

Reporting and Self-Assessment Template

**Principles for Responsible Banking
2023**

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Caja de Ingenieros is a credit and financial and insurance services cooperative group that has been in operation for 55 years and is aimed at individuals, professionals and companies (mainly SMEs) throughout Spain. It develops its own sustainable business model, in which customers are also members and, therefore, owners of the Bank.

At the close of 2022, it had 215,000 members, a turnover that amounted to 8.244 billion euros and a total of 32 offices. Caja de Ingenieros focuses its business on Retail Banking, divided between individuals and professionals, and Corporate Banking, offering mortgage, financing, investment, social security and insurance products.

[Section. 5. About us: Strategy \(p.40 to p.51\)](#)
[Section. 07. Cooperative model/ Products and services Responsibility in our products \(p72 to 108\)](#)

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
 No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Global Compact
 PRINCIPLES FOR RESPONSIBLE INVESTMENT

Caja de Ingenieros cooperative and responsible banking model is implemented in line with the criteria of good governance, as well as social and environment impact. Along these same lines is the Bank's Sustainable Horizon Plan, launched in 2019, which focused on three main areas of action: strengthen the sustainable finances of our members, responsible

[Section. 5. About us: Sustainability strategy, Sustainable Horizon and SDG \(p.50 to p.59\)](#)

and sustainable management of the Bank and establish different partnerships that support the progress of and push for sustainable development.

The goals set for 2023 in the Sustainable Horizon Plan were achieved in 2022, and in 2023 the Bank has set the following areas of action: increase members' sustainability, make progress on its alignment with the Paris Agreement and improve members' financial health. The ultimate goal is to increase the Caja de Ingenieros Group's contribution to this decisive decade in terms of mitigating the effects of climate change and reducing inequality.

In addition to the climate goal Caja de Ingenieros has been working towards since 2019, in 2023 Caja de Ingenieros has been reviewing and strengthening its positioning and social impact, and the result has fallen within one of its six strategic areas with the reinforcement of the "S" aspect in the trinomial ESG (environment, social, governance) in its financial and insurance activity. The Bank will therefore take care of the areas of inclusion, health, protection and financial education and will act to ensure access to banking products and services by more disadvantaged groups, the administration of personal finances through different tools, the protection of consumers of financial services and the improvement of the financial culture of members and of society in general, with the ultimate aim being to help improve our members' financial health.

With regard to regulatory requirements for reporting on environmental risk assessments, it is worth noting the following European frameworks (approved or in the negotiation phase) that require ESG aspects to be disclosed or reported and which Caja de Ingenieros is monitoring:

- Taxonomy Regulation
- SFDR (Sustainable Finance Disclosure Regulation)

Furthermore, in 2021, Caja de Ingenieros committed to the FSB's TCFD recommendations and has been providing TCFD reports in line with its pledge to ensure transparency.

[Section. 07. Cooperative model/ Products and services Responsibility in our products \(p72 to 108\)](#)

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Caja de Ingenieros has continued to use the 2 Degrees Investing Initiative, via the Paris Agreement Capital Transition Assessment (PACTA), to analyse the transition risks of portfolio companies by assessing exposure to industries considered relevant to climate change.

In addition, in keeping with the standards of the Partnership for Carbon Accounting Financials (PCAF) and in accordance with the provisions set out in the GHG Protocol, it analysed the carbon footprint of its lending investments portfolio, broken down into corporate loans, mortgage loans and motor vehicles, as well as the financial investments portfolio.

Similarly, an assessment was performed on the green taxonomy eligibility of Caja de Ingenieros' portfolios and, to the extent external data is available, in 2023 it expects to publish its portfolios' alignment with green taxonomy.

Lastly, in 2023, with the aim of driving positive impacts in social spheres, we analysed the possibility of implementing our own methodology, which would allow us to make progress in our goal of helping to improve our members' financial health.

[Section. 10. Risk Management Climate change risk \(p.151 to p 155 \)](#)

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

The scope of the climate analysis includes the Retail Banking segment, the Corporate Banking segment and financial investments. **Indicate %**

Caja de Ingenieros portfolios are broken down in different ways, depending on the impacts and climate risk type being analysed. Regarding the transition risk for portfolio companies, the sectors taken into account are the energy sector, the extraction of fossil fuels, automotive, cement, steel, marine transport and air transport, which account for 75% of global emissions.

Caja de Ingenieros' lending investment portfolio is mainly concentrated in Spain, where the environmental and social contribution the Bank can make is considered. The tool provided by PACTA to analyse the credit portfolios of banks only includes two companies with exposure in Caja de Ingenieros (1.2% of exposure in companies and 0.1% of the balance sheet total). Therefore, given the scarce exposure of Caja de Ingenieros, the scenario analysis using the PACTA method is insufficiently representative.

PACTA defines a series of emission-intensive sectors. In our case, they account for 9.09% of exposure in companies (0.8% of the balance sheet total), including large corporations and SMEs, which accounts for 37 million euros of the total 414 million euros granted to companies.

The companies belonging to these emission-intensive sectors are able to use the Paris Agreement alignment measures and projects. For 50% of the portfolio in companies belonging to emission-intensive sectors, data is available on their progress in sustainability. The energy transition of these companies is measured by analysing whether the decarbonisation goals set in the Paris Agreement are met. 84% of the companies would remain in line with the scenarios of the International Energy Agency until 2030 and 42% would remain aligned until 2050.

Regarding the carbon footprint analysis, carbon footprint is measured in accordance with the product segment and business segment. The carbon footprint of the mortgage portfolio is calculated based on the energy certificates of the mortgage collateral, with 46.3% hedging using data obtained from the energy certificate for the home, 46.9% using certificate estimation models and 6.8% using Spanish averages.

[Section. 10. Risk Management Climate change risk p.148 to p.155](#)
[Section. 5. About us: Strategy \(p.40 to p.51\)](#)

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

To calculate the energy consumption of each home, the net floor area is weighted against the previous factor, using an estimate when this data is not available and transforming the energy consumption obtained into tonnes of CO₂eq by applying the Spanish average of emissions per kWh.

Caja de Ingenieros' financial investment portfolio fosters a positive impact on the global temperature increase forecasts for 2050, which stand at values of less than 2°C compared with pre-industrial levels. This is the temperature increase limit set by the Paris Agreement and well below the average temperature of listed companies worldwide (using the SDS of the International Energy Agency). Efforts are also being made, with specific objectives, to ensure the temperature does not exceed 1.5°C, as the Paris Agreement also promotes.

The carbon footprint of Caja de Ingenieros' financial investments includes scopes 1 and 2 of the companies in portfolio, and, on average, these generate 114.28 tCO₂eq per million euros of company turnover (with 96.37% hedging of the portfolio).

The portfolio of credit investment in companies contains a high number of companies that do not have to publish data on their CO₂ emissions; therefore, the only way of calculating the emissions is through sectoral estimates.

With regard to green taxonomy, the gross carrying amount of the entire balance sheet and the percentage eligible for taxonomy is broken down in the Bank's non-financial information.

In terms of the analysis of the social aspect, as indicated in point 2.1, Caja de Ingenieros has analysed the development of a methodology to determine our members' degree of financial health, with this broken down into five levels.

The methodology is based on an objective analysis that takes into account data provided directly via our information systems: data that the member provides in their suitability assessment and the saving and investment data of bank members.

This methodology may only be applied to members for whom we have the minimum information required in order to determine their degree of financial health.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

The main challenges in terms of sustainable development in the area where we operate (Spain) are environmental sustainability, climate change and its effects, as well as inequality and inclusive growth.

Conclusions are drawn from the 2023 Sustainable Development Report published by the United Nations, which highlights these two challenges among the three Spain must focus on to accelerate its contribution to the Sustainable Development Goals.

[– SDG Indicators \(un.org\)](#)

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.

Given the analysis laid out in the previous points, and taking into account the context and challenges where it operates, Caja de Ingenieros has set the following as two areas of greatest impact, where it can increase the positives and reduce the negatives.

1. Climate change: alignment with the Paris Agreement, focused on exposure to less emission-intensive sectors and the exclusion of fossil fuels (SDG 13)
2. Inclusive growth through a contribution to improving our members' financial health (SDGs 8 and 10)

Through its Sustainable Horizon Plan, Caja de Ingenieros has set goals of aligning its portfolio with the Paris Agreement, as well as supporting our members, both individuals and companies, in their transition to sustainable, low-emission models. In terms of inclusive growth, in 2023 the organisation decided to include them in its strategic plan as a pillar of its social impact and development programme.

[Section. 5. About us: Strategy \(p.40 to p.51\)](#)

[Sustainable Horizon and SDG \(p.50 to p.59\)](#)

[Section. 9: Social and environment development \(p.130 to p. 134\)](#)

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

d) For these (min. two prioritized impact areas): **Performance measurement**. Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Caja de Ingenieros has identified the following sectors and customers, whose activity has a greater positive or negative impact with the aim of measuring the intensity of their impact:

1. Regarding climate change, it will consider the segments of Corporate Banking and the financial investment portfolio. The sectors identified and for which sustainable investment criteria have been set: energy, automotive, steel, cement and transport.
2. In relation to the social goal of helping to improve financial health, the segment that will be included in the measurement is Retail Banking.

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

Climate Change and Financial Health

How recent is the data used for and disclosed in the impact analysis?

Up to 12 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁶ You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Goal 1:

Considering the Paris Agreement (SDS*) that aims to achieve carbon neutrality and stop the temperature rising by more than 1.5°C in comparison with pre-industrial levels, Caja de Ingenieros has set the following indicators and goals:

Goal 1

To reduce the distance for alignment with the Paris Agreement by half. The goal is specified with a portfolio that does not increase the temperature by more than 1.7°C in comparison with pre-industrial levels, in 2026. Starting with a portfolio with an increase of 1.9°C, calculated in 2021.

To double financing awarded to individuals and companies to fund projects based on energy efficiency, adaptation to climate change, sustainable use and protection of water and marine resources, circular economy, pollution control, as well as ecosystem protection and sustainable life. The goal of reaching an accumulated amount of 24 million euros in financing awarded by 2026 is set. 2022 is used as the calculation base's year with financing of 2.6 million euros awarded.

*The SDS holds the temperature rise to below 1.8 °C with a 66% probability without reliance on global net-negative CO2 emissions; this is equivalent to limiting the temperature rise to 1.65 °C with a 50% probability.

Goal 2:

As indicated in point 2.1, taking as a reference the results of the 2023 Sustainable Development Report published by the United Nations, indicating that one of the three challenges Spain must work towards is reducing inequality, highlighting within this the different aspects of its welfare state, and, specifically, the excessive burden on household income, among other aspects, Caja de Ingenieros has decided to help improve the financial health of its members, with the ultimate goal of them being able to manage their present financial obligations without difficulty and having confidence in their financial future.

<p>In 2023, work was carried out to design the methodology, analysis and segmentation of members across the five defined levels of financial health. At the close of this report, work remained ongoing on the indicators and setting of a SMART goal for 2026.</p>	
<p>b) <u>Baseline:</u> Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p>	
<p>Reflected in section 2.2 a) for goal 1</p> <p>For goal 2: Between 15% and 25% of the sample of members analysed fall within the first two levels of financial health, according to the first estimates of the methodology applied, which analyses saving capacity and current savings, the member's expenses (financial and non-financial), their monthly income and future prospects. In this group of members, the goal is focused on improving their financial health, which will be measured depending on if they shift from these financial health groups (1 and 2) to other higher groups (3, 4 and 5). To achieve this goal, we will likely be supported by metrics that indicate an increase in their emergency fund, personalised support and financial education. The KPIs the Bank uses to monitor support of the social challenge are:</p> <p>% of savings in 2023 of members at levels 1 and 2 % of forecast in 2023 of members at levels 1 and 2</p>	

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Reflected in section 2.2 a) for goal 1

For goal 2:

The following shows, by way of example, the main indicators being studied:

- % of members that are increasing their degree of financial health
- % increase in periodic savings for members in the first two financial health levels.
- % increase in contributions to the social forecast of members in the first two financial health levels.

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

The goals and indicators shown in point 2.2 a) have been included in the 2026 Sustainable Horizon Plan, which is also a part of the 38 initiatives of Caja de Ingenieros' 2026 Strategic Plan. Regarding the 2026 Sustainable Horizon Plan, this is supervised in accordance with the governance framework set by the Sustainable Finance Committee, which reports to the Management Committee and the Caja de Ingenieros Governing Board. Furthermore, goals are monitored via a quarterly monitoring session developed for the 2026 Strategic Plan and communicated to senior management and the Governing Board.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	Climate Change alignment with the Paris Agreement	Financial Health
Alignment	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes
Baseline	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes
SMART targets	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress
Action plan	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Throughout the 2022 Annual Report, measures and actions to achieve the goals set are laid out, and these are detailed in the 2nd Principles Monitoring Report. These actions and results are explained in chapters 8, 9 and 10.

Regarding changes, note that the social goal has been included, after not being considered in previous reports.

[2022 Annual Report: chapters 8, 9 and 10.](#)

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Regarding the investment and insurance product portfolio, we continue

our work to increase it, and, at the close of 2022, 85% of the investment and pension funds managed by Group subsidiaries promoted sustainability criteria by issuing a message to our members stating our commitment to sustainable finance.

Since 2021, investment advice questionnaires have included questions to discern customer preferences in relation to sustainability.

We continued to promote use of the online tool to measure the socio-environmental impact of the Caja de Ingenieros investment funds. This is an environmental calculator that uses six indicators to show environmental, social and governance-related impact.

With regard to financing, it has been decided that in the awarding to companies in emission-intensive sectors (energy, automotive, steel, cement, transport) with exposure higher than 500,000 euros, they will be asked for information on their energy transition plans or, to meet the proportionality criterion, on energy transition strategies/initiatives (or in scope 3 upstream of environmental management).

[2022 Annual Report: Section. 07. Cooperative model/ Pages from 84 to 100](#)
[Section. 9: Social and environment development](#)

Lastly, for another year running, 75% of our financial advisers have completed sustainable financial advice training.

A financial education content platform is expected to be launched in order to make a contribution towards the goal of improving financial health by offering knowledge to aid the financial decision-making processes of our members.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

For more than 15 years, sustainable finance and socially responsible investment have been a distinguishing aspect in our services and our focus when developing our product portfolio and management approach, as previously demonstrated in the distribution of investment and insurance products through staff trained in sustainable investments. For this reason, we are pressing on with work in this area in order to continue increasing the portfolio of products and services related to sustainable finance. Furthermore, the Bank's commitment to helping to improve financial health has opened up an opportunity to enhance the business areas linked to financial advice in investments and insurance.

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Caja de Ingenieros es consciente de que la integración de los distintos stakeholders into the Bank's lines of action is one of the most important tools for socially responsible management. The nature of its business means that Caja de Ingenieros conducts its activities and integrates into current society and its environment in a dynamic, in-depth way. Aware of this, the Bank strives to build solid relationships of trust with the different stakeholders with which it relates throughout its financial and social activities and to create shared value through flowing and participative dialogue with them.

In 2022, Caja de Ingenieros updated the materiality analysis and expanded the perspective of ESG (environment, social and governance) impact produced in 2021 to include the new financial perspective.

This update means that the most relevant aspects for the Bank's stakeholders and those with the greatest impact on the Group's business can be identified, along with those aspects that have affected or might affect the yield, position and value of the Group.

In addition, we continue to be part of the leading organisations, initiatives and inter-sectoral committees, both national and international, that pursue sustainable finance, such as the national programmes promoting financial education among young people. Further details in the Annual Report.

As a credit cooperative, our members are considered both a

[2022 Annual Report:](#)
[Pages from 213 to 216](#)

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

<p>member and a customer, and they take part in the Annual General Meeting and special meetings. Development of the strategic plan has led to the inclusion of employee groups to ensure an institutional backbone and a corporate culture plan within the strategic plan.</p>	
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Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

The Sustainable Finance Committee is responsible for defining, implementing and monitoring the Sustainable Horizon Plan, and it reports to the Management Committee, whereas General Management reports to the Governing Board. The Sustainable Finance Committee meets bimonthly, at minimum.

The risk management policy, supervised by the Audit and Risk Committee and approved by the Governing Board, includes the climate change risk within the risk appetite framework. The relationship in governance between the climate change risk and the credit investment risks as well as financial investment risks is seen in the credit investment policy and the financial investment policy, respectively.

The credit investment policy includes the development of products, measuring methods and granting criteria to reduce greenhouse gas emissions and for transition to an emission-free economy. The financial investment policy limits exposures to companies according to ESG criteria, in line with an external score that incorporates the principles of good climate management.

The capital and liquidity self-assessment report, submitted to the Audit and Risk Committee for analysis and approved by the Governing Board, includes a report on the risk profile of energy transition of the financial investment portfolio and the credit investment portfolio, on which sufficient information is available. In its absence, this information is obtained according to the branches of activity potentially affected by the energy transition.

[Section. 10. Risk Management](#)

[Section. 9: Social and environment development](#)

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

The team of professionals at Caja de Ingenieros have been trained and certified in sustainable finance through EFPA ESG Advisor certification. By the end of 2022, 75% of the sales network had been trained.

The Governing Board of Caja de Ingenieros has received training in climate risks, legislation and taxonomy.

Training related to sustainable finance has been made available to the entire team of staff: sustainable investments, ESG asset types and their characteristics. Furthermore, there are plans to develop a programme for the whole workforce on introducing and raising awareness on sustainability with the goal of training staff in basic knowledge, practical aspects and management tools within the framework of ESG.

[Section. 10. Risk Management](#)

[Section. 9: Social and environment development](#)

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

The climate risk is managed through the executive bodies of Caja de Ingenieros.

The Sustainable Finance Committee (SFC) reports directly to the Management Committee on matters regarding management, control and proposed strategy in sustainability and reports to the Audit and Risk Committee on matters regarding proposed policies and their supervision.

The risk management policy, supervised by the Audit and Risk Committee and approved by the Governing Board, includes the climate change risk within the risk appetite framework. The relationship in governance between the climate change risk and the credit investment risks as well as financial investment risks is seen in the credit investment policy and the financial investment policy, respectively.

[Section. 10. Risk Management](#)

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

The information contained in the 2022 Non-Financial Information Report has been verified by AENOR according to Law 11/2018

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

GRI
 TCFD

The Non-Financial Information Report is prepared annually in line with the indications provided by the GRI standards. The TCFD Recommendations Report has been prepared since 2021.

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

As indicated in point 2.1, the challenge for the next 12 months is to evolve and consolidate our methodology, which will allow us to make progress in our goal of helping to improve our members' financial health, with a view to enhancing our positive impacts on social matters, and to specify the indicators and set a SMART goal for 2026 for the social goal.

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- Setting targets
- Customer engagement
- Data availability
- Data quality

If desired, you can elaborate on challenges and how you are tackling these:

