma Basel IV CET1 ratio of 13%, and it disclosed that the aggregate amount of excess capital to be generated in 2024 and 2025, together with recurring dividends for this period based on satisfactory fulfilment of the current business plan, was expected to reach €2.4 billion, the distribution of part of which to shareholders is subject to supervisory approval.

Subsequently, at a meeting on 22 July 2024, in compliance with the Shareholder Remuneration Policy, the Board of Directors of Banco Sabadell resolved to distribute an interim dividend in cash on account of 2024 results in the amount of €0.08 gross per share, which was paid on 1 October. The Board also set the percentage of profit to be distributed to shareholders, i.e. the Group's pay-out, at 60% of the Group's 2024 attributable net profit. This level of pay-out is at the high end of the range established in the Group's shareholder remuneration policy. All of this was communicated to the market by means of an Inside Information disclosure with CNMV registration number 2.322.

As a sign of confidence in Banco Sabadell's excellent prospects, the Board of Directors of Banco Sabadell has increased its commitment to shareholder remuneration, which is estimated to reach €2.9 billion<sup>2</sup> for 2024 and 2025, equivalent to 53 euro cent per share. In view of the excellent progress in Banco Sabadell's results in recent quarters, these estimates could be revised upwards.

## 2.2. General Meeting of Shareholders (B.1, B.2, B.3, B.6, B.7 and B.8)

### 2.2.1 General Meeting of Shareholders Regulation

The General Meeting of Shareholders is the Bank's main governing body, where the shareholders adopt resolutions on matters attributed to them by the law, the Articles of Association and the General Meeting Regulations, and those business decisions that the Board of Directors considers of importance for the future of the Bank and the corporate interests.

The terms of reference and the basic rules for the conduct of the Banco Sabadell General Meeting of Shareholders, and the system for giving notice and convening meetings and adopting decisions, are set out in the Articles of Association and in the Regulation of the General Meeting

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<sup>2</sup> Commitment to distribute to shareholders, on a recurring basis, any excess capital above a pro forma Basel IV CET1 ratio of 13%. It is estimated that the excess capital to be generated in 2024 and 2025 together with recurring dividends in that period, subject to satisfactory fulfilment of the current business plan, will amount to €2.9 billion. Part of that may be subject to approval by the supervisor.

of Shareholders, which safeguard shareholders' rights and transparency; the system of quora does not differ from that provided in the Capital Companies Law.

This same criterion is applicable to any amendment of the Articles of Association, which is governed by the same principles as established in the Capital Companies Law, both with regard to the requirements for amendment and the required quorum. Additionally, in the cases defined by law, amendments of the Articles of Association require the authorization of the supervisor exercising the powers assigned to it by article 10 of Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, on Regulation, Supervision and Solvency of Credit Institutions, without prejudice to the functions attributed to the European Central Bank in accordance with the provisions of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

## 2.2.2 Right to attend and vote at General Meetings of Shareholders

Shareholders are entitled to attend and vote at the General Meetings of Shareholders and to challenge corporate resolutions in accordance with the provisions of Article 93 of the Capital Companies Law and Article 9 of the Articles of Association of Banco Sabadell, as described below.

Pursuant to Article 37 of the Company's Articles of Association, shareholders whose shares are registered in the Bank's register of shares at least five days in advance of the date of a General Meeting of Shareholders are entitled to attend the meeting.

In accordance with article 38 of the Articles of Association, in order to attend and vote at a General Meeting, shareholders must accredit that they possess or hold proxies for one thousand (1,000) shares.

Shareholders holding less than that minimum amount of shares may group together to constitute the minimum and grant proxy to any one of them, or to another person, who need not be a shareholder, that is able to attend the Meeting in accordance with the provisions of Article 38.

Shareholders have one vote per thousand (1,000) shares.

The Articles of Association and the Regulation of the General Meeting of Shareholders provide for the possibility of attending the meeting remotely using means of distance communication and of voting remotely by any means, even exclusively by remote means where permitted by law, in which case, and without prejudice to the terms of the Regulation of the General Meeting of Shareholders, the Board of Directors must expressly resolve to authorize the necessary systems and procedures to enable remote attendance and voting at the General Meeting of Shareholders, and this resolution must be expressly disclosed in the notice of the General Meeting of Shareholders in question.

## 2.2.3 Information on General Meetings of Shareholders

The information about General Meetings is available on the Group's corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)) directly in the section entitled "Shareholders and investors". Additionally, the information about corporate governance is available on the website directly in the section entitled "Corporate governance and remuneration policy".

## 2.3. General Meeting of Shareholders 2024 (B.4 and B.5)

At a meeting on 22 February 2024, the Board of Directors of Banco Sabadell resolved, in accordance with the provisions of the Articles of Association and the Regulation of the General Meeting of Shareholders, to give notice of the General Meeting of Shareholders to be held on 10 April 2024, at second call, and to enable voting and the granting of proxies by remote means prior to the General Meeting of Shareholders.

On that same date, the Board of Directors resolved to enable the necessary systems and procedures for shareholders and their proxies to be able to attend using means of distance communication that allow real-time connection with the venue where the meeting is held, and to speak and vote using the systems and procedures provided for this purpose.

Banco Sabadell's General Meeting of Shareholders was certified as a "sustainable event" by sufficiently exceeding the requirements for certification and passing the preliminary evaluation process and the on-site audit established by Eventsost, an end-to-end platform for certifying event sustainability. The certification is based on the sustainability standards for events contemplated in the Eventsost sustainable events certification System, and on alignment with the Sustainable Development Goals of the UN Agenda 2030 applied to event production.

The General Meeting was classified as a sustainable event by taking account of both the interests of the groups affected by the event (stakeholders) and the requirements in relation to:

- Respect for the environment
- Social integrity of the venue
- Accessibility
- Inclusiveness
- Economic sustainability, i.e. that the event has an economic benefit
- Positive legacy

Additionally, an external consultant was engaged to verify, in the case of the 2024 General Meeting of Shareholders, the procedure for the preparation and holding of the Ordinary General Meeting of Shareholders, in order to assess compliance with the legal and corporate governance requirements for properly holding the 2024 General Meeting of Shareholders in accordance with the law and the Bank's internal regulatory framework, as well as the non-existence of material deficiencies in the procedure related to the General Meeting of Shareholders and the assurance of the design of controls and procedures that guarantee the appropriate exercise by the shareholders of all their rights, and their proper application in the Ordinary General Meeting of Shareholders of Banco Sabadell.

The external consultant performed a detailed analysis of each of the time periods addressed by the review (Phase I – before the Meeting, Phase II – Meeting, and Phase III – after the Meeting), and concluded that, from a technical, procedural and legal point of view, the requirements, internal procedures and applicable regulations were complied with in the three phases analyzed.

In line with best practices in corporate governance, Banco Sabadell transmits the entire General Meeting of Shareholders live via webcast on the corporate website.

Attendance at the General Meeting of Shareholders in recent years, and the percentages by which the resolutions were adopted, are published on the corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com). Attendance figures for the last three General Meetings of Shareholders are shown below, including a breakdown of shareholders who attended and who voted using means of distance communication. In the General

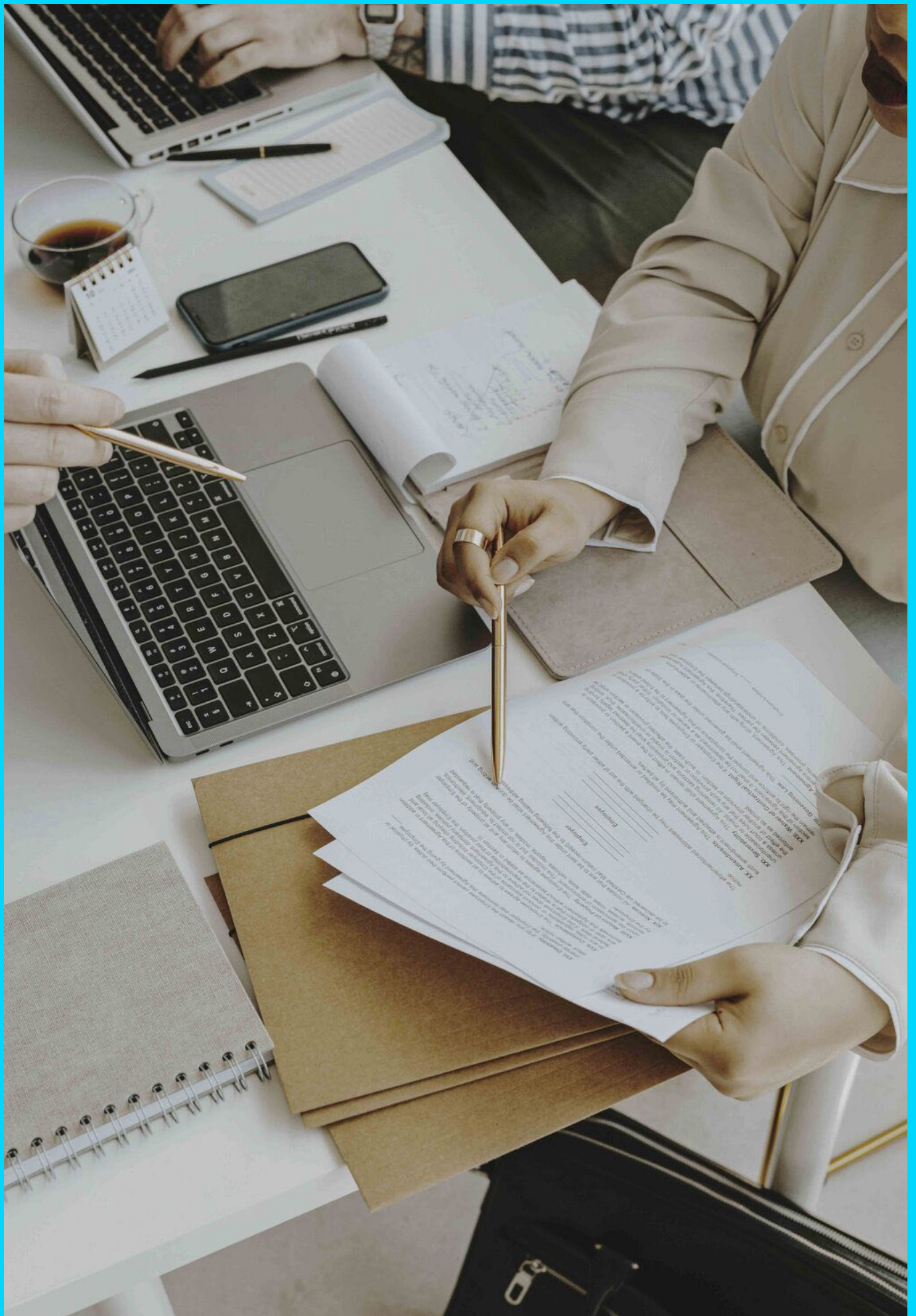


Meeting of Shareholders detailed below, there was no agenda item that was not approved by the shareholders:

Date of shareholders' meeting	% in attendance in person and by distance means	% represented by proxy	% votes cast by distance means		Total
			E-voting	Other	
10/04/2024	0.23	60.40	0.50	0.66	61.79
Of which free float:	0.07	56.79	0.50	0.66	58.02
23/03/2023	0.26	60.68	0.44	0.54	61.92
Of which free float:	0.10	60.66	0.44	0.54	61.74
24/03/2022	0.26	55.44	0.29	0.44	56.43
Of which free float:	0.08	55.43	0.29	0.38	56.18

The significant shareholder who is also a member of the Board of Directors was unable to attend the 2024 General Meeting of Shareholders for just cause, and appointed a proxy. The estimated percentages of free float represented at the 2024 General Meeting of Shareholders as shown in the table above do not include the shareholding of that significant shareholder who is represented on the Board. Nevertheless, the estimated percentages of free float may include other significant holdings deposited at international custodians that held proxies.





## 3. Board of Directors (C) (C.1.15)

With the exception of matters falling within the sole remit of the Shareholders' Meeting, the Board of Directors is the highest decision-making body in the Bank as, under the law and the Articles of Association, it is entrusted with administering and representing the Bank. The Board of Directors acts mainly as an instrument of supervision and oversight, and it delegates the management of ordinary business matters to the Chief Executive Officer.

The Board of Directors is subject to well-defined, transparent rules of governance, particularly the Articles of Association and the Board's own terms of reference, and it conforms to best practices in the area of corporate governance.

### 3.1. Composition of the Board (C.1.1, C.1.2, C.1.8 and C.1.29)

At 31 December 2024, the Board comprised 15 members, as follows:



Name of director	Director category	Board committees	Board position	Date of first appointment	Date of last appointment	Appointment procedure
Josep Oliu Creus	Other external	● S&SC (C)	Chairman	29/03/1990	23/03/2023	General Meeting decision
Pedro Fontana García	Independent	● CrDC (C) ● A&CGC (C) ● S&SC (M)	Deputy Chairman	27/07/2017	24/03/2022	General Meeting decision
César González-Bueno Mayer Wittgenstein	Executive	● S&SC (M)* ● CrDC (M)	Chief Executive Officer	17/12/2020	26/03/2021	General Meeting decision
Aurora Catá Sala	Independent	● A&CGC (M) ● RC (M)	Director	29/01/2015	23/03/2023	General Meeting decision
Ana Colonques García-Planas	Independent	● A&CC (M) ● RemC (M)	Director	10/04/2024	10/04/2024	General Meeting decision
Lluís Deulofeu Fuguat	Independent	● CrDC (M) ● S&SC (M)	Director	28/07/2021	24/03/2022	General Meeting decision
María José García Beato	Other external	● A&CGC (M) ● S&SC (M)	Director	24/05/2018	23/03/2023	General Meeting decision
Mireya Giné Torrens	Independent	● RemC (C) ● A&CGC (M)	Director	26/03/2020	10/04/2024	General Meeting decision
Laura González Molero	Independent	● A&CC (M) ● RemC (M)	Director	26/05/2022	23/03/2023	General Meeting decision
George Donald Johnston III	Independent	● RC (C) ● S&SC (M)	Lead Independent Director	25/05/2017	24/03/2022	General Meeting decision
David Martínez Guzmán	Proprietary		Director	27/03/2014	24/03/2022	General Meeting decision
Alicia Reyes Revuelta	Independent	● CrDC (M) ● RC (M)	Director	24/09/2020	26/03/2021	General Meeting decision
Manuel Valls Morató	Independent	● A&CC (C) ● RC (M)	Director	22/09/2016	26/03/2021	General Meeting decision
David Vegara Figueras	Executive		Director	28/05/2015	23/03/2023	General Meeting decision
Pedro Viñolas Serra	Independent	● CrDC (M) ● A&CC (M)	Director	23/03/2023	23/03/2023	General Meeting decision

\* Member solely for matters of strategy.

## Board of Directors Committees

- **S&SC** Strategy and Sustainability Committee
- **CrDC** Credit Delegated Committee
- **A&CC** Audit and Control Committee
- **A&CGC** Appointments and Corporate Governance Committee
- **RemC** Remuneration Committee
- **RC** Risk Committee

**C:** Chairman

**M:** Member



# 11/15

Directors according to Articles of Association

# 15

Directors established by the General Meeting of Shareholders

# 15

Members of the Board of Directors

Of the fifteen members of the Board of Directors, two are executive directors (13.33% of the total Board) and thirteen are non-executive directors: ten independent (66.67% of the total Board), two other external directors (13.33%) and one proprietary director (6.67% of the total Board).

# 15

Members of the Board of Directors



# 1

Non-executive Chairman (other external)



# 2

Executive directors



# 10

Independent directors



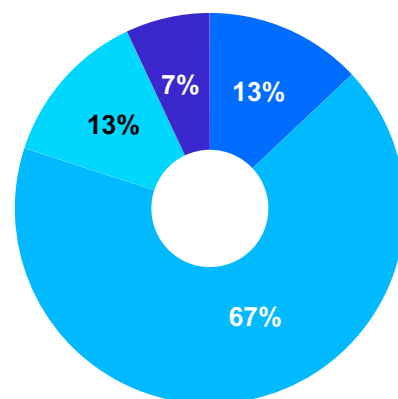
# 1

Other external director



# 1

Proprietary director



Executive directors  
Independent  
Other external  
Proprietary

Mr. Miquel Roca i Junyent, who is not a director, has been Secretary of the Board since 13 April 2000. Mr. Gonzalo Baretino Coloma, who is not a director, has been Deputy Secretary since 26 March 2021. There have been no appointments of proprietary directors at the proposal of shareholders owning less than 3% of capital.

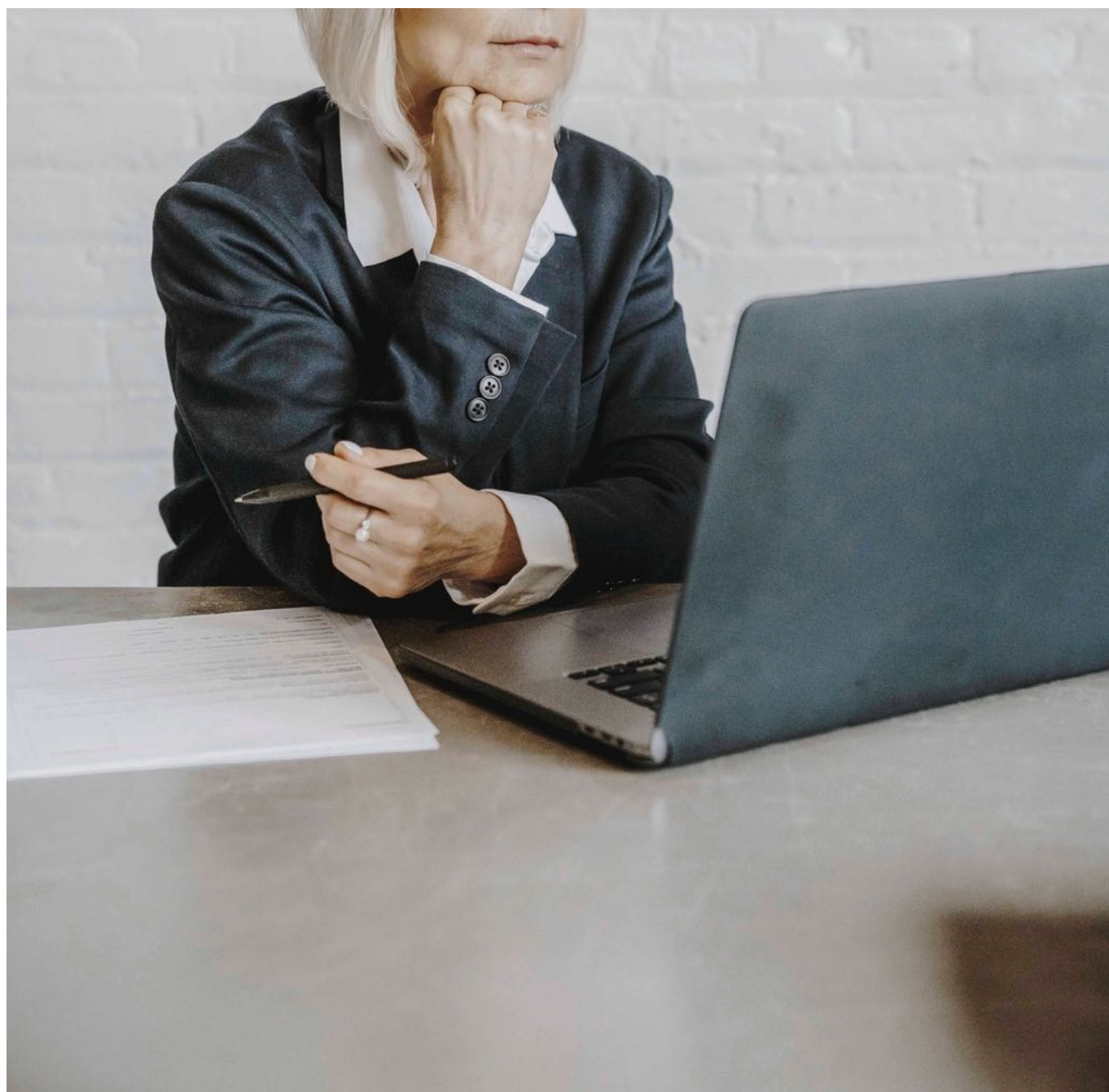
On 13 February 2024, by means of a letter addressed to the Chairman and all members of the Board of Directors, Mr. José Manuel Martínez Martínez tendered his resignation as an independent director of Banco Sabadell, effective as of the date of the following Ordinary General Meeting of Shareholders, which took place on 10 April 2024. The resignation was duly reported to the CNMV in the form of a regulatory disclosure and it took effect on the date of the 2024 General Meeting of Shareholders, i.e. on 10 April 2024.

As Banco Sabadell reported in the form of a regulatory disclosure, his decision to resign was to enable the General Meeting of Shareholders to replace him with a female director so as to fulfil the most stringent diversity standards required by the corporate governance regulations. Mr. José Manuel Martínez Martínez also stated that his resignation coincides with a moment of significant growth and stability for Banco Sabadell, as a result of a magnificent performance by the Bank's management.

To fill the vacancy for an independent director, the General Meeting of Shareholders on 10 April 2024, on a motion by the Appointments and Corporate Governance Committee, resolved to appoint Ms. Ana Colonques García-Planas as an independent director; she accepted the position on 27 May 2024, once the pertinent regulatory authorizations had been received, and she joined the Board of Directors for the first time on 30 May 2024.

### 3.2. Director profiles (C.1.3)

The Matrix of competencies and diversity of the members of the Board of Directors, setting out horizontal and sectoral competencies on the Board, is shown below: The Matrix is published in the Banco Sabadell Corporate Governance Framework on the website [www.grupobancosabadell.com](http://www.grupobancosabadell.com), in the section entitled “Corporate governance and remuneration policy”.



Industry skills	Chairman	Deputy Chairman	CEO	Director
	Josep Olliu Creus	Pedro Fontana García	César González-Bueno Mayer	Aurora Catá Sala
	Ext.	Ind.	Exec.	Ind.
Retail banking	●	●	●	
Corporate banking	●	●	●	●
Financial and capital markets	●	●	●	●
Insurance	●	●	●	
Other financial skills	●	●	●	●
Accounting and auditing	●	●	●	●
Risk management	●	●	●	
Planning and strategy	●	●	●	●
Governance	●	●	●	●
Risk control	●	●	●	
Prevention of money laundering and terrorist finance	●		●	
Legal	●		●	
Digital and IT (digital transformation)	●		●	●
Human resources, culture, talent and remuneration	●		●	●
Responsible business and sustainability	●		●	
<b>International experience:</b>				
Spain	●	●	●	●
United Kingdom	●		●	
Mexico	●		●	
Other	●	●	●	
<b>Horizontal competencies</b>				
Governing bodies	●	●	●	●
Management of organizations	●	●	●	●
Business experience	●	●	●	●
Government and public policy	●		●	
Consultancy			●	●
Regulatory and supervisory bodies	●		●	
Academic	●		●	
Communication and institutional relations	●		●	

Industry skills												
	Ana Colonques García-Planas	Lluís Deulofeu Fuguet	María José García-Beato	Mireya Giné Torrens	Laura González Molero	George Donald Johnston III	David Martínez Guzmán	Alicia Reyes Revuelta	Manuel Valls Morató	David Vegara Figueras	Pedro Viñolas Serra	
	Ind.	Ind.	Ext.	Ind.	Ind.	Lead Ind.	Prop.	Ind.	Ind.	Exec.	Ind.	
Retail banking	●	●	●		●	●		●				
Corporate banking			●		●	●		●			●	
Financial and capital markets	●		●	●	●	●	●	●		●	●	
Insurance								●	●			
Other financial skills	●	●	●	●	●	●	●	●	●	●	●	
Accounting and auditing	●		●	●				●	●	●	●	
Risk management	●	●	●		●	●	●	●	●	●	●	
Planning and strategy	●	●	●	●	●	●	●	●	●	●	●	
Governance	●	●	●	●	●	●		●		●	●	
Risk control	●	●	●		●	●	●	●	●	●	●	
Prevention of money laundering and terrorist finance			●		●	●		●	●	●	●	
Legal			●					●				
Digital and IT (digital transformation)		●		●				●		●		
Human resources, culture, talent and remuneration	●	●	●	●	●	●		●		●	●	
Responsible business and sustainability	●		●		●			●		●	●	
International experience:												
Spain	●	●	●	●	●	●	●	●	●	●	●	
United Kingdom			●			●	●	●		●		
Mexico					●		●			●		
Other		●	●	●	●	●	●	●		●	●	
Horizontal competencies												
Governing bodies	●	●	●	●	●	●	●	●	●	●	●	
Management of organizations	●	●	●	●	●	●	●	●	●	●	●	
Business experience	●	●	●	●	●	●	●	●	●	●	●	
Government and public policy		●	●						●	●		
Consultancy		●		●	●					●		
Regulatory and supervisory bodies			●		●			●	●	●		
Academic			●	●				●	●	●	●	
Communication and institutional relations		●	●		●			●		●	●	



<b>Josep Olliu Creus</b> Non-executive Chairman	<b>Profile</b> Banking/ Retail & Corporate Banking/ Finance/ Academic/Business/ International	Degree in Economics from the University of Barcelona and a PhD in Economics from the University of Minnesota (USA). Professor of Economic Theory at the University of Oviedo. Head of Studies and Strategy (1983-1984) and Head of Planning (1984-1987) at Spain's National Institute of Industry (INI). Appointed Director-General Manager of Banco Sabadell in 1990. Chairman of Banco Sabadell since 1999. Non-executive Chairman of Exea Empresarial, S.L. and the latter's representative as Chairman of Puig, S.L., representative of Exea Ventures, S.A. as Chairman of Exea Ventures, S.L. and director of Puig Brands, S.A. Chairman of the Banco Sabadell Foundation, member of FEDEA (Fundación de Estudios de Economía Aplicada) and member of the Boards of Trustees of the Princess of Asturias Foundation and of the Princess of Girona Foundation.
<b>César González-Bueno Mayer Wittgenstein</b> Chief Executive Officer	<b>Profile</b> Banking/ Retail & Corporate Banking/ Finance/ Regulatory/ International/ Digital and IT (digital transformation)	Dual degrees in Law and Business Administration from ICADE, Madrid, and an MBA from Yale School of Management, Connecticut (USA). Founder and CEO of ING Direct, N.V. Branch in Spain (1998-2010), General Manager for Spain, France, Italy and United Kingdom of ING Direct, N.V. (2004-2010), Regional Head of Europe at ING Bank (2010-2011), CEO of Novagalicia Banco (now Abanca) (2011-2013), CEO of Gulf Bank (2014-2016), CEO of ING Spain and Portugal (2017-2019), and non-executive director of TSB Bank, PLC and TSB Banking Group, PLC which are both part of the Banco Sabadell Group (2020-2021). He is Chairman of Banco Sabadell, S.A., IBM, of SabCapital, S.A. de C.V., SOFOM, E.R. and of Sabadell Consumer Finance, S.A.U., all of which are part of the Banco Sabadell Group, and member of the Board of Trustees of Ciudad Escuela de los Muchachos Foundation.
<b>David Vegara Figueras</b> Director General Manager	<b>Profile</b> Finance/ Risk/ Academic/ Regulatory	A graduate in economics from the Autonomous University of Barcelona, he holds an MA in economics from the London School of Economics. Formerly Secretary of State for the Economy in the Spanish government (2004-2009), Deputy Director of the International Monetary Fund (2010-2012) and Deputy Chief Executive Officer, Banking in the European Stability Mechanism (2012-2015). Member of the Supervisory Board of Hellenic Corporation of Assets and Participations, S.A. (2016-2022), and non-executive director of TSB Bank, PLC and TSB Banking Group, PLC, both of which are part of the Banco Sabadell Group (2020-2022). Associate professor in the Department of Economics, Finance and Accounting at ESADE (2015- 2018). Currently, independent director of Amadeus IT Group, S.A., member of the Board of Trustees of the Pasqual Maragall Foundation, trustee for life of the Gala-Salvador Dalí Foundation, Chairman of the Advisory Board of Roca Junyent, S.L.P., and Chairman of Foro Tertulias Hispano-Británicas.

<b>David Martínez Guzmán</b> Proprietary director	<b>Profile</b> Business/ Finance/ International	<p>Degree in Electrical &amp; Mechanical Engineering from the National Autonomous University of Mexico, Diploma in Philosophy from Universitas Gregoriana (Italy), and MBA from Harvard Business School. Founder in 1987 of Fintech Advisory, which manages the Fintech Investments Limited fund (New York and London). Director of listed companies Alfa, S.A.B. de C.V., Vitro, S.A.B. de C.V., Cemex, S.A.B. de C.V. and unlisted company ICA Tenedora S.A. de C.V.</p> <p>Fintech Europe, S.À.R.L. (FE) is wholly owned by Fintech Investments Ltd. (FIL), the investment fund managed by Fintech Advisory Inc. (FAI). FAI is owned 100% by Mr. David Martínez Guzmán. Consequently, the shareholding now held by FE is considered to be controlled by Mr. David Martínez Guzmán.</p>
<b>Pedro Fontana García</b> Deputy Chairman – Independent	<b>Profile</b> Banking/ Retail Banking/ Business	<p>Degree in Business from ESADE (Barcelona) and MBA from Harvard Graduate School of Business Administration, Boston, Massachusetts (USA). Regional Manager of Banco de Comercio (1978-1982), General Manager of Banca Mas Sardá (1983-1988), Chief Executive Officer of NH Hoteles (1989-1990), General Manager of COOB'92 (1990-1993), General Manager of Turisme de Barcelona (1993-1994), Chairman of Banca Catalana (1994-1999), General Manager of BBVA Catalonia (2000-2009), Executive Chairman of AREAS (Elior Group) (2012-2017), Deputy General Manager of Elior Group, S.A. (2017-2018), nominee of EMESA Corporación Empresarial, S.L. on the board of listed company Elior Group, S.A. (2018-2019), and director of Fira Internacional de Barcelona (2011-2023). Currently, independent director of Grupo Indukern, S.L. and of Pax Lux Equityco, S.A., Chairman of My Chef Ristorazione Commerciale, S.P.A., and director of MdF Family Partners, S.A. Honorary President of Asociación para el Progreso de la Dirección - Catalonia Chapter, Chairman of the Board of Trustees of Fundació Privada Cercle d'Economia, trustee of Fundación Barcelona Mobile World Capital. Member of the boards of trustees of Universitat Ramon Llull Fundació, Fundación Grupo Sifu and Fundación Formación y Futuro and of Fundació Acció Solidària Contra l'Atur.</p>
<b>Aurora Catá Sala</b> Independent Director	<b>Profile</b> Business/ Consulting Finance/ Human resources	<p>Degree in Industrial Engineering (major in Industrial Organization) from the Polytechnic University of Catalonia and MBA and PADE from IESE Barcelona. Formerly CFO of Nissan Motor Ibérica, S.A. (1990-1996), General Manager of RTVE Cataluña (1996-1999), Managing Director of Planeta 2010 (1999-2003), General Manager of Audiovisual Media at Recoletos Grupo de Comunicación (2003-2008), Partner of Seeliger y Conde (2009-2020), independent director of Institut Català de Finances (2014), independent director of Atresmedia Corporación de Medios de Comunicación, S.A. (2009-2021), director of Sabadell Information Systems, S.A., Banco Sabadell's technology subsidiary (2020-2022), Chairman of Barcelona Global (2020-2022), independent director of Atrys Health, S.A. (2021-2024) and Deputy Chairman of 37th America's Cup Events. Formerly held a number of directorships. Currently, independent director of Repsol, S.A., member of the Executive Committee of IESE alumni, Trustee of Fundación Cellnex and secretary general of Fundación CIDOB.</p>

<b>Ana Colonques García-Planas</b> Independent Director	<b>Profile</b> Business/ Finance/ Auditor	Degree in Business Administration and MBA from ESADE. Auditor at Deloitte (2006-2010), specialized in auditing financial institutions. Risk analyst at Banco Sabadell (2010-2011). Director of Iberdrola España, S.A. (2021-2024). Currently, CFO and executive director and deputy-secretary of Porcelanosa, S.A., holding other positions in governing bodies at Porcelanosa Group companies. Independent Director of Iberdrola, S.A. and member of the Appointments Committee of Iberdrola, S.A. Member of the Valencia Regional Board of the Asociación Española de Directivos.
<b>Lluís Deulofeu Fuguet</b> Independent Director	<b>Profile</b> Banking/ Retail Banking/ Digital and IT (digital transformation)/ Business/ Consulting	Degree in Telecommunications Engineering from the Polytechnic University of Catalonia and has completed the "Finance for Executives" programme at ESADE and the PDG at IESE (Barcelona). Senior Manager at Andersen Consulting (1988-1994), Head of Technical Services & Development of New Projects at Acesa (1994-2001), Chief Technology Officer at La Caixa (2001-2011), Managing Director for Internal Resources and Efficiency at Abertis Infraestructuras (2011-2014). Managing Director of Sanef (2014-2018) and Deputy CEO of Cellnex Telecom (2018-2020). Founder and director of Acesa Telecom (now Cellnex Telecom), and founder and director of Parc Logístic de la Zona Franca, as well as Vice President of Fundació Catalana de Recerca i Innovació and Trustee of Fundación Barcelona Digital, as well as director of numerous entities such as e-La Caixa, Abertis Telecom, Invercaixa Gestión, Sanex, Xfera, Cellnex Telecom, Hispasat, and DDST-Tradia. He has been a director of Sabadell Digital, S.A.U., Banco Sabadell's technology subsidiary, since 2020. Chairman of Fundación Cellnex.
<b>Mireya Giné Torrens</b> Independent Director	<b>Profile</b> Finance/ Academic/ Governance/Digital & IT (digital transformation)	BA and MA (Cum Laude) in Economics from Pompeu Fabra University, and PhD from the University of Barcelona. Director of International Initiatives, Wharton Research Data Services (WRDS) since 2012. She is currently professor and director of the Department of Financial Management at IESE Business School. Researcher at the European Corporate Governance Institute since 2018. Expert in Corporate Governance for the World Economic Forum since 2019, and member of the Center for Economic Policy since 2020. Independent director of Sabadell Asset Management (2018-2020). Proprietary director of Sabadell Consumer Finance, S.A.U.
<b>Laura González Molero</b> Independent Director	<b>Profile</b> Business/ International/ Governance/ Consulting	Degree in Pharmacy, major in industrial pharmacy, from Madrid Complutense University (1989). MBA from IE Business School (1999) and executive management courses and programmes at prestigious international business schools (IMD Business School, Harvard Business School, Kellogg Business School and INSEAD). Vice-Chairman of Serono for Iberia (2006-2007), CEO of Merck S.L. (2007-2011) and Chairman for LatAm (2012-2014), both in Merck Group, Chairman for LatAm of Bayer Health Care Pharmaceuticals (2014-2016), independent director of Grupo Leche Pascual (2009-2017), of Bankia, S.A. (2018-2021), and of Grupo Ezentis, S.A. (2016-2022). Currently, Independent director of Viscofan, S.A. and independent director of Acerinox, S.A. President of the Asociación para el Progreso de la Dirección, member of the Advisory Board of Integrated Service Solutions, S.L. and member of the Advisory Board of Leadership & Executive Search Advisory Services Iberia, S.L. (N2GROWTH IBERIA).

<b>George Donald Johnston III</b> Lead Independent Director	<b>Profile</b> Banking/ Corporate Banking/ International	BA in Political Science from Middlebury College, Vermont (USA), and MA in International Economics and Latin American Studies from Johns Hopkins University School of Advanced International Studies, Washington DC. (USA). Executive director at Salomon Brothers (1979-1990), Director of Bankers Trust International and member of its Global Executive Committee (1992-1999), Group Head of M&A for Europe and Member of the Europe Executive Committee and of the Global Operating Committee within the investment banking division of Deutsche Bank (1999-2005), Chairman of the M&A Group for Europe at Deutsche Bank (2005-2010). Currently, lead independent director of Acerinox, S.A. and independent director of Merlin Properties, SOCIMI, S.A.
<b>Alicia Reyes Revuelta</b> Independent Director	<b>Profile</b> Banking/ Retail & Corporate Banking/ Finance/ International/ ESG/ Digital and IT (digital transformation)/ Academic/ Governance	Dual degrees in Law and Business Administration from ICADE, Madrid. PhD in Quantitative Methods and Financial Markets from ICADE. Formerly held a number of directorships. Country Manager of Bear Stearns for Iberia (2002-2006), Global Head of Structuring of Financial Institutions and Global Head of Insurance Solutions and Strategic Capital Derivatives at Barclays Capital (2010-2014). Partner of Olympo Capital (2014-2015). Independent director (2015-2016), CEO for the EMEA business (2016-2020) and Acting Chairman (2019) of Wells Fargo Securities International Ltd. Non-executive director of TSB Bank, PLC and TSB Banking Group, PLC, both in the Banco Sabadell Group (2021-2022). Chairman of Momentum Securities (2023). Formerly Guest lecturer at the Institute of Finance and Technology of the Engineering Faculty, University College London (UCL) and member of the Board of Trustees of Fareshare. Currently, Independent director of Ferrovial, S.E. and of KBC Group N.V., director of KBC BANK. N.V. Independent member of the General and Supervisory Board of EDP Energias de Portugal S.A. Trustee of Maria Luisa de Cartassac Foundation.
<b>Manuel Valls Morató</b> Independent Director	<b>Profile</b> Auditor/ Finance	Degree in Economics and Business Studies from the University of Barcelona and a post-graduate qualification in Business Administration from IESE/University of Navarra; he is a registered auditor and a member of Spain's official register of auditors since its creation. Partner of PwC (1988-2013), Head of the Audit Division at PwC (2006-2013) and Chairman of PwC Auditores (2006-2011). Independent member of the Governing Board of Institut Català de Finances (2015-2016), and director of Sabadell Information Systems, S.A., Banco Sabadell's technology subsidiary (2020-2022). Currently, Lead independent director of listed company Renta Corporación Real Estate, S.A. and Chairman of the Audit, Control and Risk Committee at COBEGA, S.A.

<b>Pedro Viñolas Serra</b> Independent director	<b>Profile</b> Banking/ Corporate Banking/ Business/ Finance	Degree in Business Administration from the University of Barcelona and Degree in Business Administration and MBA from ESADE and the Polytechnic University of Catalonia. He has held a number of positions in the Barcelona Stock Exchange (1988-1997): Director of the Research Department, Deputy General Manager in charge of the Research and Corporate Development Department, Finance, Market Supervision, International Relations and subsidiaries. CEO of Filo (1997-2002), a listed real estate group. Partner & CEO of Grupo Financiero Riva y Garcia (2003-2008). He has been director of Grupo Mecanotubo (2006-2010), of SIIC de Paris (2010-2014) and of Grupo Electro Stocks (2011-2020). He has been CEO of Inmobiliaria Colonial, Socimi, S.A. since 2008 and Deputy Chairman since 2019, holding other positions in governing bodies at Colonial Group companies. He is an independent director of Blue Self Storage, S.L. director of the European Real Estate Association and trustee of Fundación ESADE.
<b>María José García Beato</b> Other external director	<b>Profile</b> Banking/ Legal/ Regulatory/ Governance	Degree in Law and Diploma in Criminology. Spanish State Attorney (1991). Former positions include State Attorney at the Madrid High Court of Justice, Legal Counsel at the Data Protection Agency, State Attorney as consultant to the State Legal Service, Head of the General Secretariat of Communications, and State Attorney at the National Court. Chief of Staff and Under-Secretary at the Ministry of Justice (2000-2004). She has been General Counsel (2005-2008) and General Secretary (2008-2021) and an executive director (2018-2021) of Banco Sabadell. Independent director of listed company Red Eléctrica Corporación, S.A. (2012-2021), director of Papelera Guipuzcoana de Zicuñaga, S.A.U. (2022), and non-executive director of MdF Family Partners, S.A. (2021-2024). Currently, independent director of ACS, Actividades de Construcción y Servicios, S.A., independent director of Iberpapel Gestión, S.A. and independent member of the General and Supervisory Board of EDP Energias de Portugal S.A. Member of the Boards of Trustees of the Banco Sabadell Foundation, the Spanish Banking Association Foundation and the ACS Foundation.

### 3.3. Positions held by directors in other Banco Sabadell Group companies and other listed companies (C.1.10, C.1.11 and C.1.12)

#### 3.3.1. Positions in other Group companies

Mr. César González-Bueno Mayer Wittgenstein is Chairman of the subsidiaries Sabadell Consumer Finance, S.A.U., Banco Sabadell, S.A. IBM, and SabCapital, S.A. de C.V., SOFOM, E.R.;

Ms. Mireya Giné Torrens is a proprietary director of the subsidiary Sabadell Consumer Finance, S.A.U.;

Mr. Lluís Deulofeu Fuguat is a non-executive director of subsidiary Sabadell Digital, S.A.U.



### 3.3.2. Positions in other companies, listed and unlisted

Positions held by directors of Banco Sabadell in other companies and any remunerated activities they perform are detailed in section C.1.11 of the Statistical Annex to the Annual Corporate Governance Report for Listed Companies 2024 attached to this Report.

### 3.3.3. Specific regulations for credit institutions with respect to the number of positions held by a member of the Board of Directors

In accordance with Article 26 of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, the maximum number of directorships that members of the Board of Directors may hold is as follows:

- one executive directorship and two non-executive directorships.
- four non-executive directorships.

For these purposes, executive or non-executive positions held within the same group are counted as a single position, in which case the privileged counting rules apply in accordance with the European Central Bank's Guide to Fit and Proper Assessments and the European Banking Authority Guidelines on Internal Governance (EBA/GL/2021/05). Under the privileged counting rules, it is possible to hold several positions in the same group or positions in companies in which the institution has a significant holding.

When determining the maximum number of positions, positions held in non-profit or non-commercial organizations or entities do not count.

## 3.4. Banco Sabadell Diversity Policy (C.1.4, C.1.5, C.1.6, C.1.7, C.1.14 and C.2.2)

Banco Sabadell has general policies governing diversity in terms of age, gender, ability, geographical origin, and professional training and experience.

The Banco Sabadell Director Selection Policy, which was approved by the Board of Directors on 25 February 2016 (amended on 29 September 2022 and reviewed, resulting in no changes, on 19 September 2024), establishes the principles and criteria to be considered in selecting new members and assessing the suitability of members of the Board of Directors, both initially and subsequently, and on re-appointing incumbent members of the Board of Directors, in order to ensure a proper succession process, the continuity of the Board of Directors and the suitability of the Board as a whole. That Policy is available in the "Corporate Governance and Remuneration Policy" section of the Bank's corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com).

Under Article 66 of the Articles of Association, the Appointments and Corporate Governance Committee is entrusted with the function of ensuring compliance with the qualitative composition of the Board of Directors, establishing a target for representation of the sex that is less represented on the Board of Directors and drawing up guidelines on how to achieve that target.

The process for selecting candidates to sit on the Board of Directors and for re-electing existing directors is governed by, among others, the diversity principle, fostering the diversity of the Board of Directors in order to promote a diverse pool of members, and ensuring that a broad set of qualities and competences is engaged when recruiting members, to achieve a variety of views and experiences and to facilitate independent opinions and sound decision-making within the Board of Directors.

The Board of Directors should ensure that the procedures for selecting its members apply the diversity principle and favour diversity in relation to areas such as age, gender, disability, geographical provenance and educational and professional background, as well as any other aspects deemed suitable to ensure the suitability and diversity of its pool of members. Furthermore, it should ensure that such procedures are free from implicit bias that may entail any degree of discrimination and, in particular, that they facilitate the selection of female directors in the number required to achieve a composition that is balanced between women and men.

Likewise, the Board Appointments and Corporate Governance Committee will ensure that the process abides by the principles of equality and equity, and that it is free from any form of discrimination, including discrimination on the basis of age, disability or gender, without making any distinction by reason of race, sex, religion or any other distinguishing feature, honouring dignity and ensuring equal treatment and opportunities.

The following general principles will be followed when selecting candidates for the role of director and re-electing existing directors:

1. The Board Appointments and Corporate Governance Committee will identify the needs of the Bank, ensuring that the appointment or re-election favours both diversity on the Board and a Board composition that is suitably balanced between independent directors, proprietary directors and executive directors.
2. Candidates for the role of director must meet the requirements of repute, suitability and good governance necessary for the performance of their role; in particular, they should have recognised solvency, experience, qualification and training. Furthermore, they should have the necessary availability and a high level of commitment to their role within the Institution.
3. When selecting candidates for the role of director, it will be necessary to consider the objectives, parameters (professional competence, diversity, good repute and suitability) and procedures for selection, assessment and appointment established in this policy and the recommendations and criteria of the Good Governance Code of Listed Companies issued by the CNMV.
4. The procedure will ensure that directors' mandates are renewed in an orderly and well-planned manner, safeguarding the continuity of the business and enhancing the corporate governance system.
5. The procedure will ensure a compliant qualitative composition of the Board of Directors in which external and non-executive directors should account for no less than the majority of the total number of Board members. It will be necessary to ensure that there is a significant proportion of independent directors among the external or non-executive directors.

In discharging its duties, the Appointments and Corporate Governance Committee implemented the policy and measures to increase the diversity of gender, age, education, knowledge and experience that contribute to the collective suitability of the Board, and it proposed that the 2024 General Meeting of Shareholders appoint an independent director (Ms. Ana Colonques García-Planas) and re-appoint another independent director (Ms. Mireya Giné Torrens).



In compliance with recommendation 14 of the Good Governance Code of Listed Companies, with the function assigned in section 4.17 of its Regulations and with Banco Sabadell's Director Selection Policy, the Appointments and Corporate Governance Committee verified, on 29 January 2025, that the appointment, re-appointment and ratification decisions adopted in 2024 by the General Meeting of Shareholders and the Board of Directors conformed to the Policy. That verification entailed checking that the appointment and re-appointment conformed to the parameters and requirements for membership of the Board of Directors of a credit institution set out in both the Policy and the regulations in force. The Committee also concluded that those appointment and re-appointment favour an appropriate composition of the Board of Directors by increasing and strengthening its diversity in terms of directors' categories and the knowledge, skills and experience they bring to the Board. In this way, the duty of the Board of Directors and of the Appointments and Corporate Governance Committee to contribute to increasing the diversity of competencies in the Board of Directors is complied with. In this way, the Board of Directors and the Appointments and Corporate Governance Committee fulfil their duty to contribute to increasing the diversity of competencies in the Board of Directors. Specifically, the appointment of Ms. Ana Colonques García-Planas, who has a background in finance and auditing and business experience at the highest level, increased and enhanced the diversity of banking knowledge and experience, particularly retail banking, accounting and auditing, risk management and control, planning and strategy, corporate governance and responsible business and sustainability, combined with the ability to apply those skills and knowledge to the banking business.

To select candidates, the Appointments and Corporate Governance Committee relied on the Matrix of competencies and diversity of the members of the Board of Directors of Banco Sabadell, which defines directors' abilities and knowledge. The Committee also relied on external consultants, which provided it with candidates who matched the skill profiles that the Appointments and Corporate Governance Committee prioritised.

At 2024 year-end, there were six female directors: five female independent directors out of a total of ten independent directors, and one female other external director.

The trend in the number of female directors in the Board of Directors and its committees in recent years is as follows:

# 6

**Female directors**



1 Female other external director (out of 2)



5 Female independent directors (out of 10)

	Number of female directors				% of total directors in each category			
	2024	2023	2022	2021	2024	2023	2022	2021
Executive	—	—	—	—	—	—	—	—
Proprietary	—	—	—	—	—	—	—	—
Independent	5	4	4	3	50.00	40.00	40.00	30.00
Other external	1	1	1	1	50.00	50.00	50.00	50.00
<b>Total</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>40.00</b>	<b>33.33</b>	<b>33.33</b>	<b>26.67</b>

The Board of Directors and the Appointments and Corporate Governance Committee are committed to favouring diversity on the Board; they work to ensure that the Board has a sufficient number of female directors and to fulfil the objective for representation of the gender that is under-represented on the Board. In 2024, women accounted for 40% of the total Board of Directors of Banco Sabadell, fulfilling in advance the requirements of Spain's Organic Law 2/2024, of 1 August, on the equal representation and balanced presence of women and men, and the Bank's commitment as set out in the Sabadell Sustainable Commitment for 2024. Women also accounted for 50% of independent directors, thereby amply fulfilling the requirement of the Directive of the European Parliament and of the Council on improving the gender balance among directors of listed companies and related measures.

With regard to the presence of women on Board committees, the Remuneration Committee is chaired by a female independent director and all of its ordinary members are women. There are female directors in all the Board committees: Women represent a broad majority (75%) on the Appointments and Corporate Governance Committee, women and men are represented equally in the Audit and Control Committee and the Risk Committee, and women account for 20% of the Credit Delegated Committee. Women account for 16.67% of the Strategy and Sustainability Committee (in matters of strategy) and 20% (in matters of sustainability). The evolution of the representation of women on the Board's committees in recent years is shown below:

## Number of female members in the Committees

	2024		2023		2022		2021	
	Number	%	Number	%	Number	%	Number	%
Strategy and Sustainability Committee	1	16.67*	1	16.67*	1	16.67*	1	16.67*
Credit Delegated Committee	1	20.00	1	20.00	2	40.00	2	40.00
Audit and Control Committee	2	50.00	1	25.00	2	50.00	1	25.00
Appointments and Corporate Governance Committee	3	75.00	3	75.00	2	50.00	2	50.00
Remuneration Committee	3	100.00	2	66.67	2	50.00	1	25.00
Risk Committee	2	50.00	2	50.00	2	50.00	2	50.00

\* 20% in the area of Sustainability.

Banco Sabadell also has a set of policies, internal rules and codes of conduct that guarantee behaviour that favours diversity in all the organization's processes that have an impact on diversity. These rules, which are applicable to the entire organization, guarantee an increase in its diversity.

The third Plan for Effective Equality between women and men in Banco Sabadell and Sabadell Consumer Finance, S.A.U., which sets out the objectives for promoting diversity within the organization for the period 2022-2025, was signed in February 2022.

At 2024 year-end, the percentage of women in senior management was 18.2%. The percentage of female executives at Banco Sabadell is 34.6%, having increased by 2.4 percentage points with respect to 2023 (32.2%), in line with the continuous upward trend of recent years.

# +2.4 p.p.

**Increase in the number of women in executive positions**

### 3.5. Director Selection (C.1.16, C.1.21, C.1.22 and C.1.23)

In accordance with the provisions of Articles 50, 53, 59 and 66 of the Articles of Association, articles 17, 23 and 24 of the Board of Directors Regulation, the Banco Sabadell Director Selection Policy dated 25 February 2016 (amended on 29 September 2022 and reviewed, without modification, on 19 September 2024), the Banco Sabadell Board of Directors Renewal Plan and the Procedure for assessing the suitability of members of the Board of Directors and key function holders of Banco Sabadell, the procedures for appointment, reappointment, evaluation and removal of directors are as follows:

#### Selection

The Appointments and Corporate Governance Committee is responsible for analyzing the competencies and diversity of the Board of Directors in order to determine the profile of candidates for director, for which purpose it relies on the Matrix of competencies and diversity of the members of the Board of Directors. In compliance with the Policy, it is responsible for performing a prior assessment of the competencies, knowledge and experience required for appointment or re-appointment of Board members and, to that end, it must consider the balance of knowledge, skills, diversity and experience already existing among the members of the Board of Directors. In accordance with the Matrix of Competencies and Diversity of the members of the Board of Directors, it will define the roles and capabilities required of the candidates to fill each vacancy and will decide the time and dedication necessary for them to perform their duties effectively.

To select candidates, the Appointments and Corporate Governance Committee may, if deemed necessary, engage a prestigious consultant in the field of personnel selection to initiate a process of finding candidates that fit the desired profile. Additionally, any director may suggest candidates for director provided they meet the requirements of the Banco Sabadell Director Selection Policy.



# Suitability assessment

Once a candidate has been selected, the procedure for assessing the suitability of Board members must be applied; on this basis, the Appointments and Corporate Governance Committee analyzes the information about the candidates and the reports presented by the Board Secretary, drawn up by the Bank's General Secretariat, as to their commercial and professional integrity, knowledge and experience and their willingness to provide good governance, by application of the requirements defined in Law 10/2014, of 26 June, and having regard to the criteria for assessing the suitability of the members of the Board of Directors as set out in Royal Decree 84/2015, of 13 February, implementing the aforementioned Law 10/2014, of 26 June, and the European Central Bank guidelines on fit and proper assessments, as well as the Guidelines to assess the suitability of members of management bodies and key function holders (EBA/GL/2021/05). The Appointments and Corporate Governance Committee checks that candidates meet the requirements as to integrity, knowledge, experience and governance envisaged in the applicable legislation and draws up a candidate suitability assessment report. In addition, candidates for directorships must be vetted by the European Central Bank.

The Appointments and Corporate Governance Committee is also entrusted with assessing director suitability on an ongoing basis, evaluating the profile of the persons most suited to being members of the various committees, and making proposals in this regard to the Board of Directors; in particular, it must seek to ensure that the rules on the qualitative composition of the Board of Directors are complied with.

## Appointment

After assessing the suitability of candidates for director, the Appointments and Corporate Governance Committee is entrusted, among its basic responsibilities in accordance with Article 66 of the Articles of Association, with making proposals to the Board for the appointment of independent directors either by co-optation or for submission to a vote at the General Meeting of Shareholders, advising on proposals to appoint other director categories by co-optation or by referral to the General Meeting of Shareholders.

Ordinary members of the Board of Directors are appointed by the General Meeting of Shareholders. Any vacancies arising on the Board of Directors are filled by the General Meeting of Shareholders, although the Board of Directors may make appointments by co-optation as provided by the Capital Companies Law. Directors appointed by co-optation hold office until the next General Meeting of Shareholders.

The Appointments and Corporate Governance Committee must ensure that the appointment favours both diversity and an adequate balance in the composition of the Board between the various director categories (independent, proprietary and executive).

## Re-appointment

Directors are appointed for a term of at most four years and they can be re-appointed.

The Articles of Association and Board of Directors Regulation do not establish an age or term limit for directors or any other requirements for independent directors that are stricter than those provided by law.

## Specific requirements applicable to the Chairman and CEO

The Succession Plan for the Chairman and CEO of Banco Sabadell establishes the specific requirements for appointment as Chairman of the Board of Directors and CEO; in general, they must be of acknowledged commercial and professional repute, have suitable knowledge and experience to perform the duties of the office, and be willing to exercise good governance in the Bank.

In particular, they must have proven experience in the financial sector and/or in senior management functions, have sufficient technical training in the fields of finance and/or business management and administration for the performance of the executive functions inherent to their position, and they must accredit a professional career that demonstrates leadership and/or entrepreneurship, in addition to meeting the conditions of suitability required of a director of a credit institution in accordance with the applicable regulations.

## Removal

Directors must step down when their term ends unless they are re-appointed, or when the General Meeting of Shareholders or the Board of Directors so decides using the powers conferred on them by law or the Articles of Association. The Appointments and Corporate Governance Committee is empowered to make proposals for the removal of independent directors by the General Meeting of Shareholders, and to advise on proposals to remove directors in other categories. The General Meeting of Shareholders may remove directors at any time, as provided in article 50 of the Articles of Association.

## Restrictions

The following may not hold office as members of the Board of Directors:

- Minors.
- Persons disqualified by law, undischarged bankrupts or insolvents, those under convictions involving disqualification from holding public office, and those convicted of serious breaches of the law or Company regulations, or who are prevented from engaging in trade by reason of their office.
- Government officials whose duties are related to, or have a bearing on, the business of the Bank.
- Those in default with respect to any past-due obligation to the Bank.
- Persons in any of the situations of incompatibility or limitation on holding office as provided by law.

## Induction and training objectives

The Board of Directors has training initiatives in place to ensure that the directors, both individually and collectively, are suitable and able to perform their duties in accordance with their specific responsibilities and their participation in Board committees. In this context, the Director Selection Policy includes these initiatives: (i) initial induction training provided when a new member joins the Board, and (ii) the Director Training Programme, both of which form part of the annual continuous training given to members of the Board of Directors.

These training initiatives will have sufficient human and financial resources to achieve the desired objective. The Appointments and Corporate Governance Committee is responsible for the training initiatives and programmes, assisted by the General Secretariat, which

coordinates the content of the training with the appropriate divisions of the Bank.

#### **(i) Initial induction training for newly-appointed directors**

To introduce newly-appointed directors to the Bank and its corporate governance system, they receive key information from Banco Sabadell within one month of taking office, and induction must be completed within a period of six months.

Where new directors are required to have specific knowledge and skills, initial training and onboarding aim to meet the identified needs within an appropriate time frame, before they take up the position or, otherwise, as soon as possible after they take up the position.

In any case, new members of the Board must attain the knowledge and competency requirements within the term established by the competent authority and no later than one year after taking office.

The purpose of the initial training and onboarding initiatives is to help new directors to clearly understand Banco Sabadell's structure, business model, risk profile and corporate governance systems and their role within the Bank, and also, where appropriate, to prepare a person to occupy a specific new position on the Board of Directors or on a Board committee.

#### **(ii) Director training programme**

In order to place particular emphasis on the skill and training requirements for directors of Banco Sabadell in specific areas of the bank, each year the Board of Directors approves an ongoing Director Training Programme based on a report by the Appointments and Corporate Governance Committee. The Appointments and Corporate Governance Committee designs the content of the programme with the assistance of the General Secretariat, which coordinates the other pertinent units of the Bank and may engage external trainers and consultants for this purpose.

The programme is generally oriented towards strengthening training in the banking business and providing an understanding of the management policies and mechanisms in key aspects of new regulatory requirements, applicable regulatory changes, financial management, risk management and key aspects of the business. The programme is open to including in-depth sessions on topics proposed by the directors themselves. The content of the programme is kept up to date, taking account of changes in the internal governance framework, strategic changes, new products and other material developments, as well as changes in applicable legislation and market developments.

The 2024 Director Training Programme was approved by the Board of Directors at a meeting on 31 January 2024 and it comprised eight training sessions on the following matters:

- ECB: balance sheet reduction, bank liquidity and reserve requirements
- Internal Liquidity Adequacy Assessment Process (ILAAP)
- Centre for Technological Expertise of Alicante (CCTA)
- Cybersecurity
- Digital euro
- Model risk
- Operational resilience
- Managing the bank in line with sustainability

All the sessions were delivered in 2024. The sessions addressed current issues that are related to specific novel subjects and help to anticipate future changes. In addition, On 22 February 2024, a training session was held on the criminal liability of legal entities and the criminal compliance model of Banco Sabadell; on 27 February 2024, members of the Board visited the Mobile World Congress 2024 in Barcelona, during which they were given a presentation on the major technological trends of

the year and principal innovations by the main technology companies; also, on 19 September 2024, the Board received training on anti-money laundering and combating the financing of terrorism (AML/CFT) to update case studies and legislative developments.

At a meeting on 29 January 2025, after considering various aspects of the training provided (diversity and relevance of the topics, quality of the speakers, level of depth and application to the Bank, among others), the Appointments and Corporate Governance Committee rated the 2024 Director Training Programme as satisfactory and concluded that the standard of delivery was excellent.

### **3.6. Reasons for which a director is obliged to resign (C.1.19, C.1.36 and C.1.37)**

Under article 50 of the Articles of Association and article 24 of the Board of Directors Regulation, and in compliance with the Banco Sabadell Group Code of Conduct and its Policy on Conflicts of Interest of Directors and Senior Management, directors must disclose any case where there might be a conflict of values or interests in order to enable the Bank to manage such situations appropriately.

Directors are obliged to resign when they incur in a case of incompatibility, prohibition or limitation as provided for in the applicable regulations.

Additionally, in accordance with article 24 of the Banco Sabadell Board of Directors Regulation, directors must step down when their term ends and when the General Meeting of Shareholders or the Board of Directors so decides using the powers conferred on them by law or the Articles of Association, and;

- If they meet any of the conditions of incompatibility or prohibition envisaged in the law or the Articles of Association.
- If they are arraigned for a crime or are the subject of disciplinary proceedings by the supervisory authorities for a serious or very serious violation.
- When their continuance on the Board might jeopardise the company's interests.

During 2024, the Board of Directors was not informed and did not otherwise become aware of any situation affecting a director, whether or not related to their performance in the Bank itself, that might impair the Bank's credit and reputation; consequently, it was not necessary to minute any such case.

### **3.7. Working of the Board of Directors (C.1.9, C.1.20, C.1.24 and C.1.35)**

#### **3.7.1. Proxies**

Directors must attend Board of Directors meetings in person. However, when they can not attend in person, they may grant proxy to another director. Article 60 of the Articles of Association establishes that non-executive directors may grant proxy only to another non-executive director.

The Banco Sabadell Director Remuneration Policy for 2024, 2025 and 2026, applicable since it was approved by the General Meeting of Shareholders on 23 March 2023, establishes the system for remunerating



the directors for performing their functions as members of the Board of Directors. In addition to fixed remuneration for membership of the Board of Directors, the Policy also provides for attendance fees, for at most 11 ordinary meetings, with the possibility of collecting attendance fees for at most two meetings that are missed for justified reasons provided that proxy is granted in those cases.

### 3.7.2. Adopting resolutions

No supermajority is required other than the legal majority.

### 3.7.3. Powers delegated to the Board

The CEO, Mr. César González-Bueno Mayer Wittgenstein, has been granted all the powers of the Board, except those that may not by law be delegated, which are necessary for him to manage the institution effectively as its first executive. The Chief Risk Officer, Mr. David Vegara Figueras, who is a member of the Board of Directors, has the necessary general powers to perform his executive duties as CRO in charge of the Bank's Risk Regulation and Control Unit.

The Credit Delegated Committee is delegated by the Board with the powers to analyze and, as appropriate, decide upon credit and other transactions in accordance with the cases and limits established by express delegation of the Board of Directors, as set out in the Regulation of the Credit Delegated Committee and detailed in section 4.2.

### 3.7.4. Information and documentation

The Bank has procedures for providing the directors with the necessary information and material to prepare for meetings of the Board of Directors and its committees in a timely manner.

Article 21.1 of the Board of Directors Regulation establishes that the notice of meeting shall always contain the Agenda, which must set out, among other points, the issues relating to reports from subsidiaries and Board Committees as well as any proposals and suggestions made by the Chairman and the other members of the Board and the General Manager(s) of the Bank, which must be presented at least five working days in advance of the date of the Board meeting; such proposals must be accompanied by the pertinent material for distribution to the directors.

Additionally, article 25 provides that:

- Directors are vested with the broadest powers to be informed about any aspect of the company, to examine its books, records, documents and other background information on the company's transactions and to inspect all of its installations. The right to information extends to subsidiaries, both domestic and foreign.
- So as not to disturb the ordinary running of the company, the exercise of the powers of information shall be channelled through the Chairman or the Secretary to the Board, who shall attend to the director's requests by giving the information directly, providing appropriate access to individuals at the relevant level of the organization, or providing the means by which the director may carry out the desired formal examination and inspection on site.

Banco Sabadell has a procedure for providing the directors with the necessary material to prepare for meetings of the Board of Directors and its committees in a confidential and encrypted way, using the Diligent Boards software running on iPads. Information for Board meetings is

circulated to the directors one week in advance, and it is elaborated upon or updated in the boardbook as needed; hence, they are duly informed.

### 3.8. Number of Board and Committee meetings, and attendance (C.1.25 and C.1.26)

The following table shows the number of meetings held by the Board of Directors and its Committees in 2024:

Number of meetings							
<b>15</b>	<b>0</b>	<b>15</b>	<b>35</b>	<b>11</b>	<b>13</b>	<b>12</b>	<b>11</b>
Board of Directors	Board of Directors meetings not attended by the Chairman	Strategy and Sustainability Committee	Credit Delegated Committee	Audit and Control Committee	Appointments and Corporate Governance Committee	Remuneration Committee	Risk Committee

Additionally, the Lead Independent Director held three meetings, on 26 June 2024, 29 October 2024 and 19 December 2024, with the other directors which the executive directors did not attend either in person or by proxy.

Attendance at Board of Directors meetings is shown in the following table:

Number of meetings		%	
<b>15/15</b>	<b>15/15</b>	<b>97.73 %</b>	<b>100 %</b>
Meetings which were attended in person by at least 80% of directors	Meetings attended by all the directors in person or for which they granted proxy with specific instructions	Attendance in person as a % of the total votes during the year	Votes cast with all directors actually present or having granted proxy with specific instructions, as a % of total votes in the year

### 3.9. Takeover bids (C.1.38)

The Bank is not a party to any material agreement that would be triggered, modified or terminated by a change of control of the company by reason of a takeover bid or its effects.

#### Proposal for a merger and voluntary tender offer for the acquisition of Banco Sabadell shares by Banco Bilbao Vizcaya Argentaria, S.A.

In an Inside Information disclosure filed on 30 April 2024 with the Spanish National Securities Commission (CNMV) under registration number 2.227, Banco Sabadell stated that on that same day it had received an indicative written proposal from BBVA for a merger ("the Proposal"). Banco Sabadell also stated that the Board of Directors would properly consider all aspects of the Proposal.

On 6 May 2024, Banco Sabadell filed a new Inside Information disclosure with the CNMV (registration number 2.234) in the form of a press release on the decisions adopted by the Board. Banco Sabadell

announced that, having carefully reviewed the Proposal in fulfilment of its fiduciary duties and with the assistance of its financial and legal advisors, the Board took the view that the Proposal significantly undervalued Banco Sabadell's potential and standalone growth prospects. The press release added that the Board was highly confident in Banco Sabadell's growth strategy and its financial targets and was of the view that Banco Sabadell's standalone strategy would create superior value for its shareholders. Based on its detailed assessment, the Board concluded that it was in the best interests of Banco Sabadell and its shareholders to reject BBVA's Proposal. The Board believed that this decision was also aligned with the interests of Banco Sabadell's customers and employees.

Moreover, as part of its commitment to creating shareholder value, and in the light of the company's business plan and strong capital generation, the Board reaffirmed its pledge to distribute to shareholders on an ongoing basis any capital that is surplus to a pro forma Basel IV CET1 ratio of 13%. Assuming successful execution of the business plan, the bank estimates that surplus capital and recurring dividends generated over 2024 and 2025 will come to a combined total of €2.4 billion<sup>3</sup>. Part of the resulting distribution to shareholders might be subject to regulatory approval.

On 8 May 2024, Banco Sabadell filed with the CNMV an Inside Information disclosure (registration number 2.240) in response to media reports published the same day. To ensure full transparency facing the market, the bank made public the exact text of a letter received on 5 May 2024 by the Chairman of the Board of Directors of Banco Sabadell from his counterpart at BBVA. There had been no prior contact or exchange between the parties. In his letter, the Chairman of the Board of Directors of BBVA made it clear that BBVA was unable to improve the price terms of its merger proposal.

On 9 May 2024, BBVA submitted a preliminary announcement to the CNMV for a takeover bid to acquire all shares issued by Banco Sabadell. The bid was conditional on receiving acceptance from Sabadell shareholders who, combined, owned at least 50.01% of the bank's share capital. It was also subject to approval by BBVA shareholders for a capital increase through the issuance of new shares, as the bid price was intended to be paid entirely in shares. In addition, the bid required clearance by the Spanish National Markets and Competition Commission (CNMC) and the Prudential Regulation Authority (PRA) in the UK. Furthermore, the deal was subject to approval from the CNMV itself and an expression of "non-opposition" from the European Central Bank.

On 24 May 2024, BBVA applied to the CNMV for authorisation of the takeover bid. The CNMV acknowledged on 11 June 2024 that it was considering the application. Under the initial terms of the bid, BBVA offered to exchange one newly issued BBVA share for every 4.83 shares in Banco Sabadell tendered in return.

Following distribution by Banco Sabadell and BBVA of their respective interim cash dividends for the year 2024 (on 1 October and 10 October, respectively), BBVA announced on 1 October, by means of a disclosure of Other Relevant Information to the CNMV with registration number 30.745, the adjustment of the consideration of the takeover bid in accordance with the provisions of section 8 of the preliminary announcement of the takeover bid, establishing an exchange ratio of one newly issued ordinary share of BBVA and €0.29 in cash for every 5.0196 ordinary shares of Banco Sabadell that accept the takeover bid.

On 5 July 2024, at an extraordinary general meeting, the shareholders of BBVA resolved to increase share capital by issuing new

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<sup>3</sup> Subsequently, in July 2024, the estimate of the amount of remuneration for Banco Sabadell shareholders for 2024 and 2025 was updated, and the market was informed that the expected amount had been modified from the €2,400 million announced on 6 May 2024 (plus €250 million pending execution of the Banco Sabadell share repurchase programme that was suspended on 13 May 2024 due to the publication of the preliminary announcement of the takeover bid, making a total of €2,650 million) to €2,900 million (i.e. including the €250 million not yet executed under the Company's share repurchase programme), which represents a net increase of €250 million.

ordinary shares in a nominal amount of up to EUR 551,906,524.05 to make provision for the non-cash consideration that would become payable under the terms of BBVA's bid to acquire 100% of shares in Banco Sabadell.

BBVA received clearance from the UK PRA to acquire indirect control of TSB, and the ECB expressed "non-opposition" to BBVA taking control of Banco Sabadell.

As of the date of authorization of this Annual Corporate Governance Report, the takeover bid is still pending regulatory authorizations from the CNMC (which, on 12 November 2024, announced the start of the second phase of the analysis of the concentration) and the CNMV; the offer is also conditional upon acceptance by a number of shares such as to enable BBVA to acquire at least more than one-half of the effective voting rights of Banco Sabadell by the acceptance deadline (therefore excluding any treasury stock that Banco Sabadell may hold at that time), in accordance with the amendment to the offer communicated by BBVA on 9 January 2025 by means of a disclosure of Inside Information with CNMV registration number 2.544.

Given the specific nature of the takeover bid, the group will continue to face uncertainty until the matter is settled. It is not possible to predict how long it will take for the bid to receive authorization or what the outcome will be if the bid is finally allowed to proceed.

### **3.10. Assessment of the Board and its Committees (C.1.17 and C.1.18)**

Each year since 2007, the Bank assesses the performance of the Board of Directors and of its committees (currently the Strategy and Sustainability Committee, Credit Delegated Committee, Audit and Control Committee, Appointments and Corporate Governance Committee, Remuneration Committee and Risk Committee). In compliance with Recommendation 36 of the Good Governance Code of Listed Companies (June 2020 revision), at least every three years the Board of Directors of Banco Sabadell engages an independent external facilitator to perform the evaluation.

In 2024, self-assessment of the functioning of the Board and its Committees was conducted internally, given that three years have not yet elapsed since it was last conducted externally by the independent consultant PRICEWATERHOUSECOOPERS AUDITORES S.L., in 2022.

Also, in line with the recommendations in the Code of Good Governance for Listed Companies (June 2020 revision), the self-assessment of the performance of the Board of Directors and its committees and of the CEO, Secretary and Deputy Secretary was organised and coordinated by the Chairman of the Board of Directors, while the Lead Independent Director directed the assessment of the Chairman.

The areas that were assessed are those indicated in the CNMV Technical Guide on On Nomination and Remuneration Committees, which expands on the scope of the assessment provided for in Recommendation 36 of the Good Governance Code of Listed Companies (June 2020 revision). Specifically, the following were assessed: quality and efficiency of the functioning of the Board and its committees, including the degree of effective performance and contributions of its members; the size, composition and diversity of the Board and its Committees; the performance of the Chairman, the Deputy Chairman, the CEO, the Lead Independent Director and the Secretary of the Board; the directors' performance and contribution; the frequency and duration of meetings; attendance; the content of the agenda and whether sufficient time was devoted to dealing with the issues in accordance with their

importance; the quality of the information received; the breadth and openness of the debates; and training.

On 22 February 2024, following a report from the Appointments and Corporate Governance Committee, the Board of Directors approved the 2023 assessment, which had been carried out internally. Based on the parameters considered in the self-assessment reports for the Board and its committees, the outcome seen in previous years was reaffirmed: Banco Sabadell is compliant with all regulatory requirements and achieves an extremely high degree of fulfilment of corporate governance recommendations and good practices. Moreover, the Board found that its own functioning and the functioning of its Committees, and the performance of the Chairman, Deputy Chairman, Chief Executive Officer, Lead Independent Director and Secretary and Deputy Secretary of the Board in 2023 were consistent with a standard of excellence.

Assessment outcomes in 2024 included: (i) Continued progress in identifying female candidates for directorships in the various areas of responsibility. The aim is to raise the percentage of women on the Board and improve the balance between the genders. As a result, in 2024 Ms. Ana Colonques García-Planas was appointed as a new independent director. (ii) Information and documents made available to directors were streamlined so as to avoid excessive volume. (iii) The specific action priorities of the Board committees in 2024 were suitably monitored.

As indicated above, self-assessment of the functioning of the Board and its committees in 2024 was conducted internally by the Bank in early 2025.

The internal assessment approach is based on two core elements: (i) input from directors; and (ii) analysis of key information on Banco Sabadell in relation to significant aspects of the Bank's system of corporate governance.

The outcome of the assessment made it possible, on the basis of the identified milestones, to also draw up an action plan for 2025 that will enable the Board of Directors and the Appointments and Corporate Governance Committee to identify possible areas for development and progress in the design of, and compliance with, a corporate governance system.

On 29 January 2025, following a report from the Appointments and Corporate Governance Committee, the Board of Directors approved the 2024 assessment, which had been carried out internally by the Bank.

## 3.11. Remuneration of directors and senior management (C.1.13 and C.1.14)

Further details of director remuneration may be found in the Annual Report on Director Remuneration for 2024, approved by the Board of Directors on the same date as the Annual Report on Corporate Governance, which is published on the website of the CNMV and available on the corporate website of Banco Sabadell, [www.grupobancosabadell.com](http://www.grupobancosabadell.com), under "Corporate Governance and Remuneration Policy".

Remuneration earned by the Board of Directors in the year (thousand euro)	9,172
Amount of funds accumulated by current directors in long-term savings plans with vested financial rights (thousand euro)	4,951
Amount of funds accumulated by current directors in long-term savings plans with non-vested financial rights (thousand euro)	6,044
Amount of funds accumulated by former directors in long-term savings plans (thousand euro)	3,908

The remuneration collected by the Board of Directors during the year includes the amounts corresponding to 2024 for all those who were members of the Board at any time in the year.

The remuneration received in 2024 amounts to €9,172 thousand, as shown in table c.i) of section 7. Statistical Annex of the Report on Director Remuneration, which includes €574 thousand corresponding to deferred amounts paid to members of the Board of Directors for performing executive functions in previous years.

	2024	2023
<b>Summary of directors' ordinary remuneration (*)</b>	<b>8,598</b>	<b>6,431</b>
For executive functions	4,109	2,468
For non-executive functions	4,489	3,963
<b>Payments deferred from prior years for non-executive directors (**)</b>	<b>574</b>	<b>356</b>
<b>Total amount</b>	<b>9,172</b>	<b>6,787</b>

(\*) This includes amounts accrued that are not subject to deferral.

(\*\*) Payments to non-executive directors for executive functions in previous years.

At 31 December 2024, the members of Banco Sabadell's senior management and the Head of Internal Audit, excluding executive directors, are as follows:

#### Senior management:

##### General Manager

Marc Armengol Dulcet	Operations and Technology
Gonzalo Baretino Coloma	General Secretariat
Elena Carrera Crespo	Sustainability and Efficiency
Cristóbal Paredes Camuñas	Corporate & Investment Banking
Carlos Paz Rubio	Risk
Marcos Prat Rojo	Strategy
Sonia Quibus Rodríguez	People
Jorge Rodríguez Maroto	Retail Banking
Carlos Ventura Santamans	Business Banking and Branch Network

##### Deputy General Manager Director of Internal Audit

Nuria Lázaro Rubio

At a meeting on 30 November 2023, the Board of Directors appointed Mr. Marcos Prat Rojo as General Manager of Banco Sabadell, with the role of Strategy Director, reporting to the CEO, subject to obtaining fit and proper clearance from the European Central Bank, at which point his appointment became effective; it also appointed him as a member of Banco Sabadell's Executive Committee. On 25 March 2024, the appointee was cleared by the European Central Bank as fit and proper for the intended office.

At its meeting of 30 October 2024, the Board of Directors appointed Mr. Sergio Alejandro Palavecino Tomé as Chief Financial Officer and General Manager of Banco Sabadell, subject to obtaining fit and proper clearance from the European Central Bank and with effect from that date. He was also appointed to the Executive Committee. On 15 January 2024, the appointee was cleared by the European Central Bank as fit and proper for the intended office.

Internal organizational changes were approved at the end of 2024 that took effect on 1 January 2025: Mr. Marc Armengol Dulcet, Chief Operating and Technology Officer, was appointed Chief Executive Officer of the UK subsidiary, TSB, and Ms. Elena Carrera Crespo was appointed

Chief Operating and Technology Officer, taking on his responsibilities. Additionally, the Sustainability Division is now part of the People Division and the Efficiency Division is now part of the Strategy Division. Both the Head of People and Sustainability and the Head of Strategy and Efficiency are General Managers and members of the Bank's Management Committee and report directly to the Chief Executive Officer.

Total remuneration of senior management (*) and the head of internal audit (thousand euro)	8,318
Combined contributions to pension plans, structured through insurance policies, in 2024 (thousand euro)	1.050

(\*) This includes amounts accrued that are not subject to deferral. Does not include the remuneration for Mr. Sergio Alejandro Palavecino Tomé as the pertinent regulatory authorizations are pending.

### 3.12. Indemnities, guarantee clauses and golden handshakes agreed between the Bank and its directors, executives or employees (C.1.39)

- 40 beneficiaries
- Description of beneficiaries:  
Chief Executive Officer, Chief Risk Officer and 38 executives.
- Description of agreements:

The Chief Executive Officer's contract contains a post-contractual non-competition clause of two years' duration providing two years' fixed remuneration, including the portion of annual contributions to pension plans that are not classified as discretionary pension benefits, in the event of the Chief Executive Officer's termination due to (i) a decision by the Bank, without this being due to a breach of the Chief Executive Officer's duties, or (ii) a change of control; and a non-competition clause of one year's fixed remuneration and one year's duration for all other cases. The application of this non-competition clause is limited geographically to Spain, the United Kingdom and Mexico, where the Bank's main activity is concentrated. The CRO's contract contains a post-contractual non-competition clause with a duration of two years, applicable at most up to the first date of ordinary retirement, providing for two years' fixed remuneration.

The 2024 Director Remuneration Report, available on the website [www.grupobancosabadell.com](http://www.grupobancosabadell.com) under "Corporate Governance and Remuneration Policy", contains more details of the executive directors' contracts.

There are 27 executives whose contracts contain a clause providing indemnity in the amount of up to two years' fixed remuneration for cases of unfair dismissal and some limited cases of change of control. Seven other executives have a post-contractual non-competition clause with a duration of two years, lasting at most until the first date of ordinary retirement, that provide the amount of two years' fixed remuneration, and the contracts of four executives contain a clause providing up to one year's fixed remuneration in the event of unfair dismissal and a post-contractual non-competition clause for a maximum of one year until the first date of ordinary retirement that provides the amount of one year's fixed remuneration.



These contracts have been notified to and/or approved by the Board of Directors, and the General Meeting of Shareholders is informed of these clauses.

### **3.13. Audit of the financial statements (C.1.27, C.1.28, C.1.30, C.1.31, C.1.32, C.1.33, and C.1.34)**

The 2024 separate and consolidated financial statements of Banco Sabadell are certified beforehand by the Chief Executive Officer and Chief Financial Officer.

The Bank draws up the separate and consolidated financial statements such as to present a true and fair view of net worth, financial situation and results of Banco Sabadell and the Group, by applying generally-accepted accounting principles to all the financial and accounting information, so that the financial statements are drawn up in accordance with current accounting standards.

The Audit and Control Committee reviews Banco Sabadell's financial statements, both separate and consolidated, before referring them to the Board, and exercises vigilance to ensure compliance with the law and the proper application of generally-accepted accounting principles. To this end, it holds regular meetings with the external auditors in order to be informed punctually about the audit process and to be aware sufficiently in advance of any discrepancies or differences of opinion that might arise. In the event of a discrepancy that might lead to a qualification in the auditors' report, the committee seeks to resolve it before the financial statements are authorised. The auditors attend the Board meeting to report on the degree to which the financial statements conform to the accounting standards.

If a material discrepancy cannot ultimately be resolved before the financial statements are authorised, the annual report of the Audit and Control Committee must expressly describe the discrepancies and its position in connection with them.

At a meeting immediately before the Board of Directors meeting, the Audit and Control Committee was informed that the auditors' reports on the separate and consolidated financial statements for the year 2024 will be unqualified.

In addition, the financial and non-financial information reported in the financial statements undergoes a certification process to provide greater robustness to the control framework for the preparation of accounts. This process is articulated through 3 levels of certification and flows hierarchically through the organization to the members of the Management Committee.

In connection with the external auditors, article 65 of the Articles of Association provides that the Audit and Control Committee has the following competencies:

- “4. Proposing to the Board of Directors, for submission to the General Meeting of Shareholders, the appointment or re-appointment of the external auditor, establishing the engagement conditions, the scope of the professional mandate, and revocation or non-renewal, if appropriate; reviewing compliance with the audit contract, and obtaining regular reports from them about the audit plan and its execution, as well as striving to ensure their independence in the performance of their functions and to ensure that the opinion on the financial statements and the main content of the auditors' report are drafted clearly and accurately.
- 6. Establishing the appropriate relations with external auditors to receive information about any issues that might jeopardise their independence, to be reviewed by the Committee, and any other

information or communiqué related to the process of performing the audit functions and in the audit rules."

The Board of Directors Regulation expresses itself in similar terms: article 34 provides that: "Relations between the Board and the company's external auditors shall be channelled through the Audit and Control Committee."

The Audit and Control Committee was made up exclusively of independent directors. The Committee's Regulation that was current in 2024 includes the provisions of the Articles of Association and the Board of Directors Regulation; article 8.4 provides that, as directors and members of the Committee, those members must act with independence of opinion and action with respect to the rest of the organization (...).

On 19 April 2016, the Audit and Control Committee approved the Group's policy for safeguarding the auditor's independence, in conformity with Law 22/2015, of 20 July 2015, on Auditing, and with Regulation (EU) No 537/2014, of 16 April. The latest revision was approved by the Board of Directors on 29 January 2025 based on a recommendation by the Audit and Control Committee. This policy is applied in procedures that provide measures to preserve the independence of the statutory auditor by overseeing potential situations of incompatibility due to personal situations, prohibited services, rotation requirements and fee limits, as well as measures in the selection, appointment, re-appointment and replacement of the statutory auditor and the processes for approving all of the statutory auditor's services, particularly the authorization of non-audit services that the statutory auditor is not prohibited from providing.

In accordance with the regulations governing auditing and the system of approvals adopted by the Committee as reflected in the Banco Sabadell Group policy to safeguard auditor independence, proposals to engage services other than auditing from KPMG were submitted for approval by the Group's Audit Committees, which assessed whether such engagements were permissible as well as any threats and the necessary safeguards, including the impact of the limits established in article 4.2 of Regulation (EU) 537/2014 referred to above.

Additionally, via written confirmation from the auditors of their independence received prior to the issuance of the auditors' report, the Committee assessed the procedures and tools used by the firm to ensure compliance with the auditor independence regulations.

Based on the results of these verifications, the Committee issued a report expressing a favourable opinion on the independence of the statutory auditor prior to the issuance of the audit report on the financial statements, stating the reasons for the provision of each and every one of the services other than the statutory audit, considered individually and as a whole, and in relation to the rules governing independence and the regulations governing the audit of the annual accounts.

Banco Sabadell complies with the principles of transparency and non-discrimination set out in the current legislation with respect to other market players. Specifically, Banco Sabadell: i) takes care not to provide financial analysts with any information that might put them in a position of privilege with respect to other market participants, ii) regularly uses the services of four prestigious rating agencies (Fitch, DBRS, Moody's and Standard and Poor's), and iii) where Banco Sabadell receives advice from investment banks in certain transactions and, in the course of providing those services, such investment banks become privy to inside information, the institution includes the persons who become privy to such information in its internal control systems, and expressly notifies such persons of the obligation to fulfil their duty of confidentiality and comply with any trading restrictions, and ensure that others comply with them too.

Additionally, Banco Sabadell conforms to the rules set out in its General Policy on Conflicts of Interest that was approved by the Board of Directors, whose ultimate and fundamental objective is that the persons

who are bound by it should act in accordance with the ethical norms and principles that govern the Bank's activities, based on the following guidelines:

- Existence of measures to prevent conflicts of interest from arising.
- Where conflicts of interest arise or are going to arise, existence of measures that enable them to be detected for the purpose of registering them and addressing them immediately.
- Where conflicts arise, they must be eliminated; otherwise, steps must be taken to reveal their nature and origin to the customer or the decision-making bodies, as appropriate, for the appropriate decisions to be made.

Banco Sabadell also acts in accordance with the principles established in the Banco Sabadell Policy on Outsourcing of Functions, approved by the Board of Directors.

### 3.13.1. External audit

During 2024, Banco Sabadell was audited by KPMG Auditores, S.L. (hereinafter, KPMG), the fifth year with this auditor. On 10 April 2024, based on a proposal by the Board of Directors, the Ordinary General Meeting of Shareholders resolved to re-appoint that firm as auditors of the Bank and of the consolidated financial statements of its group for 2024, and this was disclosed via a regulatory disclosure with registration number 27.968.

The audit firm performed work for Banco Sabadell other than auditing, the fees for which in relation to the fees billed to the Company and Group for audit work are as follows:

	Separate	Consolidated	Total
Fees for work other than auditing (thousand euro)	738	133	871
Fees for work other than auditing / Total audit fees (%)	24.61	1.67	7.94

The amount of fees for work other than auditing does not include audit-related services requested from the auditor in compliance with the applicable regulations of €196 thousand (€124 thousand corresponding to the Company and €72 thousand corresponding to Group subsidiaries).

The number of consecutive years that the current audit firm has been auditing the separate and consolidated financial statements of Banco Sabadell and the number of years audited by the current firm in relation to the total years in which the financial statements have been audited are as follows:

	Separate	Consolidated
Number of consecutive years	5	5
No. of years audited by the current audit firm / No. of years that the company or its group has been audited (%)	11.36	12.50



## 4. Board of Directors Committees (C) (C.2.1 and C.2.3)

There are currently six operational Board of Directors committees with the functions defined in the Articles of Association and the Board of Directors Regulation, which are elaborated upon and complemented by the committees' specific terms of reference. The current versions of those documents are available on the website [www.grupobancosabadell.com](http://www.grupobancosabadell.com), in the section on "Corporate Governance and Remuneration Policy".

The Committees have sufficient resources to perform their functions, can draw on external advice and are entitled to obtain information about any aspect of the institution, with unrestricted access to senior management and Group executives and to any type of information or documentation at the Bank's disposal in connection with the matters within their competency.

All Board committees draw up an annual self-assessment report on their activities, which is submitted to the Bank's Board of Directors for evaluation. At least once every three years, the assessment must be carried out with the assistance of an external consultant; 2022 was the last year for which an external consultant was engaged for this purpose. The assessment for 2024 was performed internally by the Bank early in 2025.

Additionally, all the Board Committees draw up annual reports on their functions and activities, which are available on the website [www.grupobancosabadell.com](http://www.grupobancosabadell.com) in the section on "Corporate Governance and Remuneration Policy".

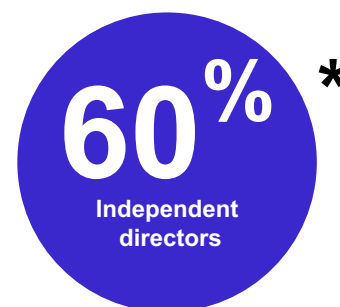




## 4.1. Strategy and Sustainability Committee

### Composition and meeting attendance

			Meetings
Chairman	Josep Oliu Creus	Other external	15/15
Members	Lluís Deulofeu Fuguet <sup>(1)</sup>	Independent	14/15
	Pedro Fontana García	Independent	15/15
	María José García Beato	Other external	15/15
	César González-Bueno Mayer <sup>(2)</sup>	Executive	15/15
	George Donald Johnston III <sup>(1)</sup>	Independent	13/15



(1) The directors gave specific instructions to a proxy for meetings from which they were absent.

(2) Member solely for matters of Strategy.

(\*) In matters of Sustainability, independent directors account for 60 % of the committee, while in matters of Strategy they account for 50 %.

## Regulation and functioning

The Strategy and Sustainability Committee is regulated by article 63 of the Articles of Association and article 14 of the Board of Directors Regulation, and it has its own terms of reference approved by the Board of Directors on 27 May 2021 that regulate its organization and functioning.

In accordance with the Board of Directors Regulation, the Strategy and Sustainability Committee comprises at most five directors appointed by the Board of Directors, none of whom may be an executive director, with a majority of independent directors. The Chairperson of the Committee shall be the Chairperson of the Board of Directors. In matters of strategy, the Managing Director shall participate in the meetings with the right to speak and vote, and, for this purpose, the Board shall be composed of six members. The Secretary of the Board of Directors or, as appropriate, the Deputy Secretary of the Board, acts as its Secretary.

The terms of reference of the Strategy and Sustainability Committee establish that the members of the Committee possess the appropriate knowledge and experience in the light of the tasks they will be required to perform, and that some of them must have specific experience in the following areas: strategy, banking business, digital transformation, international and sustainability. Efforts will be made to promote diversity, both in terms of gender, professional experience, skills, sectoral knowledge, international experience and geographical origin in the appointment of members of the Committee. The Committee shall meet as often as necessary and at least once every three months, when convened by its Chairperson, at his own initiative or at the initiative of any member of the Committee, or whenever the Board or its Chairperson requests the issuance of a report or the adoption of proposals and, in any case, whenever it is appropriate for the proper performance of its functions.

## Functions

Without prejudice to the other duties assigned to it by law, the Articles of Association, the Board of Directors, the Board of Directors Regulation or its own terms of reference, the Strategy and Sustainability Committee has the following basic duties:

## On strategy:

1. To evaluate, propose and recommend to the Board of Directors actions of strategic relevance in matters of growth, development, diversification, business transformation and technology of the Company.
2. To inform and advise the Board of Directors on the long-term strategy of the Company, identifying new opportunities for value creation and submitting to the Board of Directors corporate strategy proposals in relation to new investment or divestment opportunities, financial transactions with a material accounting impact and relevant technological or organizational structural transformations. To study and propose recommendations or improvements to the strategic plans and their updates that are submitted to the Board of Directors from time to time.
3. To issue and submit to the Board of Directors, on an annual basis, a report containing the proposals, evaluations, studies and work carried out by the Committee in relation to the foregoing matters.

## On sustainability:

1. To review the Company's sustainability and environmental policies, and inform the Board of Directors of possible modifications and periodic updates of the sustainability strategy.
2. To review the definition and modification of diversity and integration, human rights, equal opportunities and work-life balance policies and to periodically evaluate their degree of compliance.
3. Reviewing the Bank's social action strategy and its sponsorship and patronage plans.
4. To review and report on the statement of non-financial information, prior to its review and report by the Audit and Control Committee and its subsequent formulation by the Board of Directors.
5. Receiving information in connection with reports, written communiqués or communications from external supervisory bodies within the scope of this Committee's competencies.
6. To oversee the model for identifying, monitoring and managing sustainability risks and opportunities, including, where appropriate, environmental and climate change risks.

## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

The Strategy and Sustainability Committee is the Board Committee entrusted with monitoring the takeover bid made by BBVA. In this connection, it was kept up to date at all times on all material aspects of the takeover bid and of new developments arising in relation to it, and it analyzed progress with the process and the Bank's role, by analyzing the documents that were filed with the authorities. It also recommended that the Board of Directors sign the documents specifying the terms of the remuneration of the external financial and legal advisors; and it approved the space on Banco Sabadell's corporate website dealing with the takeover bid. The Committee closely monitored the entire process of the takeover bid at its regular meetings, and was kept apprised of the progress and issues related to the process, including legal, financial and communication aspects, as well as any impact on the Bank's business.

The Committee reviewed and evaluated the corporate projects and strategic transactions in matters of growth, development and diversification, and the business transformation and technological transformation projects implemented by the Bank, and issued a favourable report to the Board. In relation to strategic projects and those related to business or technological transformation, the Committee held intense discussions that resulted in a



number of actions: that they be reviewed, where this was considered to be necessary; or that they be submitted for approval to the Board of Directors, based on a recommendation by the Committee itself, in cases where such projects required a decision by the Board. Additionally, when deemed appropriate, project monitoring measures were implemented with the appropriate frequency. In particular, it oversaw, debated and tracked the technology transformation and the projects arising from it, because of the Committee's high degree of specialisation in this area. It monitored the Group's non-recurring projects, in accordance with the Policies, and performed the pertinent analyses of each project, with special emphasis on the opinion of the 2nd line of defence (2LoD). In this regard, the Committee debated all significant projects and followed up appropriately. It tracked and monitored the Strategic Plan in compliance with the Banco Sabadell Group's Strategic and Financial Planning Policy, among others, by regularly monitoring the KPIs of the Strategic Plan and Operating Plans, on which it issued a favourable report to the Board of Directors for approval. It also reported favourably to the Board of Directors on the approval of the 2024 budget and the update of the financial projections for 2024-2028 and the Group's financial projections for 2025-2029, following the pertinent analysis and debate. In relation to monitoring the business units, it oversaw the Sabadell Online account, the new mobile app and actions take in connection with digital customers in these cases, as mentioned, based particularly on the Committee's expertise in digital matters and digital transformation, which involved in-depth technical analysis of each of the projects and actions presented in this area.

Regarding the strategy as to subsidiaries, it was informed of the progress with new products and of the situation in Mexico as a result of the implementation of the action plan to capture deposits in that geography, which includes the launch of the new online account. Also in connection with subsidiaries, the Committee issued a recommendation to the Board of Directors of Banco Sabadell (alongside a similar recommendation from the Risk Committee) to approve UK subsidiary TSB's Medium Term Plan 2024, which contained an update of TSB's financial projections for the period 2024-2029.

Within the framework of a strategic reflection on shareholder remuneration, the Committee analyzed in depth and discussed possible scenarios for shareholder remuneration, taking into account the current regulatory framework, capital requirements, Banco Sabadell's comfortable capital position, compliance with MREL requirements and the comparison with peers. Based on the scenarios presented and after analyzing and discussing possible shareholder remuneration formats, governance, the procedure for authorizing a share buyback and the various dividend scenarios, the Committee decided on a shareholder remuneration structure and proposed it to the Board of Directors for consideration and approval.

The Committee discussed and reported favourably to the Board of Directors on the establishment of a share repurchase programme, to be performed internally after the General Meeting of Shareholders subject to obtaining the pertinent regulatory authorizations. Subsequently, the General Meeting of Shareholders gave its approval to reduce capital and cancel shares. Nevertheless, on 13 May 2024, in response to publication of advance notice of the voluntary tender offer by Banco Bilbao Vizcaya Argentaria, S.A. for all of the shares representing the Bank's capital, Banco Sabadell announced that the share repurchase programme approved by the Board of Directors had been suspended temporarily. Subsequently, in November, the Committee discussed and reported favourably to the Board of Directors on the request to the European Central Bank for authorization to resume the aforementioned suspended share repurchase programme, as well as the request for a new share repurchase programme, and the capital reduction that might arise in both cases.

It was briefed on the cybersecurity status. It monitored the Operations and Technology Plan defined in 2021, reviewing the operational and technology initiatives in connection with individual customers with the

objective of acquiring new customers, obtaining their loyalty and transforming this business segment; it also oversaw the areas of corporate banking and recoveries, and key initiatives in technology, focusing particularly on cybersecurity.

In addition, the Committee reviewed and reported favourably to the Board on the amendments to the following Policies, among others: the Shareholder Remuneration Policy, available to shareholders on the corporate website; the Banco Sabadell Group Disclosure Policy on Financial and Non-Financial Information, the Banco Sabadell Group Strategic and Financial Planning Policy, the Significant Changes and Exceptional Transactions Policy, and the Non-Financial and Corporate Communication Policies of Banco Sabadell and the Banco Sabadell Group.

With regard to sustainability, the Committee regularly monitored the Bank's progress in the area of ESG through the Corporate Sustainability Report, which details, among other things, the overall ESG environment contextualised in the macroeconomic and regulatory environment, the Bank's ESG Vision, how ESG risk is factored into business management, and the priority indicators of the Sabadell Sustainable Commitment. As part of its regular oversight of the Corporate Sustainability Report, the Committee was informed of the Bank's sustainability performance, among other aspects, through the Sustainability Indicator and the degree of achievement of the objectives in the Sabadell Sustainable Commitment, the presentation of the Bank's actions in ESG training events for employees, and the Bank's plans, such as the ESG communication plan for 2024 and the internal audit 2024 plan of activities in the area of Sustainability. The Corporate Sustainability Report also disclosed the progress made in mobilizing sustainable financing and aspects related to reporting and rating agencies. In this regard, the Bank is the leading Spanish financial institution in the Sustainalytics and ISS ESG rating tables; the Committee began to track two new ESG ratings (Moody's Sustainability and Sustainable Fitch); the Bank has a high score (A-) in the CDP ranking following the results of the Climate Change questionnaire; it occupies leading positions in ISS and Sustainalytics, and it has been added to the DJSI Europe index.

The Committee was informed of the work carried out by the Bank to ensure compliance with the Accessibility Directive, which aims to make banking services accessible to persons with disabilities and will come into force on 28 June 2025. It was also informed of the Bank's recognition as one of the most sustainable companies in the world, according to the "World's Most Sustainable Companies 2024" table produced for the first time by TIME magazine and Statista. The ranking is made up of 500 organizations from more than 30 countries; the Bank was one of the 25 companies selected in Spain.

The Committee reviewed the reasonableness and comfort level analysis considering the available data for the inclusion of four additional sectors in the decarbonization targets, and the proposed communication plan. The Committee analyzed the proposal and reported favourably to the Board of Directors on the proposed approval and publication of decarbonization targets for four additional sectors: Mortgages, Commercial Real Estate, Aluminium and Shipping.

It was informed of the outcome of the supervisory assessment of climate and environmental risk disclosure.

The Committee was informed regularly of analysts' and investors' opinions following quarterly earnings presentations and earnings roadshows, and received feedback on the proposal to merge with BBVA and the subsequent rejection of that proposal by the Board of Directors of Banco Sabadell.

The Committee also reported favourably to the Board on the revisions of the Banco Sabadell Group Sustainability Policy and the Banco Sabadell Policy for the Integration of ESG Risks into savings/investment products, the Human Rights Policy and the Banco Sabadell Group's Policy on the Defence Industry. It also advised on the 2023 Non-Financial Disclosures Report

before the Audit and Control Committee reviewed and reported on it and its subsequent authorization by the Board of Directors. The Committee was also informed of, and analyzed, communications from supervisory bodies within the scope of its competencies.

Within the framework of the Bank's community outreach strategy, the Committee recommended that the Board of Directors ratify the signature of the extension of the agreement for the creation of a Social Housing Fund that Banco Sabadell signed in January 2013 together with representatives of the Government, other credit institutions and various political and social institutions, and which has been extended each year since then, as the circumstances that gave rise to its creation still persist. It also reported favourably to the Board of Directors on the draft Sabadell Cultural Centre project, which will promote a philosophy based on the open innovation processes of the Quadruple Helix (Dialogue, Connect, Create and Transform) and brings together people from the academy, business and government. It is planned to implement this project by refurbishing three buildings to configure a new space in the city of Sabadell that will contain the Banco Sabadell Art Collection and will also drive cultural and social revitalization, to be developed by the Banco Sabadell Foundation in partnership with Sabadell city government.

The Committee was informed of the activities of Fundació Privada Banco Sabadell and, after analyzing the social initiatives and sponsorships presented by the foundation, the Committee reported favourably to the Board of Directors on the contribution to the foundation to fund its plan of action for 2025. The plan includes several notable projects in the foundation's lines of action: (i) Research and Education; and (ii) Culture and Arts. It also presented two unique projects that will be carried out during 2025: (i) the creation of Sabadell Cultural Centre, referred to above; and (ii) several actions planned for 2025 by the Comunitat Fundació Banco Sabadell, whose mission is to strengthen its basis in the community through three areas: Co-creation, favouring exchanges and cooperation between organizations; Connecting initiatives and opportunities; and Communicating what it does and what it is. With regard to the Foundation's own activities, several projects also stand out in 2025: (i) SumArte arts and sciences; (ii) Cultural leadership competency model project; (iii) FBS + BS Community territorial ambassadors; (iv) strengthening of the culture promotion group; (v) creation of the talent promotion group; (vi) organization of decentralized meetings of contrast groups; (vii) a parallel event to the FBS Awards with the community of award winners; and (viii) a central "Culture of Talent" event.

The Strategy and Sustainability Committee reviewed its Activities Plan for 2024, which sets out the mandatory issues to be discussed at the meetings proposed in the year and indicates the purpose required in connection with each issue.

Additionally, in January 2025, the Strategy and Sustainability Committee performed an internal self-assessment of its performance in 2024, with satisfactory results.

Every month, the Committee produces extensive information on the proposals, evaluations, studies and work that it carries out in relation to the foregoing matters at its meetings during the month, and submits it to the Board of Directors.

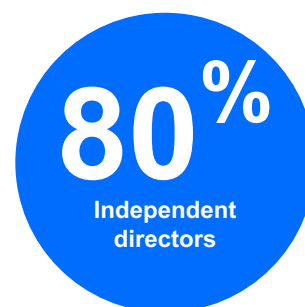
More information is available in the Report on the activities of the Strategy and Sustainability Committee in 2024, which is available in the "Corporate Governance and Remuneration Policy/Committee Reports" section of the Bank's corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).

## 4.2. Credit Delegated Committee

### Composition and meeting attendance

			Meetings
<b>Chairman</b>	Pedro Fontana García	Independent	<b>35/35</b>
<b>Members</b>	Lluís Deulofeu Fuguet <sup>(1)</sup>	Independent	<b>34/35</b>
	César González-Bueno Mayer <sup>(1)</sup>	Executive	<b>25/35</b>
	Alicia Reyes Revuelta <sup>(1)</sup>	Independent	<b>32/35</b>
	Pedro Viñolas Serra	Independent	<b>35/35</b>

(1) The directors gave specific instructions to a proxy for meetings from which they were absent, except on one meeting.



## Regulation and functioning

The Credit Delegated Committee is expressly regulated by article 64 of the Articles of Association and article 15 of the Board of Directors Regulation, and it has its own terms of reference approved by the Board of Directors on 27 May 2021 that regulate its organization and functioning.

In accordance with the Board of Directors Regulation, the Credit Delegated Committee comprises at most five directors, a majority of whom must be independent directors, appointed by the Board of Directors with the favourable vote of two-thirds of its members. The Board will appoint the Committee Chairman from among its members. The resolutions of the Committee must be entered in a minutes book, and the minutes must be signed by the Chairman and the Secretary or, where applicable, by those who played those roles at the meeting in question.

It must meet whenever convened by its Chairman, and its meetings may be attended by any person who is invited to attend and speak, by a decision of the Committee itself or the Chairman of same, for the purposes to be determined on the basis of the matter in question; the Secretary of the Board of Directors, or the Deputy Secretary, will act as the Committee Secretary.

## Functions

The function of the Credit Delegated Committee are to analyze and, as appropriate, decide upon transactions in accordance with the cases and limits established by express delegation of the Board of Directors. In particular, the following are included:

1. Risk admission decisions: Operations of 80 million euros or more at Operation level and up to a maximum of 350 million euros. For the General State Administration, Autonomous Communities and Local Bodies, operations of an amount equal to or greater than 150 million euros and up to a maximum of 350 million euros. Risks of an amount of 125 million euros or more at Group level and up to a maximum of 500 million euros.
2. Within the limits of the previous point, decisions to refinance and restructure risks with gross write-offs of 15 to 40 million euros.
3. Decisions to sell foreclosed assets with a gross asset value (GAV) of 50 million euros or more and 15 million euros and up to 40 million euros gross loss per transaction.
4. Exceptionally, decisions exceeding the above thresholds, whenever necessary for reasons of urgency, shall be submitted for subsequent ratification by the Board of Directors.

5. To report to the Board of Directors on all credit operations that must be approved by the Board.
6. To be informed of transactions approved by the relevant credit committees and to be submitted to the Board for information.
7. To report on and monitor those matters within the competence of the Board of Directors relating to credit risk.

The Board may require the Committee to prepare reports on matters within its sphere of action.

## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

During 2024, the Credit Delegated Committee adopted, or reported favourably to the Board of Directors, as appropriate, on decisions on risk admission, risk refinancing and restructuring, and the sale of foreclosed assets within the foregoing cases and limits established by the Board of Directors, it reviewed the risk limits granted to large groups in 172 cases (reporting favourably to the Board in 37 cases, and directly approving them in 135 cases) and it analyzed over 80 transactions with companies and public sector institutions (reporting favourably in 8 cases and directly approving in 79 cases).

The Committee's prior analysis of the companies with respect to which it makes decisions takes sustainability indicators into account. In this context, the company's classification, alignment and compliance with ESG (Environmental, Social & Governance) guidelines is reported, as is its alignment or non-compliance with industry guidelines; and its compliance with industry regulations. The company's Climate and Environmental Risk Indicator (IRCA) is also reported. The purpose of that indicator is to objectively position companies that are required to produce a Sustainability Report based on their exposure to climate and environmental risks, and their maturity in managing them.

The Committee reported favourably to the Board of Directors on the Annual Review of Country Limits for Commercial and Financial Transactions and Sovereign Debt Limits.

The Credit Delegated Committee approved or reported favourably on the revision of the Financial Institution Risk Lines.

The Committee was also informed of all the transactions approved in 2024 that entailed underwriting risk, and monitored them in great detail in accordance with the provisions of the Underwriting Framework, indicating also whether the transactions comply with that Framework, and it reported favourably to the Board of Directors on all the credit transactions whose approval is within the Board's remit, including credit transactions granted to members of the Board and Senior Management, in which case the specific rules on avoidance of conflicts of interest as set out in the pertinent Policy were applied, and it also advised on transactions with their related parties.

In compliance with the Policy on Conflicts of Interest and Related Party Transactions in Relation to Directors and Senior Management of Banco Sabadell, the Committee was informed of the transactions within its remit (credit, refinancing and restructuring transactions, sale of foreclosed assets, etc.) when they required approval by the committee because of their amount or where the provisions of the Banco Sabadell Credit Risk Admission Policy require that the committee be informed and authorise them, where they might qualify as related-party transactions, by means of the corresponding report from Compliance (without prejudice to its autonomy to approve them on the basis of the amount insofar as they were credit transactions). At all events, the committee was informed, by means of a reasoned report by the Compliance Division (without

prejudice to the powers to approve credit transactions on the basis of their amount), in the case of transactions where a director or senior manager of Banco Sabadell, or any of their related parties, is a member of the borrower's Board of Directors, provided that the risk amount exceeds €1,000,000.

The Committee exhaustively monitored "single names", considering those positions with higher risk limits and identifying the Bank's top 50 borrowers from the standpoint of concentration risk, and the top 25 borrowers classified as Stage 2 and as Stage 3, and the main exposures and provisions. The Committee also deemed it necessary to focus on several sectors: (i) exports to the United States and renewables in the US on the back of the election results in the country; and (ii) an analysis of the region of Valencia given the aftermath of DANA.

The Committee was informed of transactions approved by lower-level credit committees (Group Risk Transactions Committee and Restructuring and Recovery Transactions Committee) within the cases and limits established by the Board that must be reported to the Board.

The Committee monitored the LatAm portfolio, specifically exposures in the Colombia and Peru portfolios, and analyzed the risks contained in those portfolios. It was also informed of the situation of natural gas (LNG) pipelines and liquefaction projects in the United States, as well as the main parameters considered in the risk admission process for those transactions.

The Committee reported favourably to the Board of Directors on Banco Sabadell's participation in the Instituto de Crédito Oficial (ICO) credit lines. It also reported favourably to the Board of Directors on participation in the ICO credit lines for first homes for young people and families, and approved the adoption by Banco Sabadell of the ICO DANA agreement on an urgent basis and submitted it for ratification by the Board of Directors.

In accordance with its terms of reference, the Committee approved urgent transactions on an exceptional basis, reporting on them in full to the Board, which ratified them subsequently.

Additionally, in January 2025, the Credit Delegated Committee performed an internal self-assessment of its own performance in 2024, with satisfactory results.

More information is available in the Report on the Credit Delegated Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/ Committee Reports" section of the Banco Sabadell Group corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)).







## 4.3. Audit and Control Committee

### Composition and meeting attendance

			Meetings
Chairman	Manuel Valls Morató	Independent	11/11
Members	Ana Colonques García-Planas <sup>(1)</sup>	Independent	6/6
	Pedro Fontana García <sup>(1)</sup>	Independent	3/3
	Laura González Molero	Independent	11/11
	Pedro Viñolas Serra	Independent	11/11



(1) Number of meetings which the director attended with respect to the number of meetings held during the period in 2024 in which they were a member.

On 10 April 2024, Mr. Pedro Fontana García resigned as a member of the Audit and Control Committee.

On 30 May 2024, Ms. Ana Colonques García-Planas was appointed as a member of the Audit and Control Committee.

## Regulation and functioning

The Audit and Control Committee is expressly regulated by article 65 of the Articles of Association and article 16 of the Board of Directors Regulation, and it has its own terms of reference that regulate its organization, functioning and governance and were last amended by the Board of Directors on 27 May 2021.

The members of the Audit and Control Committee and, in particular, its Chairman, have knowledge and experience in accounting and auditing.

In accordance with the Board of Directors Regulation, the Audit and Control Committee must comprise at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least a majority of them must be independent directors, and at least one of them must have been appointed on the basis of his/her knowledge and experience of accounting, auditing, or both; the members as a whole should have the necessary knowledge not only of accounting and auditing but also of finance, sustainability, internal control, information technology, risk management (both financial and banking).

The Board will appoint its Chairperson from among the independent directors that form part of it, with the vote in favour of two-thirds of its members. The Secretary shall be the Secretary of the Board of Directors or, as the case may be, the Deputy Secretary of the Board of Directors. The Chair will be replaced every four years, and can not be re-elected until one year has elapsed since his/her removal. The Secretary must take minutes of every meeting, which must be approved at the end of the meeting itself or at the next meeting. The business transacted at Committee meetings must be reported to the Board of Directors at the next meeting by means of a reading of the minutes.

The Committee must meet at least once every three months, and whenever convened by the Chairman at his/her own initiative or at the request of any Committee member, or at the request of the Chairman of the Board of Directors or of the external auditor.

## Functions

The functions of the Audit and Control Committee include those defined in Article 65 of the Articles of Association of Banco Sabadell, those defined in Article 16 of the Regulations of the Board of Directors, and all those set out in the Regulation of the Audit and Control Committee and those

attributed to it by law. The Audit and Control Committee is attributed the following powers by the Articles of Association, and they may be elaborated upon by the Committee's own terms of reference:

1. To report to the general meeting on questions raised by shareholders in connection with matters within its purview and, in particular, on the outcome of the audit, explaining how the audit contributed to the integrity of the financial information and the role the committee played in this process.
2. To supervise the effectiveness of the company's internal control, the Internal Audit and the risk management systems, including those related to taxes, as well as to discuss the significant weaknesses of the internal control system detected in the performance of the audits with the account auditors or audit companies, without affecting their independence. To this end, and where appropriate, to submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up.
3. To supervise the process of preparation and presentation of regulated financial and non-financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
4. To propose to the Board of Directors, for submission to the General Meeting of Shareholders, the appointment or re-appointment of the external auditor, establishing the engagement conditions, the scope of the professional mandate, and revocation or non-renewal, if appropriate; reviewing compliance with the audit contract, and obtaining regular reports from them about the audit plan and its execution, as well as striving to ensure their independence in the performance of their functions and to ensure that the opinion on the financial statements and the main content of the auditors' report are drafted clearly and accurately.
5. To report, beforehand, to the Board of Directors on the financial information and the management report, which shall include the mandatory non-financial information that the Institution must periodically publish, as well as the quarterly and half-yearly financial statements and the prospectuses that must be submitted to the regulatory or supervisory bodies, monitoring compliance with legal requirements and the correct application of generally accepted accounting principles, as well as reporting on proposals to amend these principles.
6. To establish the appropriate relations with the external auditors in order to receive information on matters that may jeopardise their independence, the declaration at least once a year of their independence from the entity or entities related to it, directly or indirectly, and detailed and individualized information on additional services of any kind rendered and the corresponding fees received from these entities by the external auditor, or by persons or entities related to the latter in accordance with the provisions of the regulations governing the auditing of accounts, for examination by the Committee, and any other information or communications related to the process of auditing accounts and auditing standards, as well as, where appropriate, authorization of services other than auditing and not categorized as prohibited, in accordance with the regulations on auditing of accounts.
7. To annually issue, prior to the issuance of the audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised, with a reasoned evaluation of the provision of each and every one of the additional services referred to in the previous item, individually considered and as a whole, other than the statutory audit and in relation to the independence regime or to the regulations governing the activity of auditing accounts.
8. To supervise the internal audit services, their independence and budget, reviewing their action plans and resources in order to ensure

that they are appropriate for the Institution's needs; to propose, where appropriate, the appointment and replacement of the head of internal audit; and to verify that senior management takes into account the conclusions and recommendations of their reports.

9. To report on all matters which, within the framework of its powers, are submitted to it for consideration by the Board of Directors and, in particular, on the creation or acquisition of holdings in special purpose vehicles or entities domiciled in countries or territories considered tax havens and related party transactions.
10. To perform its own functions for those subsidiaries of the Entity which, by application of their specific regulations at any given time, must have such bodies.
11. The Board may ask the Committee to prepare reports on matters within its remit.
12. All the other issues which are attributed to it by law or by the articles and regulations that implement them, and any resulting from the generally applied standards of good governance, and any resulting from regulations and codes of good governance applicable to the Institution.



## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

### Functions relating to financial and non-financial disclosures

During the year, in line with the functions attributed to it, the Committee regularly monitored and analysed the sufficiency, clarity and integrity of all the financial and non-financial disclosures that the Bank made public, prior to their submission to the Board of Directors and dissemination to the market and supervisory bodies, and it tracked the main developments in this connection. These include the most significant judgements and estimates and valuation criteria used by the group to produce the 2024 financial statements.

The Committee's scope of oversight included the Pillar III Disclosures, the ICAAP and ILAAP, and the Universal Share Prospectus. The Committee also drafted and updated accounting policies prior to submitting them to the Board of Directors for approval. The Commission assessed the new regulatory framework under the Corporate Sustainability Reporting Directive 2022/2464 (CSRD), which will come into force in 2024, and the European Sustainability Reporting Standards (ESRS).

In relation to supervising the effectiveness of system for internal control over financial and sustainability reporting in accordance with the requirements established by the applicable regulations, it assessed the reports by those responsible for its design, implementation, management and operation, for internal audit and, in the specific case of ICFR, also for the internal control function, as well as the external auditor.

The Committee reviewed the proper application of good banking and accounting practices in the various echelons of the organization, ensuring, through reports from the heads of the Bank's internal control functions and from internal audit accounts, that suitable steps were being taken at general management level and by other senior executive levels to ensure that the Group's main risks were being appropriately identified, measured and controlled.

During 2024, the Committee also received regular reports on the communications received from and sent to Group entities by domestic and foreign supervisors and the half-yearly reports of the Group's Corporate Ethics Committee; the Group's tax management was monitored on a half-yearly basis.

### Functions related to auditing and sustainability reporting verification

The auditor of Banco Sabadell and its consolidated group is KPMG Auditores, S.L. (hereinafter, KPMG), which was re-appointed for 2024 at the General Meeting of Shareholders on 10 April 2024. 2024 was the fifth year in which KPMG audited the Group.

During the year, the Committee liaised appropriately with the persons responsible for the Group's external audit in order to receive detailed information on their strategy, planning, and work plan for the audit, of both the full-year and half-year financial statements, and with the persons responsible for verifying the sustainability reporting, to ascertain the degree of progress and main conclusions, and any issues that might jeopardize their independence.

In relation to the independence requirements set forth in the auditing regulations and the provisions of the Group's policies, the engagement of

non-audit services, including the verification of the sustainability report, to be provided by KPMG to Banco Sabadell and the companies related to it by a control relationship, were submitted for approval by the Group's Audit Committee, which assessed whether the services were permissible and considered any threats and appropriate safeguards. It also received KPMG's confirmation of its independence with respect to Banco Sabadell and its Group.

The Committee issued a report expressing a favourable opinion on the independence of the external auditor, following the pertinent checks, prior to the issuance of the audit report on the financial statements for the year, providing justifications for the provision of each and every one of the services, considered individually and as a whole, other than the statutory audit and in relation to the rules governing auditor independence and the auditing regulations and on the performance of KPMG as auditor during 2024, and it proposed the re-appointment of KPMG Auditores S.L. as auditor of the company's financial statements and of the consolidated financial statements of its group for 2025, after favourably assessing compliance with the requirements of independence, objectivity, professional capacity and quality required both by law, for entities of public interest, and internally. It also reviewed that the partner in charge of the audit of the group's financial statements and those responsible for the audit of the subsidiaries were being rotated properly, and assessed the suitability of the proposals made by KPMG for new persons to be responsible for the audit of the group and its subsidiaries for 2025.

The Committee was also informed of the results of other verification work carried out by KPMG or companies in its network, such as the report on the information relating to ICFR, the Sustainability Report, the annual and half-yearly Pillar III reports and the Customer Asset Protection Report.

## **Functions related to internal audits**

The Committee assessed in detail the annual internal audit plan together with the associated budget, ensuring that the internal audit function has the resources required to perform its duties, and it decided to report favourably to the Board of Directors on both the plan and its budget.

It periodically followed up on the audits and reports issued as provided in the plan of activities, and on changes to same as a result of the dynamic risk assessment and of requests from the supervisor and senior management, among others. The Committee also held two specific meetings to monitor and analyse the degree of implementation of the recommendations identified in the reports issued.

The Committee reviewed the update of the Internal Audit policies and resolved to report favourably to the Board of Directors.

The 2024 annual report on internal audit activities was presented to the Committee, detailing all the activities performed and reports issued in the year and an inventory of the recommendations and action plans set out in the various reports, as well as the outcome of the Internal Audit Quality Assurance and Improvement Programme, including the implementation of action plans deriving from internal and external assessments of the internal audit function. It also approved the performance objectives for the Internal Audit function and its head for 2025.

The Committee also received a presentation of the function's strategy, as set out in a new Master Plan for the period 2024-2026, which incorporates a series of initiatives together with their main impact indicators, to ensure the future fulfillment of Internal Audit's mandate, considering Management's vision for 2026, the results of the last external quality assessment conducted in 2023, the challenges of the environment and the new Global Internal Audit Standards in force since 9 January 2025.

The Committee also evaluated the conclusions of the analysis carried out by the Banco Sabadell Group Internal Audit Division on the new global internal auditing standards. The analysis concluded that the function would comply, in all material respects, with the new standards as of that date. Action plans were presented for the identified areas of improvement, with dates for their effective implementation. The outcome of this analysis was validated independently by the Spanish Institute of Internal Auditors. The Committee also reviewed the main changes in the Internal Audit policies related to adaptation to the new global standards mentioned above. Following the review, the Committee resolved to recommend that the Board of Directors approve the update of the Internal Audit policies.

Based on the foregoing, the Committee was able to assess the adequacy and effectiveness of the internal audit function, as well as the performance of its manager, and this was reported to the Remuneration Committee and the Board of Directors for the purposes of determining the variable remuneration.

## Other functions

The Committee approved and issued the mandatory reports on related-party transactions in accordance with the terms and conditions established in current regulations for their classification as related-party transactions and for requiring Board authorization. Those reports concluded that the transactions presented were fair and reasonable from the point of view of the Bank and of shareholders other than the related party, based on the fact that these transactions were carried out at the prices established by the Bank for this type of transaction and in compliance with the provisions of the Banco Sabadell Credit Risk Admission Policy and the Banco Sabadell Credit Risk Monitoring Policy. The Committee also reviewed the information on related-party transactions that was disclosed in the financial statements and authorized the report on related-party transactions in 2024.

In January 2025, the Audit and Control Committee self-assessed its own performance in 2024, with satisfactory results..

More information is available in the Report on the Audit and Control Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/Committee Reports" section of the Banco Sabadell Group corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).

## 4.4. Appointments and Corporate Governance Committee

### Composition and meeting attendance

			Meetings
<b>Chairman</b>	Pedro Fontana García <sup>(1)</sup>	Independent	9/9
<b>Chairman</b>	José Manuel Martínez Martínez <sup>(1)</sup>	Independent	4/4
<b>Members</b>	Aurora Catá Sala <sup>(2)</sup>	Independent	11/13
	María José García Beato	Other external	13/13
	Mireya Giné Torrens <sup>(2)</sup>	Independent	12/13

(1) Number of meetings which the directors attended with respect to the number of meetings held during the period in 2024 in which they were members.

(2) The directors gave specific instructions to proxies for meetings from which they were absent.

On 10 April 2024, Mr. José Manuel Martínez Martínez stepped down as Chairman of the Appointments and Corporate Governance Committee as a result of his resignation from the Board of Directors. On the same date, Mr. Pedro Fontana was appointed as Chairman of the Appointments and Corporate Governance Committee.

## Regulation and functioning

The Appointments and Corporate Governance Committee is regulated by article 66 of the Articles of Association and article 17 of the Board of Directors Regulation, and it has its own terms of reference that were approved by the Board of Directors on 27 May 2021 and regulate its organization and functioning.

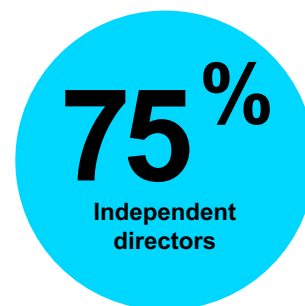
In accordance with the Board of Directors Regulation, the Appointments and Corporate Governance Committee comprises at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least two of them must be independent directors and, in any event, the Chairman of the Committee must be appointed from among its members who are independent directors. The Secretary shall be the Secretary of the Board of Directors or, as the case may be, the Deputy Secretary of the Board of Directors.

In accordance with its terms of reference, the Appointments and Corporate Governance Committee must meet as often as necessary, and at least once every three months, when convened by its Chairman, at his/her own initiative or at the request of any member of the Committee, or whenever the Board or its Chairman requests that it issue a report or adopt a proposal, and, in any event, whenever it is advisable in order to properly discharge its duties. In any case, it must meet once per year to provide advice in advance on the Board's performance evaluation.

## Functions

Without prejudice to the other duties assigned to it by law, the Articles of Association, the Board of Directors, the Board of Directors Regulation or its own terms of reference, the Appointments and Corporate Governance Committee has the following basic duties:

1. To submit to the Board of Directors proposals for the appointment of independent Directors for appointment by co-option or for submission to the decision of the General Meeting of Shareholders, as well as proposals for the re- election or removal of such Directors.





2. To report on proposals for the appointment of the remaining directors, proprietary, other external or executive members, for appointment by co-option or for submission to the decision of the General Meeting, as well as proposals for their re-election or removal.
3. To ensure compliance with the qualitative composition of the Board of Directors, in accordance with the provisions of article 53 of the Articles of Association, assessing the balance of knowledge, capacity, diversity and experience of the Board of Directors. To this end, it must define the functions and skills required of the candidates to fill each vacancy, as well as the time commitment deemed necessary for the proper performance of their functions.
4. To ensure that, when filling new vacancies or appointing new Directors, the selection procedures favour diversity of experience and knowledge, facilitate the selection of female Directors and, in general, do not suffer from implicit biases that could imply any discrimination.
5. To assess the suitability, competences, knowledge and experience required of the members of the Board of Directors and their dedication regarding the authorization of their appointment by the competent authorities.
6. To report on proposals for the appointment and removal of senior executives and members of the Identified Staff and assess their suitability.
7. To report on the terms and conditions of the contracts of the executive directors, which must be approved by the Board and recorded as an annex to the minutes.
8. To examine and organise the succession plans for the Chairperson of the Board and the Managing Director of the Bank and, where appropriate, to make proposals to the Board and, where appropriate, to comply with the provisions of the duly approved and published Succession Plan.
9. To establish a goal for representation of the under-represented sex on the Board of Directors and to develop guidance on how to achieve this goal.
10. To periodically, and at least once a year, assess the structure, size and composition of the Board of Directors and its Committees, and to advise the Board on the most appropriate configuration, reporting on proposals regarding the appointment or removal of members of such Committees.
11. To propose to the Board of Directors the assignment of Directors to the corresponding category, their continuance in this category in the event of re-election or their modification when appropriate; To annually review the status of Directors and to report to the Board of Directors for inclusion in the Annual Corporate Governance Report;
12. To report to the Board of Directors on proposals for the appointment of the Vice-Chairperson or Vice-Chairmen, as the case may be;
13. To report to the Board of Directors on proposals relating to the appointment and termination of the Secretary and, where appropriate, the Deputy Secretary of the Board of Directors, who may or may not be Directors;
14. To submit to the Board of Directors the proposal for the appointment, termination or re-election of the Lead Independent Director;
15. To develop and regularly update a competence matrix of the Board of Directors, assessing the knowledge, skills and experience of the members of the Board of Directors and the Board of Directors as a whole, for approval by the Board of Directors;
16. To periodically review and propose to the Board the modification of policies regarding the selection and diversity of members of the Board of Directors, and to annually verify their compliance, reporting to the Board of Directors on the degree of compliance;
17. To design and organise regular refresher programmes for directors;

18. To report on the terms and conditions of senior executive contracts, without prejudice to the remuneration powers of the Remuneration Committee;

And in connection with corporate governance:

1. To report to the Board of Directors on the Company's internal corporate policies and regulations, except in matters that fall within the competence of other Committees;
2. To supervise compliance with the Company's corporate governance rules, excluding those corresponding to areas that fall within the scope of other Committees;
3. To report to the Board of Directors, for its approval and annual publication, the Annual Corporate Governance Report, except in matters that fall within the scope of other Committees;
4. To supervise, within the scope of its powers, the communications that the Company makes with shareholders and investors, proxy advisors and other stakeholders, and report thereon to the Board of Directors.
5. To report annually on the evaluation of the functioning of the Board of Directors, as well as the performance of its functions by the Chairperson of the Board of Directors and the Managing Director.
6. To submit to the Board of Directors the evaluations of the Board Committees with the results of their evaluation together with a proposal for an action plan or with recommendations to correct possible deficiencies detected or to improve the functioning of the Board and its Committees;
7. To propose amendments to these Regulations and report on proposals to amend these Regulations and on proposals to amend the Regulations of the General Meeting of Shareholders of Banco Sabadell;
8. To ensure that the composition of the Board Committees is appropriate, especially the Audit and Control Committee and the Risk Committee;
9. Any other actions that may be necessary to ensure good corporate governance in all the Company's activities.

## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

In the area of Appointments, the Committee analyzed, proposed, reported on and evaluated the suitability of persons proposed for appointment and re-appointment as members of the Board and its committees. Specifically, it submitted to the Board of Directors the proposal for the appointment of independent director Ms. Ana Colonques García-Planas and the proposal for the re-appointment of independent director Ms. Mireya Giné Torrens, for submission to the General Meeting of Shareholders for a decision. In all cases, the Commission approved the pertinent fitness and suitability reports. It performed a similar function with regard to proposals for the appointment of senior management and matters relating to the Identified Staff. It also advised the Board on proposals for the removal of members of the Identified Staff.

In 2024, as part of the ongoing evaluation of the directors, the Appointments and Corporate Governance Committee carried out the regular assessment of the individual suitability of the directors and of the Board of Directors as a whole taking into account their performance although, during 2024, neither the Appointments and Corporate Governance Committee nor the Board of Directors became aware of specific circumstances that might affect the suitability of the Board of Directors or its members.

In relation to the Group's organizational and governance structure, the Committee advised the Board of Directors on the amendment of the composition of the Management Committee with the incorporation of the Assistant General Manager – Operations and Technology as a member, following the change of the person in charge of that division and the change in the name of the People and Sustainability Division and of the Strategy and Efficiency Division following the inclusion of functions relating to Sustainability and Efficiency in their respective briefs, and it advised the Board on the proposal for changes in the composition of the Group's management committees. In the area of Corporate Governance, the Committee verified compliance with Banco Sabadell's Director Selection Policy, and issued a favourable report to the Board on the annual review of the Director Selection Policy, which remained in force without the need for any changes; during 2024, it was not necessary to activate the Succession Plan for the Chairman and Chief Executive Officer of Banco Sabadell; nevertheless, the Committee approved the report on verification of that Plan, which concluded that the Plan was fully current and did not need to be updated; it reviewed the extension of the Board of Directors Renewal Plan for another year and reported favourably to the Board of Directors on its approval, and it evaluated the structure, size and qualitative composition of the Board and the committees. It also reported favourably to the Board of Directors on the approval of the update of the Matrix of competencies and diversity of the members of the Board of Directors and the update of the Banco Sabadell Internal Governance Framework.

It reported favourably to the Board on approving the 2025 Director Training Programme and issued a satisfactory assessment of the delivery and outcome of the 2024 Director Training Programme.

In addition to performing, in January 2025, an internal self-assessment of its performance in 2024, with satisfactory results, the Committee advised on the annual assessment of the performance of the Board of Directors and the other committees, the Chairman and the CEO.

More information is available in the Report on the Appointments and Corporate Governance Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/Committee Reports" section of the Bank's corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)).

## 4.5. Remuneration Committee

### Composition and meeting attendance

			Meetings
<b>Chairman</b>	Mireya Giné Torrens	Independent	12/12
<b>Members</b>	Ana Colonques García-Planas <sup>(1)</sup>	Independent	6/6
	Laura González Molero	Independent	12/12
	José Manuel Martínez Martínez <sup>(1)</sup>	Independent	4/4

(1) Number of meetings which the director attended with respect to the number of meetings held during the period in 2024 in which they were a member.

On 10 April 2024, Mr. José Manuel Martínez Martínez resigned as a member of the Remuneration Committee as a result of his resignation from the Board of Directors.

On 30 May 2024, Ms. Ana Colonques García-Planas was appointed to the Remuneration Committee.



## Regulation and functioning

The Remuneration Committee is regulated by article 67 of the Articles of Association and article 18 of the Board of Directors Regulation, and it has its own terms of reference approved by the Board of Directors on 27 May 2021 that regulate its organization and functioning.

In accordance with the Board of Directors Regulation, the Remuneration Committee comprises at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least two of them must be independent directors and, in any event, the Chairman of the Committee must be appointed from among its members who are independent directors. The Secretary shall be the Secretary of the Board of Directors or, as the case may be, the Deputy Secretary of the Board of Directors. The Regulation of the Remuneration Committee establishes that the Committee must meet as often as necessary, and at least once every three months, when convened by its Chairman, at his/her own initiative or at the request of any member of the Committee, or whenever the Board or its Chairman requests that it issue a report or adopt a proposal, and, in any event, whenever it is advisable in order to properly discharge its duties. In any event, the Committee must meet once per year to prepare the information on directors' remuneration that the Board of Directors must approve and include in its annual public disclosures.

## Functions

Without prejudice to the other duties assigned to it by law, the Articles of Association, the Board of Directors, the Board of Directors Regulation or its own terms of reference, the Remuneration Committee has the following basic duties:

1. To propose to the Board of Directors, for submission to the General Meeting of Shareholders, the remuneration policy for Directors, and to submit the corresponding report, all in accordance with the terms established from time to time in the applicable regulations.
2. To determine the remuneration of non-executive directors, in accordance with the provisions of the directors' remuneration policy, submitting the corresponding proposals to the Board.
3. To determine, so that they may be contractually agreed, the extent and amount of individual remuneration, rights and compensation of a

financial nature, as well as the other contractual conditions of executive directors, in accordance with the directors' remuneration policy, submitting the corresponding proposals to the Board of Directors.

4. To propose to the Board of Directors the remuneration policy for General Managers or those who perform senior management functions under the direct supervision of the Board, the Managing Committee or Managing Directors.
5. To report on share-based and/or option-based remuneration programmes.
6. To periodically review the general principles of remuneration as well as the remuneration programmes of all employees, assessing their compliance with these principles.
7. To annually review the remuneration policy to ensure that it is aligned with the Bank's short, medium and long-term strategy and situation and market conditions and to assess whether it contributes to long-term value creation and adequate risk control and management. Likewise, to inform the Board of Directors of the Annual Report on Directors' Remuneration;
8. To ensure that the Bank's remuneration policy and practices are up to date, proposing any necessary changes, and that they are subject to a central and independent internal review at least once a year.
9. To verify that the remuneration policy is properly applied and that no payments are made to directors that are not provided for in the policy.
10. To evaluate the mechanisms and systems in place to ensure that the remuneration system takes due account of all types of risks, liquidity and capital levels and that the remuneration policy promotes and is consistent with sound and effective risk management, and that it is in line with the business strategy, objectives, corporate culture and values and the long-term interests of the Bank.
11. To review the various possible scenarios to analyze how remuneration policies and practices react to internal and external events, and consider retrospective evidence of the criteria used to determine remuneration and the ex-ante adjustment to risk based on actual risk outcomes;
12. To review the terms and conditions of the contracts of executive Directors and senior management and to report to the Board of Directors, as appropriate, and verify that they are consistent with the current remuneration policy;
13. To evaluate the degree of compliance with the criteria and objectives established in relation to the previous year, which is what must determine the proposal for the individual remuneration for directors, particularly executive directors, senior management and members of the Identified Staff, including the short-, medium- and long-term variable components, with the participation of the external advisor where appropriate.
14. To propose to the Board of Directors the determination of the remuneration accrued by the Directors and Senior Management.
15. To propose to the Board of Directors the determination of the bonus for the senior management of the Bank and its subsidiaries.
16. To verify whether the circumstances justifying the application of malus and clawback clauses to variable remuneration have arisen, and propose the appropriate measures to recover any amounts that may apply.
17. To approve the appointment of external remuneration consultants that the Committee may decide to contract for advice or support.
18. To ensure that potential conflicts of interest do not impair the independence of external advice.
19. To ensure transparency of remuneration.
20. To verify the remuneration information contained in the various corporate documents, including the annual and half-yearly financial

reports, the Annual Directors' Remuneration Report, the Annual Corporate Governance Report and the Statement of Non-Financial Information.

21. To review that the information that the Bank disseminates on its website on matters within the competence of the Committee on directors and members of senior management is sufficient and appropriate and follows the applicable Good Corporate Governance recommendations.





## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

The Committee reported favourably to the Board of Directors on the submission for approval by the General Meeting of Shareholders of 10 April 2024 of the maximum limit on variable remuneration for the Group's Identified Staff in an amount equivalent to 2 years' remuneration, i.e. 200% of the fixed annual remuneration assigned to each one of them.

The Committee reviewed and advised on the conditions for senior management contracts, amendments to contracts and/or removal of senior managers, verifying that they were consistent with the Bank's remuneration policy. It approved those same conditions for the members of the Group's Identified Staff. The Committee reported favourably to the Board of Directors on the proposed assessment of fulfilment of the 2023 individual objectives for the CEO and Chief Risk Officer and for the members of Senior Management, it approved the assessment of fulfilment of the 2023 individual objectives for the Internal Audit Director and the percentages of attainment of the 2023 objectives for the rest of the members of the Group's Identified Staff, and it reported favourably to the Board of Directors on the non-application of risk-related *ex ante* adjustments to the 2023 variable remuneration. The Committee determined that no *ex post* adjustments (malus and clawback clauses) were applicable to the variable compensation deferred from previous years for the Group's Identified Staff.

The Committee reported favourably on the establishment of the fixed and variable remuneration for 2024. The Committee reported favourably to the Board of Directors on the proposal for remuneration for the Chairman and the members of the Board of Directors and its committees for 2024. In particular, the 2024 remuneration proposal for the Chief Executive Officer and Chief Risk Officer (CRO) and Senior Management. It also approved the 2024 remuneration proposal for the Internal Audit Director and the members of the Group's Identified Staff and subsidiaries' Boards of Directors. It made a proposal and reported favourably to the Board of Directors on the approval of the 2024 individual objectives for the CEO and CRO.

It also approved the sets of objectives for the members of the Executive Committee and their measurement scales, having benchmarked remuneration with the help of reports from external consultants. It also approved the report of the People Division on the 2024 individual objectives for the members of the Group's Identified Staff, concluding that their objectives are adequately aligned with the guidelines for defining them that were approved by the Remuneration Committee in January. The Remuneration Committee also received a report from the Risk Committee on the coherence of these objectives with the level of risk appetite. It also approved the payment of variable remuneration for all Group employees and the application of the Group's 2024 salary management budget.

The Remuneration Committee reviewed and reported favourably to the Board of Directors on Banco Sabadell's and the Group's remuneration policies. To this end, the Committee analyzed the independent report entitled Evaluation of the Remuneration Policy applicable to the Identified Staff of Grupo Banco Sabadell, produced by a consultant, and the Director Remuneration Policy in force in 2023, with the aim of establishing the degree to which it conforms to prudential regulatory requirements in connection with remuneration. The report concluded with a very positive assessment of all the points analyzed and of the content of the Remuneration Policies, which comply and are aligned with the prudential requirements in force in connection with remuneration. It analyzed the Internal Audit Report on the Remuneration Policy of the



Group and Subsidiaries, whose objective was to review the degree to which the organization's remuneration policies (Group and subsidiaries) conform to the guidelines of the European Banking Authority (EBA), and it tracked the degree to which the recommendations were applied and exercised oversight to this end.

The Remuneration Committee ensured the proper dissemination of the information on remuneration through the corporate website, in accordance with the applicable regulations and corporate governance recommendations.

Additionally, in January 2025, the Remuneration Committee performed internally a self-assessment of its performance in 2024, with satisfactory results.

This year, amidst the hostile takeover bid, the initiatives proposed by Management in the Action Plan in relation to talent retention and the risk of losing key talent, among other matters, have been analysed and approved. The employee turnover rate was also monitored.

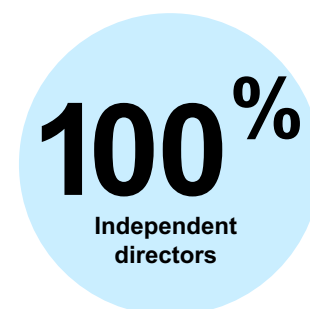
More information is available in the Report on the Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/ Committee Reports" section of the Banco Sabadell Group corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).

## 4.6. Risk Committee

### Composition and meeting attendance

			Meetings
<b>Chairman</b>	George Donald Johnston III <sup>(1)</sup>	Independent	10/11
<b>Members</b>	Aurora Catá Sala	Independent	11/11
	Alicia Reyes Revuelta <sup>(1)</sup>	Independent	10/11
	Manuel Valls Morató	Independent	11/11

(1) The directors gave specific instructions to a proxy for meetings from which they were absent.



## Regulation and functioning

The Risk Committee is regulated by article 68 of the Articles of Association and article 19 of the Board of Directors Regulation, and it has its own terms of reference approved by the Board of Directors on 27 May 2021 that regulate its organisation and functioning.

In accordance with the Board of Directors Regulation, the Risk Committee comprises at most five directors, appointed by the Board of Directors, none of whom may be an executive director; they must have the appropriate knowledge, skill and experience to fully understand and oversee the Bank's risk strategy and risk appetite; at least two of them must be independent directors; in any event, the Chairman of the Committee must be appointed from among its members who are independent directors. The Secretary shall be the Secretary of the Board of Directors or, as the case may be, the Deputy Secretary of the Board of Directors. In the exercise of its functions, the Risk Committee may directly request the information it sees fit from both the Chief Risk Officer and from the departments that report to him/her, including notably the Internal Control Division, the Credit Risk Control Division, the Validation Division and the Regulatory Compliance Division; and in accordance with its Regulations, the Committee meets as often as necessary and at least once every two months, when convened by its Chairman, at his own initiative or at the request of any member of the Committee, or whenever the Board of Directors or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever appropriate for performing its functions.

## Functions

Its functions are focused on supervising and exercising oversight to ensure that all the risks of the Bank and its consolidated Group are accepted, controlled and managed appropriately, and reporting to the full Board on the performance of the functions corresponding to it, in accordance with the law, the Articles of Association, the Board of Directors Regulation and its own terms of reference. The main functions of the Risk Committee are as follows:

1. To supervise the implementation of the Global Risk Policy.
2. To report quarterly to the full Board on the levels of risk assumed, the investments made and the evolution thereof, as well as on the repercussions that may arise for the Group's income from variations in interest rates and their compliance with the VAR approved by the Board itself.
3. To follow up and detect if any of the approved thresholds is exceeded, and to ensure the activation of action plans established for this purpose.
4. To report to the Remuneration Committee on whether employee remuneration programmes are consistent with the Bank's risk, capital and liquidity levels.

5. To advise and support the Board of Directors on the monitoring of the Bank's risk appetite and overall risk strategy, taking into account all types of risks, to ensure that they are in line with the Bank's business strategy, objectives, corporate culture and values.
6. To assist the Board of Directors in monitoring the implementation of the Bank's risk strategy and the corresponding limits set.
7. To monitor the implementation of the Bank's capital and liquidity management strategies, as well as all other relevant risks, to assess their alignment with the approved strategy and risk appetite.
8. To recommend to the Board of Directors any adjustments to the risk strategy deemed necessary as a result of, inter alia, changes in the Bank's business model, market developments or recommendations made by the risk control function.
9. To advise on the appointment of external consultants in the field of the Bank's supervisory activity.
10. To analyze a range of possible scenarios, including stress scenarios, to assess how the Bank's risk profile would react to external and internal events.
11. To monitor consistency between all major financial products and services offered to customers and the Bank's business model and risk strategy. The Risk Committee shall assess the risks associated with the financial products and services offered and shall take into account the consistency between the prices assigned to such products and services and the benefits obtained.
12. To assess the recommendations of the internal or external auditors and to verify the proper implementation of the measures taken.
13. To coordinate with the Audit and Control Committee in relation to the latter's functions relating to supervising and assessing the effectiveness of the internal control and risk management policies and systems as a whole, covering financial and non-financial risks relating to the Institution, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks, and to ensure that the main direct or indirect risks are reasonably identified, measured and controlled, as well as to discuss with the auditor any significant weaknesses in the internal control system detected during the course of the audit. To this end, meetings may be held with senior managers of the Bank's business units to explain business trends and associated risks and, where appropriate, to submit recommendations or proposals to the Board of Directors and the corresponding timeframe for their follow-up.
14. To report to the plenary of the Board on the development of the functions corresponding to it, in accordance with this article and other legal, statutory or regulatory provisions applicable to it.

## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

### Global Risk Framework and Risk Appetite Statement

One of the main functions of the Risk Committee is to take responsibility for proposing the Risk Appetite Statement (RAS) to the Board of Directors for approval, both for the Group and for the various geographies, in accordance with the established governance.

During 2024, it reported favourably to the Board of Directors on the annual review of the Group's Global Risk Framework Policy, which determines the common ground for risk management and control, and of the Risk Appetite Framework (RAF) Policy, which establishes the structure and mechanisms associated with the governance, definition,

disclosure, management, measurement, monitoring and control of the Group's Risk Appetite and coordination of same with the subsidiaries.

Additionally, in accordance with the provisions of the Global Risk Framework Policy, in 2024 the Risk Committee reported favourably to the Board of Directors on the update of the Group's risk profile and the Group's inventory of material risks.

In 2024, the Risk Appetite Statement (RAS) was updated several times to ensure that it is complete and complies with regulatory requirements and market best practices.

The RAS was strengthened during the year through the inclusion of new metrics:

- i. Strategy risk.
- ii. Counterparty risk.
- iii. Asset quality risk.
- iv. Concentration risk.
- v. CSRBB risk.
- vi. Fraud risk, and
- vii. Model risk.

New credit risk, reputational risk and fraud risk metrics were also incorporated into the Group's RAS based on the geographical footprint of both TSB and Mexico.

## **Risk management and control policies**

The Group's risk governance provides for the risk policy framework to be reviewed regularly and in the event of significant changes.

In this context, as part of the development of the Global Risk Framework, the Risk Committee also analyzed and subsequently reported favourably to the Board of Directors, and submitted for its approval, the update of the policies on risk control, which lay the groundwork for the Risk Control Function, in order to offer a 360-degree view of all risks, and ensure compliance with the risk strategy, as well as the update to the policies for managing and controlling risk, such as: credit, solvency, operational, technology, IRRBB and CSRBB, liquidity, market, foreign exchange, model, reputational, conduct and compliance risks, among others, which explicitly set out the basic principles and procedures that must govern the management and control of all the Group's material risks and incorporate the requirements established by regulation.

In line with Group policy governance, the Risk Committee reported favourably to the Board of Directors on the approval of the following new policies:

- Banco Sabadell Group tax risk

## **Regular monitoring of the Risk Appetite Statement**

The Risk Committee monitored all the Group's material risks broadly on a regular basis.

To this end, the Risk Committee analyzes and discusses the fundamental aspects and the status of the material metrics in the Risk Appetite Statement, as well as the evolution of the loan book's domestic and international exposure.

The Risk Committee's reporting consists of:

- a. Regularly reviewing a scorecard that reflects trends in the main metrics and additional information on material risks in accordance with the current risk taxonomy, and ensuring that they conform to the established risk appetite.
- b. Monographic risk analyses, which are detailed in the following section.

- c. Reporting and proposal of adaptation plans (protocol triggering, changes in guidelines, etc.) derived from the analysis of risk evolution.

In addition, a monthly CRO Note is submitted to the Risk Committee, providing input from the head of 2LoD to facilitate discussions and focus attention on those matters that are considered most critical or on which additional insight is sought from the Committee members.

## Other regular monitoring tasks

Additionally, as part of the risk monitoring function entrusted to the Risk Committee, it also regularly:

- a) Monitored how ICO-guaranteed transactions are managed.
- b) Monitored the risk profile of new loans and discounts.
- c) Tracked minimum pricing and RaRoC of new production.
- d) Monitored the material exposures reviewed previously by the Credit Delegated Committee.
- e) Tracked the performance of non-performing assets (NPA).
- f) Monitored staging and provisioning.
- g) Monitored leveraged transactions.
- h) Tracked the execution of action plans arising from on-site and off-site inspections and targeted reviews conducted by the supervisory authority.
- i) Performed quarterly tracking of resolution planning.
- j) Performed quarterly monitoring of the ICAAP outcome and economic capital.
- k) Monitored structural risks: liquidity, IRRBB and CSRBB.
- l) Performed quarterly monitoring of 2LoD for the main risks and issues at TSB

The Risk Committee also approved the Annual Activity Plan for the Risk Control function.

The Risk Committee was informed about the various types of risks through specific monographic analyses. The monographs provide detailed information on the most relevant aspects related to the evolution of risk, changes in the economic and regulatory environment that directly affect the Bank, their potential impact on the Bank, the management and control framework in place to mitigate risk and the monitoring carried out through the RAS.

Specifically, the following monographs and reports were presented in 2024:

Operational Risk Monograph; Fraud Risk Monograph; Conduct Risk Monograph; Market Risk Monograph; Country Risk Monograph; Technology and Data Risk Monograph; Financial Institution Risk Monograph; Counterparty Risk Monograph; Structural Balance Sheet Risk (IRRBB, CSRBB, liquidity and currency risk) Monograph; Model Risk Monograph.

Performance in 2024 was shaped by macroeconomic, geopolitical, environmental and industry events, including notably:

- a) Stabilization of inflation due to better-than-expected global growth, which enabled central banks to begin cutting interest rates.
- b) The global geopolitical environment continued to be unstable, with a series of uncertainties and threats derived from the military conflicts in Ukraine and the Middle East, as well as the outcome of the US presidential elections, with the risk of a worsening of trade and/or financial tensions at a global level.
- c) In May, BBVA issued a tender offer for 100% of Banco Sabadell's capital stock.

- d) In October, flash floods seriously affected several regions of Spain, particularly Valencia.

As a result, over the year a range of assessments and analyses of the potential impacts on the Bank of all such risks were submitted to the Risk Committee. Specifically:

- a) Throughout 2024, IRRBB was monitored on a monthly basis, given the scenario of rising interest rates; the Bank's structural risks (liquidity, IRRBB and CSRBB) were monitored on a quarterly basis.
- b) In relation to BBVA's hostile takeover bid, the Risk Committee was presented with the actions being taken to prevent, mitigate and monitor the risks that could arise as a result of the bid. In addition, in July and November, the Risk Committee was informed that the indicators established to monitor the potential risks of the takeover bid had not triggered any alerts that might entail the materialization of any risk in future.
- c) As a result of Donald Trump's election victory in the United States, the Risk Committee examined the update of the macroeconomic and financial scenarios with a view to making recommendations to the Board of Directors.
- d) Following the flash floods in Spain in October 2024, an analysis was conducted of the potential impact that this event might have on the bank's loan book and the conclusions were presented to the Risk Committee in November.

## Risk models

The Banco Sabadell Group has extensive experience in the use of internal models for supporting its decision-making process. In recent years, the Group has stepped up efforts to control and supervise the risks involved in their use.

In 2024, the Risk Committee reported favourably to the Board of Directors on the annual review of the Group's validation policy, which regulates the operation and activities of the Validation function as the 2LoD of the Group's internal models. The Committee also reported on the review of model risk policies.

The Risk Committee was presented with the annual monograph on model risk, which introduced a new second-tier RAS metric for model risk.

The Risk Committee approved the Validation function's Annual Activity Plan for 2024 and was briefed on the 2023 activity report.

The Risk Committee and the Board of Directors were briefed on the self-assessment of overdue supervisory obligations regarding the IRB credit risk models used to calculate regulatory capital requirements. It was reported that deadline extensions had been requested. The timetable for fulfilment was discussed.

In addition, a favourable report was submitted to the Board of Directors on the material change in the LGD model for the property development loan book, as a result of resolution of remediation plans put in place by the supervisory authority.

Moreover, the Risk Committee was briefed on the annual monitoring of IRB models for enterprise, property development, corporate and group loan books and project finance.

In relation to the credit risk provisioning models, the Risk Committee was informed of the results of their annual review.

With regard to the ICAAP, the Risk Committee reported favourably to the Board of Directors on the internal models for calculating economic capital for all prominent risks identified in the Risk Assessment, taking into consideration the proportionality and complexity criteria established in the ECB's guidelines on the ICAAP. The Committee also reported favourably on LGD models used to calculate provisions for financial planning and the ICAAP.

## Financial planning, Capital (ICAAP) and Liquidity (ILAAP) self-assessment, and Recovery Plan reports

In 2024, the Risk Committee reviewed:

- Processes for assessing the Group's capital adequacy and liquidity position. In particular, the Committee reviewed in detail the contents of the ICAAP reports for 2023, following the Committee members' challenge of the contents and the ensuing debate, and taking into account the opinion of Validation regarding the internal models used for calculating economic capital. It also considered whether the approach applied in producing the ICAAP reports allows for full and consistent measurement of risks among the different quantifications based on the vulnerabilities inherent to the business model, the efficient allocation of capital by business unit considering all risks, the continuous holistic process of identifying vulnerabilities, and the complete and continuous measurement of capital needs. The Committee also assessed the contents of the concise statement to be signed by the directors in connection with the ICAAP.

The Committee assessed the contents of the Internal Liquidity Adequacy Assessment Process (ILAAP) regarding the outcome of identifying and assessing the materiality of liquidity risks, the preliminary assessment of climate risk, the Liquidity Contingency Plan, the result of the Stress Test exercises and the result of the ILAAP 2023 and the Working Priorities established for 2024, as well as the concise statement to be made by the Board of Directors, together with the 2LoD reports. These Risk Control and Validation reports from 2LoD support the pertinent qualitative and quantitative reviews in order to verify that the internal processes and the methodologies and assumptions used provide sound results and remain appropriate for both the current situation and potential future developments.
- Analysis of the risks associated with the financial projections for 2025-2029.
- The Recovery Plan.

In this process, the Committee was supported by the Finance Division and the Internal Control Division, providing assurance that the reports faithfully reflect the Group's situation in the areas analyzed.

In addition, the Risk Committee reported favourably to the Board of Directors on the scenarios used in the Strategic Corporate Processes referred to above.

The Committee was informed of the annual update of the Recovery Plan, as well as of the main improvements, focused on the evolution of the proposed stress scenarios.

Throughout the year, the Risk Committee was informed of the progress with the 2024 climate risk stress test exercise conducted by the EBA. .

## Other business

The Risk Committee reviewed various aspects of technology risk in 2024, including most notably:

- i. progress with disaster recovery capabilities and testing,
- ii. an update on the progress and risks of significant projects in the field of technology, including the risk assessment performed by the second line of defence,
- iii. progress report on the DORA programme,
- iv. TSB's technology and digital fraud risk status.
- v. a review of the cybersecurity status, including a presentation of the main events, risks and lines of action to mitigate them,
- vi. the aggregated results of the cyber resilience stress test and of the Risk Data Aggregation Targeted Review.



In the area of sustainability, new environmental risk indicators linked to credit risk were added, while the monitoring of decarbonization pathways in new portfolios was stepped up and reported regularly to the Risk Committee. In November, the Risk Committee was informed of the mechanisms for managing environmental risk affecting credit risk that have been implemented by the Bank.

The Risk Committee was informed during 2024 about a series of 2LoD reports on developments in the credit risk control framework, focusing particularly on: (i) developments in the admission process that have helped enhance the credit quality of new production in the individuals and companies segment; (ii) individual analysis of significant borrowers; (iii) improvements in the credit risk monitoring process; and (iv) the re-appraisal process. The situation of certain credit portfolios and their management and control framework was also reported: e.g., digital infrastructures and the government loan book, leveraged transactions, mortgages and project finance. The Risk Committee was also informed of the various reports by the SSM in its ordinary or specific supervisory actions, as well as the SREP 2024 evaluation.

The Risk Committee was also informed of the various reports by the SSM in its ordinary or specific supervisory actions, as well as the SREP 2024 evaluation.

With regard to compliance, the Risk Committee approved the Annual Plan of Activities for the Compliance function and monitored its execution regularly, and was informed of, and debated, the fundamental aspects of the MiFID compliance report and referred it to the Board for its information.

The annual Expert Report on the Prevention of Money Laundering and Terrorist Financing was also presented to the Risk Committee.

It was also informed of the annual report by the Customer Care Service (SAC), as well as the report on the processing of personal data (General Data Protection Regulation), and the data protection risk report.

The Risk Committee also reported favourably to the Remuneration Committee on the suitability of the composition of the Identified Staff and of the degree to which their objectives align with the Bank's risk profile and capital and liquidity levels.

The Risk Committee reviewed and approved its Activities Plan for 2024, which set out the mandatory issues to be discussed at the meetings proposed in the year and indicated the purpose required in connection with each issue.

It approved the schedule of Risk Committee meetings for 2025.

Additionally, in January 2025 the Risk Committee performed an internal self-assessment of its own performance in 2024, with satisfactory results.

More information is available in the Report on the Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/ Committee Reports" section of the Banco Sabadell Group corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).



## 5. Related-party transactions and intercompany transactions (D) (D.1, D.2, D.3, D.4, D.5, D.6 and D.7)

### 5.1. Procedure for the approval of related-party and intercompany transactions, and the bodies empowered for this purpose (D.1, D.2, D.3, D.4, D.5 and D.7)

Law 5/2021, of 12 April, amending the consolidated text of the Capital Companies Law, approved by Legislative Royal Decree 1/2010, of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies, introduced Chapter VII bis, Related-party Transactions, into the Capital Companies Law. Banco Sabadell is a listed company, so this system of rules applies to directors and shareholders involved in related-party transactions.

#### **Competent bodies**

Under that regulation, related-party transactions whose amount or value is 10% or more of the total value of the assets per the company's last approved balance sheet require approval from the General Meeting of Shareholders. The Board of Directors has the power to approve any other related-party transaction, and this power may not be delegated.

The Audit and Control Committee must issue a report on any related-party transaction before it is approved by the General Meeting of Shareholders or the Board of Directors. The Committee's report must assess whether the transaction is fair and reasonable from the standpoint of the company and, if applicable, of the shareholders other than the related party, and it must set out the assumptions on which the assessment is based and the methods used.

The Capital Companies Law, at Article 529 duovicies.2, prohibits a director who is conflicted by a related-party transaction or who represents a conflicted shareholder from taking part in deliberation and voting on related decisions under Article 228.c) of the Law.

This duty is set out in Banco Sabadell's Policy on Conflicts of Interest and Related-Party Transactions in connection with Directors and Senior Management, which prescribes that a director or member of senior management must refrain from attending or taking part in deliberation or votes concerning any matter in which he or she is conflicted by a related-party transaction. The duty to refrain extends to meetings of the Board or of any other company body, committee or department concerned with the transaction or related decision-making. Moreover, a conflicted director or senior manager may not access confidential information touching on the related-party transaction.

Banco Sabadell records in the minutes of the meetings of the Board or of any other body of which the conflicted director is a member that he/she withdrew from the meeting while the matter in which the director is conflicted by a related-party transaction was being dealt with.

In addition, pursuant to Article 529.duovicies.1 of the Capital Companies Law, when the General Meeting of Shareholders is called upon to decide on a related-party transaction, a conflicted shareholder is deprived of the right to vote, except where the proposed resolution was

approved by the Board without a majority of independent directors voting against. No such event arose.

In 2023, an additional function was assigned to the Credit Delegated Committee in accordance with Banco Sabadell's Policy on Conflicts of Interest and Related-Party Transactions in connection with Directors and Senior Management. The Policy prescribes that when a transaction within the Committee's remit (credit, refinancing or restructuring, sale of foreclosed assets, etc.) might qualify as a related-party transaction, the Committee must be informed by means of a reasoned report by the Compliance Division (without prejudice to the powers to approve credit transactions on the basis of their amount). The Committee must always be informed if the value of a credit transaction exceeds €1,000,000 and a director of Banco Sabadell, or a related party, sits on the board of the borrower.

In these cases, if, in accordance with the criteria established by international accounting standards, especially IAS 24, as referred to in Article 529 vicies of the Capital Companies Law, the Compliance Division considers that it does not constitute a related-party transaction, it must submit to the Committee a report setting out the reasons for this conclusion. The Credit Delegated Committee must review the information, reach a conclusion as to whether or not the transaction qualifies as a related-party transaction, in which case it must report the transaction to the Audit and Control Committee for assessment and subsequent submission to the Board.

In addition, the Credit Delegated Committee must be provided with the same information on related-party transactions that the Compliance Division submits each year to the Audit and Control Committee.

#### **Delegation of powers to approve related-party transactions**

In accordance with the aforementioned regulations, the Board of Directors may delegate the approval of related-party transactions that meet the following conditions:

- (i) transactions between companies in the same group that are carried out in the ordinary course of business and at arm's-length, and
- (ii) transactions arranged on the basis of contracts with standardised terms and conditions that are applicable en masse to a large number of customers, carried out at prices or rates that are set on a broad basis by the supplier of the good or service, where the amount does not exceed 0.5% of the company's net turnover.

Pursuant to the provisions of the Capital Companies Law, the Board of Directors of Banco Sabadell resolved to empower the Bank's Compliance Division to review whether transactions with related parties should be considered as related-party transactions for the purposes of the Capital Companies Law and, if so, to approve them if they meet the aforementioned conditions.

The approval of such transactions by the Compliance Division by delegation from the Board does not require a prior report from the Audit and Control Committee.

#### **Internal reporting and control procedure**

The internal procedure for regular reporting and control of related-party transactions that are approved using powers delegated by the Board was adopted by the latter at its meeting of 1 July 2021. The procedure is as follows:

On an annual basis, the Compliance Division must report to the Audit and Control Committee on the outcome of the reviews of related-party transactions for the purpose of verifying the fairness and transparency of such transactions and, if applicable, compliance with the applicable regulations for them to be approved by the Compliance Division by delegation, providing the following details:

- Number of transactions reviewed.



- Related-party transactions approved by the Compliance Division in exercise of the delegation of the Board of Directors.
- Related-party transactions escalated to the Board of Directors for approval.
- Other information to support the aforementioned verification and compliance checks.

Coupled with the above procedure, the Compliance Division has its own review procedure to determine whether or not a transaction qualifies as a related-party transaction for the purposes of the Capital Companies Law.

### **Intercompany transactions**

Intercompany transactions are subject to the same approval procedures as customer transactions, requiring at least the approval of the Group Risk Transactions Committee and at most the approval of the Board of Directors.

### **Transactions in 2024**

There were no transactions that were material because of their size or nature between the Bank or any Group undertaking and the Bank's significant shareholders.

There were no material transactions with directors and executives of the Bank other than those classified as "related-party transactions" under Article 529 vicies of the Capital Companies Law that were conducted with the appropriate approvals and, where appropriate, disclosed in accordance with Article 529 unvicies et seq. of the Capital Companies Law. Those that did take place were performed in the normal course of the Bank's business or on an arm's-length basis or on terms generally available to any employee. There is no record of any transactions being performed other than on an arm's-length basis with persons or entities related to directors or senior managers.

On 24 April 2024, following a favourable report from the Audit and Control Committee, the Board approved a related-party transaction with Acerinox, S.A., consisting of a bilateral loan of €150 million, granted to Acerinox, S.A., bearing interest at 3.75%, with a 2-year grace period and a 5-year half-yearly straight-line repayment schedule. The transaction was signed on 27 June 2024. The transaction qualifies as a related-party transaction because Banco Sabadell directors Laura González Molero and George Donald Johnston III are independent directors at Acerinox, S.A. In addition, both are members of that company's audit committee; Ms. González Molero is chairwoman of its appointments and remuneration and corporate governance committee, and Mr. Johnston is a member of its executive committee.

This transaction, combined with another three transactions concluded in the past twelve months, exceeded 2.5% of revenue as reported in Banco Sabadell's consolidated financial statements for 2023. The transaction was accordingly disclosed, with an attached report from the Audit and Control Committee, as a disclosure of "Other relevant information" filed with the Spanish National Securities Market Commission (CNMV) on 27 June and 12 July 2024 (registration numbers 29.404 and 29.678), and also on the Banco Sabadell website ([www.grupbancsabadell.com](http://www.grupbancsabadell.com)), as required under Article 529 unvicies of the Capital Companies Law. As stated in the regulatory disclosure and on the Banco Sabadell website ([www.grupbancsabadell.com](http://www.grupbancsabadell.com)), two of the three transactions were approved by the Board on 24 April 2024 following a favourable report from the Audit and Control Committee (the report was itself attached to the regulatory disclosure). The third transaction was approved by the Compliance Division as a related-party transaction in its opinion of 28 September 2023, using powers delegated by the Board on 1 July 2021. The three transactions were: renewal of a multi-company credit facility (one of the borrowers being Acerinox, S.A.) in the amount of

€80 million, bearing interest at 3-month Euribor + 0.90% and maturing in 3 years; renewal of a multi-company credit facility (one of the borrowers being Acerinox, S. A.) in the amount of USD 15 million, bearing interest at SOFR 3m + 1% and maturing in 3 years; and renewal of a multi-company credit facility (drawable by either or both of Acerinox, S.A. and Acerinox Europa, S.A.U.) in the amount of USD 20 million, bearing interest at SOFR 3m + 1.10% and maturing in 1 year.

The balances of transactions with related parties are disclosed in note 40 to the Group's consolidated financial statements and in note 36 to the separate financial statements.

The Bank is not controlled by any other entity, listed or otherwise, in the meaning of article 42 of the Commercial Code.

## **5.2. Mechanisms established for detecting, determining and resolving possible conflicts of interest between the company and/or its group, and its directors, executives or significant shareholders (D.6)**

Banco Sabadell has mechanisms for detecting, determining and resolving conflicts of interest between the Bank and/or its Group, and its directors, executives or significant shareholders.

1. The Banco Sabadell Group General Policy on Conflicts of Interest and the Banco Sabadell General Policy on Conflicts of Interest are internal rules approved by the Board of Directors of Banco Sabadell and they are reviewed once per year. These policies are intended to be effective in identifying, assessing, managing, mitigating, preventing or ultimately disclosing potential or actual conflicts of interest. The Compliance Division is responsible for correctly applying those policies and, when necessary, it will urge the other departments in the Group to which they apply to take the necessary action.
2. The Policy on Conflicts of Interest and related party transactions in connection with Directors and Senior Management, approved by the Board of Directors on 24 March 2022 and last revised on 21 March 2024, establishes the necessary measures for managing conflicts of interest of directors and senior management and their related parties in connection with corporate transactions or non-bank activities and also with ordinary banking business.

The Group's Risk Transactions Committee analyzes all credit operations carried out by directors, senior management and their related parties and makes proposals to the Board of Directors for their approval.

Royal Decree 84/2005, implementing Law 10/2014, of 26 June, on the Regulation, Supervision and Solvency of Credit Institutions, sets out the requirements in connection with disclosure of transactions by directors, senior executives and their related parties to the competent authority and for authorization by the latter.

3. In 2021, the Board of Directors approved an extensively revised and updated version of the Group's Code of Conduct in order to bring it into line with regulatory requirements, supervisory guidelines and reports, and market standards. The Code contains a catalogue of principles, obligations and duties that are binding upon all members of the Group. It also defines the criteria to be followed to ensure ethical and responsible conduct, both in relationships within the Group itself and in relationships with customers, suppliers, shareholders, investors and other stakeholders. All members of the

Group were required to expressly adopt the Group's Code of Conduct.

4. The Banco Sabadell Group's Internal Rules of Conduct in connection with the securities markets (IRC), approved by the Board of Directors on 24 May 2018 and updated in September 2021, are applicable to the members of the Bank's Board of Directors, and to all executives and employees whose work is directly or indirectly related to the Institution's activities and services in the field of the securities markets or who have frequent or habitual access to insider information related to the Bank itself or Group companies.

Section 4 of the IRC sets out the mechanisms for identifying, preventing and resolving possible conflicts of interest that are detected by persons bound by the IRC, who are obliged to declare any significant relations of a financial, family or other nature with customers of the Bank in connection with services related to the securities markets or to companies listed on the stock exchange, as well as any other relationships that, in the opinion of an external neutral observer, might compromise the impartiality of the persons concerned.

5. Banco Sabadell Group's Corporate Ethics Committee is responsible for fostering ethical conduct throughout the organization and for giving advice to the Board of Directors, via the Audit and Control Committee, and advising the corporate and business units on decisions involving issues that might lead to conflicts of interest.

The Committee is also responsible for overseeing the Group's compliance with its obligations as set out in the Code of Conduct and in the Internal Rules of Conduct in connection with the securities market.

To achieve its objectives, the Corporate Ethics Committee can call upon the resources of the Compliance Division, and has been given extensive powers by the Board to gain access to all the documents and information it requires to perform its supervisory function.

6. Under the Board of Directors Regulation, all Board members are bound by a duty of loyalty and confidentiality and are required to disclose any interest they may have in the company itself or in other companies outside the Group.

Specifically, Article 29 of the Regulation states that a director may not provide professional services to Spanish companies whose corporate purpose coincides wholly or partly with that of the company. An exception is made for offices they hold in companies in the Group. Directors must notify the Appointments and Corporate Governance Committee before accepting any executive appointment in another company or institution.

Article 31 of the Board of Directors Regulation states that directors must inform the company of any company shares which they own directly or through companies in which they hold a significant stake.

They must also disclose any shares held, directly or indirectly, by their close relatives. Directors must also inform the company of all positions that they hold and activities that they perform in other companies or entities and, generally, of any fact or situation that may be material in connection with their performance as directors of the company.

7. The Capital Companies Law establishes that directors have a duty to avoid conflicts of interest, and it lists the situations in which a director must abstain from acting and, in any case, establishes the duty to notify the other directors and, where appropriate, the Board of Directors of any situation where their interests, or those of their related parties, may be in conflict, directly or indirectly, with the interests of the company.





# 6. Risk control and management systems (E)

## 6.1. Scope of the Bank's Risk Control and Management System, including that relating to tax risks (E.1)

To manage and control risk, the Banco Sabadell Group has defined a Global Risk Framework whose purpose is to establish the basic common principles relating to the Group's risk management and control activity, including all actions associated with the identification, decision, measurement, evaluation, monitoring and control of the risks to which the Group is exposed. These activities include the functions performed by the overall Group's areas and business units.

With the Global Risk Framework, the group seeks to:

- Address risk through a structured approach that is consistent Group-wide.
- Encourage an open, transparent risk management and control culture by promoting the involvement of the entire organization.
- Facilitate decision-making.
- Align risk acceptance with the risk strategy and risk appetite.
- Understand the risk environment in which it operates.
- Ensure that, in accordance with the Board's guidelines, critical risks are identified, understood, managed and controlled in an efficient manner.

The Global Risk Framework is applied to all the Group's business lines and entities on a proportionate basis, having regard to their size, the complexity of their activities and the materiality of the risks assumed.

To ensure that risk management and control are effective, the Group's Global Risk Framework must comply with the following principles:

- Risk Governance and involvement of the Board of Directors through the three lines of defence model.
- Alignment the Group's business strategy with risk appetite set by the Board of Directors.
- Integration of the risk culture, focusing on aligning remuneration to the risk profile.
- Holistic vision of risk that translates into the definition of the taxonomy of first- and second-tier risks on the basis of their nature.
- Alignment with stakeholder interests.

The Global Risk Framework is composed of the following elements:

- Global Risk Framework Policy.
- Risk Appetite Framework (RAF).
- Risk Appetite Statement (RAS).
- Specific policies for the material risks to which the Group (i.e. Banco Sabadell and its subsidiaries) is exposed.

The Global Risk Framework Policy provides a general framework for establishing other policies related to risk management and control by determining common aspects that apply to the various risk management and control policies.

The Group promotes a risk culture composed of a set of values, beliefs, knowledge and attitudes related to risk that is shared by all

members of the organization and helps to manage and control risks efficiently while avoiding undesired behaviour.

The Board of Directors of Banco Sabadell has approved the Group's tax strategy. That strategy is governed by the principles of efficiency, prudence, transparency and minimization of tax risk, it is broadly aligned with the Banco Sabadell Group's business strategy.

## **6.2. Bodies of the Bank responsible for drawing up and executing the risk control and management system, including tax risk (E.2)**

The functions of Banco Sabadell's Board of Directors include identifying the Group's main risks and implementing and monitoring the appropriate internal control and information systems, including challenges and tracking and strategic planning of the Group and oversight of management of the material risks and their alignment with the profile defined by the Group.

To this end, it participates directly (or through the Bank's Risk Committee) in monitoring the risk strategy, including the definition of risk appetite, RAF, RAS and policies; monitoring the implementation of the risk culture throughout the organization, and in reviewing the adequacy of the organizational structure to that strategy.

The Board of Directors is the body responsible for establishing the general guidelines on the organizational distribution of the risk management and control functions and for determining the main lines of strategy in this respect, ensuring their consistency with the Group's short- and long-term strategic objectives, as well as with the business plan, capital and liquidity planning, risk capacity and remuneration programmes and policies.

The Board of Directors has indelegable responsibility for: (i) determining the tax strategy; (ii) approving investments or operations considered strategic by virtue of their amount or special characteristics, strategic nature or particular tax risks, unless their approval corresponds to the General Meeting; (iii) approving the creation of special-purpose vehicles or entities resident in jurisdictions designated as tax havens, and the acquisition of shares in such undertakings; and (iv) the approval of any other transactions or operations of a comparable nature whose complexity might impair the transparency of Banco Sabadell and its Group.

Additionally, the Credit Delegated Committee, the Risk Committee, the Remuneration Committee and the Audit and Control Committee are involved in the Group's Global Risk Framework and, therefore, in risk management and control. Moreover, a number of Committees and Divisions have a significant involvement in the risk management.

Specifically, the following committees have been created and have risk control and management functions within the Global Risk Appetite Framework:

- Technical Risk Committee (CTR), the body entrusted with supervising risk management and control in the Bank, meets on a monthly basis and has the following functions:
  - (i) supporting the Risk Committee in fulfilling its functions (which include determining, proposing, reviewing and tracking the body of regulations relating to risk, the Risk Appetite Statement and the frameworks associated with each portfolio and/or risk; supervising the institution's risk on an overall level; tracking the tolerance thresholds of first- and second-tier metrics in the RAS on the basis of established governance, and any adaptation plans);

(ii) monitor, examine and, if appropriate, express approval in relation to matters within the remit of the Committee (approve RAS metrics in accordance with established governance rules; propose to the Risk Committee, for subsequent submission to the Board for approval, any material change in internal models as defined in the Banco Sabadell Model Risk Management and Control Policy, in accordance with its governance; approve asset allocation, based on the policies and metrics set out in the various credit risk frameworks);

(iii) tracking management of doubtful assets and foreclosed assets that together make up the Non-Performing Assets (NPAs), and reporting on this to the Risk Committee; and

(iv) analysing ad-hoc issues in specific portfolios or risk classes, for referral and inclusion in risk management.

- Group Risk Transactions Committee: a management body responsible for overseeing the quality of the Group's credit risk and developing the credit risk acceptance policy for approval by the Board of Directors; it meets on a weekly basis and has the following functions:

(i) approval of credit transactions, including transactions/limits for countries and banks, and of specific criteria in line with the policies under the established delegation of powers;

(ii) delegating powers to lower echelons (autonomies) in accordance with the established delegation of powers, monitoring their use, and referring proposals for changes to the Credit Delegated Committee; and

(iii) monthly reporting to the Credit Delegated Committee of the transactions approved and performed in the previous month.

- NPA Monitoring and Management Committee (CSyGAP): a management body responsible for coordinating the recovery cycle, including avoiding and containing default by promoting forward-looking strategies; it meets once per month and has the following functions:

(i) monitoring the performance of the Bank's loan book, on a sub-portfolio basis, with a focus on anticipation, identifying returns by sector/sub-portfolio, and setting limits in sectors/sub-portfolios with greater emerging risk;

(ii) establish management priorities to be communicated to the business units based on the portfolios/sectors/exposures to be focused on at any given time in order to anticipate potential default and a potential classification as non-performing, including monitoring and management of significant emerging risks with a potential impact on the credit portfolio;

(iii) ensuring coordination between the Risk Division and the business units to reduce the potential for default and delinquency;

(iv) monitoring the portfolio of non-performing assets and the recovery strategy for those assets; and

(v) establishing frameworks, tools and/or algorithms to facilitate decision-making for both monitoring sub-portfolios and managing non-performing assets.

- Assets and Liabilities Committee (ALCO): a management body responsible for optimising and monitoring the management of structural risk in the Banco Sabadell Group's balance sheet, particularly its ALCO portfolio, in accordance with guidelines, objectives and policies defined by the Bank's Board of Directors; it meets every month and has the following functions:

(i) approving and tracking macroeconomic and financial scenarios generated by the Group's Studies Division. Additionally, it must be informed regularly of economic, financial, political and

geopolitical events and, generally, of other external factors capable of influencing the Group's structural risks;

(ii) approving and tracking management of the structural risks in the balance sheet by the Balance Sheet Management unit at Banco Sabadell Spain and the Group, including liquidity risk, Interest Rate Risk in the Banking Book (IRRBB), Credit Spread Risk in the Banking Book (CSRBB) and currency risk;

(iii) delegating monitoring of market risk to the Investment and Liquidity Committee (CIL), and receiving regular reports on this issue;

(iv) optimizing the balance sheet structure vis-à-vis those structural risks in accordance with the guidelines, goals and policies defined by the Board of Directors;

(v) approving risk-adjusted pricing strategies taking account of transfer pricing (FTP) and other transaction costing. As a critical parameter of IRRBB and liquidity risk, approving, at least once per quarter, the liquidity premiums (LTP) that, together with the base rates (ITP), lead to the transfer prices for commercial asset and liability transactions;

(vi) monitoring and defining management guidelines in relation to the structural liquidity position, securities issues, interest rate risk, the ALCO portfolio, transfer prices and the structural currency position;

(vii) functions related to corporate structural risks (GROUP) and local risks at Banco Sabadell Management Unit (UGB BS) level:

- Centralised coordination and supervision of the corporate management function (corporate function)
- Monitoring of financial activity by the Group and UGB BS, with a breakdown of margins, business evolution, product performance, etc.
- Tracking hedges arranged at UGB BS level to manage IRRBB.

(viii) activating and, as appropriate, closing down the Liquidity Contingency Plan, with the possibility of delegating management of a liquidity crisis situation to the Investment and Liquidity Committee (CIL).

- Internal Control Body (OCI): a management body responsible for implementing the policies and procedures established in the Law on the prevention of money laundering and terrorist finance; it meets once per quarter and has the following functions:

(i) deciding whether to notify the Spanish government's anti-money laundering agency (SEPBLAC) of transactions or events likely to be related to money laundering or terrorist financing;

(ii) deciding on reporting to the Commission for the Surveillance of Terrorist Financing Activities of any information related to any event or transaction with respect to which there is an indication or certainty that it is related to the financing of terrorism.

(iii) approving files arising from alerts raised by employees which, after analysis by the Money Laundering and Terrorist Finance Prevention Division (DPBCFT), it is decided not to notify to SEPBLAC;

(iv) approving proposals for responses to requests by SEPBLAC for information about customers and/or transactions;

(v) deciding on whether to maintain or terminate business relationships with customers that are analyzed, on the basis of the established procedure;

(vi) authorising or denying:

- Proposals to establish business relationships with resident financial institutions classified as having above-average high risk.

- The establishment and/or maintenance of business relationships with politically exposed persons or their related parties.
  - The establishment and/or maintenance of business relationships with Spanish-resident customers, whether Spanish nationals and/or those who were born in countries that present strategic deficiencies in their systems for combating money laundering and terrorist financing and are listed in the European Commission's decision adopted in accordance with the provisions of Article 9 of EU Directive 2015/849;
  - (vii) authorising or denying:
    - Exception requests from customers in connection with alerts about unusual transactions.
    - Exception requests from customers operating in countries with certain international restrictions.
    - Exception requests from customers with transactions that require prior authorization.
    - Proposals for corporate transactions in accordance with the Group's Anti-Money Laundering Manual 4815;
  - (viii) approving the annual training plan on the prevention of money laundering and terrorist financing;
  - (ix) approving updates to the internal regulation manuals on the prevention of money laundering and terrorist financing of the Bank and the domestic Group companies that are subject to the Law;
  - (x) designating the members of the delegated committee of the internal control body (OCI) to perform the functions delegated to them with respect to any decision that cannot wait until the OCI's next scheduled meeting; any actions they take must be reported to the next meeting;
  - (xi) approving special analysis files arising from court orders, and on the cancellation, maintenance or restriction of business relations with the analyzed customers;
  - (xii) approving reports regarding material information on possible breaches of the law on the prevention of money laundering and terrorist financing that have been communicated by the Bank's employees, executives or agents, including anonymous reports;
  - (xiii) approving the PMLTF Risk Assessment Report (Self-assessment Report) of the group and of Banco de Sabadell, S.A.
- Corporate Ethics Committee (CEC): this committee reports directly to the Board of Directors, which is the highest body with responsibility for adopting policies in connection with the corporate reputation and ethics. Its main mission is to promote ethical behaviour throughout the organization to ensure compliance with the principles of conduct set out in the Code of Conduct, the Internal Rules of Conduct in connection with the Securities Market (RIC), the Criminal Liability Prevention Policy, the General Policy on Conflicts of Interest and the Anti-Corruption Policy of the Banco Sabadell Group. To this end, the CEC has the following functions:
- (i) proposing amendments to keep the Group's Code of Conduct up to date at all times;
  - (ii) making proposals to the Bank's Board of Directors with regard to any measures required to promote ethical behaviour throughout the organization;
  - (iii) advising the Board of Directors and the Group's corporate and business units on decisions involving aspects that may result in conflicts of values and/or interest, and any matters related to its mission;
  - (iv) monitoring compliance with the provisions of the Group's Code of Conduct and the codes of conduct governing employees and external suppliers of goods and services:

(v) responding to queries, concerns and conflicts that may arise in relation to compliance with the provisions of the Code of Conduct while ensuring confidentiality where appropriate and guaranteeing the absence of reprisals in this connection;

(vi) warning parties involved in potential breaches through the People Division, when the parties are Group employees, or through the Secretary of the Board of Directors of Banco Sabadell, when the parties are members of the Board of Directors;

(vii) fulfilling the functions assigned to it by the Internal Code of Conduct in connection with the Securities Market (RIC);

(viii) monitoring the working, compliance and execution of the Group's Crime Risk and Anti-Corruption Organization and Management Model in accordance with the Criminal Liability Prevention Policy.

The Chief Compliance Officer (CCO) is responsible for the design, monitoring and continuous improvement of the Crime Risk and Anti-Corruption Organization and Management Model in accordance with the provisions of the Criminal Liability Prevention Policy.

The CCO will report to the CEC on the performance of the Crime Risk and Anti-Corruption Organization and Management Model, and on any noteworthy incident or aspect in this area, and the CCO or the CEC may escalate suspicious events or conduct or matters related to the crime compliance targets and, therefore, to the Criminal Liability Prevention Policy and the Crime Risk and Anti-Corruption Organization and Management Model, and, if necessary, to the Board of Directors through that Committee or directly via the CRO;

(ix) supervising all cases of market abuse and reporting them to the CNMV;

(x) reviewing, by delegation from the Board of Directors, the reporting by the Compliance Division on the opinions issued with respect to the review of transactions conducted by Banco Sabadell or its subsidiaries with related parties, in accordance with the internal procedure for disclosure and regular oversight established by the Board of Directors.

The CEC is also responsible for ensuring compliance with the Banco Sabadell Group Policy on the Internal Reporting System and Protection of Reporting Persons and the related Procedure, and for acting as head of the Group's Internal Reporting System (except with respect to the Group's subsidiaries in Mexico and the United Kingdom), appointing the CCO as Secretary of the CEC, and managing and supervising its operation, and protecting good-faith whistleblowers under the terms of the Policy and the Procedure.

- UK Steering Committee: a management body responsible for providing a business overview of TSB Banking Group plc and TSB Bank plc and their subsidiaries and reviewing proposals to be presented to TSB's governing bodies that require validation by the Group. It performs its functions in accordance with the TSB-Banco Sabadell relationship framework and its Terms of Reference.



## 6.3. Main risks (E.3)

The Group has established a taxonomy of risks that includes the risks to which it is exposed in the performance of its activities. Specifically, it identifies the following first-tier and second-tier risks:

### 6.3.1. Strategy risk

Risk of losses (or negative impacts in general) as a result of the adoption or subsequent implementation of strategic decisions. It also includes the inability of the Group's business model to adapt to changes in the environment in which it operates. This risk includes:

- Solvency risk: the risk of not having sufficient capital, in terms of quality or quantity, to achieve the strategic and business objectives, withstand operating losses or fulfil regulatory requirements and/or the expectations of the market where it operates.
- Business risk: the possibility of incurring losses as a result of adverse events with a negative impact on the capacity, strength and recurrence of the income statement, whether its viability (short term) or its sustainability (medium term).
- Reputational risk: the risk, present or future, that the Bank's ability to compete may be negatively affected by: i) acts or omissions made by or attributed to the Group, senior management or its governing bodies; ii) or for maintaining business relationships with counterparties with a questionable reputation such as to create a negative perception on the part of its stakeholders (regulators, employees, customers, shareholders, investors and society in general).
- Environmental risk: the risk of loss arising from present and potential future impacts of environmental risk factors on counterparties or invested assets, and on aspects affecting financial institutions as legal persons. Environmental factors are related to the quality and functioning of natural systems and environments, and include factors such as climate change and environmental degradation. All of them can positively or negatively impact the financial performance or solvency of an entity, sovereign state or individual. Those factors may be mainly physical (deriving from climate change and environmental degradation, including an increased frequency of extreme weather events and gradual changes in climate patterns and in ecosystem equilibria) and transitional (resulting from the process of adjustment towards an environmentally-stable economy: lower emissions, higher energy efficiency, and lower consumption of natural resources, inter alia).

### 6.3.2. Credit risk

The possibility that losses may be incurred as a result of borrowers failing to meet their obligations or through losses in value due simply to deterioration in borrower quality. This risk includes:

- Borrower default risk: the risk that borrowers fail to honour their payment obligations in a timely manner; it also includes the risk of fraud in applications for credit and the risk of dilution arising, for example, from a business dispute..
- Concentration risk: the level of exposure to a group of economic groups which, due to their importance, might generate significant credit losses in the event of an adverse economic situation.
- Counterparty risk: a type of credit risk that arises where, in a transaction involving derivatives or repos with deferred settlement or

on margin, the counterparty defaults before the final settlement of the transaction cash flows.

- Country risk: the risk arising in the debts of a country, taken as a whole, as a result of reasons inherent to the country's sovereignty and economic and political situation, i.e. for circumstances other than regular credit risk. It manifests itself in a debtor's potential inability to honour their foreign currency payment obligations to external creditors due, among other reasons, to the country preventing access to foreign currency, the inability to transfer it, or the non-enforceability of legal action against borrowers for reasons of sovereignty, war, expropriation or nationalization. Country risk affects not only debts contracted with a State or entities guaranteed by it but also all private debtors that belong to such State and who, for reasons outside their control and not at their volition, find themselves generally unable to honour debts.
- Non-performing asset (NPA) risk: the risk of incurring higher costs or losses associated with managing doubtful and/or foreclosed assets.
- Equity risk: the risk of incurring losses or of an impairment of the Group's solvency as a result of adverse movements in market prices, losses on sales or the insolvency of medium and long-term investments made through capital instruments. It refers basically to the Group's portfolio of equity holdings (listed and unlisted), including the portfolio of associates over which it exerts significant influence.

### 6.3.3. Finance risk

The possibility of obtaining insufficient returns or having insufficient liquidity such as to prevent compliance with requirements and future expectations. This risk includes:

- Liquidity risk: the possibility of incurring losses as a result of the Bank being unable, albeit temporarily, to honour payment commitments due to a lack of liquid assets, or of it being unable to access the markets to obtain finance at a reasonable price. Accordingly, liquidity risk is inherent to the Bank's funding structure and market conditions.
- Exchange rate risk: the possibility of incurring losses on net positions in currencies other than the functional currency arising from investments in the equity of subsidiaries or in the endowment funds of foreign branches.
- Interest Rate Risk in the Banking Book (IRRBB): the interest rate risk on positions that are not part of the trading book (IRRBB), i.e. the potential current or future losses to an entity's capital or earnings as a result of adverse fluctuations in interest rates.
- Market risk: arising from the possibility of loss in the market value of financial asset positions due to variations in risk factors with an impact on their market prices or volatility or the correlation between them. This refers in particular to trading positions.
- Credit Spread Risk in the Banking Book (CSRBB): risk of loss in the equity and P&L accounts of an entity driven by changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump-to-) default risk. CSRBB captures the risk of an instrument's changing spread while *prima facie* disregarding idiosyncratic events and assuming the same level of creditworthiness, i.e., how the credit spread is moving within a certain rating / PD range.

## 6.3.4. Operational risk

Operational risk is defined as the risk of losses resulting from failures or inadequacies in processes, people and internal systems or from external events. This definition includes, but is not limited to, compliance risk, model risk and information and communication technology (ICT) risk, but does not include strategy risk or reputational risk. This risk includes:

- Fraud risk: the possibility, present or future, of losses arising from actions, by employees or by third parties, with the intent to defraud, misappropriate, or evade regulations, laws or company policies.
- Conduct risk: broadly speaking, the possibility, current or future, of losses arising from the inadequate provision of financial services or any other activity carried out by the Institution, due to improper conduct vis-à-vis customers (current or potential), employees (respect for human rights, equality, well-being, inclusion, or workplace safety and hygiene), shareholders and suppliers, markets, political parties or society in general, including cases of wilful or negligent conduct.
- Process risk: the possibility of incurring losses due to failures in process management, execution or delivery or to inadequate processes.
- Technology risk (or ICT risk): the risk, present or future, of losses due to inadequacy or failures in the hardware and software of technical infrastructures that may compromise the availability, integrity, accessibility, confidentiality or traceability of infrastructure, applications and data, or the impossibility of changing technology platforms in a reasonable time scale and at a reasonable cost in the face of changes in the needs of the environment or the business. Also included are security risks resulting from inadequacy or failures in internal processes or external events, including cyber attacks and inadequate physical security at data processing centres.
- Outsourcing risk: the risk, present or future, of losses arising from the use of a third party's resources and/or media to perform, on a normalised stable, permanent basis, certain processes of the outsourcing company, which inherently entails exposure to a series of underlying risks, such as operational risk, including conduct risk, information and communication technology (ICT) risk, reputational risk, concentration risk and lock-in risk.
- Talent/management risk: the risk of incurring losses due to events arising from the Group's relations with employees, associated, for example, with the non-availability of suitable profiles, staff rotation and replacement, employee dissatisfaction, etc.
- Model risk: the risk, present or future, to an institution as a result of decisions based primarily on the results of internal models, due to errors in the design, application or use of those models.
- Data aggregation risk: the risk associated with inappropriate processing and/or consideration of data within the entity that might affect the accuracy, preparation, dissemination and, where appropriate, publication of relevant reporting used in decision making, including, but not limited to, data risk and regulatory and financial reporting risk.
- Compliance risk: the risk of incurring legal or administrative sanctions, significant monetary losses or an impairment of reputation due to breach of laws, regulations, internal rules, or codes of conduct applicable to the banking industry.
- Tax risk: the probability of failing to comply with the objectives set out in the Group's tax strategy from a dual perspective due to either internal or external factors:
  - (i) Firstly, the probability of failing to comply with tax obligations that may result in a failure to pay taxes that are due or the

occurrence of any other event that impairs attainment of the Bank's goals.

(ii) Secondly, the probability of paying taxes not actually due, thus impairing the position of shareholders or other stakeholders.

## 6.4. Levels of risk tolerance, including tax risk (E.4)

The risk appetite is a key element in setting the risk strategy, since it determines the scope. The risk appetite that the Group is willing to assume in order to achieve its objectives is approved by the Board of Directors.

The Group has a Risk Appetite Framework (RAF) that sets out the governance framework regulating the risk appetite and, consequently, establishes the structure and mechanisms associated with the governance, definition, disclosure, management, measurement, monitoring and control of the Group's Risk Appetite as established by Banco Sabadell's Board of Directors.

Effective implementation of the RAF requires an appropriate combination of policies, processes, controls, systems and procedures to achieve a set of defined objectives, and to do so in an effective and continuous manner.

The Group also has a Risk Appetite Statement (RAS), which is a key element in determining the risk strategy, as it defines both qualitative aspects and quantitative metrics expressed in terms of capital, asset quality, liquidity, profitability or any other magnitude that is considered to be pertinent.

The qualitative aspects essentially enable the Group to define its position vis-à-vis certain risks when they are difficult to quantify.

The purpose of the quantitative metrics defined in the RAS is to provide objective elements for comparing the Group's situation with respect to the proposed risk management goals and challenges.

These quantitative metrics follow a hierarchical structure, as established in the RAF, structured in three levels: Board metrics (tier one), Executive metrics (tier two) and Operational metrics (tier three). Each level of metrics has its own mechanisms for approval, monitoring and action when thresholds are breached.

In order to be able, at an early stage, to detect a potential deterioration in the risk position and, consequently, be in a position to better monitor and oversee the situation, the RAS sets out a system of thresholds associated with quantitative metrics. These thresholds reflect the desirable risk levels for each metric, as well as the levels to be avoided, exceedance of which may trigger adaptation plans aimed at redressing the situation. The thresholds are graduated on the basis of severity, enabling preventive action to be taken before excessive levels are reached. Whether some or all the thresholds are set for a given metric will depend on its nature and its hierarchy within the RAS metric structure.

In addition to the Group's RAF and RAS, each subsidiary has a Local RAF and a Local RAS, which, based on the principle of proportionality, develop adapting it to the local situation.

As for tax risk, one of the main principles of the tax strategy referred to in section "6.1 Scope of the Bank's Risk Control and Management System, including that relating to tax risks (E1)" above is to minimise tax risk. This statement applies to all risks identified in section "6.3 Main risks (E3)" above.

## 6.5. Risks, including tax risks, that materialised during the year (E.5)

Finance inherently involves risk, and the materialization of such risk is inherent to the Group's business. The Group provides detailed information of the risks in Note 4 "Risk Management" in the Notes to the Consolidated Financial Statements of Banco Sabadell Group, which are available on the corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com) – Information for shareholders and investors – Financial information – Annual Reports).

## 6.6. Response and supervision plans for the Bank's main risks, including tax risks, as well as the procedures applied by the Bank to ensure that the Board of Directors responds to emerging challenges (E.6)

In accordance with the provisions of the Risk Appetite Framework (RAF), the Group's Risk Appetite Statement (RAS) has a solid governance process which ensures its proper deployment to all participants in the decision-making process. Consequently, the RAS follows a set of guidelines for approval/review, regular monitoring and oversight (including notification of breaches) and deployment to Group subsidiaries.

Specifically, the mechanisms for regular tracking of the RAS ensure a high degree of involvement at all times by the Group's governing bodies, which must have an updated vision of compliance and adaptation to the Risk Appetite defined for the Group, making it possible to make informed decisions. Accordingly, depending on their nature and hierarchy, the metrics in the Group RAS are reported regularly to different echelons (including the Board of Directors and the Risk Committee) and committees, and there is a procedure for giving notice of breaches.

In the event of a breach, the RAF identifies the Governing Bodies and Committees that must receive notice of the breach, as well as the need to define an Adaptation Plan, and defines its main characteristics, such as the parties responsible for approving it, deadlines, and mandatory content.

The main mechanisms implemented by the Group for monitoring and supervising risks are the following:

- Risk governance through the definition of the Risk Appetite in the RAS (via quantitative metrics and qualitative aspects) and the set of risk policies.
- Evaluation of the risk profile through a systematic process that provides a comprehensive view of the risks and risk tracking.
- Regular reporting of risks, mainly via the Risk Committee scorecard, which facilitates risk tracking. Specifically, that reporting covers at least the principal risks, maintaining a balance between qualitative data and comments, and, where possible, it incorporates prospective measures, information on risk appetite limits and emerging risks. Oversight is also exercised to ensure a homogeneous integrated vision at Group level, without prejudice to including the local perspective.
- Forward-looking risk management by using stress scenarios in cases where this is considered to be meaningful, which also makes it possible to identify new risks.

The Group has also established an organizational model for assigning and coordinating risk control responsibilities based on the three lines of defence. This model is elaborated upon, for each risk,

in the policies that make up the Group's body of regulations, in which specific responsibilities are established for each of the three lines of defence. In this regard, the risk policies set out and assign responsibilities, as appropriate, to the following functions:

- The first line of defence is directly responsible for the business and is in charge of identifying, quantifying, mitigating and managing risks based on an established framework. Accordingly, it is responsible for maintaining sufficient effective internal controls and for implementing corrective actions to remedy deficiencies in its processes and controls, and for defining a strategy for each risk.
- The second line of defence must ensure that the first line of defence is properly designed and fulfils its assigned functions, and it provides advice on continuous improvement. It is in charge of crosschecking the identification of current and emerging risks by the first line of defence, and of assessing the adequacy and effectiveness of their control environments. It also performs an annual risk assessment of the Group's risk profile.
- The third line of defence assists the Group in meeting its objectives by providing a systematic disciplined approach to assessing the adequacy and effectiveness of governance processes and of risk management and internal control activities in the organization.

More information regarding the systems for controlling the risks to which the Group is exposed can be found in the Annual Report, specifically Note 4 "Risk Management" of the Notes to the Consolidated Financial Statements of Banco Sabadell Group, available on the corporate website: [www.grupobancosabadell.com](http://www.grupobancosabadell.com) – Shareholder and Investor Information – Financial Information – Annual Reports.





# 7. Internal Control and Risk Management Systems in relation to the Financial Reporting Process (ICFR) (F)

## 7.1. Control environment (F.1)

### 7.1.1. Governance and governing bodies

Article 5 of the Board of Directors Regulation states that the Board of Directors is an instrument of supervision and control with responsibility for identifying the company's and the consolidated Group's main risks and implementing and monitoring suitable internal control and reporting systems, as well as setting policies on the reporting and disclosure of information to shareholders, the markets and the general public.

In addition, as provided in Article 16 of its Regulation, the Board of Directors delegates supervision of internal control systems to the Audit and Control Committee.

The functions of the Group's Internal Audit Division include supporting the Audit and Control Committee in supervising the proper design and implementation and effective functioning of the risk management and control systems, which include ICFR and ICSR.

The responsibilities of the Internal Control Division include ensuring effective control of all risks related to ICFR, as well as compliance with the established procedures and the alignment of risk management with the defined risk appetite.

The Finance Division contributes to implementing the general framework of the internal control systems that are rolled out across the entire organization.

Part of that contribution materialises in responsibility for designing and implementing internal control systems for financial reporting that ensure the accuracy of the financial information that is generated.

### 7.1.2. Positions of responsibility

The design and review of the organizational structure is the responsibility of the Global Organization and Corporate Projects Division, based on Banco Sabadell Group's Master Plan and current banking regulations. That Division analyzes and adapts the functions and organizational structure of each Division to bring it into line with the established objectives and the current regulations. Modifications to the organizational structure of the members of the Management Committee are submitted to the Board of Directors for approval, while modifications to the organizational structure of the reports to the members of the Management Committee are presented to the Management Committee for approval.

At the same time, the details of all the departments/units/offices are sent on a monthly basis to the People Division showing all the modifications that have been made, so that they can be equipped with the resources considered necessary to perform their duties.

The organization chart of Banco Sabadell Group arising from the above process addresses all the departments, areas and divisions into which Banco Sabadell Group is divided. This organization chart is

complemented by the policies and procedures of each Division, which determine the framework for action and the responsibilities of each unit of the Bank.

### 7.1.3. Code of conduct

The Banco Sabadell Group has a Group Code of Conduct that has been reviewed and updated and has been accepted by the personnel. The text, which was approved by the Board of Directors, is available to all members of the Group and they are required to expressly adhere to it. Its fundamental principles include a commitment to transparency and, in particular, it reflects the commitment to make all financial and corporate information available to shareholders. The purpose is to comply strictly with Banco Sabadell Group's obligation to offer reliable financial reporting prepared in accordance with the regulations so as to present a true and fair view of the company. It also sets out the responsibilities of its employees and executives to ensure this is so, via both proper discharge of their duties and notification to the governing bodies of any circumstance which might affect this commitment.

There is a Corporate Ethics Committee whose functions include fostering ethical behaviour throughout the organization, making proposals and advising both the Board of Directors and the various corporate and business units in connection with decisions that refer to issues that may lead to conflicts of values and/or interests.

Among the tasks carried out by the Corporate Ethics Committee is the analysis of compliance with the Code of Conduct or any other code or self-regulation that exists. In order to perform its functions, it has access to the human and material resources of the Compliance Division. If, as a consequence of exercising its functions, it detects any non-compliance, it must advise the People Division for the application of corrective actions and sanctions. Additionally, the Corporate Ethics Committee has been designated by the Board of Directors as being in charge of supervision and compliance with the crime risk and anti-corruption organization and management model, and is also the body in charge of the internal information system.

The Crime Risk and Anti-Corruption Organization and Management Model is re-assessed every year and, as a sign of their commitment to it, personnel are required to sign on to the main underlying policies, the Criminal Liability Prevention Policy and the Anti-Corruption Policy.

In 2022, AENOR Internacional S.A.U. conducted a full audit of the model to verify and certify that Banco Sabadell's model met the requirements of UNE 19601 for criminal compliance management systems and ISO 37001 for anti-bribery management systems. The bank obtained both certificates in early 2023. After passing a follow-up audit by AENOR, the certificates remained in place in 2024. The auditors identified no non-conformities with the model.

### 7.1.4. Whistleblower channel

As part of the commitment to a culture of ethics and compliance, there is an Internal Information System in place for reporting, generally, any actions or omissions that may constitute a breach of current legislation, the Banco Sabadell Group Code of Conduct or other internal regulations of the Group (including regulations on the prevention of money laundering and combating the financing of terrorism).

As the Group's controlling company, Banco Sabadell has a Whistleblower Channel available to its stakeholders and subsidiaries (except in Mexico and the United Kingdom, which have their own

channels), branches and representative offices in other countries, as a formal mechanism for reporting irregularities or infringements, and which forms part of the Group's Internal Information System, one of the guiding principles of its operation being the protection of the person presenting a query or report.

The Whistleblower Channel, hosted on a platform that can be accessed via the web (<https://canaldenunciasgrupo.bancsabadell.com>), is the primary means of reporting, detecting and managing possible irregularities that might jeopardise this commitment or entail a criminal offence. Any employee of the Group or any person related to it (subcontracted personnel, freelance service providers, suppliers, etc.) must report any information or indication of non-compliance with the Code of Conduct or of the possible commission of a crime of which they become aware.

Reports may be made openly or anonymously; in all cases, there is an assurance of confidentiality with respect to the identity of the person making a communication, of any other person involved, as well as any information provided, the protection of personal data, the right of defence, the presumption of innocence and the right to honour of all persons affected, and there is also a guarantee that there will not be any reprisals where the channel is used in good faith.

The Bank operates a policy and a procedure to enable and protect whistleblowers. The policy is published on the whistleblower platform and the corporate website. Both documents are also available on the corporate intranet to Group employees and anyone with a connection to the Group, where the principles and safeguards of the whistleblower channel and the way in which whistleblowing reports are handled step by step are described.

## 7.1.5. Training

As regards training and refresher programmes and particularly regarding the financial reporting process, the Finance Division provides training on the basis of emerging needs in order to address any new issues arising in connection with the Bank's internal accounting/finance processes, applicable national and international regulations, together with training in the use of software, the goal being to facilitate management and oversight of the financial reporting process. The professionals in the Finance Division also participate regularly in workshops and events that deal with matters of accounting and prudential regulations that are applicable to the Bank.

Training is taught chiefly by internal professionals of Banco Sabadell Group and by external experts who are specialists in the subject area.

In addition, the People Division places a series of financial training courses at the disposal of Banco Sabadell Group employees, which they can take online. The most notable courses refer to IFRS (International Financial Reporting Standards), financial mathematics, financial analysis and general tax matters.

The Internal Audit Division has a training plan in place for all its professionals which includes a Higher Specialist Programme in Internal Auditing of Credit Institutions (PSAI) at a prestigious academic institution. The course covers areas such as accounting principles and financial reporting, the basics of auditing, and financial risk monitoring and management. Furthermore, in 2024 members of the Internal Audit Division took part in workshops, among others, on sustainability and the updates introduced by Corporate Sustainability Reporting Directive 2022/2464 (CSRD). Additionally, a large number of auditors are certified to the Internal Control – Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

## 7.2. Evaluation of financial reporting risks (F.2)

Banco Sabadell Group's process of identifying the risk of error or the probability of fraud in financial reporting is documented in a manual which sets out the frequency, methods, types of risks and other basic features of the process.

The process covers all the financial reporting objectives (existence and occurrence; integrity; valuation; presentation, itemization and comparability; and rights and obligations) and focuses on identifying risks of material error based on transaction complexity, quantitative and qualitative materiality, complexity of the calculations and application of judgements and estimations, updated on a quarterly basis. In any event, if (i) circumstances not previously identified leading to the possibility of errors in the financial information, or (ii) material changes to the operations of Banco Sabadell Group arise during the year, the Finance Division evaluates the risks to be added to those already identified.

The process is subject to continuous assessment, considering aspects that may lead to modifications of the internal control model, such as regulatory changes and developments in the macroeconomic environment, the incorporation of new products, the modification of processes to generate financial information, or the identification of one-off transactions.

Once they have been identified, they are reviewed so as to analyze the potential risks of error for these types of transactions in each financial reporting objective. In the case of one-off transactions (i.e. quite complex non-recurring transactions), a specific analysis is performed on a half-yearly basis to assess whether new risks have arisen that need to be mitigated.

The process for identifying the consolidation scope is detailed in section "7.3. Control activities (F.3, F.6)" of this document.

In addition, the process considers the risk of error in certain processes not linked to specific transaction types but which are especially important in view of their impact on financial reporting, such as the process of reviewing judgements and estimates, significant accounting policies and the closing and consolidation process. In this respect, and with a view to covering the risks of these processes, Banco Sabadell Group has the control activities described in the next section "7.3 Control activities (F.3, F.6)" of this document. It should also be noted that the risk identification process takes into account the possible effects of other types of risks (operational, technology, financial, legal, reputational, environmental, etc.), insofar as these may affect the financial statements.

The aforementioned process is conducted and documented by the Global Financial Control Division and is supervised ultimately by the Audit and Control Committee.

## 7.3. Control activities (F.3, F.6)

### 7.3.1. Procedures for reviewing and authorising financial reporting

The procedure for reviewing and authorising Banco Sabadell Group's financial reporting to the markets commences with a review by the Finance Division. The separate and consolidated financial statements and the condensed interim consolidated financial statements for the six months ended 30 June are reviewed by the Audit and Control Committee prior to authorization for issue by the Board, as established in the Board

Regulations. In accordance with its terms of reference, the Audit and Control Committee reads and discusses the information with the heads of the Finance and Internal Audit Divisions and with the external auditors prior to submission to the Board of Directors.

Once the Audit and Control Committee has vetted the information and either approved it or attached its comments, the CFO and CEO of Banco Sabadell certify the content of the financial statements and submit them to the Board of Directors for authorization. The consolidated condensed financial statements for the six-month period ended 30 June are audited by the statutory auditor. This audit is purely voluntary.

The Audit and Control Committee reviews the quarterly financial disclosures (income statement and trend of the main balance sheet items) before they are submitted to the Board of Directors. In addition, it tracks the most significant technical and accounting aspects, and the results, on a monthly basis.

With regard to the activities and controls directly relating to transactions that may have a significant impact on the financial statements, Banco Sabadell Group has descriptions of the controls in place to mitigate the risk of material error (intentional or otherwise) in the information reported to the markets. For the critical areas of Banco Sabadell Group, special emphasis is placed on developing solid descriptions of the activities and controls.

These descriptions contain information on what form the control activity should take, its purpose (risk to be mitigated), the party responsible for executing it and the frequency. The descriptions cover controls on the proper accounting, measurement, presentation and disclosure of these areas.

The Banco Sabadell Group also has procedures for mitigating the risk of error in processes not related to specific transactions. In particular, there are procedures defined for the accounting close which include the consolidation process and review procedures for material judgements and estimates, which are escalated to senior management and reported to the Audit and Control Committee.

With regard to the consolidation process within the accounting close, procedures have been implemented to ensure proper identification of the consolidation scope. In particular, the Banco Sabadell Group conducts a monthly analysis of the consolidation scope, requesting the necessary information from all subsidiaries; the analysis covers all types of corporate structures.

Judgements and estimates are reviewed at different levels by members of the Finance Division. In addition, in its financial statements the Banco Sabadell Group describes the most important areas in which judgements and estimates are made, together with the key assumptions made in this connection. It also has procedures for reviewing accounting estimates. The main judgements and estimates made relate to the determination of a significant increase in the risk of financial assets, impairment losses on certain financial assets and off-balance sheet exposures, actuarial calculations relating to pension liabilities and commitments, the useful lives of tangible and intangible assets and their impairment losses, measurement of goodwill, provisions and the classification of contingent liabilities, the fair value of certain unlisted financial assets, the fair value of real estate assets and the recoverability of non-monetisable deferred tax assets and tax credits.

The Banco Sabadell Finance Division has implemented a software application that includes and formalises all the ICFR controls referred to above while, at the same time, ensuring ongoing identification of new risks to be considered and updates to mitigating controls in each accounting close. This application enables the controls to be validated on time and properly with the aim of guaranteeing the reliability of the financial reporting. The software features are designed to take account of the recommendations in the CNMV's guide entitled "Internal Control over Financial Reporting in Listed Companies," based on the principles and

good practices contained in the COSO report (Committee of Sponsoring Organizations of the Treadway Commission).

In addition, in order to make the ICFR validation process more robust, the controls involved in ICFR are certified for the closing of the financial statements for the year and for the consolidated condensed financial statements for the six-month period ended 30 June. This process consists of three sequential levels of certification and flows hierarchically through the organization to the members of the Management Committee.

## 7.3.2. Internal control policies and procedures over information systems

Banco Sabadell Group uses information systems to maintain an adequate record and control of its operations and is, consequently, highly dependent on them working properly.

As part of the process to identify risks of error in financial reporting, Banco Sabadell Group identifies which systems and applications are important in each of the areas or processes considered to be material. The identified systems and applications include those used directly in preparing the financial information and those that are important for ensuring that the controls to mitigate the risk of errors are effective.

The design and implementation of the applications define a methodological framework that establishes various points of control to ensure that the solution complies with user requirements and meets the required standards of reliability, efficiency and maintainability.

Any change regarding infrastructures or applications is handled via the change management service, which defines the change approval flow, which may be escalated to the Change Committee, with a definition of the impact and the possibility of roll-back.

The Technology Division sets out, in control policies and standards, the measures for managing and protecting the information systems to ensure the availability, integrity and confidentiality of data, and the resilience of systems in response to disruptions and cyberthreats. Such measures include:

- Measures to ensure secure access to data: access control, recertification, two-factor authentication, system protection against malware.
- Measures to ensure monitoring and response to technological disruptions and cyber events: systems for monitoring and correlating security event, equipment monitoring and incident response (24x7), scheduled technical and business continuity testing, data back-up and restoration.
- Measures to safeguard change management in infrastructure and data: technical and functional testing, change approval process.

This Division also engages in continuous review and assessment of information systems and security controls to ensure that the protection, prevention, detection, response and recovery measures are commensurate with the technological threats. The cybersecurity and resilience status is reported periodically to bodies such as the Board of Directors, the Risk Committee and the Management Committee.

### 7.3.3. Internal control policies and procedures for outsourced activities and appraisals

Banco Sabadell Group regularly examines whether activities carried out by third parties are material to the financial reporting process or might indirectly affect its reliability. To date, Banco Sabadell Group has not outsourced processes with a material impact on financial reporting. However, Banco Sabadell Group regularly uses reports from independent experts for measuring transactions that may materially affect the financial statements.

In 2024, the activities outsourced to third parties (assessments, appraisals and calculations by independent experts) were connected with real estate valuations, valuing equity holdings, measuring post-employment benefits for employees, reviewing goodwill/cash generating units and the recoverability of deferred tax assets and review of the fair value of financial assets recognised at amortised cost.

The units of Banco Sabadell Group responsible for these operations exercise oversight on the work of the external experts to check their competence, skills, accreditation and independence together with the validity of the data and methods used and the reasonableness of the assumptions applied, as described in the preceding section “7.3.1 Procedures for reviewing and authorising financial reporting”.

## 7.4. Information and reporting (F.4)

### 7.4.1. Function in charge of accounting policies

The Accounting Regulation and Financial Reporting Division (under the Group Accounting and Reporting Division) is the unit responsible for identifying and defining the accounting policies that affect the Banco Sabadell Group and for responding to queries concerning accounting from the subsidiaries and business units.

The Group Accounting and Reporting Division is responsible for informing Banco Sabadell Group senior management regarding new accounting standards, the results of their implementation and their impact on the financial statements of Banco Sabadell Group.

The functions of the Technical Committee on Accounting and Financial Disclosures include reviewing and updating policies related to financial reporting, approving the general accounting criteria and procedures, approving and reporting on the accounting treatment adopted by the Management Committee and the Audit and Control Committee, and determining the transactions that, in accordance with the established procedures, need to be cross-checked by an independent accounting expert.

Banco Sabadell Group has guides on accounting procedure that conform to the needs, requirements and dimension of Banco Sabadell Group; they set out and explain the rules for preparing financial reporting and describe how to apply the rules to Banco Sabadell's specific operations. These documents not only refer explicitly to the standards applied to each type of transaction but also elaborate upon and interpret them.

These documents are updated at least once per year. Significant modifications are notified to the dependent companies to which they are applicable.



## 7.4.2. Mechanisms for preparing financial reporting

The main IT systems and applications used in generating financial reporting by Banco Sabadell Group are centralised and interconnected. There are procedures and controls that monitor system development and maintenance, as well as their proper performance, continuity and security.

During consolidation and the preparation of the financial reporting, inputs such as the financial statements issued by Group subsidiaries are used in the established formats, together with the rest of the financial information required both for accounting harmonization and for meeting the disclosure requirements.

Banco Sabadell Group has consolidation software that incorporates a series of controls to ensure that the information received from subsidiaries is reliable and is processed properly, notably checks to ensure consolidation entries were posted correctly, an analysis of variations in all balance sheet and income statement items, variations in the results obtained with respect to proper insertion of Group undertakings' financial statements, the monthly and annual budget, and specific checks on the financial statements, in which the balance sheet and profit and loss account items are cross-checked.

The Banco Sabadell Group also relies on an IT tool for the preparation of the annual financial statements and directors' reports and the consolidated condensed financial statements and directors' report for the six-month period ending 30 June. The software makes it possible to add checks to ensure that the information in the accounts is internally coherent and that the arithmetic totals of the financial statements and the tables contained in the notes to financial statements are correct.

## 7.5. Supervision of system operation (F.5)

### 7.5.1. ICFR supervision

In accordance with the Board of Directors Regulation, the Audit and Control Committee is entrusted with oversight of Internal Audit. Additionally, the Audit and Control Committee's functions include advising the Board of Directors on the Internal Audit plan, assessing the outcome of each audit, and prioritising and tracking corrective measures.

The Bank's Internal Audit Division reports directly to the Audit and Control Committee, which grants it hierarchical and functional independence from the rest of Banco Sabadell's departments and positions the function at an appropriate level of the organization.

On the basis of its policy, which was approved by the Board of Directors, the functions of the Internal Audit Division include supporting the Audit and Control Committee in supervising the proper design and implementation, and the effective functioning, of the risk management and control systems.

The Internal Audit Plan that the Board of Directors approved at a meeting on 31 January 2024, based on a favourable report by the Audit and Control Committee, set out, inter alia, the actions to be implemented with respect to the areas or processes considered to have the highest residual risk on the basis of a risk assessment exercise. The actions set out in the Plan were implemented in 2024, prioritised as necessary to comply with the supervisor's requirements and to take account of the significant changes and exceptional transactions in the year, in some of which a review was conducted of the financial control environment and, in particular, the proper identification of risks in processes, as well as the

sufficiency, design, implementation and effective operation of financial existing controls. The general controls on reporting systems indicated in the preceding section, “7.3.2 Internal control policies and procedures over information systems”, are reviewed every year.

At each financial close, the Finance Division assesses the internal control model, considering its periodicity, the risks in the financial reporting processes, and the adequacy and effectiveness of the controls that mitigate them, and it produces and custodies evidence that each specific control was performed. The Finance Division also continuously evaluates aspects that may lead to changes in the internal control model — including regulatory changes, the introduction of new products, and amendments to Banco Sabadell's processes — and identifies the risks associated with them and designs controls to mitigate them; it also reviews the criticality of the controls and the changes in the materiality of processes with an accounting impact.

The responsibilities of the Internal Control Division include ensuring effective control of all risks related to ICFR, as well as compliance with the established procedures and the alignment of risk management with the defined risk appetite.

In addition to the aforementioned supervisory activities carried out by the ICFR Division, the Audit and Control Committee and the Internal Audit Division, in 2024 the external auditor reviewed the information relating to the ICFR, with no adverse findings in the auditor's report on “Information on ICFR” as indicated in section “7.6 External auditors' report (F.7)” in this report.

## 7.5.2. Detecting and managing weaknesses

The Audit and Control Committee meets at least once every three months (prior to the publication of the regulated disclosures) in order to obtain and analyze the necessary information to fulfil the functions entrusted to it by the Board of Directors in connection with supervising the process of producing and presenting the mandatory financial disclosures.

These meetings carry out an in-depth review of the annual and half-yearly accounts and the interim financial statements of the company together with the rest of the information made available to the market. To carry out this process, the Audit and Control Committee first receives all the documentation and meets with the CFO, the internal audit units and the external auditor (in the case of the annual and half-yearly accounts) in order to ensure proper application of the current accounting standards and the reliability of the financial reporting. In addition, this discussion process assesses any ICFR weaknesses that were identified, the proposals to correct them and the status of any actions that have been taken.

The Group's auditor has direct access to the Group's senior management and holds regular meetings to obtain the necessary information and to report on any control weaknesses detected during the audit. With regard to the latter, the external auditor submits a report each year to the Audit and Control Committee detailing any internal control weaknesses that were detected and any action plans that were implemented to remedy them.

## 7.6. External auditors' report (F.7)

Banco Sabadell Group submitted the ICFR information supplied to the markets for 2024 to the external auditor for review. The report by the external auditor (KPMG Auditores, S.L.) will be attached as an annex to this annual report on corporate governance once it is available.

The scope of the auditor's review is determined by "Guía de Actuación y Modelo de Informe del Auditor referidos a la Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF) de las Entidades Cotizadas", issued by means of Circular E14/2013, dated 19 July 2013, of the Instituto de Censores Jurados de Cuentas de España.

## 8. Degree of compliance with corporate governance recommendations (G)

The degree to which Banco Sabadell complies with the recommendations in the Code of Good Governance for Listed Companies is detailed in section G of the Statistical Annex to the Annual Report on Corporate Governance 2024 attached to this report.

## 9. Other information (H)

Since 2017, Banco Sabadell has adopted the Code of Good Tax Practices approved by the Large Company Forum on 20 July 2010 and applies its recommendations.

Banco Sabadell is a member of the Large Company Forum and voluntarily files an "Annual Tax Transparency Report"<sup>4</sup> with the Spanish tax authorities (AEAT).

Additionally, through its UK subsidiary, in 2014 it adopted the "Code of Practice on Taxation for Banks" promoted by the UK tax authorities, and is in compliance with its contents.

In April 2012, Banco Sabadell adopted the Code of Good Practice for the protection of mortgagors experiencing financial hardship (Royal Decree-Law 6/2012 of 9 March) and, on 16 December 2022, Banco Sabadell adopted the Code of Good Practices for mortgage debtors at risk of vulnerability (Royal Decree-Law 19/2022 of 22 November), and continues to adhere to it following the amendments made to the Code in December 2023 and to Royal Decree-Law 7/2024 of 11 November 2024.

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This annual corporate governance report was approved by Banco Sabadell's Board of Directors at a meeting on:

**29/01/2025**

No directors abstained or voted against the adoption of this report.

The English version is a translation of the original in Spanish and is provided for information purposes only. In case of discrepancy, the original version in Spanish shall prevail.

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<sup>4</sup> The "Annual Tax Transparency Report" for 2023 was filed with the AEAT in October 2024.

# Statistical annex

## **ISSUER IDENTIFICATION DATA**

Date of end of reference year: 31/12/2024

Tax ID number: A-08000143

Company name:

**BANCO DE SABADELL, S.A.**

Business address:

AV. ÓSCAR ESPLÁ N. 37 (ALICANTE)

## A. OWNERSHIP STRUCTURE

**A.1. Complete the following table on the capital stock and related voting rights, including any shares with loyalty voting rights, as of year-end:**

Indicate whether the Articles of Association provide for double votes for loyalty:

- ☐ Yes  
☒ No

Date of last change	Share capital (€)	No. of shares	No. of voting rights
11/12/2023	680,027,680.87	5,440,221,447	5,440,221

Indicate whether there are different classes of shares, with different associated rights:

- ☐ Yes  
☒ No

**A.2. Detail direct and indirect owners of significant stakes at year-end, including directors with a significant stake:**

Name of shareholder	Voting rights attributed to the shares ( % )		Voting rights through financial instruments ( % )		Total voting rights ( % )
	Direct	Indirect	Direct	Indirect	
BLACKROCK INC.	0.00	6.20	0.00	0.10	6.30
DIMENSIONAL FUND ADVISORS, LP	0.00	3.73	0.00	0.00	3.73
DON DAVID MARTÍNEZ GUZMÁN	0.00	3.56	0.00	0.00	3.56
ZURICH INSURANCE GROUP LTD	0.00	3.02	0.00	0.00	3.02

**Detail the indirect holding:**

Name of indirect shareholder	Name of direct shareholder	Voting rights attributed to the shares ( % )	Voting rights through financial instruments ( % )	Total voting rights ( % )
BLACKROCK INC.	Subsidiaries of BLACKROCK INC.	6.20	0.10	6.30
DIMENSIONAL FUND ADVISORS, LP	Funds and accounts advised or sub-advised by Dimensional Fund Advisors LP or its subsidiaries	3.73	0.00	3.73
DON DAVID MARTÍNEZ GUZMÁN	FINTECH EUROPE S.À.R.L.	3.56	0.00	3.56
ZURICH INSURANCE GROUP LTD	ZURICH INSURANCE COMPANY LTD, 100% owned by ZURICH INSURANCE GROUP LTD	3.02	0.00	3.02

**A.3. Detail the shareholdings at year-end, regardless of the percentage, of the members of the Board of Directors who hold voting rights attributed to shares of the company or through financial instruments, excluding the directors identified in section A.2 above:**

Name of director	Voting rights attributed to the shares ( % )		Voting rights through financial instruments ( % )		Total voting rights ( % )	Voting rights that can be transferred through financial instruments ( % )	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
JOSEP OLIU CREUS	0.10	0.04	0.00	0.00	0.14	0.00	0.00
PEDRO FONTANA GARCIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	0.02	0.00	0.00	0.00	0.02	0.00	0.00
AURORA CATÁ SALA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ANA COLONQUES GARCÍA-PLANAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LLUÍS DEULOFEU FUGUET	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA JOSÉ GARCÍA BEATO	0.01	0.00	0.00	0.00	0.01	0.00	0.00
MIREYA GINÉ TORRENS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAURA GONZÁLEZ MOLERO	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Name of director	Voting rights attributed to the shares ( % )		Voting rights through financial instruments ( % )		Total voting rights ( % )	Voting rights that can be transferred through financial instruments ( % )	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
GEORGE DONALD JOHNSTON III	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALICIA REYES REVUELTA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MANUEL VALLS MORATÓ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DAVID VEGARA FIGUERAS	0.01	0.00	0.00	0.00	0.01	0.00	0.00
PEDRO VIÑOLAS SERRA	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Voting rights held by members of the Board of Directors ( % )	3.77
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**Detail the indirect holding:**

Name of director	Name of direct shareholder	Voting rights attributed to the shares ( % )	Voting rights through financial instruments ( % )	Total voting rights ( % )	Voting rights that can be transferred through financial instruments ( % )
No data					

**Detail the total percentage of voting rights represented on the Board:**

Total % of voting rights represented on the Board of Directors	3.77
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**A.7. Indicate whether shareholders' agreements that affect the company have been notified to the company as provided in articles 530 and 531 of the Capital Companies Law. If so, briefly describe the agreements and list the shareholders involved:**

- ☐ Yes  
☒ No

**Indicate if the company is aware of any concerted action among its shareholders. If so, give a brief description:**

- ☐ Yes  
☒ No

**A.8. Indicate if any natural or legal person exercises or can exercise control over the company in accordance with article 5 of the Securities Market Law. If so, identify that person:**

- ☐ Yes  
☒ No

**A.9. Complete the next tables about the company's own shares:**

**At year-end:**

No. of direct shares	No. of indirect shares (*)	Total % of share capital
78,840,390	0	1.45

**(\*) Through:**

Name of direct shareholder	No. of direct shares
No data	0

**A.11. Estimated free float:**

	%
Estimated free float	81.82

**A.14. Indicate whether the company has issued securities that are not traded on a regulated market in the European Union.**

☐ Yes

☒ No

## B. GENERAL MEETING OF SHAREHOLDERS

**B.4. Indicate the attendance data for the general meetings held in the year to which this report refers and the two previous years:**

	Attendance data				
Date of General Meeting	% in attendance	% represented	% remote voting		Total
			E-voting	Other	
24/03/2022	0.26	55.44	0.29	0.44	56.43
Of which free float	0.08	55.43	0.29	0.38	56.18
23/03/2023	0.26	60.68	0.44	0.54	61.92
Of which free float	0.10	60.66	0.44	0.54	61.74
10/04/2024	0.23	60.40	0.50	0.66	61.79
Of which free float	0.07	56.79	0.50	0.66	58.02

**B.5. Indicate whether any item on the agenda of the general meetings held during the year was not approved by the shareholders, for any reason:**

- ☐ Yes  
☒ No

**B.6. Indicate whether there are any restrictions in the Articles requiring a minimum number of shares to attend the General Meeting or to vote by distance means:**

- ☒ Yes  
☐ No

Number of shares required to attend the General Meeting	1000
Number of shares required to vote by distance means	1000

## C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

### C.1. Board of Directors

**C.1.1. Maximum and minimum number of directors envisaged in the articles, and the number established by the general meeting:**

<b>Maximum number of directors</b>	15
<b>Minimum number of directors</b>	11
<b>Number of directors established by the general meeting</b>	15

**C.1.2. Complete the next table with the members of the board:**

<b>Name of director</b>	<b>Representative</b>	<b>Director category</b>	<b>Board position</b>	<b>Date of first appointment</b>	<b>Date of latest appointment</b>	<b>Appointment procedure</b>
JOSEP OLIU CREUS		Other external	CHAIRMAN	29/03/1990	23/03/2023	GENERAL MEETING DECISION
PEDRO FONTANA GARCÍA		Independent	DEPUTY CHAIRMAN	27/07/2017	24/03/2022	GENERAL MEETING DECISION
CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN		Executive	CEO	17/12/2020	26/03/2021	GENERAL MEETING DECISION
AURORA CATÁ SALA		Independent	DIRECTOR	29/01/2015	23/03/2023	GENERAL MEETING DECISION
ANA COLONQUES GARCÍA-PLANAS		Independent	DIRECTOR	10/04/2024	10/04/2024	GENERAL MEETING DECISION
LLUÍS DEULOFEU FUGUET		Independent	DIRECTOR	28/07/2021	24/03/2022	GENERAL MEETING DECISION
MARÍA JOSÉ GARCÍA BEATO		Other external	DIRECTOR	24/05/2018	23/03/2023	GENERAL MEETING DECISION
MIREYA GINÉ TORRENS		Independent	DIRECTOR	26/03/2020	10/04/2024	GENERAL MEETING DECISION
LAURA GONZÁLEZ MOLERO		Independent	DIRECTOR	26/05/2022	23/03/2023	GENERAL MEETING DECISION
GEORGE DONALD JOHNSTON III		Independent	LEAD INDEPENDENT DIRECTOR	25/05/2017	24/03/2022	GENERAL MEETING DECISION
DAVID MARTÍNEZ GUZMÁN		Proprietary	DIRECTOR	27/03/2014	24/03/2022	GENERAL MEETING DECISION
ALICIA REYES REVUELTA		Independent	DIRECTOR	24/09/2020	26/03/2021	GENERAL MEETING DECISION
MANUEL VALLS MORATÓ		Independent	DIRECTOR	22/09/2016	26/03/2021	GENERAL MEETING DECISION

Name of director	Representative	Director category	Board position	Date of first appointment	Date of latest appointment	Appointment procedure
DAVID VEGARA FIGUERAS		Executive	DIRECTOR	28/05/2015	23/03/2023	GENERAL MEETING DECISION
PEDRO VIÑOLAS SERRA		Independent	DIRECTOR	23/03/2023	23/03/2023	GENERAL MEETING DECISION

<b>Total number of directors</b>	15
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Indicate any directors who stepped down in the reporting period, due to resignation, removal or any other reason:

Name of director	Category at time of removal	Date of last appointment	Date of removal	Specialised committees of which he/she was a member	Indicate whether the removal took place before the end of tenure
JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	Independent	24/03/2022	10/04/2024	Appointments and Corporate Governance Committee and Remuneration Committee	YES

**C.1.3. Complete the next table with the members of the board and their category:**

EXECUTIVE DIRECTORS		
Name of director	Position in the company's organisation chart	Profile
CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	CEO	<p>BANKING/RETAIL &amp; CORPORATE BANKING/FINANCIAL/REGULATORY/INTERNATIONAL / DIGITAL &amp; IT (Digital Transformation)</p> <p>Dual degrees in Law and Business Administration from ICADE, Madrid, and an MBA from Yale School of Management, Connecticut (USA). Founder and CEO of ING Direct, N.V. Branch in Spain (1998-2010), General Manager for Spain, France, Italy and United Kingdom of ING Direct, N.V. (2004-2010), Regional Head of Europe at ING Bank (2010-2011), CEO of Novagalicia Banco (now Abanca) (2011-2013), CEO of Gulf Bank (2014-2016), CEO of ING Spain and Portugal (2017-2019), and non-executive director of TSB Bank, PLC and TSB Banking Group, PLC which are both part of the Banco Sabadell Group (2020-2021). He is Chairman of Banco Sabadell, S.A., IBM, SabCapital, S.A. de C.V., SOFOM, E.R. and Sabadell Consumer Finance, S.A.U., all of which are part of the Banco Sabadell Group, and member of the Board of Trustees of Ciudad Escuela de los Muchachos Foundation.</p>
DAVID VEGARA FIGUERAS	DIRECTOR GENERAL MANAGER	<p>FINANCIAL / RISKS / ACADEMIC / REGULATORY.</p> <p>A graduate in economics from the Autonomous University of Barcelona, he holds an MA in economics from the London School of Economics. Formerly Secretary of State for the Economy in the Spanish government (2004-2009), Deputy Director of the International Monetary Fund (2010-2012) and Deputy Chief Executive Officer, Banking in the European Stability Mechanism (2012-2015). Member of the Supervisory Board of Hellenic Corporation of Assets and Participations, S.A. (2016-2022), and non-executive director of TSB Bank, PLC and TSB Banking Group, PLC, both of which are part of the Banco Sabadell Group (2020-2022). Associate professor in the Department of Economics, Finance and Accounting at ESADE (2015- 2018). Currently, Independent director of Amadeus IT Group, S.A., member of the Board of Trustees of the Pasqual Maragall Foundation, trustee for life of the Gala-Salvador Dalí Foundation, Chairman of the Advisory Board of Roca Junyent, S.L.P., and Chairman of Foro Tertulias Hispano-Británicas.</p>

<b>Total number of executive directors</b>	2
<b>% of total Board</b>	13.33%

PROPRIETARY EXTERNAL DIRECTORS		
Name of director	Name of the significant shareholder whom the director represents or who proposed his/her appointment	Profile
DAVID MARTÍNEZ GUZMÁN	FINTECH EUROPE, S.À.R.L.	<p>BUSINESS / FINANCE / INTERNATIONAL</p> <p>Degree in Electrical &amp; Mechanical Engineering from the National Autonomous University of Mexico, Diploma in Philosophy from Universitas Gregoriana (Italy), and MBA from Harvard Business School. Founder in 1987 of Fintech Advisory, which manages the Fintech Investments Limited fund (New York and London). Director of listed companies Alfa, S.A.B., Vitro, S.A.B., Cemex, S.A.B. and unlisted company ICA Tenedora S.A. de C.V.</p> <p>Fintech Europe, S.À.R.L. (FE) is wholly owned by Fintech Investments Ltd. (FIL) which is the investment fund managed by Fintech Advisory Inc (FAI). FAI is owned 100 % by Mr. David Martínez Guzmán. Consequently, the shareholding now held by FE is considered to be controlled by Mr. David Martínez Guzmán.</p>

<b>Total number of proprietary directors</b>	1
<b>% of total Board</b>	6.67%



INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
PEDRO FONTANA GARCÍA	<p><b>BANKING / RETAIL BANKING / BUSINESS.</b></p> <p>Degree in Business from ESADE (Barcelona) and MBA from Harvard Graduate School of Business Administration, Boston, Massachusetts (USA). Regional Manager of Banco de Comercio (1978-1982), General Manager of Banca Mas Sardá (1983-1988), CEO of NH Hoteles (1989-1990), General Manager of COOB'92 (1990-1993), General Manager of Turisme de Barcelona (1993-1994), Chairman of Banca Catalana (1994-1999), General Manager of BBVA Catalonia (2000-2009), Executive Chairman of AREAS (Elior Group) (2012-2017), Deputy General Manager of Elior Group, S.A. (2017-2018), nominee of EMESA Corporación Empresarial, S.L. on the board of listed company Elior Group, S.A. (2018-2019), and director of Fira Internacional de Barcelona (2011-2023). Currently, Independent director of Grupo Indukern, S.L. and of Pax Lux Equityco, S.A., Chairman of My Chef Ristorazione Commerciale, S.P.A., and director of MdF Family Partners, S.A. Honorary President of Asociación para el Progreso de la Dirección - Catalonia Chapter, Chairman of the Board of Trustees of Fundació Privada Cercle d'Economia, trustee of Fundació Barcelona Mobile World Capital, Member of the boards of trustees of Universitat Ramon Llull Fundació, Fundació Grupo Sifu, of Fundació Formació y Futuro and of Fundació Acció Solidària Contra l'Atur.</p>
AURORA CATÁ SALA	<p><b>BUSINESS / CONSULTING / FINANCE / HUMAN RESOURCES</b></p> <p>Degree in Industrial Engineering (major in Industrial Organization) from the Polytechnic University of Catalonia and MBA and PADE from IESE Barcelona. Formerly CFO of Nissan Motor Ibérica, S.A. (1990-1996), General Manager of RTVE Cataluña (1996-1999), Managing Director of Planeta 2010 (1999-2003), General Manager of Audiovisual Media at Recoletos Grupo de Comunicación (2003-2008), Partner of Seeliger y Conde (2009-2020), independent director of Institut Català de Finances (2014), independent director of Atresmedia Corporación de Medios de Comunicación, S.A. (2009-2021), director of Sabadell Information Systems, S.A., Banco Sabadell's technology subsidiary (2020-2022), Chairman of Barcelona Global (2020-2022), independent director of Atrys Health, S.A. (2021-2024) and Deputy Chairman of 37th America's Cup Events. Formerly held a number of directorships. Currently, independent director of Repsol, S.A., member of the Executive Committee of IESE alumni, trustee of Fundació Cellnex and secretary general of Fundació CIDOB.</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
ANA COLONQUES GARCÍA-PLANAS	<p><b>BUSINESS/ FINANCE/ AUDITOR</b></p> <p>Degree in Business Administration and MBA from ESADE. Auditor at Deloitte (2006-2010), specialized in auditing financial institutions. Risk analyst at Banco Sabadell (2010-2011). Director of Iberdrola España, S.A. (2021-2024). Currently, CFO and executive director and deputy-secretary of Porcelanosa, S.A., holding other positions in governing bodies at Porcelanosa Group companies. Independent Director of Iberdrola, S.A. and member of the Appointments Committee of Iberdrola, S.A. Member of the Valencia Regional Board of the Asociación Española de Directivos.</p>
LLUÍS DEULOFEU FUGUET	<p><b>BANKING/RETAIL BANKING/DIGITAL &amp; IT (Digital Transformation)/BUSINESS/CONSULTING</b></p> <p>Degree in Telecommunications Engineering from the Polytechnic University of Catalonia and has completed the "Finance for Executives" programme at ESADE and the PDG at IESE (Barcelona). Senior Manager at Andersen Consulting (1988-1994), Head of Technical Services &amp; Development of New Projects at Acesa (1994-2001), Chief Technology Officer at La Caixa (2001-2011), Managing Director for Internal Resources and Efficiency at Abertis Infraestructuras (2011-2014). Managing Director of Sanef (2014-2018) y Deputy CEO of Cellnex Telecom (2018-2020). Founder and director of Acesa Telecom (now Cellnex Telecom), and founder and director of Parc Logístic de la Zona Franca, as well as Vice President of Fundació Catalana de Recerca i Innovació and Trustee of Fundación Barcelona Digital, as well as director of numerous undertakings such as e-La Caixa, Abertis Telecom, Invercaixa Gestió, Sanex, Xfera, Cellnex Telecom, Hispasat, and DDST-Tradia. He has been a director of Sabadell Digital, S.A.U., Banco Sabadell's technology subsidiary, since 2020. Chairman of Fundación Cellnex.</p>
MIREYA GINÉ TORRENS	<p><b>FINANCIAL/ACADEMY/GOVERNANCE/DIGITAL &amp; IT (Digital Transformation)</b></p> <p>BA and MA (Cum Laude) in Economics from Pompeu Fabra University, and PhD from the University of Barcelona. Director of International Initiatives, Wharton Research Data Services (WRDS) since 2012. She is currently professor and director of the Department of Financial Management at IESE Business School. Researcher at the European Corporate Governance Institute since 2018. A member of the World Economic Forum's network of experts (corporate governance) since 2019, and member of the Center for Economic Policy since 2020. Independent director of Sabadell Asset Management (2018-2020). Proprietary director of Sabadell Consumer Finance, S.A.U.</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
LAURA GONZÁLEZ MOLERO	<p>CORPORATE/INTERNATIONAL/GOVERNANCE/CONSULTING</p> <p>Degree in Pharmacy, major in industrial pharmacy, from Madrid Complutense University (1989). MBA from IE Business School (1999) and executive management courses and programmes at prestigious international business schools (IMD Business School, Harvard Business School, Kellogg Business School and INSEAD). Vice-Chairman of Serono for Iberia (2006-2007), CEO of Merck S.L. (2007-2011) and Chairman for LatAm (2012-2014), both in Merck Group, Chairman for LatAm of Bayer Health Care Pharmaceuticals (2014-2016), independent director of Grupo Leche Pascual (2009-2017), of Bankia, S.A. (2018-2021), and of Grupo Ezentis, S.A. (2016-2022). Currently, Independent director of Viscofan, S.A. and independent director of Acerinox, S.A. President of the Asociación para el Progreso de la Dirección, member of the Advisory Board of Integrated Service Solutions, S.L. and member of the Advisory Board of Leadership &amp; Executive Search Advisory Services Iberia, S.L. (N2GROWTH IBERIA).</p>
GEORGE DONALD JOHNSTON III	<p>BANKING / CORPORATE BANKING / INTERNATIONAL</p> <p>BA in Political Science from Middlebury College, Vermont (USA) and MA in International Economics and Latin American Studies from Johns Hopkins University School of Advanced International Studies, Washington DC. (USA). Executive director at Salomon Brothers (1979-1990), Director of Bankers Trust International and member of its Global Executive Committee (1992-1999), Group Head of M&amp;A for Europe and Member of the Europe Executive Committee and of the Global Operating Committee within the investment banking division of Deutsche Bank (1999-2005), Chairman of the M&amp;A Group for Europe at Deutsche Bank (2005-2010). Currently, lead independent director of Acerinox, S.A. and independent director of Merlin Properties, SOCIMI, S.A.</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
ALICIA REYES REVUELTA	<p>BANKING/RETAIL &amp; CORPORATE BANKING/FINANCIAL/ INTERNATIONAL / ESG / DIGITAL &amp; IT (DIGITAL TRANSFORMATION) / ACADEMIC / GOVERNANCE</p> <p>Dual degrees in Law and Business Administration from ICADE, Madrid. PhD in Quantitative Methods and Financial Markets from ICADE. Formerly held a number of directorships. Country Manager of Bear Stearns for Iberia (2002-2006), Global Head of Structuring of Financial Institutions and Global Head of Insurance Solutions and Strategic Capital Derivatives at Barclays Capital (2010-2014). Partner of Olympo Capital (2014-2015). She was formerly independent director (2015-2016), CEO for the EMEA business (2016-2020) and Acting Chairman (2019) of Wells Fargo Securities International Ltd. Non-executive director of TSB Bank, PLC and TSB Banking Group, PLC, both in the Banco Sabadell Group (2021-2022). Chairman of Momentum Securities (2023). Formerly guest lecturer at the Institute of Finance and Technology of the Engineering Faculty, University College London (UCL) and trustee of UK NGO Fareshare. Currently, independent director of Ferrovial, S.E. and of KBC Group N.V., and director of KBC BANK. N.V. Independent member of the General and Supervisory Board of EDP Energias de Portugal S.A. Trustee of Maria Luisa de Cartassac Foundation.</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
MANUEL VALLS MORATÓ	<p>AUDITOR/FINANCE</p> <p>Degree in Economics and Business Studies from the University of Barcelona and a post-graduate qualification in Business Administration from IESE/University of Navarra; he is a registered auditor and a member of Spain's official register of auditors since its creation. Partner of PwC (1988-2013), Head of the Audit Division at PwC (2006-2013) and Chairman of PwC Auditores (2006-2011). Independent member of the Governing Board of Institut Català de Finances (2015-2016), and director of Sabadell Information Systems, S.A., Banco Sabadell's technology subsidiary (2020-2022). Currently, lead Independent Director of listed company Renta Corporación Real Estate, S.A. and Chairman of the Audit, Control and Risk Committee at COBEGA, S.A.</p>
PEDRO VIÑOLAS SERRA	<p>BANKING/CORPORATE BANKING/BUSINESS/FINANCE/</p> <p>Degree in Business Administration from the University of Barcelona, and Degree in Business Administration and MBA from ESADE and the Polytechnic University of Catalonia. He has held a number of positions in the Barcelona Stock Exchange (1988-1997): Director of the Research Department, Deputy General Manager in charge of the Research and Corporate Development Department, Finance, Market Supervision, International Relations and subsidiaries. CEO of Filo (1997-2002), a listed real estate group. Partner &amp; CEO of Grupo Financiero Riva y Garcia (2003-2008). He has been director of Grupo Mecanotubo (2006-2010), of SIIC de Paris (2010-2014) and of Grupo Electro Stocks (2011-2020). He has been CEO of Inmobiliaria Colonial, Socimi, S.A. since 2008 and Deputy Chairman since 2019, holding other positions in governing bodies at Colonial Group companies. He is an independent director of Blue Self Storage, S.L., director of the European Real Estate Association and trustee of Fundación ESADE.</p>

<b>Total number of independent directors</b>	10
<b>% of total Board</b>	66.67%

Indicate whether any director classified as independent receives, from the company or the same group, any amount or benefit under a heading other than director remuneration, or holds or has held, during the last year, a business relationship with the company or any other company in its group, either in his/her own name or as a significant shareholder, director or senior manager of an institution that holds or has held such a relationship.

If yes, give the reasons why it is considered that the director qualifies as an independent director.

Name of director	Description of the relationship	Disclosure with rationale
No data		

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors and detail the reasons why they cannot be classified as proprietary or independent, and any relations they have with the company, its executives or its shareholders:

<b>Name of director</b>	<b>Reason</b>	<b>Company, executive or shareholder to which he/she is related</b>	<b>Profile</b>
JOSEP OLIU CREUS	Performed executive functions until 26 March 2021 and in accordance with the Capital Companies Law.	BANCO DE SABADELL, S.A.	<p><b>BANKING/RETAIL &amp; CORPORATE BANKING/FINANCIAL/ACADEMIC/BUSINESS/INTERNATIONAL</b></p> <p>Degree in Economics from the University of Barcelona and a PhD in Economics from the University of Minnesota (USA). Professor of Economic Theory at the University of Oviedo. Head of Studies and Strategy (1983-1984) and Head of Planning (1984-1987) at Spain's National Institute of Industry (INI). Appointed Director/General Manager of Banco Sabadell in 1990. Chairman of Banco Sabadell since 1999. Non-executive Chairman of Exea Empresarial, S.L. and the latter's representative as Chairman of Puig, S.L., Representative of Exea Ventures, S.A. as Chairman of Exea Ventures, S.L. Director of Puig Brands, S.A. Chairman of the Banco Sabadell Foundation, member of FEDEA (Fundación de Estudios de Economía Aplicada), and member of the Board of Trustees of the Princess of Asturias Foundation and the Princess of Girona Foundation.</p>

OTHER EXTERNAL DIRECTORS			
Identify the other external directors and detail the reasons why they cannot be classified as proprietary or independent, and any relations they have with the company, its executives or its shareholders:			
Name of director	Reason	Company, executive or shareholder to which he/she is related	Profile
MARÍA JOSÉ GARCÍA BEATO	Desempeñó funciones ejecutivas hasta el 31 de marzo de 2021 y de acuerdo con la Ley de Sociedades de Capital.	BANCO DE SABADELL, S.A.	<p><b>BANKING / LAW / REGULATORY / GOVERNANCE</b></p> <p>Degree in Law and Diploma in Criminology. Spanish State Attorney (1991). Former positions include State Attorney at the Madrid High Court of Justice, Legal Counsel at the Data Protection Agency, State Attorney as consultant to the State Legal Service, Head of the General Secretariat of Communications, and State Attorney at the National Court. Chief of Staff and Under-Secretary at the Ministry of Justice (2000-2004). She has been General Counsel (2005-2008) and General Secretary (2008-2021) and an executive director (2018-2021) of Banco Sabadell. Independent director of listed company Red Eléctrica Corporación, S.A. (2012-2021), director of Papelera Guipuzcoana de Zicuñaga, S.A.U. (2022), and non-executive director of MdF Family Partners, S.A. (2021-2024). Currently, independent director of ACS, Actividades de Construcción y Servicios, S.A., independent director of Iberpapel Gestión, S.A. and independent member of the General and Supervisory Board of EDP Energias de Portugal S.A. Member of the Boards of Trustees of the Banco Sabadell Foundation, the Spanish Banking Association Foundation and the ACS Foundation.</p>

<b>Total number of other external directors</b>	2
<b>% of total Board</b>	13.33%

Indicate any changes in each director's status in the period.

Name of director	Date of change	Previous category	Current category
No data			



**C.1.4. Complete the following table with information on the number of female directors at the end of the last four years, and their category:**

	Number of female directors				% of total directors in each category			
	2024	2023	2022	2021	2024	2023	2022	2021
<b>Executive</b>								
<b>Proprietary</b>								
<b>Independent</b>	5	4	4	3	50.00	40.00	40.00	30.00
<b>Other external</b>	1	1	1	1	50.00	50.00	50.00	50.00
<b>Total</b>	6	5	5	4	40.00	33.33	33.33	26.67

**C.1.11. List any positions of director, administrator or representative of same held in other undertakings, listed or otherwise, by the directors or representatives of directors who are members of the company's board:**

Director or representative	Name of entity, listed or otherwise	Position
MR. JOSEP OLIU CREUS	EXEA EMPRESARIAL, S.L.	CHAIRMAN
MR. JOSEP OLIU CREUS	PUIG, S.L.	CHAIRMAN'S REPRESENTATIVE
MR. JOSEP OLIU CREUS	EXEA VENTURES, S.L.	CHAIRMAN'S REPRESENTATIVE
MR. JOSEP OLIU CREUS	PUIG BRANDS, S.A.	DIRECTOR
MR. JOSEP OLIU CREUS	BARCELONA GRADUATE SCHOOL OF ECONOMICS FUNDACIÓN PRIVADA	TRUSTEE
MR. JOSEP OLIU CREUS	FUNDACIÓ BOSCH I CARDELLACH	TRUSTEE
MR. JOSEP OLIU CREUS	FUNDACIÓN DE ESTUDIOS DE ECONOMÍA APLICADA	TRUSTEE
MR. JOSEP OLIU CREUS	FUNDACIÓ PRIVADA BANC SABADELL	CHAIRMAN
MR. JOSEP OLIU CREUS	FUNDACIÓN PRINCESA DE GIRONA	TRUSTEE
MR. JOSEP OLIU CREUS	FUNDACIÓN PRINCESA DE ASTURIAS	TRUSTEE
MR. PEDRO FONTANA GARCÍA	GRUPO INDUKERN, S.L.	DIRECTOR
MR. PEDRO FONTANA GARCÍA	PAX LUX EQUITYCO, S.A.	DIRECTOR
MR. PEDRO FONTANA GARCÍA	MY CHEF RISTORAZIONE COMMERCIALE, S.P.A.	CHAIRMAN
MR. PEDRO FONTANA GARCÍA	GARNIEL, S.L.	SOLE ADMINISTRATOR
MR. PEDRO FONTANA GARCÍA	ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN – APD CATALUÑA	HONORARY CHAIRMAN
MR. PEDRO FONTANA GARCÍA	MDF FAMILY PARTNERS, S.A.	DIRECTOR
MR. PEDRO FONTANA GARCÍA	FUNDACIÓN BARCELONA MOBILE WORLD CAPITAL	TRUSTEE
MR. PEDRO FONTANA GARCÍA	FUNDACIÓN PRIVADA CERCLE D'ECONOMÍA	CHAIRMAN
MR. PEDRO FONTANA GARCÍA	UNIVERSIDAD RAMON LLULL FUNDACIÓ	TRUSTEE
MR. PEDRO FONTANA GARCÍA	FUNDACIÓN GRUPO SIFU	TRUSTEE
MR. PEDRO FONTANA GARCÍA	FUNDACIÓN FORMACIÓN Y FUTURO	TRUSTEE
MR. PEDRO FONTANA GARCÍA	FUNDACIÓ ACCIÓ SOLIDÀRIA CONTRA L'ATUR	TRUSTEE

Director or representative	Name of entity, listed or otherwise	Position
MR. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	SABADELL CONSUMER FINANCE, S.A.U.	CHAIRMAN
MR. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	BANCO SABADELL, S.A. IBM	CHAIRMAN
MR. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	SABCAPITAL, S.A. DE C.V., SOFOM E.R.	CHAIRMAN
MR. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	FUNDACIÓN CIUDAD ESCUELA DE LOS MUCHACHOS	TRUSTEE
MS. AURORA CATÁ SALA	REPSOL, S.A.	DIRECTOR
MS. AURORA CATÁ SALA	BOZO CONSULTING, S.L.	JOINT ADMINISTRATOR
MS. AURORA CATÁ SALA	LIZARD INVERSIONES, S.L.	JOINT ADMINISTRATOR
MS. AURORA CATÁ SALA	FUNDACIÓN CELLNEX	TRUSTEE
MS. AURORA CATÁ SALA	FUNDACIÓN CIDOB	SECRETARY GENERAL
MS. ANA COLONQUES GARCÍA-PLANAS	PORCELANOSA, S.A.	DIRECTOR AND DEPUTY-SECRETARY
MS. ANA COLONQUES GARCÍA-PLANAS	PORSAFIN GRUPO, AIE	CHAIRMAN AND CEO
MS. ANA COLONQUES GARCÍA-PLANAS	PORCELANOSA BATIMAT, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	GAMA-DECOR, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	KRION SOLID SURFACE, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	L'ANTIC COLONIAL, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	BUTECH BUILDING TECHNOLOGY, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	NOKEN DESIGN, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	URBAN INCENTIVES, S.L.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	IBERDROLA, S.A.	DIRECTOR
MS. ANA COLONQUES GARCÍA-PLANAS	MOSEL INTERNATIONAL SL	DIRECTOR
MS. ANA COLONQUES GARCÍA-PLANAS	ASOCIACION ESPAÑOLA DE DIRECTIVOS - COMUNIDAD VALENCIANA	DIRECTOR
MR. LLUÍS DEULOFEU FUGUET	SABADELL DIGITAL, S.A.U.	DIRECTOR
MR. LLUÍS DEULOFEU FUGUET	EIXAMPLE 2 ASSESSORS, S.L.	JOINT ADMINISTRATOR
MR. LLUÍS DEULOFEU FUGUET	FUNDACIÓN CELLNEX	CHAIRMAN
MS. MARÍA JOSÉ GARCÍA BEATO	ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A.	DIRECTOR
MS. MARÍA JOSÉ GARCÍA BEATO	IBERPAPEL GESTIÓN, S.A.	DIRECTOR

Director or representative	Name of entity, listed or otherwise	Position
MS. MARÍA JOSÉ GARCÍA BEATO	EDP ENERGIAS DE PORTUGAL, S.A.	DIRECTOR
MS. MARÍA JOSÉ GARCÍA BEATO	FUNDACIÓ PRIVADA BANC SABADELL	TRUSTEE
MS. MARÍA JOSÉ GARCÍA BEATO	FUNDACIÓN ASOCIACIÓN ESPAÑOLA DE BANCA	TRUSTEE
MS. MARÍA JOSÉ GARCÍA BEATO	FUNDACIÓN ACS	TRUSTEE
MS. MIREYA GINÉ TORRENS	SABADELL CONSUMER FINANCE, S.A.U.	DIRECTOR
MS. MIREYA GINÉ TORRENS	REAL ANALYSYS, S.L.	SOLE ADMINISTRATOR
MS. LAURA GONZÁLEZ MOLERO	ACERINOX, S.A.	DIRECTOR
MS. LAURA GONZÁLEZ MOLERO	VISCOFAN, S.A.	DIRECTOR
MS. LAURA GONZÁLEZ MOLERO	ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN	CHAIRMAN
MR. GEORGE DONALD JOHNSTON III	ACERINOX, S.A.	LEAD INDEPENDENT DIRECTOR
MR. GEORGE DONALD JOHNSTON III	MERLIN PROPERTIES, SOCIMI, S.A.	DIRECTOR
MR. GEORGE DONALD JOHNSTON III	YANKEE KINGDOM ADVISORY, LLC	SOLE ADMINISTRATOR
MR. DAVID MARTÍNEZ GUZMÁN	ALFA, S.A.B. DE C.V.	DIRECTOR
MR. DAVID MARTÍNEZ GUZMÁN	CEMEX, S.A.B. DE C.V.	DIRECTOR
MR. DAVID MARTÍNEZ GUZMÁN	VITRO, S.A.B. DE C.V.	DIRECTOR
MR. DAVID MARTÍNEZ GUZMÁN	ICA TENEDORA, S.A. DE C.V.	DIRECTOR
MS. ALICIA REYES REVUELTA	FERROVIAL, S.E.	DIRECTOR
MS. ALICIA REYES REVUELTA	KBC GROUP, N.V.	DIRECTOR
MS. ALICIA REYES REVUELTA	KBC BANK, N.V.	DIRECTOR
MS. ALICIA REYES REVUELTA	EDP ENERGIAS DE PORTUGAL, S.A.	DIRECTOR
MS. ALICIA REYES REVUELTA	FRIDAY HOUSE MADRID, S.L.	SOLE ADMINISTRATOR
MS. ALICIA REYES REVUELTA	MARIA LUISA DE CARTASSAC FOUNDATION	TRUSTEE
MR. MANUEL VALLS MORATÓ	RENTA CORPORACIÓN REAL ESTATE, S.A.	LEAD INDEPENDENT DIRECTOR
MR. MANUEL VALLS MORATÓ	COBEGA, S.A. (Audit, Control and Risk Committee)	CHAIRMAN
MR. MANUEL VALLS MORATÓ	ERBERA M&A, S.L. (DORMANT)	JOINT ADMINISTRATOR
MR. DAVID VEGARA FIGUERAS	AMADEUS IT GROUP, S.A.	DIRECTOR
MR. DAVID VEGARA FIGUERAS	FUNDACIÓN PASQUAL MARAGALL	TRUSTEE
MR. DAVID VEGARA FIGUERAS	FUNDACIÓN GALA-SALVADOR DALÍ	TRUSTEE
MR. PEDRO VIÑOLAS SERRA	INMOBILIARIA COLONIAL, SOCIMI, S.A.	DEPUTY CHAIRMAN AND CEO
MR. PEDRO VIÑOLAS SERRA	SOCIÉTÉ FONCIÈRE LYONNAISE	CHAIRMAN
MR. PEDRO VIÑOLAS SERRA	UTOPICUS INNOVACIÓN CULTURAL, S.L.	CHAIRMAN
MR. PEDRO VIÑOLAS SERRA	INMOCOL TORRE EUROPA, S.A.	DIRECTOR

Director or representative	Name of entity, listed or otherwise	Position
MR. PEDRO VIÑOLAS SERRA	COLONIAL TRAMIT, S.L.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	INMOCOL ONE, S.A.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	INMOCOL TWO, S.L.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	COLONIAL LAB, S.L.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	COLONIAL LIVING, S.L.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	BLUE SELF STORAGE, S.L.	DIRECTOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	VALUE BASED MANAGEMENT, S.L.	SOLE ADMINISTRATOR
MR. PEDRO VIÑOLAS SERRA	FUNDACIÓN ESADE	TRUSTEE
MR. PEDRO VIÑOLAS SERRA	EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	DIRECTOR

## COMMENTS

The positions indicated in foundations and other non-profit undertakings listed above relate to members of the Board of Trustees or their nominees. Below is a list of undertakings in which the directors of Banco de Sabadell, S.A. hold remunerated positions: ACERINOX, S.A.; ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A.; ALFA, S.A.B. DE C.V.; AMADEUS IT GROUP, S.A.; BLUE SELF STORAGE, S.L.; CEMEX, S.A.B. DE C.V.; COBEGA, S.A.; EDP ENERGIAS DE PORTUGAL, S.A.; EXEA EMPRESARIAL, S.L.; FERROVIAL, S.E.; IBERDROLA, S.A.; IBERPAPEL GESTIÓN, S.A.; GRUPO INDUKERN, S.L.; ICA TENEDORA, S.A. DE C.V.; INMOBILIARIA COLONIAL, SOCIMI, S.A.; KBC BANK, N.V., KBC GROUP, N.V.; MDF FAMILY PARTNERS, S.A.; MERLIN PROPERTIES, SOCIMI, S.A.; MOSEL INTERNATIONAL, S.L.; MY CHEF RISTORAZIONE COMMERCIALE, S.P.A.; PAX LUX EQUITYCO, S.A.; PORCELANOSA, S.A.; PUIG BRANDS, S.A.; REAL ANALYSIS, S.L.; RENTA CORPORACIÓN REAL ESTATE, S.A.; REPSOL, S.A.; SABADELL CONSUMER FINANCE, S.A.(only the independent director of Banco Sabadell); SABADELL DIGITAL, S.A.U.; VISCOFAN, S.A.; VITRO, S.A.B. DE C.V.

**Indicate any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.**

Director or representative	Other remunerated activities
MS. ANA COLONQUES GARCÍA-PLANAS	HEAD OF FINANCIAL DEPARTMENT OF PORCELANOSA, S.A.
MS. MARÍA JOSÉ GARCÍA BEATO	ATTORNEY (FREELANCE PROFESSIONAL)
MS. MIREYA GINÉ TORRENS	PROFESSOR AND HEAD OF THE DEPARTMENT OF FINANCE MANAGEMENT (IESE BUSINESS SCHOOL)
MS. LAURA GONZÁLEZ MOLERO	MEMBER OF THE ADVISORY BOARD OF ISS (INTEGRATED SERVICES SOLUTIONS, S.L.)
MS. LAURA GONZÁLEZ MOLERO	MEMBER OF THE ADVISORY BOARD OF LEADERSHIP & EXECUTIVE SEARCH ADVISORY SERVICES IBERIA, S.L.(N2GROWTH IBERIA)
MR. DAVID VEGARA FIGUERAS	CHAIRMAN OF THE ADVISORY BOARD OF ROCA JUNYENT, S.L.P.

**C.1.12. Indicate whether the company has established rules about the maximum number of directorships that board members can hold; describe any such rules and detail where they are regulated:**

- ☒ **Yes**  
☐ **No**

**C.1.13. Indicate the amounts of the following items of the overall remuneration for the Board of Directors:**

Remuneration earned by the Board of Directors in the year (thousand euro)	9,172
Vested amount accumulated by current directors in long-term savings plans (thousand euro)	4,951
Amount of funds accumulated by current directors in long-term savings plans with non-vested financial rights (thousand euro)	6,044
Vested amount accumulated by former directors in long-term savings plans (thousand euro)	3,908

**C.1.14. Indicate senior management members who are not executive directors and the total remuneration accrued to them in the year:**

Name	Position(s)
MR. MARC ARMENGOL DULCET	GENERAL MANAGER
MR. GONZALO BARETTINO COLOMA	SECRETARY GENERAL
MS. ELENA CARRERA CRESPO	GENERAL MANAGER
MR. CRISTÓBAL PAREDES CAMUÑAS	GENERAL MANAGER
MR. CARLOS PAZ RUBIO	GENERAL MANAGER
DON MARCOS PRAT ROJO	GENERAL MANAGER
MS. SÒNIA QUIBUS RODRÍGUEZ	GENERAL MANAGER
MR. JORGE RODRÍGUEZ MAROTO	GENERAL MANAGER
MR. CARLOS VENTURA SANTAMANS	GENERAL MANAGER
MS. NÚRIA LÁZARO RUBIO	ASSISTANT GENERAL MANAGER - HEAD OF INTERNAL AUDIT

Number of female senior executives	2
% of total senior executives	18.2
Total remuneration of senior management (in thousand euro)	8,318

**C.1.15. Indicate whether there were any amendments to the board regulation in the year:**

☐ Yes

☒ No

**C.1.21. Detail whether there are specific requirements, other than those relating to directors, for appointing the Chairman of the Board of Directors:**

☒ Yes

☐ No

**C.1.23. Indicate if the articles or board regulation establish a term limit for independent directors or other requirements for them that are stricter than those provided by law, other than those provided in the regulations:**

☐ Yes

☒ No

**C.1.25. Indicate the number of board of directors' meetings held in the year. Also, state the number of times that the Chairman did not attend Board meetings. Proxies granted with specific instructions are not counted as absences.**

<b>Number of Board meetings</b>	15
<b>Number of Board meetings held without the chairman</b>	0

**Indicate the number of meetings held by the lead director with the other directors, without any executive director being present:**

<b>Number of meetings</b>	3
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**Indicate the number of meetings held by board committees in the year:**

<b>Number of meetings of the Strategy and Sustainability Committee</b>	15
<b>Number of meetings of the Credit Delegated Committee</b>	35
<b>Number of meetings of the Audit and Control Committee</b>	11
<b>Number of meetings of the Appointments and Corporate Governance Committee</b>	13
<b>Number of meetings of the Remuneration Committee</b>	12
<b>Number of meetings of the Risk Committee</b>	11

**C.1.26. Indicate the number of board of directors' meetings held in the year, and give data on attendance by members:**

<b>Meetings which were attended in person by at least 80 % of directors</b>	15
<b>Attendance in person as a % of the total number of votes during the year</b>	97.73
<b>Meetings at which all the directors were present in person or for which they granted proxy with specific instructions</b>	15
<b>Votes cast with all directors actually present or having granted proxy with specific instructions, as a % of total votes in the year</b>	100.00

**C.1.27. Indicate whether the separate and consolidated financial statements that are presented for board approval are certified beforehand:**

- ☒ **Yes**  
☐ **No**

**Identify the person(s) that certified the company's separate and consolidated financial statements for board authorisation:**

<b>Name</b>	<b>Position</b>
MR. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	CEO
MR. SERGIO ALEJANDRO PALAVECINO TOMÉ	GENERAL MANAGER—CHIEF FINANCIAL OFFICER



**C.1.29. Is the board secretary a director?**

- ☐ Yes  
☒ No

If the secretary is not a director, complete the following table:

Name of secretary	Representative
MR. MIQUEL ROCA I JUNYENT	

**C.1.31. State whether the Company changed its external auditor during the year. If so, identify the incoming and outgoing auditor:**

- ☐ Yes  
☒ No

If there was a disagreement with the outgoing auditor, describe it:

- ☐ Yes  
☒ No

**C.1.32. Indicate whether the audit firm performs work for the company and/or its group other than auditing and, if so, state the fees received for such work and those fees as a percentage of the total fees billed to the company and/or its group:**

- ☒ Yes  
☐ No

	Company	Group companies	Total
Fees for work other than auditing (thousand euro)	738	133	871
Fees for work other than auditing / Total audit fees (%)	24.61	1.67	7.94

**C.1.33. State whether or not the auditors' report on the previous year's financial statements was qualified. If it was, state the reasons given by the Chairperson of the Audit Committee to the shareholders at the General Meeting of Shareholders to explain the content and scope of the qualification or exception.**

- ☐ Yes  
☒ No

**C.1.34. Indicate the number of consecutive years that the current audit firm has been auditing the financial statements of the company and/or the consolidated financial statements of its group. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:**

	<b>Separate</b>	<b>Consolidated</b>
<b>Number of consecutive years</b>	5	5

	<b>Individuales</b>	<b>Consolidadas</b>
<b>No. of years audited by the current audit firm / No. of years that the company or its group has been audited ( %)</b>	11.36	12.50

**C.1.35. State and detail any procedures in place to ensure that directors can obtain the information they need to prepare in good time for meetings of the governing bodies:**

- ☒ **Yes**  
☐ **No**

<b>Detail the procedure</b>
<p>The Bank has procedures for providing the directors with the necessary information and material sufficiently in advance to prepare for meetings of the Board of Directors and its committees.</p> <p>Article 21.1 of the Board of Directors Regulation establishes that the notice of meeting must always include the agenda, which must contain, among other items, information about subsidiaries and Board committees, and proposals and suggestions by the Chairman and other Board members and the Bank's General Managers, to be received no less than five days in advance of the Board meeting; such proposals must be accompanied by the appropriate material for distribution to the directors.</p> <p>Additionally, article 25 provides that:</p> <ol style="list-style-type: none"> <li>1. Directors are vested with the broadest powers to be informed about any aspect of the company, to examine its books, records, documents and other background information on the company's transactions and to inspect all of its installations. The right to information extends to subsidiaries, both domestic and foreign.</li> <li>2. So as not to disturb the ordinary running of the company, requests by directors for information must be channelled through the Chairman or the Board Secretary, who must attend to the director's requests by giving the information directly, providing appropriate access to individuals at the relevant level of the organisation, or providing the means by which the director may carry out the desired examination and inspection on site.</li> </ol> <p>Banco Sabadell has a procedure for providing the directors with the necessary material to prepare for meetings of the Board of Directors and its committees in a confidential and encrypted way, using the Diligent Boards software running on iPads. Information for Board meetings is circulated to the directors one week in advance, and it is elaborated upon or updated in the boardbook as needed; hence, they are duly informed.</p>

**C.1.39 Identify and detail, individually, in the case of directors, and in overall terms, in other cases, any agreements between the company and its directors and senior executives or employees that contain indemnities, guarantees or severance clauses in the event of their resignation or unfair dismissal or if the contractual relationship is terminated due to a takeover bid or other transaction.**

<b>Number of beneficiaries</b>	40
<b>Type of beneficiary</b>	<b>Description of agreement</b>
CEO, DIRECTOR-GENERAL MANAGER (CRO) AND 38 EXECUTIVES	<p>The Chief Executive Officer's contract contains a post-contractual non-competition clause of two years' duration providing two years' fixed remuneration, including the portion of annual contributions to pension plans that are not classified as discretionary pension benefits, in the event of the Chief Executive Officer's termination due to (i) a decision by the Bank, without this being due to a breach of the Chief Executive Officer's duties, or (ii) a change of control; and a non-competition clause of one year's fixed remuneration and one year's duration for all other cases. The application of this non-competition clause is limited geographically to Spain, the United Kingdom and Mexico, where the Bank's main activity is concentrated. The CRO's contract contains a post-contractual non-competition clause with a duration of two years, applicable at most up to the first date of ordinary retirement, providing for two years' fixed remuneration.</p> <p>There are 27 executives whose contracts contain a clause providing indemnity in the amount of up to two years' fixed remuneration for cases of unfair dismissal and some limited cases of change of control. Seven other executives have a post-contractual non-competition clause with a duration of two years, lasting at most until the first date of ordinary retirement, that provide the amount of two years' fixed remuneration, and the contracts of four executives contain a clause providing up to one year's fixed remuneration in the event of unfair dismissal and a post-contractual non-competition clause for a maximum of one year until the first date of ordinary retirement that provides the amount of one year's fixed remuneration.</p>

**State whether, outside the cases provided for in the regulations, such contracts must be reported and/or approved by the decision-making bodies of the company or group. If so, specify the procedures, cases and nature of the parties responsible for approving or disclosing:**

	<b>Board of Directors</b>	<b>General Meeting of Shareholders</b>
<b>Body that authorises the clauses</b>	X	
	Yes	No
<b>Is the General Meeting informed of the clauses?</b>	X	

## C.2. BOARD COMMITTEES

**C.2.1 List all the committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other external directors that comprise them:**

Strategy and Sustainability Committee		
Name	Position	Category
Josep Oliu Creus	Chairman	Other external
Lluís Deulofeu Fuguet	Member	Independent
Pedro Fontana García	Member	Independent
María José García Beato	Member	Other external
César González-Bueno Mayer	Member	Executive
George Donald Johnston III	Member	Independent

% executive directors	16.67
% proprietary directors	0.00
% independent directors	50.00
% other external directors	33.33

Credit Delegated Committee		
Name	Position	Category
Pedro Fontana García	Chairman	Independent
Lluís Deulofeu Fuguet	Member	Independent
César González-Bueno Mayer	Member	Executive
Alicia Reyes Revuelta	Member	Independent
Pedro Viñolas Serra	Member	Independent

% executive directors	20.00
% proprietary directors	0.00
% independent directors	80.00
% other external directors	0.00

Audit and Control Committee		
Name	Position	Category
Manuel Valls Morató	Chairman	Independent
Ana Colonques García-Planas	Member	Independent
Laura González Molero	Member	Independent
Pedro Viñolas Serra	Member	Independent

% executive directors	0.00
% proprietary directors	0.00
% independent directors	100.00
% other external directors	0.00

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairman of this committee was appointed.

Names of directors with experience	MR. MANUEL VALLS MORATÓ/ MS. ANA COLONQUES GARCÍA-PLANAS/ MS. LAURA GONZÁLEZ MOLERO/ MR. PEDRO VIÑOLAS SERRA
Date of appointment of the Chairman	30/06/2023

Appointments and Corporate Governance Committee		
Name	Position	Category
Pedro Fontana García	Chairman	Independent
Aurora Catá Sala	Member	Independent
María José García Beato	Member	Other external
Mireya Giné Torrens	Member	Independent

% executive directors	0.00
% proprietary directors	0.00
% independent directors	75.00
% other external directors	25.00

Remuneration Committee		
Name	Position	Category
Mireya Giné Torrens	Chairman	Independent
Ana Colonques García-Planas	Member	Independent
Laura González Molero	Member	Independent

% executive directors	0.00
% proprietary directors	0.00
% independent directors	100.00
% other external directors	0.00

Risk Committee		
Name	Position	Category
George Donald Johnston III	Chairman	Independent
Aurora Catá Sala	Member	Independent
Alicia Reyes Revuelta	Member	Independent
Manuel Valls Morató	Member	Independent

% executive directors	0.00
% proprietary directors	0.00
% independent directors	100.00
% other external directors	0.00

**C.2.2 Complete the following table with information on the number of female directors on the committees of the Board of Directors at the end of the last four financial years:**

	2024		2023		2022		2021	
	Number	%	Number	%	Number	%	Number	%
Strategy and Sustainability Committee	1	16.67*	1	16.67*	1	16.67*	1	16.67*
Credit Delegated Committee	1	20.00	1	20.00	2	40.00	2	40.00
Audit and Control Committee	2	50.00	1	25.00	2	50.00	1	25.00
Appointments and Corporate Governance Committee	3	75.00	3	75.00	2	50.00	2	50.00
Remuneration Committee	3	100.00	2	66.67	2	50.00	1	25.00
Risk Committee	2	50.00	2	50.00	2	50.00	2	50.00

\* 20 % in the area of Sustainability

## D. RELATED-PARTY AND INTERCOMPANY TRANSACTIONS

**D.2 Give details of any transactions that are material, because of their size or nature, between the company or its subsidiaries and shareholders holding 10 % or more of the voting rights or represented on the board of directors of the company, indicating the competent body for their approval and whether any shareholder or director who was affected abstained. Where competency in this matter lies with the general meeting, indicate whether the motion was approved by the board without a majority of the independent directors voting against:**

Name of shareholder or any of its dependent companies	% Stake	Name of the company or subsidiary	Amount (thousand euro)	Approving body	Identification of the significant shareholder or director who has abstained	The proposal to the General Meeting, if any, was approved by the Board without the majority of independents voting against
No data.						

Name of shareholder or any of its dependent companies	Nature of relationship	Type of transaction and other information required to assess it
No data.		

**D.3 Give itemised details of any transactions that are material, because of their size or nature, between the company or any dependent company and the company's directors or executives, including transactions with undertakings that the director or executive controls or jointly controls, indicating the competent body for their approval and whether any of the shareholders or directors involved abstained. Where competency in this matter lies with the general meeting, indicate whether the motion was approved by the board without a majority of the independent directors voting against:**

Name of the directors or their controlled or jointly controlled entities	Name of the company or subsidiary	Relationship	Amount (thousand euro)	Approving body	Identification of the significant shareholder or director who has abstained	The proposal to the General Meeting, if any, was approved by the Board without the majority of independents voting against
No data.						

Name of the directors or their controlled or jointly controlled entities	Type of transaction and other information required to assess it
No data.	

**D.4 Give itemised details of any intercompany transactions that are material, because of their size or nature, between the company and its controlling company or with other companies in the controlling company's group, including the listed company's own dependent companies, unless no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.**

In any event, provide details of any intercompany transactions carried out with organisations based in countries or territories that are considered to be tax havens:



Name of the group institution	Brief description of transaction and other information that is necessary to assess it	Amount (thousand euro)
No data.		

**D.5 Give itemised details of any transactions that are material, because of their size or nature, between the company or any dependent company and parties who are classified as related parties in accordance with the International Accounting Standards adopted by the EU that have not been disclosed in the preceding sections.**

Name of related party	Brief description of transaction and other information that is necessary to assess it	Amount (thousand euro)
ACERINOX, S.A.		150000

On 24 April 2024, following a favourable report from the Audit and Control Committee, the Board approved a related-party transaction with Acerinox, S.A., consisting of a bilateral loan of €150 million, granted to Acerinox, S.A., bearing interest at 3.75%, with a 2-year grace period and a 5-year half-yearly straight-line repayment schedule. The transaction was signed on 27 June 2024. The transaction qualifies as a related-party transaction because Banco Sabadell directors Laura González Molero and George Donald Johnston III are independent directors at Acerinox, S.A. In addition, both are members of that company's audit committee; Ms. González Molero is chairwoman of its appointments and remuneration and corporate governance committee, and Mr. Johnston is a member of its executive committee.

This transaction, combined with another three transactions concluded in the past twelve months, exceeded 2.5% of revenue as reported in Banco Sabadell's consolidated financial statements for 2023. The transaction was accordingly disclosed, with an attached report from the Audit and Control Committee, as a disclosure of "Other relevant information" filed with the Spanish National Securities Market Commission (CNMV) on 27 June and 12 July 2024 (registration numbers 29.404 and 29.678), and also on the Banco Sabadell website ([www.grupbancsabadel.com](http://www.grupbancsabadel.com)), as required under Article 529unvicies of the Capital Companies Law. As stated in the regulatory disclosure and on the Banco Sabadell website ([www.grupbancsabadel.com](http://www.grupbancsabadel.com)), two of the three transactions were approved by the Board on 24 April 2024 following a favourable report from the Audit and Control Committee (the report was itself attached to the regulatory disclosure). The third transaction was approved by the Compliance Division as a related-party transaction in its opinion of 28 September 2023, using powers delegated by the Board on 1 July 2021. The three transactions were: renewal of a multi-company credit facility (one of the borrowers being Acerinox, S.A.) in the amount of €80 million, bearing interest at 3-month Euribor + 0.90% and maturing in 3 years; renewal of a multi-company credit facility (one of the borrowers being Acerinox, S. A.) in the amount of USD 15 million, bearing interest at SOFR 3m + 1% and maturing in 3 years; and renewal of a multi-company credit facility (drawable by either or both of Acerinox, S.A. and Acerinox Europa, S.A.U.) in the amount of USD 20 million, bearing interest at SOFR 3m + 1.10% and maturing in 1 year.

## **G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

**Indicate the degree of compliance by the company with the recommendations of the Good Governance Code for Listed Companies.**

**If any recommendation is not followed or is followed only in part, give a detailed explanation of the reasons so that shareholders, investors and the market in general have sufficient information to be able to evaluate the company's course of action. Explanations of a general nature will not be sufficient.**

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

**Complies ☒ Explain ☐**

2. That when the listed company is controlled by another entity, whether listed or not, in the meaning of Article 42 of the Commercial Code and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a. The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b. The mechanisms in place to resolve any conflicts of interest that may arise.

**Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒**

3. That, during the Ordinary General Meeting, as a complement to the distribution of the written annual corporate governance report, the Chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a. Any changes since the last ordinary general meeting.
- b. The specific reasons for which the company does not follow any of the recommendations of the Code of Corporate Governance and any alternative rules that are applicable in this matter.

**Complies ☒ Complies partially ☐ Explain ☐**

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

**Complies ☒ Complies partially ☐ Explain ☐**

5. That the Board of Directors should not submit to the General Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20 % of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the Ordinary General Meeting, even if their publication is not mandatory:

- a. Report on the auditor's independence.
- b. Reports on the performance of the Audit Committee and the Appointments and Remuneration Committees.
- c. Report by the Audit Committee on related-party transactions.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

7. That the company should transmit in real time, through its website, the proceedings of the General Meeting of Shareholders.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of companies of large capitalisation and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

8. That the audit committee should ensure that the annual accounts that the Board of Directors submits to the General Meeting of Shareholders are prepared in accordance with the accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the Chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Meeting of Shareholders, and the exercise of voting or issuing a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make motions in advance of the General Meeting of Shareholders, the company:

- a. Should immediately distribute such complementary items and new motions.

- b. Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative motions can be voted on in the same terms as those proposed by the Board of Directors.
- c. Should submit all these items or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or deduction regarding votes for or against.
- d. That after the General Meeting of Shareholders, a breakdown of the voting on said additional items or alternative proposals be communicated.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

11. That if the company intends to pay premiums for attending the General Meeting of Shareholders, it should establish in advance a general policy on such premiums and this policy should be stable.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

**Complies** ☒      **Explain** ☐

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board of Directors and that:

- a. Is concrete and verifiable.
- b. Ensures that proposals as to the appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c. Favours knowledge, experience, age and gender diversity. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the appointments committee published upon calling the General Meeting of Shareholders to which the ratification, appointment or re-election of each director is submitted.

The appointments committee will verify compliance with this policy each year and detail its findings in the annual corporate governance report.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity holding of executive directors.

And that the number of female directors should represent at least 40 % of the members of the Board of Directors before the end of 2022 and thereafter, and no less than 30 % prior to that date.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

16. That the number of proprietary directors as a percentage of the total number of non-executive directors are not greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a. In large cap companies where few equity stakes attain the legal threshold for classification as significant shareholdings.
- b. In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

**Complies** ☒      **Explain** ☐

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30 % of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

**Complies** ☒      **Explain** ☐

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a. Professional and biographical profile.
- b. Any other Boards of Directors to which the directors belong, regardless of whether or not they are listed companies, as well as any other remunerated activities engaged in, regardless of type.
- c. Category of directorship, indicating, in the case of proprietary directors, the shareholder that they represent or to which they are connected.
- d. Date of their first appointment as a member of the company's Board of Directors, and any subsequent reelections.
- e. Company shares and share options that they own.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

19. That the annual corporate governance report, after verification by the appointments committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3 %. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire holding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its holding to a level that requires a decrease in the number of proprietary directors.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public offering, merger or other similar corporate operations entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board of Directors are the result of application of the proportionate representation criterion provided in Recommendation 16.

**Complies** ☒      **Explain** ☐

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of Directors of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. In particular, independent directors and other directors not subject to potential conflicts of interest should challenge any decision that might harm the interests of shareholders lacking board representation.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the

event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

24. That whenever, due to resignation or resolution of the General Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

25. That the appointments committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a representative with instructions.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐



31. That the agenda for meetings should clearly indicate those items on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the Chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

33. That the Chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

34. That when there is a lead director, the articles of incorporation or Regulations of the Board of Directors should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the Chairman and deputy Chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the Chairman.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

**Complies** ☒      **Explain** ☐

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a. The quality and efficiency of the Board of Directors' work.
- b. The workings and composition of its committees.
- c. Diversity in the composition and skills of the Board of Directors.
- d. Performance of the Chairman of the Board of Directors and of the chief executive officer of the company.
- e. Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

**Complies** ☒ **Complies partially** ☐ **Explain** ☐

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board of Directors.

**Complies** ☐ **Complies partially** ☐ **Explain** ☐ **Not applicable** ☒

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

**Complies** ☐ **Complies partially** ☐ **Explain** ☐ **Not applicable** ☒

39. That the members of the audit committee, in particular its Chairman, be appointed in consideration of their knowledge and experience in accounting, audit and risk management issues, both financial and non-financial.

**Complies** ☒ **Complies partially** ☐ **Explain** ☐

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive Chairman of the Board or of the audit committee.

**Complies** ☒ **Complies partially** ☐ **Explain** ☐

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

**Complies** ☒ **Complies partially** ☐ **Explain** ☐ **Not applicable** ☐

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:
  - a. Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the

appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

- b. Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit unit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that Bank's senior management takes into account the conclusions and recommendations of its reports.
- c. Establish and supervise a mechanism to enable employees and other persons connected with the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or of any other nature, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d. Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

- a. In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b. Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c. Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d. Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e. Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appears without the presence of any other member of management.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

44. That the audit committee be kept abreast of any corporate and structural changes operations planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

**Not applicable** ☐

45. That the risk management and control policy identify or determine, as a minimum:

- a. The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b. A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c. The level of risk that the company considers to be acceptable.
- d. Measures in place to mitigate the impact of the risks identified in the event that they should materialise.
- e. Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk management and control function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a. Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b. Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c. Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

47. That in designating the members of the appointment and remuneration committee — or of the appointments committee and the remuneration committee if they are separate — care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

48. That large-cap companies have separate Appointments and Remuneration Committees.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

49. That the appointments committee consult the Chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the appointments committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a. Proposing the basic conditions of employment for senior executive to the Board of Directors.
- b. Verifying compliance with the company's remuneration policy.
- c. Periodically reviewing the remuneration policy applied to directors and senior executives, including share- based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior executives.
- d. Ensuring that potential conflicts of interest do not impair the independence of external advice given to the committee.
- e. Verifying the information on remuneration of directors and senior executives contained in the various corporate documents, including the annual report on directors' remuneration.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

51. That the remuneration committee should consult the Chairman and the chief executive of the company, especially on matters relating to executive directors and senior executives.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the Regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a. That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b. That their chairpersons be independent directors.
- c. That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d. That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e. That their meetings be recorded and the minutes be made available to all directors.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

**Not applicable** ☐

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

54. The minimum functions referred to in the foregoing recommendation are the following:

- a. Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b. Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information, and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c. The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- d. Supervision of the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.
- e. Supervision and evaluation of the way in which relations with the various stakeholders are handled.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

55. That environmental and social sustainability policies identify and include at least the following:

- a. The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct
- b. Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c. Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d. Channels of communication, participation and dialogue with stakeholders.
- e. Responsible communication practices that impede the manipulation of data and protect integrity and honour.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

**Complies** ☒

**Explain** ☐

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares, or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing

shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a. Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b. Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c. Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

59. Que el pago de los componentes variables de la remuneración quede sujeto a una comprobación 59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

62. That once shares or options or financial instruments have been allocated under remuneration systems, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value



equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the Appointments and Remuneration Committee, to deal with such extraordinary situations as may arise and so require.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

63. That contractual arrangements should include a clause allowing the company to demand repayment of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

64. That payments for contract resolution should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual resolution will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post- contractual non-competition agreements.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

Indicate whether any board members voted against or abstained with respect to the approval of this report.

☐ Yes  
☒ No

I declare that the details include in this statistical schedule coincide and are consistent with the descriptions and details included in the annual corporate governance report published by the Company.

The English version is a Translation of the original in Spanish and is provided for information purposes only. In case of discrepancy, the original version in Spanish shall prevail.



# Banco de Sabadell, S.A.

**Auditor's Report on the "Internal Control over  
Financial Reporting (ICOFR) Information" of  
Banco de Sabadell, S.A. for 2023**

*(Translation from the original in Spanish. In the event of  
discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.  
Torre Realia  
Plaça d'Europa, 41-43  
08908 L'Hospitalet de Llobregat  
(Barcelona)

## **Auditor's Report on the “Internal Control over Financial Reporting (ICOFR) Information” of Banco de Sabadell, S.A. for 2024**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the directors of Banco de Sabadell, S.A.

As requested by the Board of Directors of Banco de Sabadell, S.A. (the “Entity”) and in accordance with our proposal letter dated 7 November 2024, we have applied certain procedures to the “ICOFR information” attached hereto in section F of the Annual Corporate Governance Report (ACGR) of Banco de Sabadell, S.A. for 2024, which summarises the Entity's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the ICOFR information attached hereto.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Entity in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Entity's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Entity's annual accounts. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the effectiveness of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information concerning the system of Internal Control over Financial Reporting in Listed Companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, nor on its design or operating effectiveness, with respect to the Entity's annual financial reporting for 2024 described in the ICOFR information attached hereto. Consequently, had additional procedures been applied other than those established in the aforementioned Guidelines, or had an audit or a review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

As this special work did not constitute an audit of accounts and is not subject to current legislation regulating the audit of accounts in Spain, we do not express an audit opinion under the terms provided in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the entity regarding ICOFR – disclosures included in the directors' report – and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, regarding the description of ICOFR, of the ACGR template provided in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013 and subsequent amendments, the most recent of these being CNMV Circular 3/2021 of 28 September 2021 (hereinafter the CNMV Circulars).
2. Inquiries of the personnel responsible for drawing up the information detailed in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the entity.
3. Review of the explanatory documentation supporting the information detailed in point 1 above, primarily including documents made directly available to those responsible for preparing the description of the ICOFR system. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the Audit and Control Committee.
4. Comparison of the information detailed in point 1 above with the understanding of the entity's ICOFR obtained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes taken at meetings of the board of directors, Audit and Control Committee and other committees of the entity for the purpose of assessing the consistency of the matters discussed at those meetings in relation to ICOFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and authorising the information detailed in point 1 above.

As a result of the procedures applied to the ICOFR information, no inconsistencies or incidents have been detected that could affect it.

This report has been prepared exclusively within the context of the requirements laid down in article 540 of the Revised Spanish Companies Act and in the CNMV Circulars for the purposes of the description of ICOFR in annual corporate governance reports.

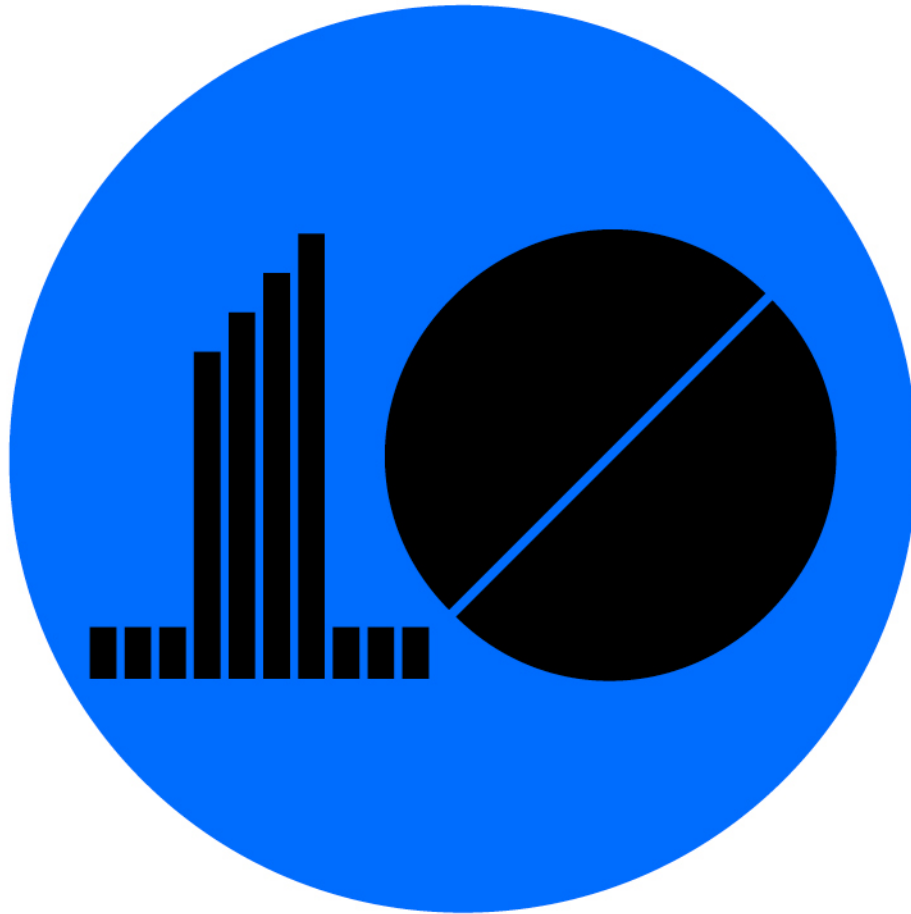
KPMG Auditores, S.L.

*(Signed on original in Spanish)*

Francisco Gibert Pibernat

10 February 2025

# Annual Report on Director Remuneration



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# Annual Report on Director Remuneration

This is the Annual Report on Director Remuneration of Banco de Sabadell, S.A. (hereinafter Banco Sabadell, the Institution or the Bank).

The Banco Sabadell Annual Report on Director Remuneration (the Report) is drawn up with the information from the Bank at 2024 year-end in compliance with the provisions of article 541 of Legislative Royal Decree 1/2010, of 2 July, approving the consolidated text of the Capital Companies Law (LSC), and Circular 4/2013, of 12 June, of the Spanish National Securities Market Commission (CNMV).

This Report, together with the statistical annex in Section 7, was submitted as a regulatory disclosure to the CNMV and will be submitted for a consultative vote as a separate item on the agenda at the Bank's forthcoming Ordinary General Meeting of Shareholders, to be held in 2025. This Report is also available in the "Corporate Governance and Remuneration Policy" section of the Banco Sabadell Group corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)).

The Director Remuneration Policy for 2024, 2025 and 2026, approved by the General Meeting of Shareholders on 23 March 2023 for a three-year term, is applicable until 2026.

This Report includes a summary of the new Director Remuneration Policy that has been applicable since the date of its approval, and describes how it was applied during 2024.

For more details, consult the Director Remuneration Policy at the following link: <https://www.grupbancsabadell.com/corp/en/corporate-governance-and-remuneration-policy/director-remuneration-policy.html>.

This Report was produced in line with best practices and recommendations and was drafted in clear, concise, simple language in pursuit of transparency and to provide full information about the application of remuneration policy.

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**[www.grupbancsabadell.com](http://www.grupbancsabadell.com)**

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**>Corporate Governance  
and Remuneration Policy**

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**>Director Remuneration Policy**

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# 1. Banco Sabadell Director Remuneration Policy 2024, 2025 and 2026

## 1.1. General Principles of the Banco Sabadell Remuneration Policy

The Banco Sabadell Remuneration Policy is focused on creating long-term value by aligning the interests of its shareholders and employees, and it is coherent with the strategic goals in terms of risks and the business, and with the Bank's values, all under a prudent risk management approach while avoiding conflicts of interest.

In accordance with the general principles of the Banco Sabadell Group Remuneration Policy, the principles upon which the Director Remuneration Policy is based are as follows:

### **1 Promoting medium- and long-term sustainability of the business and the company, in addition to alignment with the Group's values**

- Alignment of the remuneration with the interests of the shareholders and with long-term value creation.
- Promotion of rigorous risk management, with measures to avoid conflicts of interest.
- Alignment with the Group's long-term business strategy, objectives, values and interests.

The Banco Sabadell Group's Remuneration Policy as a whole contains information on the degree to which it is coherent with integrating sustainability risks. In particular, the following aspects are considered in connection with sustainability:

- The Group's Remuneration Policy and practices are in keeping with its credit risk management approach and with its appetite and strategies in relation to this risk, and do not create any conflicts of interest. These practices also include measures to manage conflicts of interest so as to protect consumers from any undesirable adverse effects.
- The Remuneration Policy and practices integrate sustainability risks by publishing information in this respect on the Group website.
- The Remuneration Policy and practices stimulate behaviour that is coherent with the Group's approach to risk in relation to climate and the environment, as well as the commitments made voluntarily by the Group. The Remuneration Policy and practices promote a long-term approach to the management of climate-related and environmental risks.
- The components of remuneration should contribute to driving action in environmental, social and governance (ESG) matters in order to make the business strategy sustainable and socially responsible.

# Banco Sabadell maintains its commitment to sustainability by contributing to promoting action in environmental, social and governance (ESG) matters.

The synthetic sustainability indicator (ISos) incorporates KPIs (Key Performance Indicators) for ESG matters and links them to the short-term variable compensation of executive directors and employees with variable remuneration; those KPIs form part of the group objectives with a weighting of 10%. To reinforce the alignment of executive directors' remuneration with the Group's commitment to sustainability, a synthetic sustainability indicator is defined in the multi-year objectives set by the Group. That indicator is directly linked to long-term remuneration, with a weighting of 20%.

## **2 Ensuring a competitive, equitable remuneration system (external competitiveness and internal fairness) based on equal remuneration of female and male employees for a given job or a position of equal value**

- Able to attract and retain the best talent.
- Rewarding professional track record and responsibility, regardless of the employee's gender.
- Aligned with market standards, while providing flexibility to adapt to changes in the situation and in the demands of the sector.

In terms of equal pay, the Remuneration Policy is gender neutral, in line with the principle of equal pay for equal work or work of equal value, guiding decision-making towards avoiding any gender pay gap, and ensuring equal opportunities as a prerequisite for remuneration to be gender-neutral over the long term.

## **3 Reward performance by aligning remuneration with the results achieved by the individual without incentivizing the assumption of risks that exceed the level tolerated by the Group.**

- An appropriate balance between the various remuneration components.
- Consideration of current and future risks and results, without incentivizing the assumption of risks that exceed the level tolerated by the Group.
- A system that is simple, transparent and clear. The Remuneration Policy must be understandable and easy to communicate to the entire workforce.

# The Remuneration Policy is gender neutral, in line with the principle of equal pay for equal work or work of equal value.

## Principles applicable to the members of the Board of Directors

Principles of the Remuneration Policy applicable to Executive Directors	Principles of the Remuneration Policy applicable to the Directors for their functions as members of the Board of Directors
<p>A reasonable balance between fixed and variable components (annual and multi-year) to favour appropriate risk-taking combined with the attainment of defined short- and long-term objectives.</p> <ul style="list-style-type: none"> <li>— Consideration of multiple metrics linked to results, returns, risk management and control, solvency, capital, and strategic non-financial objectives linked to sustainability.</li> <li>— Long-term remuneration with a three-year objective measurement period linked to TSR, ESG, sustainability and ROTE objectives and subject to a risk-related correction factor that is a function of fulfilment of capital and liquidity indicators.</li> <li>— Variable remuneration is not guaranteed.</li> <li>— Prudential mechanisms for adjusting the attainment of objectives and other ex-ante adjustments.</li> <li>— Deferral over five years of 60% of the annual variable remuneration for any variable remuneration element.</li> <li>— Payment of more than 50% of the variable remuneration in shares (50% of the up-front part, and 55% of both the deferred part of annual variable remuneration and of the long-term remuneration).</li> <li>— Share lock-up. Executive directors may not dispose of shares they receive until at least three years have elapsed since receipt unless they own shares worth twice their annual fixed remuneration; the shares must be held for at least one year in any event.</li> <li>— Malus and clawback clauses, in accordance with the provisions of the regulations governing credit institutions.</li> <li>— Regular external advice to the Board of Directors and the Remuneration Committee with regard to market practices.</li> </ul>	<p>The remuneration is commensurate with the responsibilities and functions assumed by each director without jeopardising their independence.</p> <ul style="list-style-type: none"> <li>— They do not qualify for variable remuneration.</li> <li>— They are not remunerated in the form of shares, options or rights relating to shares or instruments linked to the value of the share.</li> <li>— They do not benefit from long-term savings systems such as pension plans, retirement schemes or other similar arrangements.</li> </ul>

The policy also complies with the current European Directives and Regulations and other legislation, in particular Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, Royal Decree 84/2015, of 13 February, implementing that Law, and Bank of Spain Circular 2/2016, of 2 February, to credit institutions, on supervision and capital adequacy, which completes the adaptation of Spanish law to Directive 2013/36/EU and Regulation (EU) 575/2013, as well as the EBA Guidelines on internal governance (EBA/GL/2021/05) of 2 July 2021, and EBA Guidelines EBA/GL/2021/04, of 2 July, on sound remuneration policies under Directive 2013/36/EU and Delegated Regulation (EU) 923/2021.





## 2. Application of the Director Remuneration Policy in 2024

The remuneration accrued in 2024 conformed to the terms of the Banco Sabadell Director Remuneration Policy for 2024, 2025 and 2026 approved by the General Meeting of Shareholders on 23 March 2023.

The procedure for applying the Remuneration Policy was adhered to strictly in 2024 and no temporary exceptions were made.

The Annual Report on Director Remuneration for 2023 was submitted to a consultative vote at the General Meeting of Shareholders on 10 April 2024:

The number of shares for which valid votes were cast was 3,361,267,861, distributed as follows:

- 3,256,556 votes in favour, from 3,257,212,363 shares owned by 78,358 shareholders representing 96.911 % of the total capital in attendance, either in presence or by proxy;
- 93,206 votes against, from 93,342,238 shares owned by 1,184 shareholders representing 2.774 % of the total capital in attendance, either in presence or by proxy, and
- 10,586 abstentions, from 10,713,260 shares owned by 537 shareholders representing 0.315 % of the total capital in attendance, either in presence or by proxy.

**96.91 %**



**92.20 %**

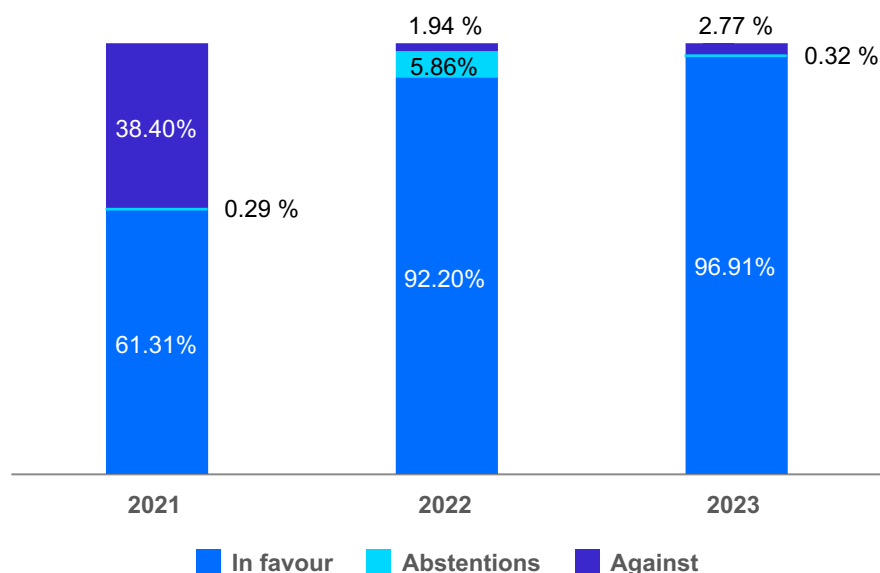
Increase in the votes in favour

**As a result of the commitment to transparency and the implementation of market best practices, the result of the consultative vote on the report increased from 92.20% to 96.91% in favour.**

The chart shows the trend, over the last three years, in the outcome of the consultative vote on the Annual Report on Director Remuneration at the General Meeting of Shareholders, showing an increase in the number of votes in favour beginning with the 2022 Annual Report on Director Remuneration as a result of the improvements.



#### Consultative vote on the Director Remuneration Report (2021-2023)



## 2.1. Remuneration for Executive Directors

### 2.1.1. Details of the remuneration items

In addition to their remuneration for membership of the Board of Directors, executive directors are paid for performing executive functions, as provided in the Articles of Association of Banco Sabadell, under the same headings as members of Banco Sabadell Senior Management and the rest of the Identified Staff.

Executive director remuneration is set each year by the Board of Directors within the maximum overall amount established by the General Meeting of Shareholders by approving the Director Remuneration Policy for each remuneration item.

The Board of Directors will comply with the provisions of the applicable legal regulations, taking into account its special status as a financial institution and in accordance with the definitions, terms and conditions set out in the Director Remuneration Policy. The Remuneration Policy contemplates a vision of total remuneration, taking into account all elements of remuneration and the relationship between them, establishing an appropriate balance between fixed and variable remuneration, as well as between the distribution of short- and long-term remuneration, so as to safeguard the rights and interests of shareholders, investors and customers.

The CEO's remuneration mix (variable/fixed) was modified so that the variable proportion rose to 91.6%, from 88.7%, (including discretionary pension benefits) and the proportion of remuneration at risk was set at 56%. The purpose of this ratio is to increase alignment of the CEO's remuneration with shareholders' interests, and with the values and long-term interests of the Banco Sabadell Group, while also linking his compensation more tightly to the risk and business strategy. The remuneration for the CEO was benchmarked against two groups of companies: a peer group composed of 15 banks from Spain and other European countries (the international benchmark), and a peer group made up of 15 Spanish companies, most of them in the IBEX-35 (the domestic benchmark).

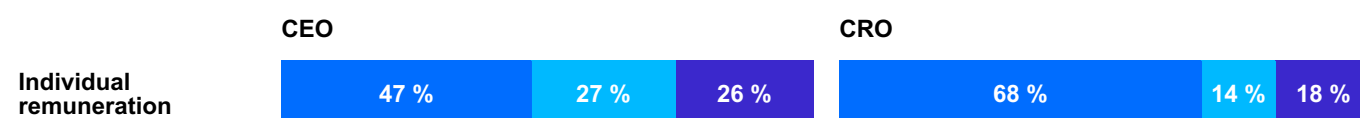
The CEO's total remuneration for 2024 is in the 49th percentile of the domestic peer group and the 63rd percentile of the international peer group.

## Companies used as benchmark

Banks in the international benchmark		Companies in the domestic benchmark	
ABN Amro Group	KBC Groep	Abanca	Ferrovial
Banco BPM	Mediobanca	Acciona	Fluidra
Bankinter	Skandinaviska Enskilda Banken	Amadeus	Grifols
BBVA	Standard Chartered Bank	Bankinter	Mapfre
BPER Banca	Raiffeisen	BBVA	Merlin Properties
Caixabank	Swedbank	Caixabank	Santander Spain
Erste Group	Virgin Money	Enagás	Siemens Gamesa
Intesa San Paolo		Endesa	

The executive directors' individual remuneration for 2024, in thousand euro, is shown below.

	CEO (thousand euro)	CRO (thousand euro)
Fixed salary	1,664	581
Benefits and remuneration in kind	29	42
Retirement and savings plans	301	111
Short-term variable remuneration	1,096 (128.05% attainment of objectives)	133 (126.51% attainment of objectives)
Long-term remuneration	1,096 (128.05% attainment of objectives)	184 (126.51% attainment of objectives)



- Fixed salary + benefits + pension benefits
- Short-term variable remuneration + discretionary pension benefits
- Long-term remuneration



## A) Fixed remuneration

### Fixed salary

- The fixed salary is intended to remunerate the executive director's functions and responsibilities and to recognize their contribution during their tenure.

### Benefits and remuneration in kind

- Benefits and remuneration in kind: In 2024, the executive directors were beneficiaries of, inter alia, a group life insurance policy, school aid and Christmas hamper (as applicable to all the Bank's employees) and a medical insurance policy and risk coverage (also applicable to the Bank's management team), and they had the use of a vehicle on the same terms as the other members of Senior Management.

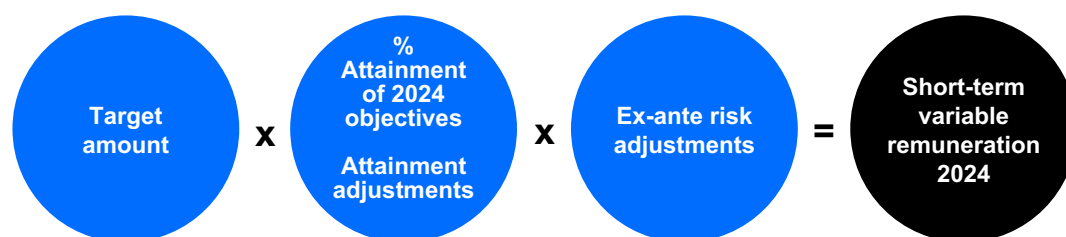
### Contributions to retirement and savings plans

- The executive directors are beneficiaries of a defined contribution Group life insurance policy that pays out upon (i) the date of termination of the contract, in the case of the Chief Executive Officer, or on the date of effective retirement, in the case of the CRO, (ii) death or (iii) permanent and absolute disability.
- Of the amounts paid in their name, 85% is classified as fixed remuneration and the other 15% is classified as "discretionary pension benefits", which is treated as variable compensation in accordance with current regulations; it is linked to the percentage of attainment of the beneficiary's short-term objectives, and may not exceed 100% of the amount in any event.
- The reported amounts include contributions to other policies that cover the executive directors in the same way as the other employees. Specifically, the employer pension plan for Group B (defined contribution), which will pay out upon retirement as employees.



## B) 2024 Short-term variable remuneration

The short-term variable remuneration in 2024 was as follows:



### B.1.) Percentage attainment of Group targets for 2024

Assessment methods were established consisting of defining attainment parameters between 50% and 150% for each of the objectives, based on a non-linear scale of attainment established beforehand by the Remuneration Committee. Attainment of under 50% is considered as 0% for the purposes of counting general attainment. On 29 January 2025, the Board of Directors determined the degree of attainment of the Group objectives, applying the weightings established at the beginning of the year. The objective and levels of attainment are indicated in the following table.



Metric	Definition	Weighting	Threshold <sup>(1)</sup>	Maximum result <sup>(2)</sup>	% Attainment
<b>ROTE</b>	Return on tangible equity	15%	10.6%	14.6%	150.0%
<b>Group net profit</b>	Profit that is directly attributable to the parent company, calculated by deducting minority interests from profit for the year.	15%	1.2 B€	1.8 B€	142.0 %
<b>Net interest income plus net fees and commissions</b>	Banco Sabadell Group consolidated net interest income plus net fees and commissions in 2024.	15 %	5.9 B€	6.4 B€	139.3 %
<b>Group expenses + Depreciation &amp; amortization</b>	Total consolidated expenses under the headings of staff expenses, general expenses and real estate expenses not already included under the first two categories (staff and general).	10%	3.3 B€	3.1 B€	112.1%
<b>Asset quality</b>	Cost of Risk (5%) + NPA volume (5%) + Coverage ratio (5%)	15%			146.8 %
CoR			0.57%	0.37%	140.4 %
NPA volume			6.9 B€	6.5 B€	150.0%
Total NPA coverage			51.4%	55.4%	150.0%
<b>Market share</b>	A synthetic indicator focused on increasing profitability and business volume; it is composed of indicators of market share of loans and advances in Spain, market share of mortgages in the United Kingdom through subsidiary TSB, and market share of net fees and commissions with respect to credit institutions operating in Spain.	10%	50.0%	150.0%	75.0 %
<b>Service quality</b>	A synthetic indicator that reflects the rating of quality of service by the Group's customers, distinguishing between commercial segments and relationship channels, weighted by the strategic focus of each segment (individuals, businesses, SMEs, private, corporate, branch, internet, mobile, etc.) and the employee satisfaction index.	10%	50.0%	150.0%	113.3 %
<b>Sustainability</b>	A synthetic evaluation indicator made up of environmental and gender equality indicators: Green and sustainability-linked financing, diversity (% female executives), upgrades by the main rating agencies/ESG indices and Sustainable Finance Plan.	10%	50.0%	150.0%	133.0 %
<b>Total</b>		<b>100%</b>			<b>130.06 %</b>

(1) Threshold for attainment of the objective

(2) Maximum result, above which attainment is constant at 150%

The Banco Sabadell Group achieved a record €1,827 million in profit in 2024, an increase of 37.1% over the previous year. The bank continued to demonstrate its financial strength, driven mainly by good performance of the core result and the continuing positive trend in asset quality, which enabled progress to be made in reducing provisions and led, in turn, to an improvement in the total cost of risk.

This level of profits translates into a 343 basis point year-on-year increase in the Group's RoTE. This improvement raised profitability to 14.9% at the end of 2024.

The Group objectives for 2024 are detailed below:

- **Net profit:** Profit that is directly attributable to the parent company, calculated by deducting minority interests from profit for the year.  
This objective is weighted 15.0% of the total, and attainment at 2024 year-end was 142%.
- **RoTE:** measures the return on the company's average tangible equity. The numerator is the profit attributable to the group and the denominator is the average equity less intangible assets and goodwill.  
This metric is weighted 15.0%, and attainment at 2024 year-end was 150%.
- **Net banking revenues:** this metric reflects the revenues related most directly to the banking business, consisting of the Group's net interest income and net fees and commissions.  
This metric is weighted 15% of the total, and attainment at 2024 year-end was 139.3%.
- **Expenses:** includes expenses borne by the Bank, comprising personnel expenses, general expenses and expenses derived from the real estate business that are not already included in the preceding categories.  
This metric is weighted 10% of the total, and attainment at 2024 year-end was 112.1%
- **Asset quality:** this objective comprises three indicators. One is the Cost of Risk, calculated as the sum of provisions for loan losses and other financial assets divided by the sum of gross loans and advances to customers, non-performing properties and guarantees, which provides information about losses per unit loan granted. Another is the balance of NPAs (Non-Performing Assets), comprising the sum of Stage 3 assets and non-performing properties. The third is the Total NPA Coverage, calculated as the ratio of provisions for non-performing assets (NPAs) to total non-performing assets.  
This metric is weighted 15% (5% each metric), and attainment at 2024 year-end was 146.8%

The information used to calculate the financial indicators is derived from audited data in the financial statements using the definition that applied when they were first set.

The non-financial metrics are detailed below:

- **Service quality:** a synthetic indicator that reflects feedback on the quality of service, grouping the following variables:

Variable	Definition	Weighting	Attainment
Employee satisfaction	Outcome of annual employee satisfaction survey	33.3 %	137.5 %
Customer satisfaction	Sabadell Spain <ul style="list-style-type: none"> <li>— Overall satisfaction with branch</li> <li>— NPS Individuals</li> <li>— NPS Businesses</li> <li>— NPS SMEs</li> <li>— NPS Companies</li> <li>— NPS Private Banking</li> </ul>	46.7%	110.3%
	TSB <ul style="list-style-type: none"> <li>— Bank NPS Channels NPS (<i>Mobile, Branch, Telephone banking, and Internet banking</i>)</li> </ul>	13.3%	53.5%
	Corporate & Investment Banking <ul style="list-style-type: none"> <li>— NPS Spain and Ofex EMEA</li> </ul>	6.7%	128.6%
<b>Total</b>	—	<b>100%</b>	<b>113.3%</b>

- **Sustainability indicator:** a synthetic indicator of sustainability that is weighted 10% in the Group's objectives and is composed of the following variables:

Variable	Definition	Weighting	Attainment
Rating agencies	Improve the score in the main ESG indices (MSCI, Sustainalytics, DJSI)	20%	123.7%
Sustainable Finance Plan	<ul style="list-style-type: none"> <li>— Number of IRCA assessments performed</li> <li>— New decarbonization pathways.</li> <li>— Fulfilment of established decarbonization pathways</li> </ul>	20%	127.2%
Diversity	% Female executives	20%	114.1%
Sustainable Business	<ul style="list-style-type: none"> <li>— Sustainable finance</li> <li>— FvS finance</li> </ul>	40%	150.0%
<b>Total</b>	—	<b>100%</b>	<b>133.0%</b>

This indicator is monitored periodically by the Sustainability Committee, and its metrics are updated as part of this review. Attainment of this metric in 2024 was 133.0%.



## B.2.) Attainment of objectives by the CEO

The CEO's final attainment of objectives in the year, taking into account all the variables described above and his annual performance review, was 128.05%.

# 128.05%

Final attainment of objectives in the year

The CEO had 80% of his objectives linked to the Group's objectives and the other 20% were linked to an individual qualitative assessment adopted by the Remuneration Committee on the motion of the Chairman.

The CEO's individual qualitative assessment is based on his contribution and leadership in achieving the Group's strategy, focused on increasing profitability, improving the risk profile and strengthening the solvency of the Banco Sabadell Group. His work in the corporate context of the Bank was also assessed.

The CEO's performance in achieving the following key strategic goals of the Group is particularly noteworthy:

- Once again, since the start of the 2021 strategic plan, the Bank demonstrated its capacity to generate profits and capital thanks to good performance by commercial activity, rigorous cost management and the improvement in its risk profile.
- Specifically, in 2024, the Bank achieved record results, improving its CET1 (Common Equity Tier 1) capital ratio and attaining sustained growth in ROTE (Return on tangible equity).
- This performance was reflected in the share performance with respect to peers: Banco Sabadell was the bank that appreciated the most in the Spanish market and ranked second in performance in the IBEX 35.

The following were also considered in the performance assessment:

- His leadership in executing management initiatives and priorities.
- Representation of the Bank in other bodies and institutions.
- Governance and stakeholder management.

The individual qualitative assessment made by the Remuneration Committee, on a motion by the Chairman, was 120% the highest possible level.



### B.3.) Attainment of objectives by the CRO

The CRO's final attainment of objectives in the year, taking into account all the variables described above and his annual performance review, was 126.51%.

The CRO had 25% of his annual variable remuneration tied to Group objectives. The other 75% was indexed to individual objectives which, in turn, are composed of functional objectives and an individual qualitative assessment. These functional objectives are aligned with the oversight functions he performs, independent of the business and corporate areas, and are focused on the oversight and monitoring of transactions and of the risks that arise from such transactions, ensuring compliance with applicable laws, rules and regulations, and advising management on matters in his area of expertise.

In this regard, the 2024 functional objectives set for the CRO were assessed on the basis of the following parameters:

Quantitative objectives:

- Improvement in the SREP score, weighted 20% of his functional objectives.
- Management satisfaction, weighted 10% of his functional objectives.

Qualitative objectives:

- Contribution to the performance of the Risk Committee, weighted 20%.
- Fulfilment of the annual plans for the second line of defence (2LoD), weighted 25%.
- Tracking of RAROC on acceptance and profitability of new initiatives, weighted 10%.
- Development and implementation of an annual regulatory model plan, weighted 7.5%.
- Fulfilment of the ICAAP Remediation Plan, weighted 7.5%.

The CRO attained 129.08% of his functional objectives for 2024.

The individual qualitative assessment considered the following:

- Continuity and strengthening of his performance in all key areas under his responsibility.
- The credibility of his function in the eyes of the Bank's other areas, which has strengthened risk management in the Bank.
- His participation and leadership in achieving recognition, by various bodies and institutions, of the Bank's improvements in the area that he represents.
- His ability to anticipate, identify and manage potential risks, providing the appropriate tools to enable the Group to take strategic decisions.

The CRO attained 115% of his individual qualitative objectives for 2024. This indicator is capped at 120%.

The year-end evaluation of these objectives is the responsibility of the Risk Committee, which proposes the level of attainment and the degree of attainment achieved.

# 126.51%

Final attainment of objectives in the year

# 129.08%

Attainment of functional objectives in 2024

The percentage of attainment of objectives by both the CEO and the CRO were approved by the Board of Directors on 29 January 2025.

In order to qualify for variable remuneration, overall attainment of the objectives must exceed 60%. No variable remuneration is accrued under 60%, and no additional variable remuneration is accrued above 144%.



## B.4.) Attainment adjustments

The Board of Directors did not consider it necessary to make any adjustments to the level of attainment of the objectives described above, since the Bank's capital (CET1 and MREL) and liquidity (Liquidity Coverage Ratio) fulfilled the limits established in the Risk Appetite Statement (RAS).

The Banco Sabadell Remuneration Committee analyzed the application of the Risk Correction Factor (RCF) to the Group's objectives at a meeting on 28 January 2025. In accordance with the capital and liquidity objectives, metrics, attainment scales and payment curves of the RCF approved by the Board of Directors on 26 January 2024, the Remuneration Committee determined that the thresholds required in the RAS to give entitlement to the entire variable remuneration that corresponds to the attainment of the Group's objectives in this regard had been attained.

In addition, there are prudential mechanisms for adjusting the CRO's individual attainment, based on exceedance of expected loss thresholds in terms of operational risk and/or internal control indicators. No factors arose such as to trigger an adjustment in the degree of attainment.

## B.5.) Ex-ante risk adjustments

Based on information provided by the Internal Control Division, the Remuneration Committee decided not to propose any additional individual or collective ex-ante adjustment for 2024, insofar as:

- The Group and/or its subsidiary credit institutions attained the MDA (Maximum Distributable Amount) determined by current regulations.
- In accordance with the reports provided by the Compliance, Internal Audit, Finance and Internal Control Divisions, the short-term variable remuneration for 2024 is aligned with risk and control factors such as breaches of standards and regulations, exceedance of risk limits (e.g. RAS, solvency, liquidity, or breach of expected loss thresholds in terms of operational risk) and/or internal control indicators (e.g. results of internal audits) or similar items.

## B.6.) Short-term variable remuneration accrued in 2024

Once the degree of attainment of the objectives at Group and individual level had been calculated, and it had been determined that no ex-ante adjustments were necessary, the variable remuneration to be assigned individually to each of the executive directors was determined. On the basis of each individual's assigned bonus target and attainment of individual objectives, the Board of Directors approved the variable remuneration for the executive directors, on a motion of the Remuneration Committee, at a meeting on 29 January 2025, as follows: €1,096 thousand for the CEO and €133 thousand for the CRO:

In accordance with the applicable regulations, these amounts are paid as follows:

- 40% will be paid in 2025, 50% in cash and the remainder in Banco Sabadell shares (valued at the closing market price in the last trading session in the month in 2025 when the non-deferred portion is paid), the shares being subject to lock-up for at least three years from the date of delivery unless the holder owns an amount equivalent to twice their annual fixed remuneration; in any event the minimum lock-up period is one year.
- 60% will be deferred over a five-year period, with one-fifth being paid in each of the years 2026, 2027, 2028, 2029 and 2029, split 45% in

cash and 55% in Banco Sabadell shares (valued at the closing market price in the last trading session in the month when the non-deferred portion is paid), subject to the same lock-up obligation as the remuneration paid up-front in 2025.

Form of payment		Mr. César González-Bueno Mr. David Vegara Figueras		
<b>Up-front</b>	<b>2025</b>	thousand euro	219	27
		no. of shares	127,084	15,401
<b>Deferred</b>	<b>2026</b>	thousand euro	59	7
		no. of shares	41,938	5,082
	<b>2027</b>	thousand euro	59	7
		no. of shares	41,938	5,082
	<b>2028</b>	thousand euro	59	7
		no. of shares	41,938	5,082
	<b>2029</b>	thousand euro	59	7
		no. of shares	41,938	5,082
	<b>2030</b>	thousand euro	59	7
		no. of shares	41,938	5,082

NOTE: Since the shares will be delivered on the last trading day in February, the number of shares in this table was calculated using the weighted average price of the last 20 sessions in December 2024 (€1.725 per share). The number of shares will be updated using the closing price in the last session in February, once it is known.

The deferred amounts and shares are subject to malus and clawback clauses as described in section 3.1.2.B) of this Report.

In accordance with the provisions of CNMV Circular 4/2013, of 12 June, the non-deferred amount payable in cash in 2025 is set out in section C.1.a.i) of the Statistical Annex. Table C.1.a.ii) sets out both delivered shares (financial instruments that vested in 2024) and deferred shares (financial instruments at the end of 2024).

## B.7.) Variable remuneration deferred from prior years that is payable in 2025

As supplementary information to tables C.1.a) i) and ii) of the Statistical Annex, it is hereby disclosed that the amount in cash and the shares for deferral for 5 years out of the short-term variable remuneration accrued in preceding years, and the severance payment for termination as executive director of Ms. María José García Beato in 2021, all in accordance with the Director Remuneration Policy, were delivered to the executive directors in 2025.

Below is a detail of the amounts of cash and shares in 2025 corresponding to deferred variable remuneration from prior years:

		Mr. César González-Bueno	Mr. David Vega Figuera	Mr. Josep Oliu Creus <sup>1</sup>	Ms. María José García Beato <sup>1</sup>
<b>2021 variable remuneration</b>	thousand euro	30	5	19	—
	no. of shares	47,513	8,490	30,278	—
<b>2022 variable remuneration</b>	thousand euro	38	5	—	—
	no. of shares	37,305	5,427	—	—
<b>2023 variable remuneration</b>	thousand euro	53	6	—	—
	no. of shares	54,222	6,380	—	—
<b>Long-term remuneration 2019-2021</b>	thousand euro	—	5	20	5
	no. of shares	—	5,384	23,280	6,088
<b>Long-term remuneration 2020-2022</b>	thousand euro	—	6	—	5
	no. of shares	—	21,097	—	16,797
<b>Long-term remuneration 2021-2023</b>	thousand euro	151	30	38	—
	no. of shares	313,572	63,042	78,439	—
<b>Termination indemnities</b>	thousand euro	—	—	—	44
	no. of shares	—	—	—	102,232

(1) Deferred amounts accrued in the period in which they were executive directors.

NOTE: For the 2023 variable remuneration in shares, the number of instruments was updated with the Bank's share price at the close of the last trading session in the month of settlement and payment of the immediate (not deferred) variable remuneration to match the actual accrued values. As a result, in table C.1.a.(ii) of the statistical annex on changes in share-based remuneration systems, the number of financial instruments for the 2023 variable remuneration at the beginning of 2024 does not match the amount that was reported in the 2023 Report on Director Remuneration for the end of 2023.

The Remuneration Committee assessed whether the conditions are met for the application of the clauses for the reduction or cancellation of the deferred variable remuneration (malus clauses) and the recovery of the amounts received (clawback clauses), based on the characteristics and circumstances of each particular case, and it concluded that none of the cases that would trigger such clauses arose in 2024.



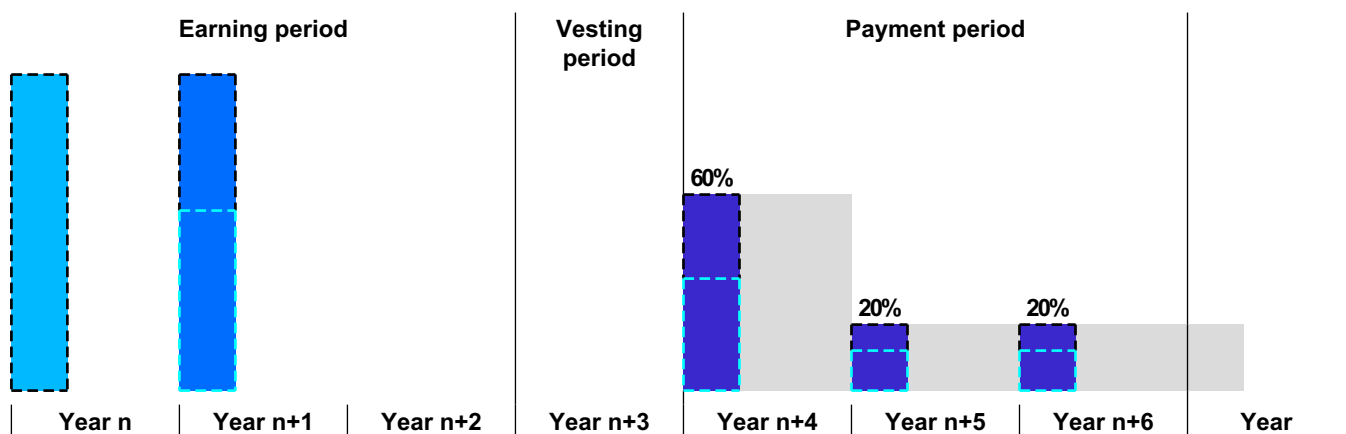
## C) Long-term remuneration

In the case of executive directors, long-term remuneration consists of the allocation to each beneficiary ("Incentive") of a certain amount in cash determined as a percentage of each beneficiary's fixed compensation (the "Target Incentive") approved by the Board of Directors. The incentive is paid 55% in shares of the Company and 45% in cash.

Payment of the Incentive is contingent upon attainment of the annual and multi-year objectives, performance of executive functions and non-termination of the employment or mercantile relationship with Banco Sabadell, S.A.

The structure of the long-term remuneration is shown below:

### Scheme for payment of long-term variable remuneration



In the month of February of year n+1 the Adjusted Target is calculated based on the attainment of the Annual Variable Remuneration objectives for year n (60%-150% of the initial target).

The Adjusted Target is the sum of an amount in cash (45%) and an amount in Banco Sabadell shares (55%), calculated during the month of February of year n+1.

Beginning of year n+3: Measurement of multi-year objectives

- Incentive target
- Adjusted target
- Delivery
- Lock-up period
- Cash (45%)
- Shares (55%)

The adjusted target can only be maintained or reduced, or even eliminated, depending on the degree of attainment of the Group's multi-year objectives.

This section includes information on long-term remuneration schemes whose measurement periods include the year 2024. The calendars of the long-term incentives that are in force are shown by way of example.

Long-term remuneration	2022	2023	2024	2025	2026
2022-2024	Beginning of measurement period		End of measurement period		
2023-2025		Beginning of measurement period		End of measurement period	
2024-2026			Beginning of measurement period		End of measurement period

## C.1.) Long-term remuneration 2022-2024

The long-term remuneration scheme for 2022-2024 is based on the attainment of annual and multi-year objectives (3 years), where a reference amount of long-term remuneration (amount to be received in the event of 100% attainment of both annual and multi-year objectives) was established at the beginning of the cycle.

Once 2022 had concluded, the reference amount was adjusted during the first quarter of 2023 based on the degree of attainment of the objectives for 2022 short-term variable remuneration. When determining the adjusted reference amount, the applicability of the ex-ante adjustments described above for the variable remuneration was also analysed (described in section 2.1.1.B, among other sections, of this Report).

Director	Initial reference amount (thousand euro)	Adjusted reference amount (thousand euro)
CEO	600	698
CRO	131	133

In accordance with the Director Remuneration Policy, the adjusted reference amounts consisted of a cash amount (45%) and a number of shares (55%) determined using the weighted average price in the last 20 sessions in the month of December 2022, with the following result:

Director	Amount (thousand euro)	no. of shares
CEO	314	437,928
CRO	60	83,625

Payment of the adjusted reference amount was subject to the following multi-year objectives established for the period 2022-2024:

Objective	Weighting	Outcome	% Attainment
Relative total shareholder return (TSR)	25%	#1	100%
Liquidity (Liquidity Coverage Ratio)	25%	201.4 %	100%
Capital (CET1)	25%	13.93 %	100%
ROTE	25%	14.9 %	100%
<b>Total</b>	<b>100%</b>	<b>—</b>	<b>100%</b>

The Group objectives for 2022-2024 are detailed below:

### Relative Total Shareholder Return (TSR)

Metric that measures the total return on investment obtained by the shareholder. TSR is taken to be the sum of the dividends paid and the variation in the share price, calculated as the difference between the arithmetic mean of the share's closing price, rounded to the third decimal place, in the first 20 sessions following 1 January 2022 and following 31 December 2024.

Banco Sabadell's TSR is compared with that of the following peer group:

<i>Peer group</i>		
ABN AMRO Group NV	Caixabank S.A.	Mediobanca
Banco Bpm SpA	Commerzbank AG	Raiffeisen
Bankinter S.A.	Erste Group	Skandinaviska Enskilda Banken AB
BBVA, S.A.	Intesa Sanpaolo SpA	Standard Chartered Bank
BPER Banca	KBC Groep NV	Swedbank

#### Attainment scale:

Banco Sabadell's TSR ranking within the peer group	% attainment
Between #1 and #8	100%
Between #9 and #10	75%
Between #11 and #12	50%
Between #13 and #16	0%

#### Percentage of attainment:

Since Banco Sabadell ranked #1 within the peer group, the percentage of attainment of this metric is 100%.

## Liquidity Coverage Ratio

This ratio reveals whether the institution has sufficient liquid assets to enable it to honour its short-term obligations, calculated as the ratio between high quality liquid assets (HQLAs) and net cash outflows in 30 days.

The objective for the Liquidity Coverage Ratio indicator is the level established in the Institution's RAS (Risk Appetite Statement). This indicator is measured by taking the average of the last three months in the final year of the multi-year measurement period.

#### Attainment scale:

If the average LCR is higher than the early warning indicator (EWI), the objective is deemed to have been achieved 100%; below that threshold, attainment is 0%.

#### Percentage of attainment:

Since the average LCR for October, November and December 2024 was higher than the early warning indicator (EWI), 100% of the objective is deemed to have been achieved.

## Capital adequacy (CET1)

This ratio is the main measure of solvency used in the financial sector. The CET1 ratio is the quotient of Common Equity Tier 1 capital and Risk Weighted Assets.

Attainment of the objective in connection with CET1 is measured on the basis of the level established in the Institution's Risk Appetite Statement (RAS). This indicator is measured by taking the average of the last three months in the final year of the multi-year measurement period.

#### Attainment scale:

If the average CET1 is higher than the early warning indicator (EWI), the objective is deemed to have been achieved 100%; below that threshold, attainment is 0%.

**Percentage of attainment:**

Since the average CET1 for October, November and December 2024 was higher than the early warning indicator (EWI), 100% of the objective is deemed to have been achieved.

**Return on Tangible Equity (ROTE)**

Index that measures the return on minimum equity required to attain the CET1 early warning indicator (EWI). The numerator is the profit attributable to the group and the denominator is the minimum equity required to attain the CET1 early warning indicator (EWI).

Attainment of the objective in connection with the Return on Total Equity is measured on the basis of the ROTE at the end of the period.

**Attainment scale:**

Value at end of period Dec. 2024	% attainment
< 5 %	0%
5%	50%
6%	75%
> 7.5 %	100%

**Percentage of attainment:**

Since the ROTE at 31 December 2024 was 14.9%, 100% of the objective is deemed to have been achieved.

Considering the percentages of attainment of the objectives and their weightings, the final percentage of attainment of the 2022-2024 long-term remuneration objectives was 100%. On 28 January 2025, the Remuneration Committee determined that no adjustment of any type is required to be made to this percentage, resulting in the following distribution:

Director	Amount (thousand euro)	no. of shares
CEO	314	437,928
CRO	60	83,625

The schedule for payment of this incentive, in accordance with the regulatory requirements, is as follows:

Director		2026 (60%)	2027 (20%)	2028 (20%)
CEO	thousand euro	188	63	63
	no. of shares	262,757	87,586	87,586
CRO	thousand euro	36	12	12
	no. of shares	50,175	16,725	16,725

**Notes:**

- These amounts are subject to the malus and clawback clauses established in the Director Remuneration Policy.
- The shares that are delivered are subject to lock-up as described in section 3.1.2.B) on short-term variable remuneration.



## C.2.) Long-term remuneration 2023-2025

Long-term remuneration for 2023 was approved in the same terms as for 2022, based on attainment of annual and multi-year objectives, establishing a reference amount of long-term remuneration (the amount to be received in the event of attaining 100% of the objectives).

Once 2023 had concluded, the reference amount was adjusted during the first quarter of 2024 based on the degree of attainment of the objectives for 2023 short-term variable remuneration.

Director	Initial reference amount (thousand euro)	Adjusted reference amount (thousand euro)	Adjusted reference amount (thousand euro)	Adjusted reference amount (shares)
CEO	751	(751 x 131.00%) 983	443	454,130
CRO	138	(138 x 115.72%) 160	72	73,896

These amounts are linked to attainment of the long-term objectives defined for the long-term remuneration 2023-2025 and may not exceed the indicated amounts in any event.

## C.3. Long-term remuneration 2024-2026

Long-term remuneration was approved for 2024 in the same terms as that approved for 2023, based on the fulfilment of annual and multi-year objectives.

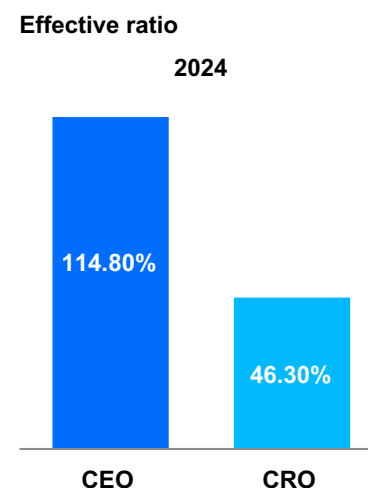
Once 2024 had concluded, the reference amount was adjusted during the first quarter of 2025 based on the degree of attainment of the objectives for 2024 short-term variable remuneration; as indicated in this Report, the degree of attainment was 128.05% in the case of the CEO and 126.51% in the case of the CRO.

Director	Initial reference amount (thousand euro)	Adjusted reference amount (thousand euro)	Adjusted reference amount (thousand euro)	Adjusted reference amount (shares)
CEO	856	(856 x 128.05 %) 1,096	493	349,484
CRO	145	(145 x 126.51%) 184	83	58,567

These amounts are linked to attainment of the long-term objectives defined for the long-term remuneration 2024-2026 as detailed in section 3.1.2.D) and may not, in any event, exceed the indicated amounts.

## C.4. Ratio between fixed and variable components

The General Meeting of Shareholders on 10 April 2024 approved the maximum ratio between the executive directors' variable and fixed components at 200%. The proportion of variable to fixed remuneration items for each of the executive directors is shown below.



## 2.1.2. Contractual conditions for executive directors, including termination indemnities

The executive directors' contractual conditions are described in section 3.1.3.

No executive directors were removed in 2024, with the result that no termination indemnities accrued.

## 2.1.3. Malus and clawback clauses

As indicated in section 2.1.1 in relation to short- and long-term variable remuneration, up to 100% of outstanding amounts are subject to the possibility of reduction or cancellation (malus clause) and the amounts already paid may have to be repaid (clawback clauses).

The cases that would trigger such clauses are described in section 3.1.2.B); none of them arose in 2024.



## 2.2 Directors' remuneration for their functions as members of the Board of Directors

Director remuneration is established on the basis of reports on director remuneration in Spain published by KPMG and Spencer Stuart (Spencer Stuart Board Index), which report on the remuneration for membership of the Boards and Committees of Spain's main financial institutions.

In accordance with the power granted to the Board of Directors by the Director Remuneration Policy, and based on the review of the remuneration model and market practices, the Board of Directors was resolved on 31 January 2024 to apply the following annual amounts for remuneration of non-executive directors in 2024:

	2024 remuneration (thousand euro)	Attendance fees 2024 (thousand euro per meeting)
Members	100	2
Additionally:		
Chairman	1,500	
Deputy Chairman	107	
Lead Independent Director	22	

Non-executive directors also received the following amounts for membership of Board Committees:

Committee	Position	Amount (thousand euro)
Strategy and Sustainability Committee	Chairman	—
	Member	40
Credit Delegated Committee	Chairman	70
	Member	40
Audit and Control Committee	Chairman	70
	Member	40
Appointments and Corporate Governance Committee	Chairman	50
	Member	30
Remuneration Committee	Chairman	50
	Member	30
Risk Committee	Chairman	70
	Member	40

Based on the foregoing, the total amount actually collected by the members of the Board of Directors in 2024 is as follows (thousand euro):

Directors	Director category	Board of Directors	Per diems	Board of Directors Committees					
				RC	A&CGC	RemC	A&CC	CrDC	S&SC
Josep Oliu Creus	Non-executive Chairman	1600	25	0	0	0	0	0	0
Pedro Fontana García	Deputy Chairman Independent	207	25	0	38	0	10	70	40
César González-Bueno Mayer Wittgenstein	CEO	100	25	0	0	0	0	0	0
Ana Colonques García-Planas	Independent director	67	16	0	0	18	23	0	0
Aurora Catá Sala	Independent director	100	25	40	25	0	0	0	0
Luis Deulofeu Fuguet	Independent director	100	25	0	0	0	0	39	37
María José García Beato	Other External Director	100	25	0	30	0	0	0	40
Mireya Giné Torrens	Independent director	100	25	0	28	50	0	0	0
Laura González Molero	Independent director	100	25	0	0	30	40	0	0
George Donald Johnston	Lead Independent Director	122	25	64	0	0	0	0	33
David Martínez Guzmán	Proprietary director	100	25	0	0	0	0	0	0
José Manuel Martínez Martínez	Independent director	25	7	0	13	8	0	0	0
Alicia Reyes Revuelta	Independent director	100	25	37	0	0	0	38	0
Manuel Valls Morató	Independent director	100	25	40	0	0	70	0	0
David Vegara Figueras	Executive director	100	25	0	0	0	0	0	0
Pedro Viñolas Serra	Independent director	100	25	0	0	0	40	40	0

<b>RC</b>	Risk Committee
<b>A&amp;CGC</b>	Appointments and Corporate Governance Committee
<b>RemC</b>	Remuneration Committee
<b>A&amp;CC</b>	Audit and Control Committee
<b>CrDC</b>	Credit Delegated Committee
<b>S&amp;SC</b>	Strategy and Sustainability Committee

Mr. Luis Deulofeu Fuguet collected €30 thousand as an ordinary member of the Board of Directors of Sabadell Digital S.A.U.

Ms. Mireya Giné Torrens collected €30 thousand as an ordinary member of the Board of Directors of Sabadell Consumer Finance, S.A.

The Board of Directors met 15 times in 2024.

The amounts actually received depended on the date of appointment and on meeting attendance, and they are detailed in the Statistical annex to this Report.

The directors did not collect any other additional remuneration from the Institution or any other Group institution in 2024 as consideration for services rendered other than those inherent to their position, or any other remuneration items such as advances, loans or guarantees, or any remuneration by virtue of payments by the Bank to a third party, or any other remuneration not disclosed in this Annual Report on Director Remuneration.





# 3. Director Remuneration Policy applicable in 2025

Banco Sabadell regularly reflects on its current Director Remuneration Policy, considering the following:

## The Bank's actual situation

- **Aligning** remuneration with the short- and long-term objectives set out in the Institution's strategy.
- **Commitment to sustainability:** this is an essential element of the Group's remuneration policy. The components of remuneration contribute to fostering action in environmental, social and governance (ESG) matters in order to make the business strategy sustainable and socially responsible.
- **Prudent risk management:** discouraging the taking of present and future risks that go beyond the level tolerated by the Group, while taking customers' interests into account.
- **Banco Sabadell's Remuneration Policy:** particularly the one applied to members of the Group's Identified Staff and Senior Management.

## External factors

- **Regulations:** strict compliance with the regulatory requirements on remuneration.
- **Stakeholders:** recommendations received in the course of Banco Sabadell's regular engagement with investors, shareholders and proxy advisors.
- **Market practices:** credit institutions that may compete for business or talent.
- **Governance:** general corporate governance recommendations at a national and international level.

During the year, based on proposals by the Remuneration Committee, the Board of directors applies the measures it considers to be appropriate in the Director remuneration system within the limits established by the Policy. However, if the Board of Directors considers that the measures to be implemented require an amendment to the policy or a new Remuneration Policy, it may propose such a change or a new Remuneration Policy to the General Meeting of Shareholders.

There are no plans to amend the Director Remuneration Policy in 2025 and, accordingly, the remuneration principles and components defined in the current policy will apply.

## 3.1. Remuneration for Executive Directors

### 3.1.1. Remuneration system

In addition to their remuneration for membership of the Board of Directors, executive directors are paid for performing executive functions, as provided in the Articles of Association of Banco Sabadell, under the same headings as members of Banco Sabadell Senior Management and the rest of the Identified Staff.

Executive director remuneration is set each year by the Board of Directors within the maximum overall amount established by the General Meeting of Shareholders by approving the Director Remuneration Policy for each remuneration item. The Board of Directors will comply with the applicable regulations, taking into account its specific status as a financial institution and in line with the items, terms and conditions established in the new Director Remuneration Policy, which takes a comprehensive view of total remuneration including all remuneration components and the relationship between them, striking an appropriate balance between fixed and variable remuneration, as well as between the distribution of short- and long-term payments, while safeguarding the rights and interests of shareholders, investors and customers.

The differences between the remuneration packages for the CEO and CRO are as follows:

- The CRO's remuneration is predominantly fixed in order to reflect the nature of his work and not to jeopardise his independence with respect to the business units he oversees.
- The methods used to set the objectives and determine the variable remuneration take into account each director's specific circumstances; in the specific case of the CRO, they must not jeopardise his objectivity or independence. In this respect, 80% of the Chief Executive Officer's short-term variable remuneration is linked to the Group's objectives and the remaining 20% is based on an individual qualitative appraisal approved by the Remuneration Committee on a motion by the Chairman. Given the functions of the CRO (oversight), the percentage linked to the Group's objectives is limited to 25% and the remaining 75% is indexed to individual objectives: functional objectives (55%) and an individual qualitative assessment (20%).

Each year, in order to establish a remuneration system in line with comparable companies, Banco Sabadell carries out a comparative analysis of the remuneration of the Board of Directors and executive directors in relation to the market, using reports from specialised remuneration consultants.

As indicated in section 2.1. of this Report, domestic and international peer groups, comprising comparable entities in terms of size, sector and market, are defined for these analyses and approved by the Board of Directors.

The result of the domestic benchmark indicates that, in terms of size, the remuneration for Banco Sabadell's CEO should be between the median and the 75th percentile of comparable institutions.

Moreover, the CEO contributes to creating value, since the Group has attained €1.8 billion in attributable net profit, a ROTE of 14.9% and a positive trend in shareholder returns.

As a result of the economic situation, the generation of value resulting from the CEO's management and in the Bank's corporate context, the CEO's remuneration was reviewed in order to bring it into line with market practices.



With regard to the CRO's remuneration, the bank's aspiration is to be positioned between the median and the 75th percentile of domestic financial institutions. In this respect, the CRO's remuneration was below the market median in 2024.

It is worth noting that his performance, experience in the industry and recognition in the regulatory and supervisory area have assisted in the attainment of positive results in risk management, contributing significantly to the Bank's stability and growth.

In recognition of the positive outcome of his function and in order to bring his remuneration into line with market practices and the economic situation, the CRO's remuneration has been reviewed.

The items of executive director remuneration contemplated by the Director Remuneration Policy are summarized below:

2025 amounts (thousand euro)		
	CEO	CRO
Fixed salary	2,000 <sup>(1)</sup>	691
Benefits and remuneration in kind	Similar amounts to 2024	Similar amounts to 2024
Retirement and savings plans	301	132
Short-term variable remuneration	Target*: 1,000 Maximum: 1,440	Target*: 105 Maximum: 151
Long-term remuneration	Target*: 1,000 Maximum: 1,440	Target*: 173 Maximum: 249

(1) After personal income tax withholdings, the CEO must systematically purchase shares of Banco Sabadell, S.A. for a net annual amount equivalent to €300 thousand gross of his fixed remuneration. Those shares will be under lock-up for a period of five years or until the date of abandoning the Institution, whichever is earlier.

\* *Target*: remuneration to be allocated in the event that 100% of the objectives are achieved.

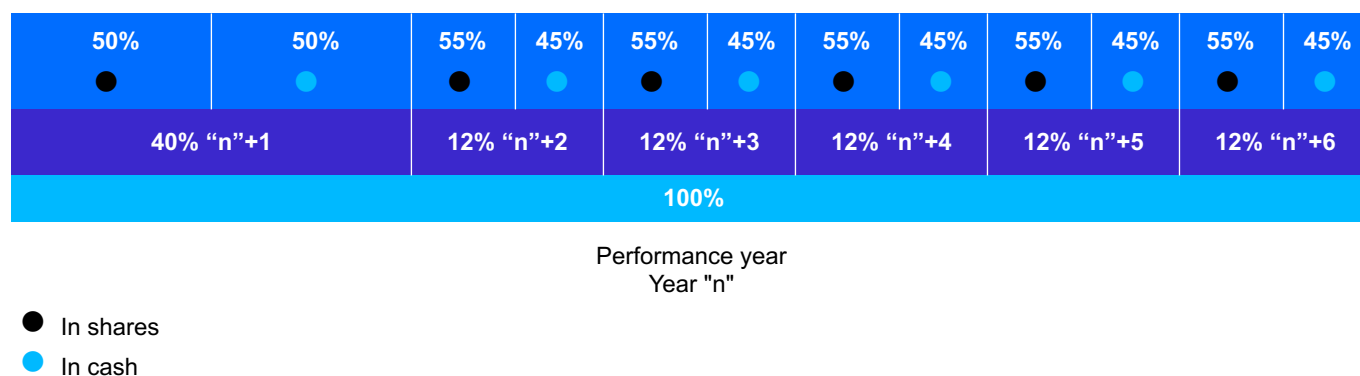
Maximum: maximum amount of the variable remuneration to be allocated in the event of exceeding the objectives.

Accordingly, the proportion between an executive director's fixed and variable remuneration, assuming attainment of the objectives and a maximum attainment scenario, is as follows:

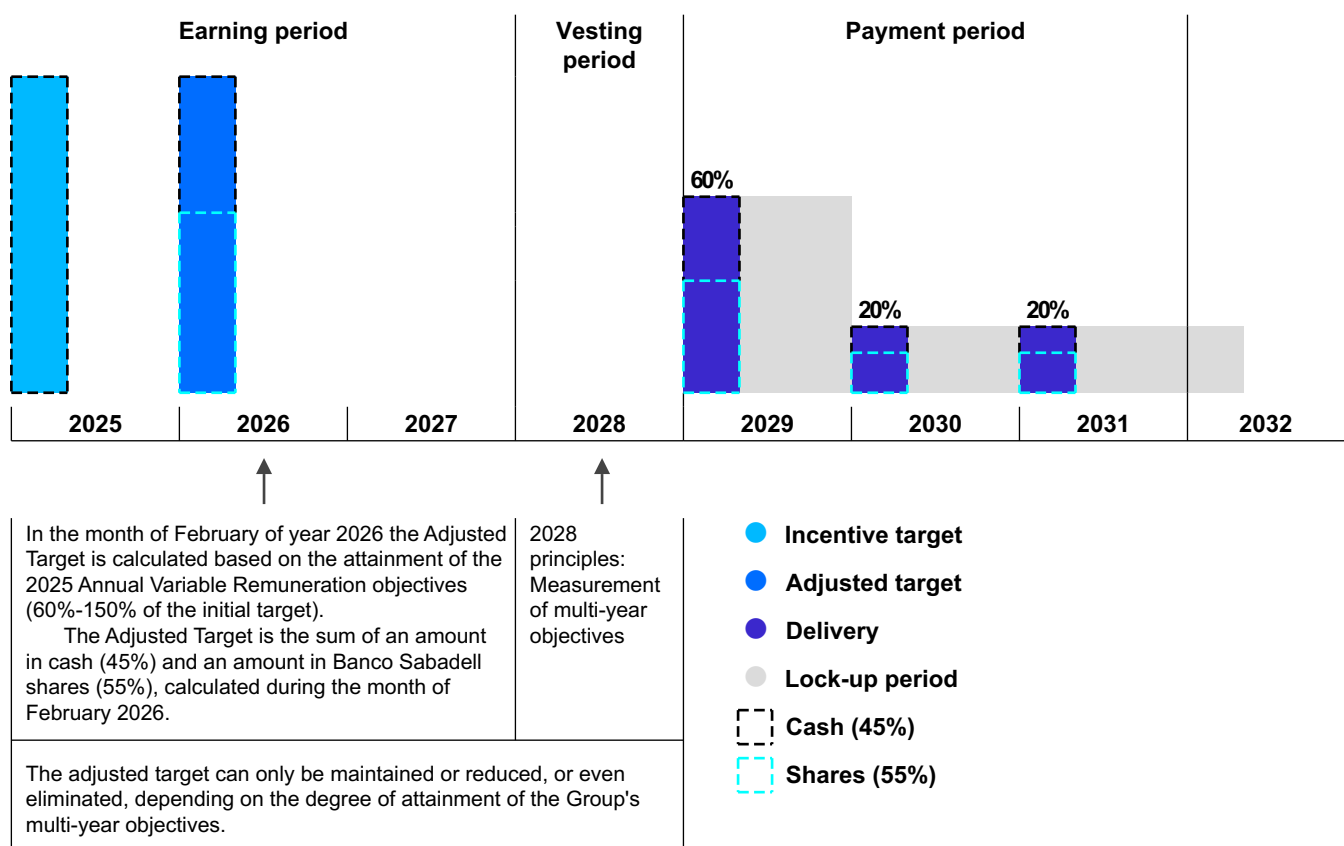
	CEO			CRO		
Target scenario	53 %	24 %	23%	74 %	11%	15%
Maximum scenario	44 %	29%	27 %	67 %	13%	20%

- Fixed salary + benefits + pension benefits
- Short-term variable remuneration + discretionary pension benefits
- Long-term remuneration

### Scheme for payment of short-term variable remuneration



### Scheme for payment of long-term variable remuneration



## 3.1.2. Details of the remuneration items

In accordance with the Director Remuneration Policy, the Board of Directors is empowered, on the motion of the Remuneration Committee, to set the amounts of annual fixed and variable remuneration for each of the executive directors within the maximum established amounts.

### A. Fixed remuneration

In accordance with the Director Remuneration Policy, the maximum combined amount of fixed remuneration for executive directors is €6 million per year: Within that limit, which includes fixed annual remuneration in cash and in shares as well as benefits and retirement and long-term savings plans as specified by contract, the Board of Directors sets the individual

remuneration amounts based on a favourable report by the Remuneration Committee.

The individual remuneration amounts comprising the fixed remuneration of the executive directors under the new Policy are listed below:

Description	Additional information	Amount (thousand euro)
Fixed salary	Paid monthly in cash. This remuneration is set by the Board of Directors on the motion of the Remuneration Committee.	— CEO: 2,000 <sup>(1)</sup> — CRO: 691
Benefits and remuneration in kind	In 2025, the executive directors are beneficiaries of, inter alia, a group life insurance policy, school aid and Christmas hamper (as applicable to all the Bank's employees) and a medical insurance policy and risk coverage (also applicable to the Bank's management team), and they have the use of a vehicle on the same terms as the other members of Senior Management.	— CEO: Similar amounts to 2024 <sup>(2)</sup> — CRO: Similar amounts to 2024 <sup>(2)</sup>
Pension plan	Like all other employees, the executive directors are members of the B Group defined contribution occupational pension plan, which pays out on retirement as an employee.	— CEO: 1 — CRO: 1
Retirement and savings plans*	The CEO is the beneficiary of a defined-contribution group savings insurance policy that pays out upon termination of the contract, death or absolute permanent disability, conditional upon diligent performance in his capacity as CEO. The CRO is a beneficiary of a defined contribution executive group insurance policy which will pay out in the event of effective retirement, death or permanent and absolute disability, except where, in the absence of express interest on the part of Banco Sabadell, the executive continues to work at Banco Sabadell beyond the age defined by law for collecting retirement benefit, in which case all economic rights are forfeited. Both policies allow for the benefit to be received as a lump sum, an annuity or a combination of the two, in accordance with current legislation. The plans are compatible with termination indemnities.	— CEO: 300 — CRO: 131

(\*) Discretionary pension benefits: from the entry into force of Bank of Spain Circular 2/2016, of 2 February, to credit institutions, on supervision and capital adequacy, which completes the adaptation of Spanish law to Directive 2013/36/EU and Regulation (EU) 575/2013, 15% of contributions are treated as discretionary pension benefits and, consequently, are linked to the percentage attainment of the beneficiary's short-term objectives, capped at 100% of the amount.

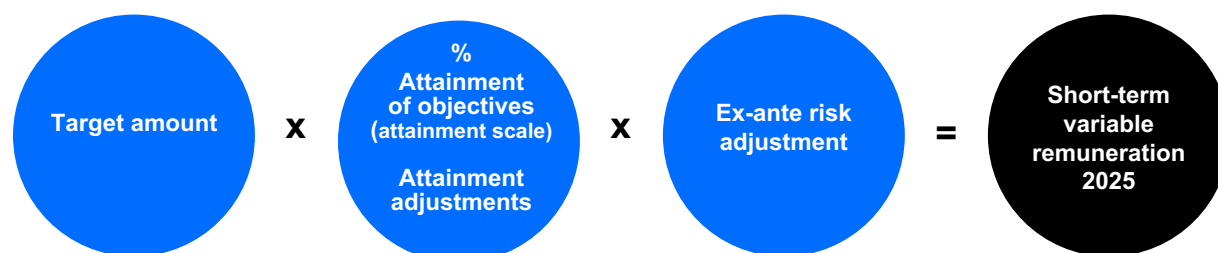
Consequently, 15% of the contributions to be made in 2025 in relation to the group executive insurance policy on behalf of the CEO and CRO will be adjusted on the basis of the degree of attainment of the short-term variable remuneration objectives.

(1) Of that amount, €300 thousand must be systematically invested in shares of Banco de Sabadell, S.A., which must be retained for five years or until the date he leaves the Institution, if earlier.

(2) The amounts in 2024 are detailed in section 7. Statistical annex, table i).

## B. 2025 Short-term variable remuneration

The Director Remuneration Policy establishes that short-term variable remuneration is calculated as follows:



## B.1. Target and maximum amounts

Description	Additional information	CEO Amount (thousand euro)	CRO Amount (thousand euro)
Short-term variable remuneration	Reflect performance in the year, measured through annual objectives aligned with the risk incurred. The executive directors are assigned Group objectives, which include risk control and management metrics, and capital metrics, and may also have strategic objectives, with a weighting assigned to each indicator, and a scale of attainment. The objectives assigned to each executive director for 2025 are set out in this section 3.1.2.B).	Target: 1,000  Maximum: 1,440	Target: 105  Maximum: 151

## B.2. Objectives and metrics

The breakdown of the objectives for 2025 is as follows:

	CEO	CRO
Group annual objectives	80%	25%
Functional objectives	—	55%
Individual qualitative assessment	20%	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Group objectives 2025	The indicators for 2025 are the same as in 2024, aligned with the strategic priorities defined by the Bank.	
Metrics selected for the Group objectives		
Objective	Weighting	Description
ROTE	15.0%	Return on tangible equity.
Group net profit	10.0%	Profit that is directly attributable to the parent company, calculated by deducting minority interests from profit for the year.
Net interest income + Net fees and commissions	15.0%	Banco Sabadell Group consolidated net interest income plus net fees and commissions in 2025.
Group expenses + Depreciation & amortization	10.0%	Personnel expenses + General expenses + Depreciation + Amortisation + Recovery costs
Asset quality	15.0%	Cost of Risk (5 %) + NPA volume (5 %) + Coverage ratio (5 %).
Market share	10.0%	A synthetic indicator focused on increasing profitability and revenue. it is composed of indicators of market share of loans and advances in Spain, market share of mortgages in the United Kingdom through subsidiary TSB, and market share of net fees and commissions with respect to credit institutions operating in Spain.
Service quality	15.0%	A synthetic indicator that reflects the rating of quality of service by the Group's customers, distinguishing between commercial segments and relationship channels and employee satisfaction index.
Sustainability	10.0%	A synthetic valuation indicator comprising metrics linked to sustainable business (green and sustainability-linked financing), diversity (% female executives), upgrades by the main rating agencies/ESG indices and Sustainable Finance Plan.

## CEO objectives

In the case of the CEO, 80% of the objectives are linked to the Group's objectives and the other 20% depend on an individual qualitative assessment adopted by the Remuneration Committee on the motion of the Chairman.

## CRO objectives

In the case of the CRO, 25% of the objectives are linked to the Group's objectives and the other 75% is indexed to individual objectives that, in turn, are composed of functional objectives (55%) and an individual qualitative assessment (20%). These functional objectives are aligned with the oversight functions he performs, independent of the business and corporate areas, and are focused on the oversight and monitoring of transactions and of the risks that arise from such transactions, ensuring compliance with applicable laws, rules and regulations, and advising management on matters in his area of expertise.

In this regard, the functional objectives set for the CRO for 2025 revolve around the following parameters:

### Quantitative objectives:

- Improvement in the SREP score, weighted 20% of his functional objectives.
- Management satisfaction, weighted 10% of his functional objectives.

### Qualitative objectives:

- Contribution to the performance of the Risk Committee, weighted 20%.
- Fulfilment of the annual plans of action for the second line of defence (2LoD), weighted 25%.
- Deployment of a model control framework for artificial intelligence (AI), with a 10% weighting.
- Development and implementation of an annual regulatory model plan, weighted 7.5%.
- Contribution to the delivery of the stress test exercise, with a weighting of 7.5%.

30% of the CRO's functional objectives are quantitative and the other 70% relate to qualitative assessments made by the Risk Committee.

## B.3. Attainment scale

Regarding the Group objectives, which are applied as functional objectives for the CEO, attainment parameters have been set between 50% and 150% for each of the objectives, based on a non-linear scale of attainment established beforehand by the Remuneration Committee for each objective. Attainment of under 50% is considered as 0% for the purposes of counting overall attainment.

In the case of the CRO's functional objectives, the attainment parameters are set between 50% and 150%.

In the qualitative assessment, attainment is capped at 120%.

In order to qualify for variable remuneration, overall attainment of the objectives must exceed 60%. No variable remuneration is accrued under 60%, and no additional variable remuneration is accrued above 144%.

## B.4. Prudential adjustments for attainment of objectives

The amount to be actually received will be determined by the degree of attainment of the established Group objectives, adjusted by a correction factor based on the relationship between the Institution's capital (CET1 and MREL) and liquidity (Liquidity Coverage Ratio) and the limits set in the Risk Appetite Statement (RAS). Failure by any of these indicators to reach the objective will entail a reduction in variable remuneration; breach of the tolerance threshold for these indicators in the RAS will count as failure to attain the Group objectives for 2025.

In addition, there are prudential mechanisms for adjusting the CRO's individual attainment, based on exceedance of expected loss thresholds in terms of operational risk and/or internal control indicators.



## B.5. Ex-ante risk adjustments

The amount of any short-term remuneration item is subject to downward adjustment at the discretion of Board of Directors, on a motion by the Remuneration Committee, and may even be reduced to zero, depending on the following parameters:

- An adjustment to variable remuneration based on risk profile and earnings performance. The adjustment may be applied at Group, unit, country or even individual level, to reflect the various classes of risk. This variable remuneration adjustment, which can reduce the initial pool of available remuneration to zero, ensures that the variable remuneration is fully aligned with the risks assumed. The variable remuneration adjustment will cover all the cases or situations that might have an impact on the Group's risk profile and that were not fully factored into the assessment of the objectives set at the beginning of the year, and will be related to risk and control factors such as breaches of standards and regulations, exceedance of risk limits (e.g. RAS [capital, liquidity] or exceedance of expected loss thresholds in terms of operational risk) and/or internal control indicators (e.g. results of internal audits) or similar items.
- The possibility of reduction to zero if the Bank's capital is less than the Maximum Distributable Amount (MDA) determined by regulation at any given time.

## B.6. Malus and clawback clauses

Short-term variable remuneration and long-term remuneration that has not yet been collected (up to 100% of the amount) may be reduced or cancelled (malus clause) or clawed back in the event of poor financial performance by the Bank as a whole or by a specific division or area or by the exposures generated by the executive director in question. They will also apply in the event of actions or omissions by the executive director to whom they are applicable that are in breach of the applicable regulations or the internal rules of the Company or that are otherwise irregular. It is not necessary for there to be malice or negligence in order for these clauses to apply. For these purposes, the performance assessment will be compared with subsequent performance of the variables that contributed to achieving the objectives.

The following factors will be considered:

- Significant failures in risk management by the Institution or a business unit.
- An increase in capital requirements at the Institution or one of its business units not envisaged at the time that the exposure was generated.
- Regulatory penalties or legal convictions for events attributable to the unit or its managers. Failure to comply with the Institution's internal codes of conduct.
- Improper conduct, whether individual or collective. Particular consideration will be given to the negative effects deriving from marketing unsuitable products and the liability of the persons or bodies making such decisions.

Malus clauses may be triggered during the period in which variable remuneration is deferred. Clawback clauses may be triggered from the time the remuneration is paid up to conclusion of the corresponding lock-up period. Application of clawback clauses may be supplementary to the application of malus causes so that, in addition to forfeiting amounts not yet received, the executive director may be required to refund part or all of the amounts already received as short-term variable remuneration or long-term remuneration.

The Remuneration Committee must review the situation each year in order to make a proposal to the Board of Directors, if necessary, based on a report by the People and Sustainability Division, and after seeking the opinion of the Internal Control Division, the Finance Division and the Compliance Division as to whether circumstances have arisen to reduce or cancel the deferred remuneration or trigger clawback of variable remuneration already collected by an executive director, depending on the characteristics and circumstances of each particular case.

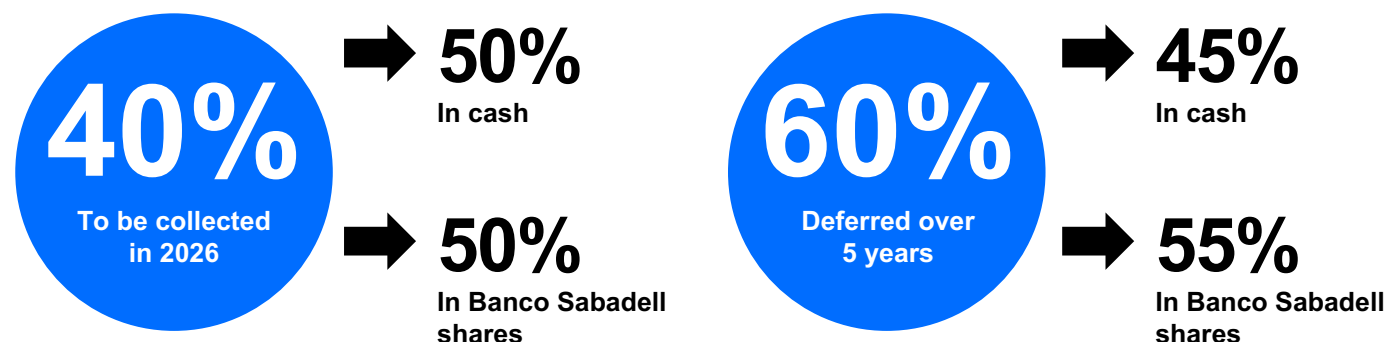


## B.7. Payment procedure

This remuneration is deferred and paid in equity instruments, in accordance with the applicable regulations.

Accordingly, actual receipt of the executive directors' short-term variable remuneration for 2025 will be subject to the following scheme:

### 2025 variable remuneration



40% of the variable remuneration for 2025 will be paid in 2026, split 50% in cash and 50% in Banco Sabadell shares (valued at the closing market price in the last trading session in the month in 2026 when it is paid), the shares being subject to a lock-up of at least one year.\*

60% of the variable remuneration for 2025 will be deferred over a five-year period, with one-fifth being paid in each of the years 2027, 2028, 2029, 2030 and 2031, split 45% in cash and 55% in Banco Sabadell shares (the number being determined on the basis of the closing market price in the last trading session in the month in 2026 when they are delivered).

\* Variable remuneration paid in shares is subject to lock-up of at least one year. In line with recommendation 62 of the Code of Good Governance, unless executive directors own shares amounting to the equivalent of twice their fixed annual remuneration, they may not dispose of the shares they receive until at least three years have elapsed from the time of delivery. The above condition will not apply to any shares that the director must dispose of to cover tax obligations related to their delivery.

The use of personal hedging strategies or any mechanism that guarantees receipt of part or all of the variable remuneration is not permitted.

## C. Long-term remuneration 2025-2027

Executive directors receive long-term remuneration granted each year in overlapping cycles.

The long-term remuneration scheme for 2025-2027 is based on the attainment of annual and multi-year objectives (3 years), where a reference amount of long-term remuneration (amount to be received in the event of 100% attainment of both annual and multi-year objectives) is established at the beginning of the cycle. The reference amount for the period 2025-2027 is €1,000 thousand for the CEO and €173 thousand for the CRO.

After the first year of the cycle has concluded, the reference amount is adjusted during the first quarter based on the following factors:

- Degree of attainment of the objectives for short-term variable remuneration in the first year of the cycle.
- Ex-ante adjustments, if any.

This adjustment may result in the reference amount being zero or, in the event of overachievement of annual objectives, at most 144% of the reference amount in the case of both directors.

Payment of the adjusted reference amount, determined as a cash amount (45%) and a number of shares (55%), will depend on the degree of attainment of the multi-year objectives (period of three years). The final amount to be paid may not exceed the adjusted reference amount (which may not be increased in any event).

Additionally, as in the case of annual objectives, a risk-related correction factor will be applied that includes indicators relating to capital (CET1 and MREL) and liquidity (Liquidity Coverage Ratio), and an attainment

adjustment. Breach of the tolerance threshold in the RAS for liquidity or capital adequacy result in the long-term remuneration being reduced to zero.

## C.1.) Target and maximum amounts

Description	Additional information	CEO amount (thousand euro)	CRO (thousand euro)
Long-term remuneration	Measure the Group's and the executive director's performance over a multi-year time-scale.	Target: 1,000	Target: 173
	The annual objectives determine the amount assigned, to the same extent as in the case of short-term variable remuneration. Based on that amount, the multi-year objectives determine the amount to be actually received, which may be less (but never more) than the amount assigned on the basis of annual objectives. The objectives assigned to each executive director for the various cycles that are current in 2025 are set out in section 3.1.2.C).	Maximum: 1,440	Maximum: 249

## C.2.) Objectives and metrics

The same objectives as for short-term variable remuneration are applicable to determine the adjusted reference amount.

The indicators for the multi-year objectives for the period 2025-2027 are detailed below.

Objective	2025-2027
Total Shareholder Return (TSR)	40%
Return on Tangible Equity (ROTE)	40%
Sustainability	20%

The main features of each of those metrics are described below:

### Relative Total Shareholder Return (Relative TSR)

#### Definition:

TSR is taken to be the sum of the dividends paid and the share price appreciation, taken as the difference between the arithmetic mean of the closing price of the share, rounded to the third decimal place, in the 20 sessions preceding the beginning date and the last 20 sessions of the years in which the end date falls. For these purposes, the beginning and end dates are as follows:

Long-term remuneration	2025-2027
Beginning date	1 January 2025
End date	31 December 2027

In order to apply market best practices and in line with the recommendations received in the Bank's regular engagement with investors, shareholders and proxy advisors, the improvements introduced in 2024 to calculate attainment of the TSR indicator have been maintained:

- The maximum level of attainment is 135%.
- Attainment of more than 100% requires that the TSR exceed the median.
- Any position in the last quartile entails 0% attainment.

Banco Sabadell's TSR will be compared with that of the following peer group:

Peer group		
ABN AMRO Group NV	Caixabank S.A.	Mediobanca
Banco Bpm SpA	Commerzbank AG	Raiffeisen
Bankinter S.A.	Erste Group	Skandinaviska Enskilda Banken AB
BBVA, S.A.	Intesa Sanpaolo SpA	Standard Chartered Bank
BPER Banca, SpA	KBC Groep NV	Swedbank AB

To ensure that the comparison is made on a like-for-like basis, the Board of Directors has the power, based on a proposal from the Remuneration Committee, to adapt, where appropriate, the composition of the sample of entities in the event of unforeseen circumstances affecting the aforementioned companies (e.g. mergers, spin-offs, delisting, etc.) and to adapt the TSR calculation for any transactions (e.g. rights issues) by those entities that affect the value of the shares.

#### Attainment scale

##### Banco Sabadell's TSR ranking within the peer group

##### Long-term remuneration

2025	%
#1	135%
#2	129%
#3	124%
#4	118%
#5	112%
#6	106%
#7	101%
#8	95%
#9	84%
#10	73%
#11	61%
#12	50%
Between #13 and #16	0%

#### Return on Tangible Equity (ROTE)

##### Definition:

ROTE is determined as the average of the values obtained in December during the measurement period (2025-2027).

##### Attainment scale:

The following attainment scale is defined:

0%	50%	100%	150%
<13%	>13%	14% - 15%	>15%

Attainment is increased on a straight-line basis for attainment between 50% and 100% and between 100% and 150%.

## Sustainability

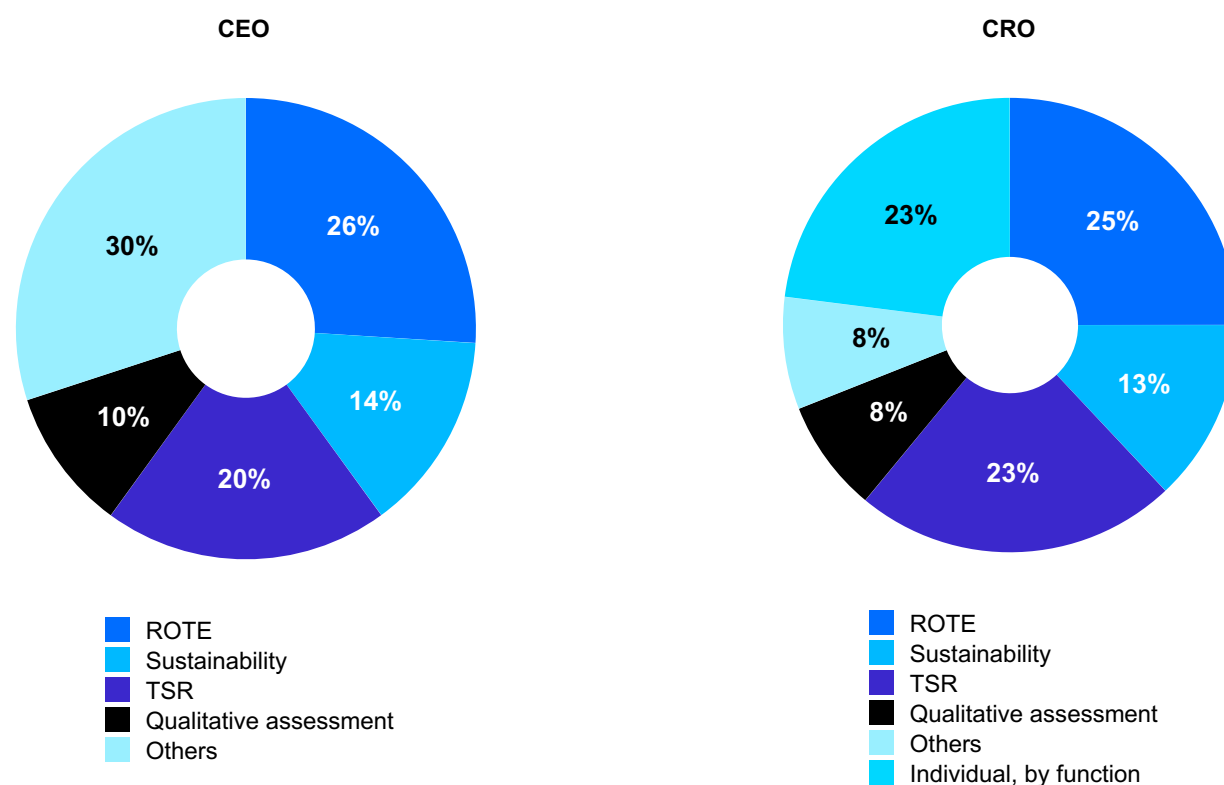
### Definition:

A synthetic indicator related to sustainable business (green finance, sustainability-linked finance, and other finance) and Diversity (% women in the management team).

### Attainment scale:

An attainment scale is defined for the Sustainable Business indicator based on accumulated objectives for 2025-2027 and another scale is defined for the % of Women in the management team.

### C.3.) Proportion of total variable remuneration with respect to target metrics



### D) Long-term remuneration 2023-2025 and 2024-2026.

The indicators of the long-term remuneration plans in force and covering the year 2025, which, like the one corresponding to the period 2025-2027, are based on the attainment of annual and multi-year (3 years) objectives, where a reference amount for the long-term remuneration (amount to be received in the event of 100% attainment of both annual and multi-year objectives) is established at the beginning of the cycle, are summarized below.

The amounts established for each of these two plans are detailed in 2.1.1.C).

Objective	2023-2025	2024-2026
Total Shareholder Return (TSR)	40%	40%
Return on Tangible Equity (ROTE)	40%	40%
Sustainability	20%	20%

## Relative Total Shareholder Return (Relative TSR)

### Definition:

TSR is taken to be the sum of the dividends paid and the share price appreciation, taken as the difference between the arithmetic mean of the closing price of the share, rounded to the third decimal place, in the 20 sessions preceding the beginning date and the last 20 sessions of the years in which the end date falls. For these purposes, the beginning and end dates are as follows:

Long-term remuneration	2023-2025	2024-2026
Beginning date	1 January 2023	1 January 2024
End date	31 December 2025	31 December 2026

Banco Sabadell's TSR will be compared with that of the following peer group in both plans:

Peer group		
ABN AMRO Group NV	Caixabank S.A.	Raiffeisen
Banco Bpm SpA	Erste Group	Skandinaviska Enskilda Banken AB
Bankinter S.A.	Intesa Sanpaolo SpA	Standard Chartered Bank
BBVA, S.A.	KBC Groep NV	Swedbank AB
BPER Banca, SpA	Mediobanca	Virgin Money



## Attainment scale

### Banco Sabadell's TSR ranking within the peer group

Long-term remuneration			
2023-2025	%	2024-2026	%
#1	150%	#1	135%
#2	143%	#2	129%
#3	136%	#3	124%
#4	129%	#4	118%
#5	121%	#5	112%
#6	114%	#6	106%
#7	107%	#7	101%
#8	100%	#8	95%
#9	88%	#9	84%
#10	75%	#10	73%
#11	63%	#11	61%
#12	50%	#12	50%
#13	30%		
Between #14 and #16	0%	Between #13 and #16	0%

## Return on Tangible Equity (ROTE) for both plans

### Definition:

ROTE in each plan is determined as the average of the values obtained in the month of December during the measurement period (2023-2025 and 2024-2026).

### Attainment scale:

The following attainment scale is defined:

2023-2025	0%	50%	100%	150%
	<8%	>8%	10% - 12%	>15%

2024-2026	0%	50%	100%	150%
	<11%	>11%	12% - 13%	>14%

Attainment is increased on a straight-line basis for attainment between 50% and 100% and between 100% and 150%.

## Sustainability (set for 2023-2025)

### Definition:

A synthetic indicator related to the Sustainable Business (sustainable finance, social finance, sustainability-linked finance, and other finance) and Diversity (% women in the management team).

### Attainment scale:

An attainment scale is defined for the Sustainable Finance indicator based on accumulated objectives for 2023-2025 and another scale is defined for the percentage of women in the management team.

## Sustainability (set for 2024-2026)

### Definition:

A synthetic indicator related to the Sustainable Business (FAS finance, sustainable finance, and other finance) and Diversity (% women in the management team).

### Attainment scale:

An attainment scale is defined for the Environment indicator based on accumulated objectives for 2024-2026 and another scale is defined for the % of Women in the management team.

## D.1.) Prudential adjustments for attainment of objectives

A risk-related correction factor will be applied that includes indicators relating to capital (CET1 and MREL) and liquidity (Liquidity Coverage Ratio), and attainment adjustments. Breach of the tolerance threshold in the RAS for liquidity or capital adequacy result in the long-term remuneration being reduced to zero.

## D.2.) Ex-ante risk adjustments

The ex-ante risk adjustments described in section 3.1.2.B) for short-term variable remuneration are also applicable to long-term remuneration.

## D.3.) Payment procedure

This remuneration is deferred and paid in equity instruments, in accordance with the applicable regulations and the Remuneration Policy. The following table shows the calendar for payment of the long-term remuneration for 2023, 2024 and 2025:

Long-term remuneration	Measurement year	Multi-year measurement period	1st payment* (60%)	2nd payment* (20%)	3rd payment* (20%)
2023	2023	2023 2025	2027	2028	2029
2024	2024	2024 2026	2028	2029	2030
2025	2025	2025 2027	2029	2030	2031

\* Since the adjusted reference amount is determined 45% in cash and the remaining 55% in Banco Sabadell shares, each payment of the long-term remuneration will be made in the same proportion. The shares that are delivered are subject to lock-up as described in section 3.1.2.B) on short-term variable remuneration.



### 3.1.3. Contractual conditions for executive directors, including termination indemnities

The executive directors' contracts are standard Senior Management contracts and meet the legal requirements for contracts of this type, with the following terms and conditions:

- **Duration:** the contracts are indefinite.
- **Fixed remuneration:** the contracts provide for the payment of fixed remuneration to executive directors under the terms and conditions detailed above.
- **Variable remuneration:** the contracts provide for the payment of variable remuneration to executive directors under the terms and conditions detailed above.
- **Retirement and savings plans:** the contracts provide for executive directors to participate in pension and saving schemes, under the terms and conditions detailed above.
- **Benefits:** the executive directors' contracts provide for them to enjoy the benefits and flexible remuneration schemes that the Bank has established for its other employees, in the same terms as the latter.
- **Confidentiality:** the contracts include a confidentiality clause that obliges directors not to disclose, either during the term of the contract or thereafter, any confidential data, procedures, methods, information, or commercial or industrial data referring to the Bank's business or finances.
- **Restitution and use of company assets:** all material goods, information media, files, documentation, manuals, etc. that the directors have in their possession must be returned to the Bank at the time of termination of the contract.
- **Clawback and Malus clauses:** the contracts contain clauses of both types that apply in the cases defined in the Director Remuneration Policy, as described in section 3.1.2.B).
- **Early termination and non-competition:** The Chief Executive Officer's contract contains a post-contractual non-competition clause of two years' duration providing two years' fixed remuneration, including the portion of annual contributions to pension plans that are not classified as discretionary pension benefits, in the event of the Chief Executive Officer's termination due to (i) a decision by the Bank, without this being due to a breach of the Chief Executive Officer's duties, or (ii) a change of control; and a non-competition clause of one year's fixed remuneration and one year's duration for all other cases. The application of this non-competition clause is limited geographically to Spain, the United Kingdom and Mexico, where the Bank's main activity is concentrated. The CRO's contract contains a post-contractual non-competition clause with a duration of two years, applicable at most up to the first date of ordinary retirement, providing for two years' fixed remuneration.

They do not contain any of the other clauses set out in article 249.4 in connection with article 529.1 *octodecies* of the Capital Companies Law.

## 3.2. Remuneration for Directors for their functions as members of the Board of Directors

### 3.2.1. Remuneration Policy

In accordance with the Director Remuneration Policy applicable in 2025, the overall maximum limit of remuneration for directors for their duties as members of the Board of Directors, pursuant to the provisions of the Articles of Association of Banco Sabadell, is €5 million per year. This maximum limit includes the additional remuneration for the Chairman for non-executive functions. The remuneration is set each year within this limit by the Board of Directors subject to a favourable report from the Remuneration Committee.

Board of Directors remuneration for 2025 is determined on the basis of the reports on director remuneration in Spain compiled by Spencer Stuart and the report entitled “La remuneración de los consejeros de las sociedades cotizadas” (The remuneration of directors of listed companies) produced by consulting firm KPMG.

Directors' remuneration in 2025 for membership of the Board of Directors is broken down as follows:

- Fixed remuneration for belonging to the Board of Directors.
- Attendance fees, for at most 11 ordinary meetings, with the possibility of collecting attendance fees for at most two meetings that they miss for justified reasons provided that they grant proxy in those cases. No amounts are payable for attendance at extraordinary meetings of the Board of Directors.
- The Chairman receives additional fixed remuneration for performing his duties as Chairman of the Bank, of the Board of Directors and of the General Meeting of Shareholders, for acting as the Bank's highest representative, and for the special dedication involved in performing the duties of Chairman under the terms established in the Capital Companies Law, in the Articles of Association and by the Board of Directors in a group such as Banco Sabadell. Due to the organic or representative nature of these functions, they cannot be classified as executive functions but they require a considerable degree of dedication of a much greater intensity than that of the other non-executive members of the Board of Directors.
- Additional amounts for performing the functions of Deputy Chairman or Lead Independent Director, and for chairing or being a member of Board Committees.

Non-executive directors do not qualify for the remuneration or benefits that apply to Bank personnel, the Group's Identified Staff or Senior Management, and they are not members of the retirement and savings or variable and long-term remuneration systems.

## 3.2.2. Projected remuneration

In accordance with the power granted to the Board of Directors by the Director Remuneration Policy, and based on the review of the remuneration model and the amounts for the Board and its Committees in relation to market practices, the remuneration specified in the following table was approved on 31 January 2025:

	2024 remuneration (thousand euro)	Attendance fees 2024 (thousand euro per meeting)
Members	100	2
Additionally:		
Chairman	1,500	
Deputy Chairman	107	
Lead Independent Director	22	

Non-executive directors also receive remuneration for chairing or being members of Board Committees.

Committee	Position	Amount (thousand euro)
Strategy and Sustainability Committee	Chairman	—
	Member	40
Credit Delegated Committee	Chairman	70
	Member	40
Audit and Control Committee	Chairman	70
	Member	40
Appointments and Corporate Governance Committee	Chairman	50
	Member	30
Remuneration Committee	Chairman	50
	Member	30
Risk Committee	Chairman	70
	Member	40

Mr. Luis Deulofeu Fuguet will collect at most €30,000 as an ordinary member of the Board of Directors of Sabadell Digital S.A.U.

Ms. Mireya Giné Torrens will collect €30,000 as an ordinary member of the Board of Directors of Sabadell Consumer Finance, S.A.

It is not envisaged that the non-executive directors will collect any other supplementary remuneration from the Institution or any other Group institution in 2025 as consideration for services rendered other than those inherent to their position, or any other remuneration items such as advances, loans or guarantees, or any other additional remuneration not disclosed in this Annual Report on Director Remuneration.

Both Mr. Josep Olliu Creus, the Chairman, and Ms. María José García Beato, a director, will continue to receive the deferred amounts of short- and long-term variable remuneration accrued wholly or partly while they performed executive duties.

### 3.2.3. Contractual conditions

With the exception of the Chairman, non-executive directors are not under contract to the Bank by virtue of their status as members of the Board of Directors, and none of them are entitled to indemnities or have non-compete clauses for the event of termination of their position as director.

As established in the Articles of Association of Banco de Sabadell, S.A., the Chairman is the highest representative of the Bank and has the rights and obligations inherent to that position, including the power to sign on behalf of the company. In discharging his duties, the Chairman of the Board of Directors is the person with primary responsibility for the effectiveness of the Board of Directors and, as such, represents the Bank in any event, and signs on behalf of the company; he convenes and chairs meetings of the Board of Directors, setting the agenda, directing the debates and deliberations within the Board of Directors, and taking responsibility for executing the decisions adopted by the Board of Directors.

Due to the scope and special nature of his duties, the Chairman's contract as a non-executive director provides for fixed remuneration in addition to that corresponding to his membership of the Board.







# 4. Procedures and bodies involved in determining and approving the Remuneration Policy

## 4.1. General framework

The Articles of Association of Banco Sabadell set out the competencies of the Board of Directors and its Committees. The Board of Directors Regulation sets out the terms of reference for the Board of Directors and its Committees, establishing their powers and basic rules of functioning and organization, in line with the regulations applicable to listed companies and credit institutions, as implemented and complemented in the terms of reference of the Board Committees. The Articles of Association and the Regulation of the Board of Directors of Banco Sabadell and of its Committees are available on the Banco Sabadell corporate website.

In accordance with the provisions of the Capital Companies Law, the Board of Directors is vested with the non-delegable power to determine the company's general policies and strategies and to make decisions regarding the remuneration of the Directors, within the framework of the Articles of Association and of any Director Remuneration Policy.

The Remuneration Committee is entrusted with making proposals to the Board of Directors regarding the Director Remuneration Policy and the individual remuneration and other contractual conditions of the executive directors, and with overseeing compliance, in accordance with the Regulation of the Board of Directors and of the committee itself.

The Remuneration Committee also has at least the following basic responsibilities as set out in article 18 of the Regulation of the Board of Directors and elaborated upon in the Regulation of the Remuneration Committee:

- a) Proposing the Director Remuneration Policy to the Board of Directors.
- b) Proposing, to the Board of Directors, the Remuneration Policy for general managers and others performing Senior Management functions who report directly to the Board of Directors, the Delegated Committee or the CEOs, and the individual remuneration and other contractual conditions for executive directors, exercising oversight to ensure that they are complied with.
- c) Regularly reviewing Remuneration Policy.
- d) Advising on remuneration programmes based on shares and/or options.
- e) Periodically reviewing the general principles of remuneration and the remuneration programmes for all employees, and considering whether they conform to those principles.
- f) Ensuring transparency of remuneration.
- g) Ensuring that potential conflicts of interest do not impair the independence of external advice.
- h) Verifying the information on remuneration contained in the various corporate documents, including the Report on Director Remuneration.

The Remuneration Committee complies with the principles, good practices and criteria for its proper functioning established by Technical

Guide 1/2019 on appointments and remuneration Committees, dated February 20, published by the Spanish National Securities Market Commission.

In accordance with the provisions of article 67 of the Articles of Association, at the end of 2023 Banco Sabadell's Remuneration Committee comprised four non-executive directors, all of whom are independent directors, as follows:

**Composition:**

**Chairman**

Ms. Mireya Giné Torrens

**Members**

Ms. Ana Colonques García-Planas

Ms. Laura González Molero

**Non-member secretary**

Mr. Gonzalo Barettino Coloma

In accordance with Article 19 of the Board Regulation and with its own terms of reference, the Risk Committee is responsible for informing the Remuneration Committee as to whether the employee remuneration programmes are coherent with the Group's risk, capital and liquidity.

In accordance with Article 16 of the Board Regulation and with its own terms of reference, the Audit and Control Committee supervises the process of drafting and presenting the regulated financial and non-financial information, including that related to remuneration, checking compliance with the law and the correct application of accounting standards. In particular, an annual audit of the Remuneration Policy is performed whose conclusions are submitted to the Remuneration Committee.

Proposals by the Remuneration Committee are submitted to the Board of Directors for consideration and, where appropriate, approval.

In accordance with the Director Remuneration Policy in force and within the limits established therein, on 31 January 2025 the Board of Directors determined the amount of remuneration for directors for the current financial year. Specifically, it determined the remuneration corresponding to the Chairman during the year and that of the other Directors in their capacity as members of the Board of Directors. It also determined the remuneration corresponding to the executive directors for performance of executive functions, as detailed in the related sections above.

Several divisions of the Bank participate in the application and oversight of the Remuneration Policy. They include the People and Sustainability Division, which produces an annual report on remuneration whose purpose is to provide the Remuneration Committee with basic information to enable it to perform the functions entrusted to it in connection with the review of the general principles of the Banco Sabadell Remuneration Policy and oversight of the remuneration for executive directors, Senior Management and the other persons who, because of their responsibility, risk-taking capacity and remuneration status, form part of the Group's Identified Staff, in accordance with the provisions of Law 10/2014 and Delegated Regulation 923/2021/EU.



## 4.2. Remuneration benchmarking and external advisers

In addition to the assistance of the Bank's divisions, the Remuneration Committee obtains advice from the specialized firm Willis Towers Watson, which assists the Committee in identifying market trends and regulatory developments in connection with remuneration; it also consults with EY People Advisory Services, a firm that is specialized in the implementation of integrated business strategies. Specialized consulting firm Mercer Consulting S.L. issued an independent assessment on the implementation of the Remuneration Policy that is applicable to the members of the Identified Staff and on the Director Remuneration Policy; it concluded that the policies were being applied properly; that report was submitted to the Risk Committee and the Remuneration Committee in January 2025.

Additionally, with a view to establishing a Remuneration Policy that is consistent with comparable companies, each year Banco Sabadell uses the Spencer Stuart Board Index 2023 and the report entitled "La remuneración de los consejeros de las sociedades cotizadas" (The remuneration of directors of listed companies) produced by consulting firm KPMG, as well as advice from consulting firm Willis Towers Watson, to perform a comparative analysis of the remuneration for the Board of Directors, members of Senior Management and other members of the Identified Staff with respect to the market.

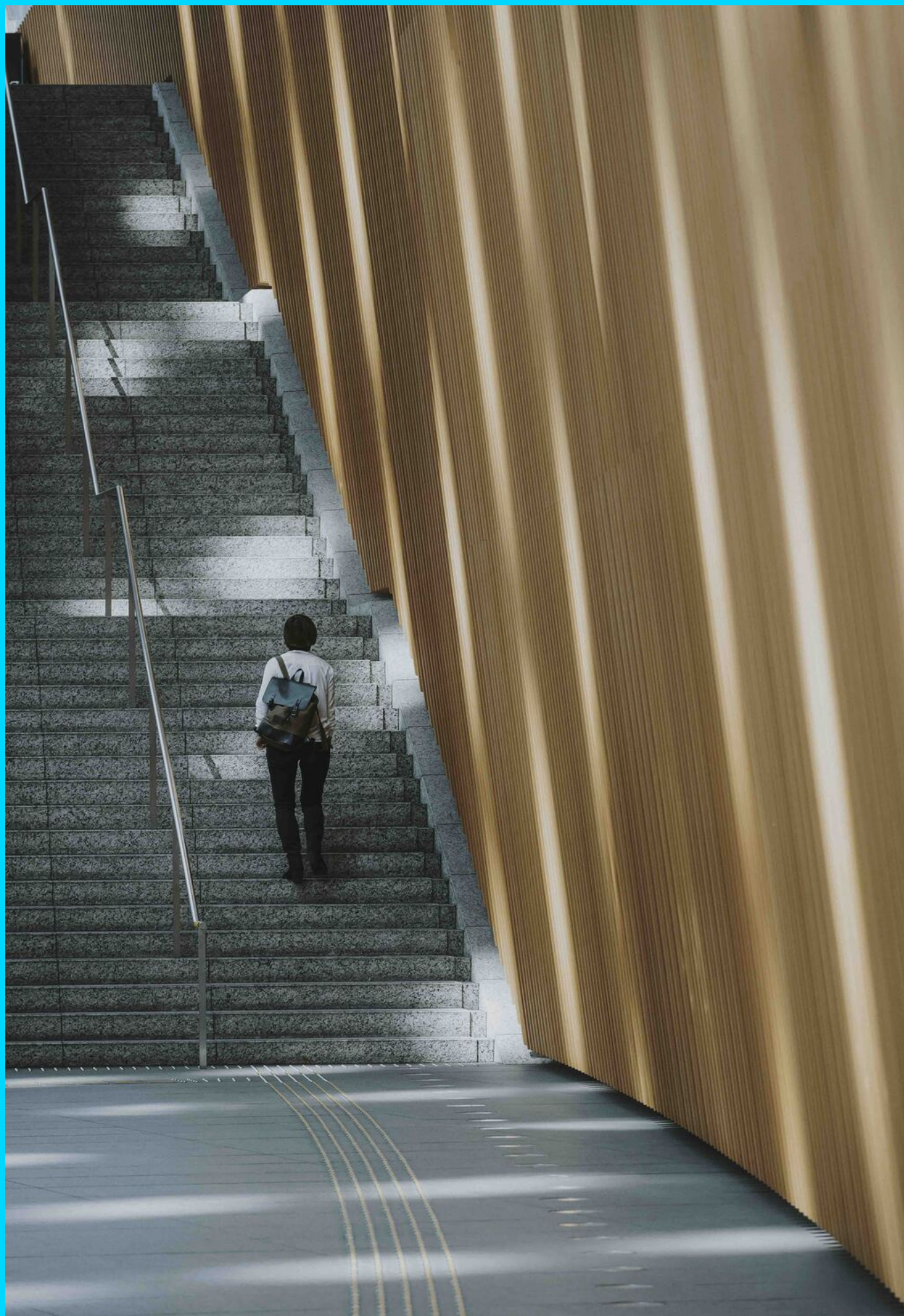
The remuneration for the CEO for 2025 was benchmarked against two groups of companies. As detailed in the following table, the first peer group is composed of 15 banks from Spain and other European countries (the international benchmark), while the second peer group is made up of 15 Spanish companies, most of them in the IBEX-35 (the domestic benchmark).

The CEO's total remuneration for 2025 is in the 71st percentile of the international peer group and the 75th percentile of the domestic peer group.

### Companies used as benchmark

Banks in the international benchmark		Companies in the domestic benchmark	
ABN Amro Group	Intesa San Paolo	Abanca	Ferrovial
Banco BPM	KBC Groep NV	Acciona	Fluidra
Bankinter	Mediobanca	Amadeus	Grifols
BBVA	Skandinaviska Enskilda Banken	Bankinter	Mapfre
BPER Banca	Standard Chartered Bank	BBVA	Merlin Properties
Caixabank	Raiffeisen	Caixabank	Santander Spain
Commerzbank AG	Swedbank	Enagás	Siemens Gamesa
Erste Group		Endesa	

The CRO's remuneration was established on the basis of information on comparable positions in the group of European and Spanish companies indicated above, and it is above the 60th percentile of the domestic peer group.



# 5. Measures to reduce exposure to excessive risks and contribute to sustainable performance

The Banco Sabadell Remuneration Policy is aligned with the shareholders' interests, the Banco Sabadell Group strategy and the creation of long-term value, while promoting appropriate risk management.

Without prejudice to the oversight exercised by the Bank's Board of Directors and its Committees and the Bank's divisions (described in section 4 of this Report), the Director Remuneration Policy incorporates a number of elements that reduce exposure to excessive risk-taking, many of which were described above. Those elements also apply to professionals who have a material impact on the Bank's risk profile (the Identified Staff).

The main elements of the Remuneration Policy that reduce exposure to excessive risk-taking and align remuneration with the Bank's objectives, values and long-term interests are listed below.

## Objectives established in variable remuneration

The Group's corporate objectives established with respect to short-term variable remuneration in 2024 and 2025 measure the Bank's prudential performance from both a financial and non-financial perspective. In this regard, 65% of the objectives are linked to financial metrics related to profitability (ROTE), results (net profit, net interest income plus fees and commissions), expense control (Group expenses), and asset quality (cost of risk, NPA volume, % coverage). The remaining 20% is linked to non-financial parameters that are fundamental to value creation by the Group, such as the availability of the Group's customer services and employee satisfaction (quality of service) and the improvement in its scores in the main ESG indexes, the sustainable finance plan, diversity and environment (Sustainability), and the market share target.

In addition, taking into account the functions performed by the CRO, in accordance with the regulations applicable to credit institutions, it has been established that the Group's objectives should be limited to 25% in his particular case, leaving the remaining 75% linked to individual objectives in 2025.

In long-term remuneration, it is necessary to meet not only the annual objectives established for short-term variable remuneration but also the multi-year objectives linked to the creation of shareholder value (relative TSR), profitability (ROTE) and sustainability (synthetic ESG indicator).

## Adjustments for attainment of objectives

As discussed above, both short-term and long-term remuneration are subject to a risk-related correction factor that includes indicators relating to capital (CET1 and MREL) and liquidity (Liquidity Coverage Ratio) in connection with the limits set by the RAS. Failure to attain any of these indicators will result in a reduction of the remuneration.

Moreover, no short-term variable remuneration or long-term remuneration is accrued if overall attainment of objectives (mix of Group and individual objectives) is less than 60%.

In addition, there are prudential mechanisms for adjusting the individual attainment, based on exceedance of expected loss thresholds in terms of operational risk and/or internal control indicators.

## Ex-ante risk adjustments

The total amount of any variable remuneration item is subject to downward adjustment at the discretion of the Board of Directors based on a recommendation by the Remuneration Committee, and may even be reduced to zero on the basis of the parameters described in section 3.1.2.B), which include:

- Risk and control factors such as breaches of standards and regulations, breach of risk limits e.g., RAS (capital adequacy, liquidity) or breach of expected loss thresholds in terms of operational risk, and/or internal control indicators (e.g. results of internal audits) and similar items.
- Maximum Distributable Amount (MDA) that is below the threshold required by regulation.

Taking the above into account, the final amount of the short-term variable remuneration accrued annually (subject to ex-post adjustments) will be determined by the Board of Directors, following a recommendation by the Remuneration Committee, based on the individual assigned short-term and/or long-term variable remuneration, evaluation of the degree of attainment of individual performance objectives assigned to the executive directors, and application of the variable remuneration adjustment.

## Deferral and payment

Short-term variable remuneration is deferred as follows:

- Deferral over at least five years for executive directors and other members of Senior Management and at least four years for the rest of the Identified Staff.
- Deferral of at least 60% in the case of executive directors and of the members of the Identified Staff whose variable remuneration exceeds €1,500,000, and 40% for the other members of the Identified Staff.
- The deferred remuneration is paid 55% in the form of Banco Sabadell shares in the case of executive directors and other members of Senior Management, and at least 50% in the case of the rest of the Identified Staff.
- Variable remuneration paid in shares is subject to one-year lock-up. In line with recommendation 62 of the Code of Good Governance, unless executive directors own shares amounting to the equivalent of twice their fixed annual remuneration, they may not dispose of the shares they receive until at least three years have elapsed from the time of delivery. The above condition will not apply to any shares that the Director must dispose of to cover tax obligations related to their delivery.
- The use of personal hedging strategies or any mechanism that guarantees receipt of part or all of the variable remuneration is not permitted.

The specific payment schedule for the 2024 and 2025 short-term variable remuneration can be found in sections 2.1.1.B) and 3.1.2.B), respectively.

Deferred variable annual remuneration is also paid 55% in the form of Banco Sabadell shares in the case of executive directors, other members of Senior Management and the rest of the Identified Staff. The



time horizon for measurement of the annual objectives that determine the adjusted reference amount up to the last payment date is 5 years, excluding the lock-up period applicable to any shares delivered. The payment schedules for long-term remuneration in force in 2024 and 2025 are shown in Sections 2.1.1.C), 3.1.2.C) and D).

## Malus and clawback clauses

Short-term variable remuneration and long-term remuneration that has not yet been collected (up to 100% of the amount) may be reduced or cancelled (malus clauses) and amounts collected may have to be refunded (clawback clauses) in the event of poor financial performance by the Bank as a whole or by a specific division or area or by the exposures generated by the executive director to whom they are applicable. It is not necessary for there to be malice or negligence in order for these clauses to apply. For these purposes, the performance assessment will be compared with subsequent performance of the variables that contributed to achieving the objectives. The factors described in section 3.1.2.B) will be taken into account.

## Oversight by governing bodies and divisions of the Institution

Without prejudice to the functions described above and those corresponding to the Institution's Remuneration Committee and Board of Directors, the functions of other governing and management bodies of the Institution entrusted with oversight over remuneration are listed below:

- The Risk Committee checks to ensure that employee remuneration programmes are coherent with the Bank's risk, capital and liquidity, and provides advice in this respect to the Remuneration Committee.
- The Audit and Control Committee supervises the process of drafting and presenting the regulated financial information, including that relating to remuneration, and reviews compliance with the regulatory requirements and proper application of accounting standards.
- The Internal Audit Division, within the framework of its functions, carries out an independent examination, at least once per year, of the definition and application of the Institution's Remuneration Policy and its effects on its risk profile, and the way in which these effects are managed. Additionally, the Prudential Review of Remuneration produced by specialized firm Mercer Consulting, S.L. for the Risk Committee and Remuneration Committee assesses and guarantees that the delimitation of the Institution's Identified Staff and the remuneration practices and policies conform to the requirements established in the regulations and guidelines of the EBA and the Bank of Spain.
- Each year, the CRO submits to the Remuneration Committee a proposal for the adjustment of the variable remuneration, which may be at Group, unit, country or even individual level, to be made at the end of the year, depending on the risk profile and earnings performance.

This Annual Report on Director Remuneration was approved by Banco Sabadell's Board of Directors at a meeting on:

**29/01/2025**

No Directors abstained or voted against the adoption of this Report.

The English version is a Translation of the original in Spanish and is provided for information purposes only. In case of discrepancy, the original version in Spanish shall prevail.



# 6. Reconciliation with the CNMV Annual Report on Remuneration of Directors of Listed Companies

Below is a table of equivalences detailing the location, in this Report, of the content established in the official CNMV format of the Report on Remuneration of Directors of Listed Companies, approved by Circular 3/2021.

**Banco Sabadell Annual  
Report on Director  
Remuneration**

**Content of the form per Circular 3/2021**

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## **A. Company's Remuneration Policy for the current financial year**

### **A.1.1**

Describe the current Director Remuneration Policy applicable to the current year. To the extent relevant, include disclosures relating to the Remuneration Policy approved by the General Meeting of Shareholders, provided that these references are clear, specific and concrete.

**Sections 1, 2 & 4**

Describe the specific decisions by the Board that apply to this year, relating to both Directors' remuneration for their functions as such and for executive functions, as provided in the contracts signed with the executive directors, and to the general Remuneration Policy approved by the General Meeting of Shareholders.

In any event, the following should be disclosed:

- a)** Description of the company's procedures and the bodies involved in determining, approving and applying the Remuneration Policy and its terms and conditions.
- b)** Indicate whether the company's Remuneration Policy was benchmarked against other companies and, if so, give details.
- c)** Disclose whether any external advisors were involved in this process and, if so, identify them.
- d)** Procedures contemplated in the current Director Remuneration Policy for applying temporary exceptions to the policy, conditions under which such exceptions may be used, and components that may be subject to exception under the policy.

### **A.1.2**

Proportion between variable remuneration and fixed remuneration (remuneration mix) and the criteria and objectives used to determine and ensure an appropriate balance between the fixed and variable components of remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adjust it to the company's long-term objectives, values and interests, including references to any measures to guarantee that the company's long-term results are taken into account in the Remuneration Policy, the measures adopted in relation to those categories of staff whose work has a material impact on the company's risk profile and any measures to avoid conflicts of interest. Also disclose if the company has established a period for the accrual or vesting of certain variable remuneration items, whether in cash, shares or other financial instruments, any period of deferral of the payment of amounts or the delivery of accrued or vested financial instruments, any clause that reduces the unvested deferred remuneration or that obliges the Director to refund remuneration already received, where such remuneration was based on figures that have been clearly shown to be inaccurate.

**Sections 2.1 & 5**



— Amount and nature of fixed components that are to be accrued by Directors during the year for membership of the Board of Directors per se.	<b>Section 3.2</b>
— Amount and nature of fixed components that are to be accrued during the year for the performance of Senior Management functions by executive directors.	<b>Section 3.1</b>
— Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the Director.	<b>Section 3.1</b>
— Amount and nature of variable components, differentiating between short and long term. Financial and non-financial parameters, including social, environmental and climate change, parameters selected to determine variable remuneration in the current year, describing the extent to which these parameters are related to performance, both of the Director and of the company, together with their risk profile, and the methodology, necessary period and the techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year, describing in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and vesting of each component of variable remuneration was linked were actually fulfilled. State the range, in monetary terms, of the variable components according to the degree of attainment of the objectives and established parameters, and whether there is an absolute monetary cap.	<b>Sections 3.1 &amp; 5</b>
— Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether it is defined-contribution or defined-benefit, the annual contribution to be made to the defined-contribution system, the benefits Directors are entitled to under defined-benefit systems, the conditions under which economic rights vest for Directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the Director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the Director. State if the accrual or vesting of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the Director's short- or long-term performance.	<b>Section 3.1</b>
— Any type of payment or termination indemnity for early termination or dismissal of the Director, or deriving from the termination of the contractual relationship between the company and the Director, in the terms provided, whether by voluntary resignation by the Director or dismissal of the Director by the company, as well as any type of agreement, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the Director to any type of remuneration.	<b>Section 3.1</b>
— Describe the conditions with which contracts with executive directors for performing Senior Management functions must comply. Among other aspects, give information on the term, limits to the amounts of indemnity, permanence clauses, notice periods and payments in lieu of notice, and any other clauses regarding hiring bonuses, as well as severance payments or golden handshakes for early cancellation or termination of the contractual relationship between the company and the executive director. Include, among others, any non-compete, exclusivity, permanence and loyalty, and post-contractual non-competition pacts or agreements, except where they have already been disclosed in the previous section.	<b>Section 3.1</b>
— The nature and estimated amount of any other supplementary remuneration accrued by Directors in the year as consideration for services rendered other than those inherent to their position as Directors.	<b>Sections 3.1 &amp; 3.2</b>
— Other remuneration items, such as those arising from the company granting the Director advance payments, loans, guarantees or any other remuneration.	<b>Sections 2.1 &amp; 3.1</b>
— The nature and estimated amount of any other planned supplementary remuneration that is not disclosed in the preceding sections, whether paid by the institution or by another institution in the Group, which will be accrued by Directors during the current year.	<b>Sections 2.1 &amp; 3.1</b>

**A.2.**

Describe any material change in the Remuneration Policy applicable in the current year resulting from:

**Sections 1 & 3**

- A new policy or an amendment of the policy already approved by the General Meeting of Shareholders.
- Material changes in the specific determinations established by the Board for the current year regarding the Remuneration Policy in force, in comparison with those applied in the previous year.
- Proposals that the Board of Directors has resolved to submit to the General Meeting of Shareholders to which this annual report will be submitted and which are proposed to be applicable to the current year.

**A.3.**

Identify the direct link to the document where the current company Remuneration Policy is posted, which must be available on the company's website.

**Introduction**

**A.4.**

Considering the data provided in Section B.4, describe the outcome of the consultative vote at the General Meeting of Shareholders on the previous year's Annual Report on Remuneration.

**Section 2**

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## **B. Overall summary of how the Remuneration Policy was applied during the reporting year.**

**B.1.**

Describe the process used to apply the Remuneration Policy and to determine the individual remuneration set out in Section C of this report. This information must include the role played by the Remuneration Committee, the decisions taken by the Board of Directors and the identity and the role of any external advisers engaged for the process of applying the Remuneration Policy in the reporting year.

**Section 2**

**B.1.2.**

Describe any departure during the year from the procedure established for applying the Remuneration Policy.

**Section 2**

**B.1.3.**

Indicate whether any temporary exceptions were made to the Remuneration Policy and, if so, describe the exceptional circumstances that led to the application of these exceptions, the specific components of the Remuneration Policy that were affected and the reasons why the entity considers that those exceptions were necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions had on the remuneration of each Director during the year.

**Section 2**

**B.2.**

Detail the actions taken by the company in relation to the remuneration system and how they contributed to reducing exposure to excessive risks and adapting it to the company's long-term objectives, values and interests, including a reference to any measures that have been adopted to ensure that the company's long-term results were taken into consideration in setting the remuneration actually accrued and that a suitable balance was attained between the fixed and variable components of remuneration, any measures adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and any measures that have been adopted to avoid conflicts of interest.

**Sections 2.1 & 5**

- The nature and estimated amount of any other planned supplementary remuneration that is not disclosed in the preceding sections, whether paid by the institution or by another institution in the Group, which will be accrued by Directors during the current year.

**Sections 2.1 & 3.1**

**B.3.**

Detail how the remuneration that accrued and vested in the year meets the provisions of the current Remuneration Policy and, in particular, how it contributes to the company's long-term sustainable performance. Also, disclose the relationship between the remuneration obtained by the Directors and the company's results or other performance metrics, detailing how any variations in the company's performance influenced changes in Director remuneration, including remuneration accrued but deferred, and how they contribute to the company's short- and long-term results.

**Sections 2.1 & 5**

**B.4.**

Describe the outcome of the consultative vote at the General Meeting of Shareholders on the Annual Report on Remuneration for the previous year, indicating the number of abstentions and votes cast against, blank votes and votes in favour: % of total Votes cast Number as% of votes cast Votes against Votes in favour Blank votes Abstentions Comments

**Section 2****B.5.**

Describe how the fixed components of remuneration that were accrued and vested during the year by the Directors in their capacity as such were determined, the proportion allocated to each Director and how they changed with respect to the previous year:

**Section 2.2****B.6.**

Describe how the salaries accrued and vested by each of the executive directors in the last year for performing executive functions were determined, and how they changed with respect to the previous year.

**Section 2.1**

Describe and give the main features of the variable components of the remuneration systems accrued and vested in the reporting year. In particular:

**a)** Identify each of the remuneration plans that determined the various types of variable remuneration accrued by each of the Directors in the reporting year, including information on their scope, approval date, implementation date, any vesting conditions, the periods of accrual and validity, the criteria used to assess performance and how this affected the establishment of the variable amount that accrued, as well as the measurement criteria that were applied and the period that must elapse in order to be in a position to suitably measure all the applicable conditions and criteria, and describe in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and vesting of each component of variable remuneration was linked were actually fulfilled.

**b)** In the case of stock options and other financial instruments, the general characteristics of each plan must contain information on the conditions required both to achieve unconditional ownership (vesting) and to exercise such options or financial instruments, including the strike price and exercise period.

**c)** Name and category (Executive Director, Proprietary External Director, Independent External Director and Other External Director) of each of the Directors who are beneficiaries of remuneration systems or plans that include variable remuneration.

**d)** Disclose any accrual, vesting or deferral periods that were applied to the payment of vested amounts and/or any periods of lock-up/non-disposal for shares or other financial instruments.

Describe the short-term variable components of the remuneration systems.  
Describe the components.

**B.7.**

Describe and give the main features of the variable components of the remuneration systems accrued and vested in the reporting year. In particular:

- Identify each of the remuneration plans that determined the various types of variable remuneration accrued by each of the Directors in the reporting year, including information on their scope, approval date, implementation date, any vesting conditions, the periods of accrual and validity, the criteria used to assess performance and how this affected the establishment of the variable amount that accrued, as well as the measurement criteria that were applied and the period that must elapse in order to be in a position to suitably measure all the applicable conditions and criteria, and describe in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and vesting of each component of variable remuneration was linked were actually fulfilled.
- In the case of stock options and other financial instruments, the general characteristics of each plan must contain information on the conditions required both to achieve unconditional ownership (vesting) and to exercise such options or financial instruments, including the strike price and exercise period.
- Name and category (Executive Director, Proprietary External Director, Independent External Director and Other External Director) of each of the directors who are beneficiaries of remuneration systems or plans that include variable remuneration.
- Disclose any accrual, vesting or deferral periods that were applied to the payment of vested amounts and/or any periods of lock-up/non-disposal for shares or other financial instruments.

**Sections 2.1 & 5**

**B.8.**

Indicate whether any accrued variable components were reduced or clawed back after deferral of unvested amounts (in the former case) or vesting and payment (in the latter case) on the basis of data which were subsequently shown to be manifestly inaccurate. Describe the amounts reduced or clawed back through the application of the malus or clawback clauses, why they were implemented and the years to which they refer.

**Section 2.1**

**B.9.**

Describe the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivorship benefits that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is defined-contribution or defined-benefit, the contingencies covered, the conditions for the economic rights to vest for Directors, and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the Director.

**Section 2.1**

**B.10.**

Describe any termination indemnities or other payments arising from early dismissal or early resignation, or from the termination of the contract, in its own terms, that were accrued and/or received by Directors during the reporting year.

**Section 2.1**

**B.11.**

Indicate whether there were any significant changes in the contracts of persons performing Senior Management functions, such as executive directors, and, if so, describe them. Additionally, describe the main conditions of new contracts signed with executive directors during the year, unless already described in Section A.1.

**Sections 2.1 & 3.1**

**B.12.**

Describe any additional remuneration paid to Directors for services rendered other than those inherent to their Directorship.

**Sections 2.1 & 2.2**

**B.13.**

Describe any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, the main features and any amounts that were repaid, as well as any collateral obligations assumed on their behalf.

**Sections 2.1 & 2.2**

**B.14.**

Detail any remuneration in kind accrued by the Directors in the year, briefly indicating the nature of the various salary components.

**Section 2.1**

**B.15.**

Describe any remuneration accrued by Directors in the form of payments settled by the listed company with third parties where the Director renders services, where such payments are intended to compensate the Director's services to the company.

**Sections 2.1 & 2.2****B.16.**

Describe and detail any items of remuneration accrued under any other remuneration heading not already disclosed above, regardless of their nature or the group company that made the payment, including any remuneration, in any form, that qualifies as a related-party transaction or, in particular, where it has a material impact on the true and fair view of the total remuneration accrued by the Director; it is necessary to describe the amount paid or pending payment, the nature of the consideration received, and any reasons why it was decided that it did not qualify as remuneration for the Director's position as such or as consideration for executive functions, and whether or not it was considered appropriate to report it under amounts accrued under the heading of "Other items" in section C.

**Sections 2.1 & 2.2**

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**C. Itemized individual remuneration of each Director**

Statistical annex

**Section 7**

## 7. Statistical annex

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**ISSUER IDENTIFICATION DATA**

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Date of end of reference year:

31/12/2024

Tax ID number:

A-08000143

Company name:

**BANCO DE SABADELL, S.A.**

Business address:

AV. OSCAR ESPLA N.37 (ALICANTE)



**B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE REPORTING YEAR**

**B.4.** Describe the outcome of the consultative vote at the general meeting on the Annual Remuneration Report for the previous year, indicating the number of votes cast for, against, and blank votes if any:

	Number	% of total
Votes cast	3,360,348	61.79
	Number	% of votes cast
Votes against	93,206	2.77
Votes in favour	3,256,556	96.91
Blank votes		0.00
Abstentions	10,586	0.32

**C. ITEMISED INDIVIDUAL REMUNERATION OF EACH DIRECTOR**

Name	Category	Accrual period in 2024
Mr. JOSEP OLIU CREUS	Chairman Other External	From 01/01/2024 to 31/12/2024
Mr. PEDRO FONTANA GARCÍA	Deputy Chairman Independent	From 01/01/2024 to 31/12/2024
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	CEO	From 01/01/2024 to 31/12/2024
Ms. AURORA CATÁ SALA	Independent director	From 01/01/2024 to 31/12/2024
Ms. ANA COLONQUES GARCÍA-PLANAS	Independent director	From 27/05/2024 to 31/12/2024
Mr. LLUÍS DEULOFEU FUGUET	Independent director	From 01/01/2024 to 31/12/2024
Ms. MARÍA JOSÉ GARCÍA BEATO	Other external director	From 01/01/2024 to 31/12/2024
Ms. MIREYA GINÉ TORRENS	Independent director	From 01/01/2024 to 31/12/2024
Ms. LAURA GONZÁLEZ MOLERO	Independent director	From 01/01/2024 to 31/12/2024
Mr. GEORGE DONALD JOHNSTON III	Lead Independent Director	From 01/01/2024 to 31/12/2024
Mr. DAVID MARTÍNEZ GUZMÁN	Proprietary director	From 01/01/2024 to 31/12/2024
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	Independent director	From 01/01/2024 to 10/04/2024
Ms. ALICIA REYES REVUELTA	Independent director	From 01/01/2024 to 31/12/2024
Mr. MANUEL VALLS MORATÓ	Independent director	From 01/01/2024 to 31/12/2024
Mr. DAVID VEGARA FIGUERAS	Executive director	From 01/01/2024 to 31/12/2024
Mr. PEDRO VIÑOLAS SERRA	Independent director	From 01/01/2024 to 31/12/2024

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC COMPANIES

C.1. Complete the following tables on the individual remuneration accrued during the year by each of the directors (including remuneration for carrying out executive functions).

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euro)

Name	Fixed remuneration	Per diems	Remuneration for membership of Board of Directors committees	Wages	Short-term variable remuneration	Long-term variable remuneration	Indemnities	Other items	2024 total	2023 total
Mr. JOSEP OLIU CREUS	1,600	25			19	58			1,702	1,639
Mr. PEDRO FONTANA GARCÍA	207	25	158						390	342
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	100	25		1,664	339	151		4	2,283	1,499
Ms. AURORA CATÁ SALA	100	25	65						190	173
Ms. ANA COLONQUES GARCÍA-PLANAS	66	16	41						123	
Mr. LLUÍS DEULOFEU FUGUET	100	25	75						200	175
Ms. MARÍA JOSÉ GARCÍA BEATO	100	25	70			10	44		249	234
Ms. MIREYA GINÉ TORRENS	100	25	77						202	165
Ms. LAURA GONZÁLEZ MOLERO	100	25	70						195	145
Mr. GEORGE DONALD JOHNSTON III	122	25	97						244	206
Mr. DAVID MARTÍNEZ GUZMÁN	100	25							125	95
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	25	7	20						52	170
Ms. ALICIA REYES REVUELTA	100	25	75						200	170
Mr. MANUEL VALLS MORATÓ	100	25	110						235	178
Mr. DAVID VEGARA FIGUERAS	100	25		581	44	41		2	793	749
Mr. PEDRO VIÑOLAS SERRA	100	25	80						205	90

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Plan	Financial instruments at the beginning of 2024		Financial instruments granted during 2024		Financial instruments that vested in the year				Instruments vested but not exercised	Financial instruments at the end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (thousand euro)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSEP OLIU CREUS	RLP 2019-2021	23,280	23,280			23,280	23,280	1.72	40			
Mr. JOSEP OLIU CREUS	RLP 2021-2023	130,732	130,732			78,439	78,439	1.72	135		52,293	52,293
Mr. JOSEP OLIU CREUS	RV 2021	90,834	90,834			30,278	30,278	1.72	52		60,556	60,556
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	RLP 2021-2023	522,619	522,619			313,572	313,572	1.72	541		209,048	209,048
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	RLP 2022-2024	437,928	437,928					0.00			437,928	437,928
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	RLP 2023-2025	454,130	454,130					0.00			454,130	454,130
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	RLP 2024-2026			349,484	349,484			0.00			349,484	349,484
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	RV 2021	142,539	142,539			47,513	47,513	1.72	82		95,026	95,026
Mr. CÉSAR GONZÁLEZ-	RV 2022	149,220	149,220			37,305	37,305	1.72	64		111,915	111,915

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC COMPANIES

Name	Plan	Financial instruments at the beginning of 2024		Financial instruments granted during 2024		Financial instruments that vested in the year				Instruments vested but not exercised	Financial instruments at the end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (thousand euro)	No. of instruments	No. of instruments	No. of equivalent shares
BUENO MAYER WITTGENSTEIN												
Mr. CÉSAR GONZÁLEZ - BUENO MAYER WITTGENSTEIN	RV 2023	271,110	271,110			54,222	54,222	1.72	94		216,888	216,888
Mr. CÉSAR GONZÁLEZ - BUENO MAYER WITTGENSTEIN	RV 2024			336,774	336,774	127,084	127,084	1,72	219		209,690	209,690
Ms. MARÍA JOSÉ GARCÍA BEATO	RLP 2019-2021	6,088	6,088			6,088	6,088	1.72	11			
Ms. MARÍA JOSÉ GARCÍA BEATO	RLP 2020-2022	33,594	33,594			16,797	50,391	1.72	29		16,797	16,797
Ms. MARÍA JOSÉ GARCÍA BEATO	Indemnities	306,696	306,696			102,232	102,232	1.72	176		204,464	204,464
Mr. DAVID VEGARA FIGUERAS	RLP 2019-2021	5,384	5,384			5,384	5,384	1.72	9			
Mr. DAVID VEGARA FIGUERAS	RLP 2020-2022	42,194	42,194			21,097	21,097	1.72	36		21,097	21,097
Mr. DAVID VEGARA FIGUERAS	RLP 2021-2023	105,070	105,070			63,042	63,042	1.72	109		42,028	42,028
Mr. DAVID VEGARA FIGUERAS	RLP 2022-2024	83,625	83,625					0.00			83,625	83,625
Mr. DAVID VEGARA FIGUERAS	RLP 2023-2025	73,896	73,896					0.00			73,896	73,896
Mr. DAVID VEGARA FIGUERAS	RLP 2024-2026			58,567	58,567			0.00			58,567	58,567

Name	Plan	Financial instruments at the beginning of 2024		Financial instruments granted during 2024		Financial instruments that vested in the year				Instruments vested but not exercised	Financial instruments at the end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (thousand euro)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. DAVID VEGARA FIGUERAS	RV 2021	25,470	25,470			8,490	8,490	1.72	15		16,980	16,980
Mr. DAVID VEGARA FIGUERAS	RV 2022	21,708	21,708			5,427	5,427	1.72	9		16,281	16,281
Mr. DAVID VEGARA FIGUERAS	RV 2023	31,900	31,900			6,380	6,380	1.72	11		25,520	25,520
Mr. DAVID VEGARA FIGUERAS	RV 2024			40,811	40,811	15,401	15,401	1.72	27		25,410	25,410

iii) Long-term savings systems.

Name	Remuneration from vesting of rights within savings systems
Mr. JOSEP OLIU CREUS	
Mr. PEDRO FONTANA GARCÍA	
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	1
Ms. AURORA CATÁ SALA	
Ms. ANA COLONQUES GARCÍA-PLANAS	
Mr. LLUÍS DEULOFEU FUGUET	
Ms. MARÍA JOSÉ GARCÍA BEATO	
Ms. MIREYA GINÉ TORRENS	
Ms. LAURA GONZÁLEZ MOLERO	
Mr. GEORGE DONALD JOHNSTON III	

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC COMPANIES

Name	Remuneration from vesting of rights within savings systems
Mr. DAVID MARTÍNEZ GUZMÁN	
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	
Ms. ALICIA REYES REVUELTA	
Mr. MANUEL VALLS MORATÓ	
Mr. DAVID VEGARA FIGUERAS	1
Mr. PEDRO VIÑOLAS SERRA	

Name	Company's contribution for the year (thousand euro)				Amount of accumulated funds (thousand euro)			
	Saving plans with vested economic rights		Saving plans with unvested economic rights		Saving plans with vested economic rights		Saving plans with unvested economic rights	
	2024	2023	2024	2023	2024	2023	2024	2023
Mr. JOSEP OLIU CREUS							1,587	1,489
Mr. CÉSAR GONZÁLEZ- BUENO MAYER WITTGENSTEIN	1	1	300	855	4	3	1,213	876
Ms. MARÍA JOSÉ GARCÍA BEATO					4,943	4,660	2,638	1,500
Mr. DAVID VEGARA FIGUERAS	1	1	110	104	5	3	607	467



iv) Details of other items

Name	Description	Remuneration amount
Mr. JOSEP OLIU CREUS		
Mr. PEDRO FONTANA GARCÍA		
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	Remuneration in kind	25
Ms. AURORA CATÁ SALA		
Ms. ANA COLONQUES GARCÍA-PLANAS		
Mr. LLUÍS DEULOFEU FUGUET		
Ms. MARÍA JOSÉ GARCÍA BEATO		
Ms. MIREYA GINÉ TORRENS		
Ms. LAURA GONZÁLEZ MOLERO		
Mr. GEORGE DONALD JOHNSTON III		
Mr. DAVID MARTÍNEZ GUZMÁN		
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ		
Ms. ALICIA REYES REVUELTA		
Mr. MANUEL VALLS MORATÓ		
Mr. DAVID VEGARA FIGUERAS	Remuneration in kind	40
Mr. PEDRO VIÑOLAS SERRA		

b) Remuneration of directors of the listed company for membership of governing bodies of its subsidiaries:

i) Remuneration in cash (thousand euro)

Name	Fixed remuneration	Per diems	Remuneration for membership of Board of Directors committees	Wages	Short-term variable remuneration	Long-term variable remuneration	Indemnities	Other items	2024 total	2023 total
Mr. JOSEP OLIU CREUS										
Mr. PEDRO FONTANA GARCÍA										
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN										
Ms. AURORA CATÁ SALA										
Ms. ANA COLONQUES GARCÍA-PLANAS										
Mr. LLUÍS DEULOFEU FUGUET	30								30	30
Ms. MARÍA JOSÉ GARCÍA BEATO										
Ms. MIREYA GINÉ TORRENS	28								28	30
Ms. LAURA GONZÁLEZ MOLERO										
Mr. GEORGE DONALD JOHNSTON III										
Mr. DAVID MARTÍNEZ GUZMÁN										
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ										
Ms. ALICIA REYES REVUELTA										
Mr. MANUEL VALLS MORATÓ										
Mr. DAVID VEGARA FIGUERAS										
Mr. PEDRO VIÑOLAS SERRA										

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Plan	Financial instruments at the beginning of 2024		Financial instruments granted during 2024		Financial instruments that vested in the year				Instruments vested but not exercised	Financial instruments at the end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (thousand euro)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSEP OLIU CREUS	-							0.00				
Mr. CÉSAR GONZÁLEZ - BUENO MAYER WITTGENSTEIN	-							0.00				
Ms. MARÍA JOSÉ GARCÍA BEATO	-							0.00				
Mr. DAVID VEGARA FIGUERAS	-							0.00				

iii) Long-term savings systems.

Name	Remuneration from vesting of rights within savings systems
Mr. JOSEP OLIU CREUS	

Name	Remuneration from vesting of rights within savings systems
Mr. PEDRO FONTANA GARCÍA	
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	
Ms. AURORA CATÁ SALA	
Ms. ANA COLONQUES GARCÍA-PLANAS	
Mr. LLUÍS DEULOFEU FUGUET	
Ms. MARÍA JOSÉ GARCÍA BEATO	
Ms. MIREYA GINÉ TORRENS	
Ms. LAURA GONZÁLEZ MOLERO	
Mr. GEORGE DONALD JOHNSTON III	
Mr. DAVID MARTÍNEZ GUZMÁN	
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	
Ms. ALICIA REYES REVUELTA	
Mr. MANUEL VALLS MORATÓ	
Mr. DAVID VEGARA FIGUERAS	
Mr. PEDRO VIÑOLAS SERRA	

Name	Company's contribution for the year (thousand euro)				Amount of accumulated funds (thousand euro)			
	Saving plans with vested economic rights		Saving plans with unvested economic rights		Saving plans with vested economic rights		Saving plans with unvested economic rights	
	2024	2023	2024	2023	2024	2023	2024	2023
Mr. JOSEP OLIU CREUS								

Name	Company's contribution for the year (thousand euro)				Amount of accumulated funds (thousand euro)			
	Saving plans with vested economic rights		Saving plans with unvested economic rights		Saving plans with vested economic rights		Saving plans with unvested economic rights	
	2024	2023	2024	2023	2024	2023	2024	2023
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN								
Ms. MARÍA JOSÉ GARCÍA BEATO								
Mr. DAVID VEGARA FIGUERAS								

iv) Details of other items

Name	Description	Remuneration amount
Mr. JOSEP OLIU CREUS		
Mr. PEDRO FONTANA GARCÍA		
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN		
Ms. AURORA CATÁ SALA		
Ms. ANA COLONQUES GARCÍA-PLANAS		
Mr. LLUÍS DEULOFEU FUGUET		
Ms. MARÍA JOSÉ GARCÍA BEATO		
Ms. MIREYA GINÉ TORRENS		
Ms. LAURA GONZÁLEZ MOLERO		

Name	Description	Remuneration amount
Mr. GEORGE DONALD JOHNSTON III		
Mr. DAVID MARTÍNEZ GUZMÁN		
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ		
Ms. ALICIA REYES REVUELTA		
Mr. MANUEL VALLS MORATÓ		
Mr. DAVID VEGARA FIGUERAS		
Mr. PEDRO VIÑOLAS SERRA		

c) Summary of remuneration (thousand euro):

Summarise the amounts corresponding to all the remuneration items included in this report that have accrued to the director, in thousand euro.

Name	Remuneration accrued in the company					Remuneration accrued in group companies					2024 total company + group
	Total cash remuneration	Gross profit on vested shares or financial instruments (thousand euro)	Remuneration under savings systems	Remuneration under other items	2024 total company	Total cash remuneration	Gross profit on vested shares or financial instruments (thousand euro)	Remuneration under savings systems	Remuneration under other items	2024 total group	
Mr. JOSEP OLIU CREUS	1,702	227			1,929						1,929
Mr. PEDRO FONTANA GARCÍA	390				390						390
Mr. CÉSAR GONZÁLEZ- BUENO MAYER WITTGENSTEIN	2,283	1,000	1	25	3,309						3,309

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC COMPANIES

Name	Remuneration accrued in the companyi					Remuneration accrued in group companies					2024 total company + group
	Total cash remuneration	Gross profit on vested shares or financial instruments (thousand euro)	Remuneration under savings systems	Remuneration under other items	2024 total company	Total cash remuneration	Gross profit on vested shares or financial instruments (thousand euro)	Remuneration under savings systems	Remuneration under other items	2024 total group	
Ms. AURORA CATÁ SALA	190				190						190
Ms. ANA COLONQUES GARCÍA-PLANAS	123				123						123
Mr. LLUÍS DEULOFEU FUGUET	200				200	30				30	230
Ms. MARÍA JOSÉ GARCÍA BEATO	249	216			465						465
Ms. MIREYA GINÉ TORRENS	202				202	28				28	230
Ms. LAURA GONZÁLEZ MOLERO	195				195						195
Mr. GEORGE DONALD JOHNSTON III	244				244						244
Mr. DAVID MARTÍNEZ GUZMÁN	125				125						125
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	52				52						52
Ms. ALICIA REYES REVUELTA	200				200						200



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC COMPANIES

Name	Remuneration accrued in the company					Remuneration accrued in group companies					2024 total company + group
	Total cash remuneration	Gross profit on vested shares or financial instruments (thousand euro)	Remuneration under savings systems	Remuneration under other items	2024 total company	Total cash remuneration	Gross profit on vested shares or financial instruments (thousand euro)	Remuneration under savings systems	Remuneration under other items	2024 total group	
Mr. MANUEL VALLS MORATÓ	235				235						235
Mr. DAVID VEGARA FIGUERAS	793	216	1	40	1,050						1,050
Mr. PEDRO VIÑOLAS SERRA	205				205						205
Total	7,388	1,659	2	65	9,114	58				58	9,172

**C.2.** Indicate the changes over the last five years in the amount and percentage change in the remuneration accrued by each of the listed company's directors during the year, in the consolidated results of the company and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % change per annum								
	2024	% Change 2024/2023	2023	% Change 2023/2022	2022	% Change 2022/2021	2021	% Change 2021/2020	2020
<b>Executive directors</b>									
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	3,309	84.14	1,797	-27.42	2,476	30.04	1,904	-	0
Mr. DAVID VEGARA FIGUERAS	1,050	20.55	871	15.36	755	12.02	674	21.44	555
<b>External directors</b>									

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC COMPANIES

	Total amounts accrued and % change per annum								
	2024	% Change 2024/2023	2023	% Change 2023/2022	2022	% Change 2022/2021	2021	% Change 2021/2020	2020
Mr. JOSEP OLIU CREUS	1,929	13.27	1,703	-3.62	1,767	-5.46	1,869	-5.89	1,986
Mr. PEDRO FONTANA GARCÍA	390	14.04	342	2.09	335	30.35	257	29.80	198
Ms. AURORA CATÁ SALA	190	9.83	173	-10.82	194	-4.43	203	9.14	186
Ms. ANA COLONQUES GARCÍA-PLANAS	123	-	0	-	0	-	0	-	0
Mr. LLUÍS DEULOFEU FUGUET	230	12.20	205	0.00	205	365.91	44	-	0
Ms. MARÍA JOSÉ GARCÍA BEATO	465	9.93	423	22.61	345	10.93	311	-49.02	610
Ms. MIREYA GINÉ TORRENS	230	17.95	195	11.43	175	16.67	150	284.62	39
Ms. LAURA GONZÁLEZ MOLERO	195	34.48	145	383.33	30	-	0	-	0
Mr. GEORGE DONALD JOHNSTON III	244	18.45	206	15.73	178	-5.32	188	0.00	188
Mr. DAVID MARTÍNEZ GUZMÁN	125	31.58	95	-5.00	100	0.00	100	0.00	100
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	52	-69.41	170	-5.56	180	7.78	167	21.01	138
Ms. ALICIA REYES REVUELTA	200	17.65	170	0.59	169	-20.66	213	-	0
Mr. MANUEL VALLS MORATÓ	235	32.02	178	14.84	155	-8.82	170	-5.56	180
Mr. PEDRO VIÑOLAS SERRA	205	127.78	90	-	0	-	0	-	0
<b>Consolidated results of the company</b>									
	2,513,899	32.96	1,890,780	52.16	1,242,646	100.43	619,990	-	-120,830

	Total amounts accrued and % change per annum								
	2024	% Change 2024/2023	2023	% Change 2023/2022	2022	% Change 2022/2021	2021	% Change 2021/2020	2020
Average employee remuneration									
	68	4.62	65	3.17	63	6.78	59	9.26	54

**D. OTHER INFORMATION OF INTEREST**

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This Annual Remuneration Report was approved by the company's Board of Directors at a meeting on:

[ 29/01/2025 ]

Indicate whether any board members voted against or abstained with respect to the approval of this report.

[ ] Yes

[ ☒ ] No