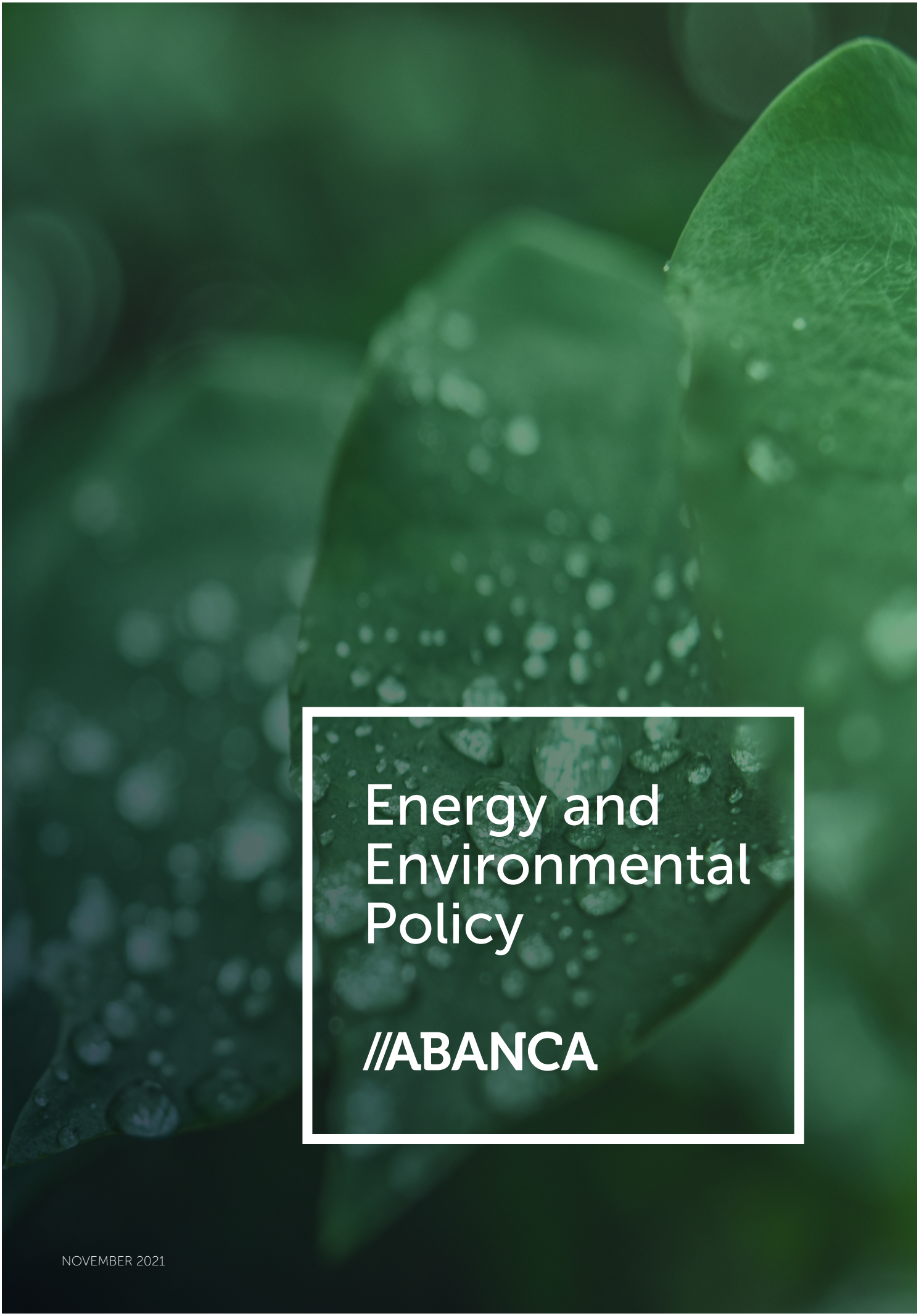


Energy and Environmental Policy

//ABANCA

NOVEMBER 2021

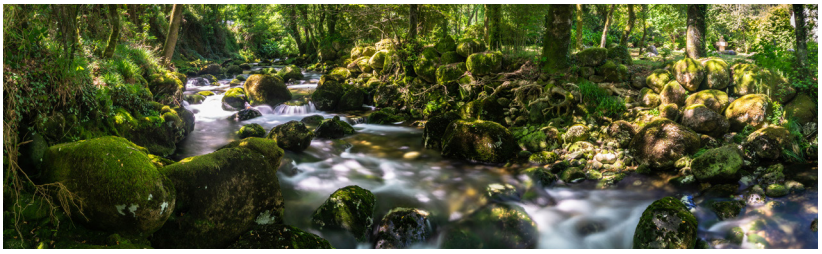

“As ABANCA we strive
to carry out our activity
in a responsible way,
promoting actions
to mitigate and adapt
to climate change
that serve to cope with
it, and that promote
social well-being and
sustainable growth.

1

INTRODUCTION

The planet is facing a great change and it is the responsibility of each one of us to safeguard its well-being, since it is the only one we have and it is the one that provides us with the oxygen, water and resources we need to live. Moreover, its sustainability implies "caring, protecting and preserving".

ABANCA has gone one step further in its involvement to face the climate emergency. To do this, it has joined various international collective commitments, has created a portfolio management service focused on sustainability and support for renewable energy projects, as well as calculating the carbon footprint or reducing energy consumption, which are fundamental of the energy and environmental efficiency strategy..



The current version of the Energy and Environmental Policy was approved by the Board of Directors in 2018 and is periodically checked to verify the progress in the continuous improvement of environmental and energy management.

The first revision was carried out in November 2021.

2

PURPOSE

This Policy provides a common reference framework for the establishment of objectives and for the undertaking of actions based on ABANCA's commitment to consume energy in an efficient way, reduce its greenhouse gas emissions and establish adequate environmental management mechanisms.

The main objectives are:

2.1. To carry out efficient and sustainable management and use of energy and environmental systems:

2.1.1. Taking into account the following systems and items:

- **Energy-related:** lighting, air conditioning, computer systems, renewable energies.
- **Environment-related:** water consumption, paper consumption, waste management, CO2 emissions.

2.1.2. The work carried out is based on the following actions:

- To establish common standards for energy and environmental management based on best practices and the efficient use of technology and natural resources.
- Annual improvement objectives are established in energy and environmental aspects, quantitative and qualitative, including the assumption of savings objectives based on the management of economic scenarios that the current volatility of energy market prices generates.
- The facilities, their equipment and their maintenance are used efficiently.
- The use of energy from renewable sources is studied to reduce energy dependence on current technologies.
- Prevention measures are established regarding the generation of waste, promoting recycling and traceability measures in its management.

2.2. To address the implications that affect social responsibility, compliance with commitments and awareness

- Adaptation to legal and reputational requirements, including the calculation of the carbon footprint of our activity in order to compensate for what cannot be reduced.
- A culture and behaviour with environmental awareness is implemented, keeping the different groups involved in the activity of the Bank trained and informed.

2.3. To communicate to our stakeholders the monitoring of the results of our actions in a proactive and regular manner in accordance with the "Principle of transparency and accountability":

2.4. The profitable marketing of products that include ESG criteria is promoted, especially those related to energy management, such as financing and insurance, which facilitate the implementation of sustainability practices. Search for new business opportunities for the business sector that contribute to environmentally friendly economic growth.

3 SCOPE OF APPLICATION

This document is of a corporate nature, so its compliance includes all those departments of ABANCA Corporación Bancaria, S.A. (hereinafter ABANCA), any territory in which they carry out their business activity, constituting a reference document for all the companies of the ABANCA Group.

ABANCA will also promote that all the people who participate in the value chain are governed by behaviour patterns and values similar to those established in this Policy.

4 DEFINITION, SCOPE AND REGULATIONS

4.1.

Within the scope of the Energy and Environmental Policy, the entity is in an advanced process of systematising energy and environmental management, continuously promoting improvement actions that are detailed in this complementary Policy.

The social demand for this type of activity is increasing and has implications in the different groups of people involved in the activity of the Bank, in its reputational image and in the cost structure.

As a founding signatory of the Principles of Responsible Banking of UNEP-FI and a signatory of the Global Compact, ABANCA must promote initiatives and actions that favour the adaptation and mitigation of climate change and must implement and promote the principles thereof.

This Policy elaborates the Bank's commitment to the environment and compiles all the elements necessary to understand management based on the fulfilment of energy and environmental objectives.

4.2.

The drafting of the general guidelines of action of ABANCA's Policy on this matter has involved the study and analysis of a broad set of laws, standards and reports. To prepare the document, the following documents, among others, have been taken into account:

- The guidelines made available by the United Nations Environment Programme Finance Initiative (UNEP-FI): Principles for Responsible Banking and Principles for Responsible Investment
- The Carbon Disclosure Project initiative (CDP)
- The Global Reporting Initiative (GRI)
- The Paris Agreement on climate change
- The ISO 14.001 and 50.001 Standards
- The Ten Principles of the United Nations Global Compact
- The United Nations Sustainable Development Goals (SDGs)
- The Equator Principles

All of the above complying with the law and applicable regulations in each of the countries in which ABANCA operates. The Energy and Environmental Policy is complemented by the rest of the ABANCA's Policies.

5 GENERAL PRINCIPLES OF ACTION

In addition to compliance with legislation, the principles are aligned with the United Nations Sustainable Development Goals, the Principles of Responsible Banking (PRB) and the United Nations Principles for Responsible Investment, of which ABANCA is one of the founding signatories, and with our own Code of Ethics and Conduct.

5.1. To have an environmental and energy management system through a collaborative operating model

Integrate systems of shared responsibility on the different sections of the Policy (annual objectives, recognition of achievements and procedures) that include all those involved into the collaborative culture of the bank..

5.2. To establish obligations and commitments with groups involved in the bank's activity (staff, suppliers and customers) and apply environmental criteria of good practices in all our actions

a) Establish adequate systems and methodologies:

- Automated control systems.
- Tools that allow the measurement of energy consumption data.
- Management and monitoring methodology based on energy and environmental performance indicators and alerts.
- Technical requirements applicable to the bank's facilities.
- Criteria applicable in the responsible purchasing processes of equipment.
- Initiatives linked to innovation policies.

b) Economic target management based on the following elements:

- Establish annual objectives on energy and environmental efficiency based on quantitative and qualitative standards.
- Patterns and trends in energy, water and paper consumption.
- Energy and waste management contracts suited to the objectives..

c) Support initiatives aimed at preventing climate change, patronage and sponsorship, volunteering and environmental research.

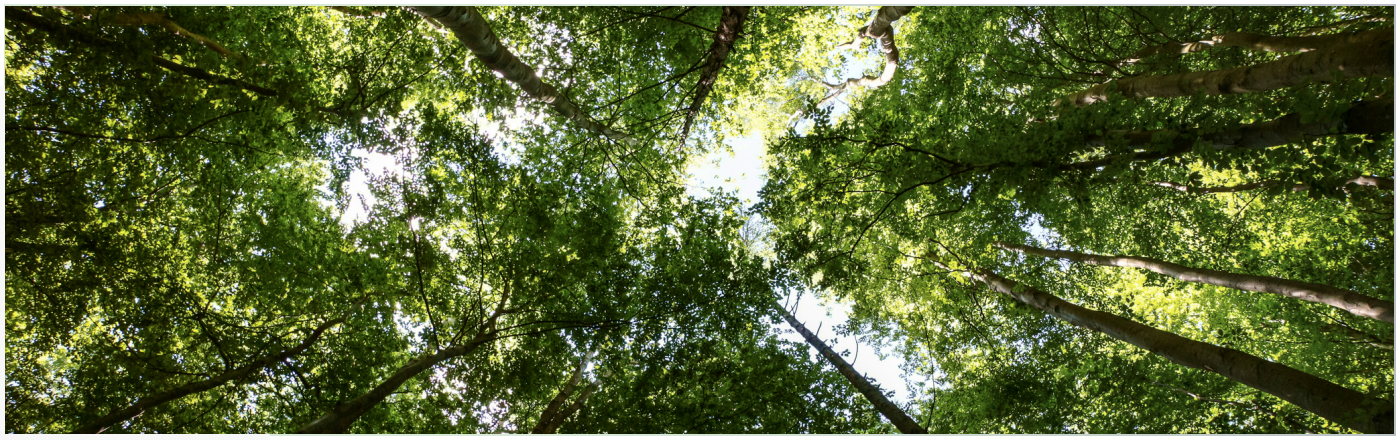
d) Raise awareness among staff and other groups related to the activity so that they introduce energy and environmental efficiency into the corporate culture and the dissemination of the policy itself.

e) Involvement of all employees in the contribution and fulfilment of the institutional objectives.

f) Heed the instructions that the managing departments provide in relation to the responsible consumption of water and paper and waste management.

g) Attend the instructions on energy control in the area of the centres that are provided by the responsible departments:

- Turn off the air conditioning in unoccupied rooms.
- Keep doors and windows closed when the air conditioning is connected.
- Turn off the equipment when not in use, computer, printers, and scanner.



5.3. To promote financing and sustainable investment in the products and services catalogue, in such a way that they contribute to economic growth that respects the environment.

5.4. To support technological efficiency and innovation initiatives aimed at preventing and reducing the impact of climate change

New technological trends have a great impact on banking activities and their transformation objectives in the medium term. Initiatives such as digitalisation or block chain can affect current energy consumption needs and channels. In turn, these types of initiatives can be the source of innovative technology elements that improve energy efficiency.

For this reason, technological initiatives such as the development of technologies that respect the environment, oriented towards results and that allow the achievement of the objectives established in the Policy will be considered.

6

COMMUNICATION CHANNELS AND TRANSPARENCY

Every year we publish our data on climate change, making progress in alignment with the commitments assumed and European regulations.

One of the priority elements of ABANCA is the maintenance of a fluid and permanent dialogue with all stakeholders through different communication channels, which allow identifying, within the framework of their Social Responsibility, its material aspects and the associated risks and opportunities.

The progress report of the Non-Financial Information Statement and the performance of the ABANCA Group in relation to the SDGs is included in the annual Corporate Report. Non-financial indicators are established in accordance with current trade regulations and following the criteria of the Standards of the Sustainability Report of the Global Reporting Initiative.

ABANCA has produced this document to inform on the annual progress of measures related to the Commitment to Climate Action.

In order for everyone in the entity and the rest of the stakeholders to have access to the policy, it will be permanently available to them on the corporate website https://www.abancacorporacionbancaria.com and on the ABANCA intranet.

The teams in the areas mentioned in section 4 ensure compliance with the transparency requirements established in the applicable regulations and standards in this matter.

.

7

GOVERNANCE DIAGRAM

a) The Board of Directors will approve the updates to the Energy and Environmental Policy, delegating the monitoring of their compliance to the Social Responsibility and Sustainability Committee.

b) The Social Responsibility and Sustainability Committee will delegate operational management as established in the Energy and Environmental Efficiency working group (EEA by its Spanish acronym).

c) The EEA working group will develop the necessary procedures to enable the application of the Policy and meet the objectives that support it. The procedure will include ongoing initiatives (Global Energy Efficiency Plan, Waste Treatment, Consumption Reduction, Environmental Risk Management Policy, etc.).

d) The EEA working group will provide every six months information on compliance with the objectives related to the Policy, specifying them for the initiatives under way. The report for the second half of the year will be sent to the Board of Directors, prior approval of the Social Responsibility and Sustainability Committee.




//ABANCA