



Disclosure of Principal Adverse Impacts

2023

Disclosure of Principal Adverse Impacts of Investment Decisions on Sustainability Factors

VidaCaixa, S.A.U.

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1. Summary

VidaCaixa, S.A.U. de Seguros y Reaseguros (hereinafter, “VidaCaixa” or “the Entity”) considers the principal adverse impacts of its investment decisions on sustainability factors. This is a consolidated disclosure of the principal adverse impacts (hereinafter, also referred to as “PAI”) on VidaCaixa’s sustainability factors.

This disclosure concerning the principal adverse impacts on sustainability factors covers the period from 1 January to 31 December 2022. To draft this report, the guidelines and format set forth in Annex 1 of Delegated Regulation (EU) 2022/1288¹ (Regulatory Technical Standards, hereinafter “RTS”) have been followed where possible.

VidaCaixa, as part of the CaixaBank Group, bases its management on responsible action and economic efficiency, and is oriented towards the sustainable socio-economic development of people and our region. The Entity is aware of the fundamental role that the financial sector plays in investment in terms of channelling resources towards promoting activities that are beneficial to society as a whole, and it maintains its commitment to working towards a sustainable economy.

Furthermore, as a participant in the financial market, VidaCaixa includes information on its results and plans related to the due diligence procedures it implements to carry out its asset management activity. Thus, the Entity complies with the requirements of Regulation (EU) 2019/2088² on sustainability-related disclosures in the financial services sector (hereinafter, “SFDR”), the objective of which is to promote transparency regarding the way in which the participants in financial markets integrate sustainability risks into their decision-making and investment processes.

In this way, regarding due diligence policies (to which we will refer throughout this document as “due diligence processes”, describing their relationship to the principal adverse impacts and this disclosure), VidaCaixa considers sustainability risks and the potential for adverse impacts on sustainability in its investment processes. The Entity has established due diligence processes to identify, prevent, mitigate and explain how these impacts are addressed.

To that end, it applies the provisions of the **Sustainability Risks Integration Policy and the Engagement Policy**.

More specifically:

1. **Integration of ESG factors in investment** (including monitoring controversies):
 - The following PAI are managed: those related to greenhouse gas emissions (PAI 1 - PAI 6, PAI 15, PAI 4 additional), biodiversity (PAI 7), water (PAI 8) and waste (PAI 9).

¹ The Regulation can be viewed at the following link [EUR-Lex - 32022R1288 - EN - EUR-Lex \(europa.eu\)](#)

² The Regulation can be viewed at the following link [EUR-Lex - 32019R2088 - EN - EUR-Lex \(europa.eu\)](#)

2. **Sector exclusions and restrictions:**

- The following PAI are managed: social PAI related to violations of the Global Compact (PAI 10), with countries subject to social infractions (PAI 16), companies that violate human rights (PAI 14 additional) and with controversial weaponry (PAI 14).

3. **Long-term engagement** (includes dialogue with issuers and third-party agents, and active voting):

- This potentially applies to all PAI. The Entity publishes an Engagement Plan that includes the main fields and objectives for engagement matters, as well as expectations with regard to investor behaviour.

VidaCaixa carries out a systematic analysis and monitoring of the principal adverse impacts on sustainability factors and takes the necessary mitigation measures. These measures may consist of not investing, divestment, reducing exposure or observation, initiating the engagement actions that the Entity considers to be necessary. Section 3 of this document provides information on the Entity's policies to identify Principal Adverse Impacts (PAI), and indicates which PAI are being managed, in accordance with the PAI prioritised by the Entity. The main criteria followed to establish said prioritisation were the quality and coverage of the data available. The table in section 2 ("Explanation") describes the aforementioned PAI.

The results of the PAI indicators that are provided for 2022 in this disclosure are not comparable to the results published in the "Disclosure of Principal Adverse Impacts of Investment Decisions on Sustainability Factors for the year 2021".

2. Description of the Main Adverse Impacts on Sustainability

The table included in this section provides a detailed description of the PAI considered by the Entity, particularly in the “Explanation” section. Before delving into the information included in the table, the following clarifications must be kept in mind:

- The disclosure measures the average value of the PAI indicators of VidaCaixa’s spot positions in collective investment institutions (hereinafter, CIIIs) – including corporate fixed income and equity, as well as public debt and liquidity – and includes both direct and indirect investment, through third-party vehicles, but does not include short positions in derivatives³ due to the methodological difficulty of obtaining reliable information and the low exposure of these assets.
- The basis for calculating the indicators corresponds to VidaCaixa’s positions in insurance-based investment products (IBIPs) and pension plans, which in 2022 had an average worth of 85.57 billion euros for the purposes of the SFDR.
- The indicators (“Impact” column) have been calculated taking the average of the data at the end of each month in the financial year, instead of the average of the levels at the end of each quarter of said year. By increasing the frequency of the data used to calculate the average, we get a more reliable picture of the average worth and of the value of the indicators during the financial year, provided the latter is available.
- The result of the indicators was mainly obtained from information from the data provider MCSI ESG⁴. Currently, the data for the indicators includes the exposure of both direct investment as well as third-party vehicles.

The percentage of coverage of the specific data behind each indicator shows the percentage of assets used for the calculation; this percentage is specified in the “Explanation” section of the table. The coverage of some data was low, and therefore the indicator is not very representative, as the companies do not have sufficient data, or the data quality is not adequate because the current methodologies are not sufficiently robust:

- This is the case of PAI 6 on intensity of energy consumption by high climate impact sector, which has limited coverage, and PAI 16 on countries subject to social infractions, where coverage is limited in the event that there is exposure through funds managed by third parties, as direct investment excludes these countries.
- For PAI 7 on activities that affect sensitive biodiversity areas, PAI 8 on emissions to water, PAI 9 on dangerous and radioactive waste, and PAI 12 on the wage gap, the quality of data and an increase in information received from companies due to a new sustainability transparency regulation may lead to the indicator worsening next year and changes in the management strategy for these PAI.

As a result, the lack of coverage does not allow for systematic, active management of all adverse incidents that may occur. VidaCaixa will work with the ESG data provider and dialogue with issuers to promote, where possible, improved coverage and data quality to obtain greater reliability for the coming financial years; additionally, it will explore data sources from other providers.

With regard to the measures adopted during the reference year and the objectives established for the following year, the table indicates the cases involving priority PAI for which measures have been adopted in 2022 and/or specific objectives or actions were expressly established for 2023. It should be noted that the chart does not indicate

³ Positions in short derivatives are positions in financial derivative assets with the purpose of hedging a similar financial asset such as fixed income or equities.

⁴ MSCI Inc. (LEI: 549300HTIN2PD78UB763) is an American provider of data, tools and services to support investment decision-making with over 50 years of experience in research, data and technology. For more information about MSCI, visit their website: <https://www.msci.com/>

cases that were not considered priority PAI or PAI for which we are still in an initial data collection and analysis phase, as specific measures could not be adopted for them.

Sustainability indicator with regard to adverse incidents		Parameter	2022 Impact	Explanation	Measures adopted, planned measures and objectives established for the next reference period
CLIMATE CHANGE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
Greenhouse gas emissions	1. Greenhouse gas emissions (tCO2e)	Scope 1 GG emissions	1,941,572.8	Scope 1 greenhouse gas emissions are the volume of greenhouse gas emissions generated directly by the companies the Entity invested in. <i>Indicator coverage 86%.</i>	<p>Integration of ESG factors</p> <p>The transition to a sustainable, decarbonised economic model that limits global warming to below 2°C, preferably 1.5°C, in accordance with the objectives of the Paris Agreement, is one of the greatest global challenges. This transition process is a source of risks and opportunities for companies and their business models. VidaCaixa aims to contribute to this challenge by reducing the impact of its operations and investing in sustainable projects, as well as through engagement with the companies and issuers it invests in.</p> <p>To manage these PAI, VidaCaixa will integrate the material climate metrics for each sector into its investment decision-making processes, such as greenhouse gas emissions, energy intensity and carbon footprint. Additionally, it will evaluate the company's ESG quality (through ratings or specific factors) and monitor the impact on climate change of the companies it invests in. For products that have a climate change-related objective, VidaCaixa commits to ensuring that said products have a better performance on climate indicators than the market.</p> <p>The Entity also supports the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) from the Financial Stability Board.</p>
		Scope 2 GG emissions	402,969.8	Scope 2 greenhouse gas emissions are the volume of greenhouse gas emissions generated indirectly by the activity of the companies the Entity invested in (consumption of electricity or other energy sources). <i>Indicator coverage 86%.</i>	
		Scope 3 GG emissions	13,389,481.0	Scope 3 greenhouse gas emissions are the volume of greenhouse gas emissions generated indirectly in the value chain of the companies invested in that are not under their control. <i>Indicator coverage 86%.</i>	
		Total GG emissions (scope 1, 2 and 3)	15,727,784.0	Total GG emissions are the sum of the above emissions. <i>Indicator coverage 86%.</i>	
	2. Carbon footprint (tCO2e/ Millions EUR EVIC)	Carbon footprint	450.6	The carbon footprint is the weighted average of the total greenhouse gas emissions of the companies invested in divided by the company's value measured in millions of euros. <i>Indicator coverage 84%.</i>	<p>Exclusions and restrictions: according to the Sustainability Risks Integration Policy, VidaCaixa may decide not to invest in companies that may pose a material risk to the Entity of not complying with its climate change and portfolio decarbonisation commitments. In addition to this general restriction, VidaCaixa restricts investment in companies whose turnover is more than 25% dependent on carbon-based energy generation or coal mining; companies whose exploration, production or transport of oil sands or gas exploration, production or transport activity in the Arctic represents more than 10% of their turnover; and companies where over 50% of group-level revenue comes from oil and gas that do not promote the energy transition.</p> <p>Dialogue and voting</p> <p>VidaCaixa is a signatory to the Climate Action 100+ initiative. In this framework, it participates as "co-leader" of a dialogue with one of the companies that contributes most to the emissions financed by the Entity's portfolios.</p> <p>In 2022, VidaCaixa initiated or continued direct dialogues with five companies regarding their climate transition plans and, through its specialised provider, participated in dialogues with four companies on their climate impact, among other topics.</p> <p>Regarding voting, in 2022 the Entity backed 191 shareholder proposals on social and/or environmental topics. Thirty-three of these proposals were focused on climate change. See more information about</p>
	3. Greenhouse gas emission intensity of the companies invested in (tCO2e/ Millions EUR sales)	Greenhouse gas emission intensity of the companies invested in	1003.1	Greenhouse gas emissions intensity is the weighted average of the total greenhouse gas emissions generated by the companies invested in divided by the company's sales measured in millions of euros. <i>Indicator coverage 85%.</i>	

Sustainability indicator with regard to adverse incidents		Parameter	2022 Impact		Explanation	Measures adopted, planned measures and objectives established for the next reference period
	4. Exposure to companies active in the fossil fuel sector (%)	Proportion of investments in companies active in the fossil fuel sector	9.4		<p>This indicator provides the percentage of assets under management invested in companies active in the fossil fuel sector.</p> <p>Companies active in the fossil fuel sector are defined as companies that obtain revenue from (i) exploration, extraction, distribution of or refining coal and lignite; (ii) exploration, extraction, distribution of (including transport, storage and commercialisation) or refining liquid fossil fuels; and (iii) exploration and extraction of gaseous fossil fuels or their specific distribution (including transport, storage and commercialisation)</p> <p>Indicator coverage 86%.</p>	<p>voting in the report Engagement: 2023 Plan and 2022 Results.</p> <p>As future objectives, the Plan establishes making climate change one of the priorities in sustainability issues and, more specifically, driving the transition towards a sustainable, decarbonised economic model that limits global warming in accordance with the objectives of the Paris Agreement, by identifying expectations and objectives to achieve through dialogue. See the engagement report for more information on the commitment, criteria and objectives to achieve through dialogue.</p> <p>Commitment</p> <p>VidaCaixa is a member of the Net Zero Asset Owner Alliance. When it joined, the Entity took a step forward and established intermediary objectives for the first time, committing to reducing greenhouse gas emissions from corporate investments (scopes 1 and 2) by a minimum of 50% by 2030 per millions of euros invested in its insurance assets compared to 2019 levels. This decarbonisation commitment is part of the strategic pillar of “driving sustainability through SRI” from the VidaCaixa 2022-2024 Sustainability Master Plan.</p>
	5. Proportion of production and consumption of non-renewable energy (%)	Proportion of consumption of non-renewable energy and production of non-renewable energy of the companies invested in from non-renewable energy sources compared to renewable energy sources (proportion compared to the total energy sources)	66.3		<p>The indicator provides the weighted average of the percentages of production and consumption of non-renewable energy in the companies invested in.</p> <p>Non-renewable energy sources are those other than non-fossil renewable sources, i.e., wind energy, solar energy (thermal and photovoltaic), geothermal energy, energy harvesting, tidal energy, wave energy and other types of ocean energy, hydraulic energy, and energy from biomass, waste gases, wastewater treatment gases and biogas.</p> <p>Indicator coverage 76%.</p>	
	6. Intensity of energy consumption by high climate impact sector	Consumption of energy in GWh per millions of EUR of revenue in the	Total: 1.1 Sector A: Agriculture, livestock, forestry and fishing 0.2 Sector B: Extractive industries 6.2		<p>The indicator provides the sum of the weighted averages of exposure to high climate impact sectors, i.e.: (A) Agriculture, livestock, forestry and fishing; (B) extractive industries; (C) manufacturing industry; (D) electricity, gas, steam and air conditioning suppliers; (E) water supply, sanitation activities, waste management and decontamination; (F) construction;</p>	

Sustainability indicator with regard to adverse incidents		Parameter	2022 Impact		Explanation	Measures adopted, planned measures and objectives established for the next reference period
	(GWh / Millions of EUR revenue)	companies invested in, by high climate impact sector	Sector C: Manufacturing industry	0.7	(G) wholesale and retail, and motor vehicle and motorbike repair; (H) transport and storage; and (L) property activity. <i>Indicator coverage 41%.</i>	
			Sector D: Electricity, gas, steam and air conditioning suppliers	3.5		
			Sector E: Water supply, sanitation activities, waste management and decontamination.	1.8		
			Sector F: Construction	0.3		
			Sector G: Wholesale and retail; motor vehicle and motorbike repair	0.1		
			Sector H: Transport and storage	0.6		
			Sector L: Property activity	0.5		
Biodiversity	7. Activities that negatively affect sensitive biodiversity areas (%)	Proportion of investments in companies with offices or operations located in sensitive areas in terms of biodiversity or close to them when the activities of said companies negatively affect these areas.	0.1		<p>This piece of data is an estimate from a specialised provider, which is based on evidence of links between the company and controversial activities related to sensitive biodiversity areas.</p> <p>Activities that negatively affect biodiversity are those which involve the deterioration of natural habitats and the habitats of species and which disturb the species for which the protected areas were designated, and for which the company has failed to apply any of the conclusions, mitigation measures or impact assessments adopted in accordance with the directives, national laws or international rules that are equivalent to said directives considered by the competent EU authorities.</p> <p>Sensitive biodiversity areas are defined as the Natura 2000 network of protected areas, UNESCO World Heritage Sites and Key Biodiversity Areas, as well as other protected areas, which are listed in Appendix D of Annex II of Delegated Regulation (EU) 2021/2139 of the Commission.</p> <p><i>Indicator coverage 86%.</i></p>	<p>Integration of ESG factors</p> <p>Before making any investment, the Entity evaluates the company's possible exposure to controversies, including significant negative impacts on biodiversity. The Entity also analyses the company's ESG assessment carried out by specialised providers. This assessment includes risk management indicators related to biodiversity, whenever it is pertinent to the company's sector.</p> <p>VidaCaixa monitors impacts to biodiversity by analysing the activities that negatively affect sensitive biodiversity areas, particularly through alerts that allow the Entity to detect new, serious controversies that may affect the companies in its portfolio.</p> <p>Exclusions and restrictions: In accordance with the Sustainability Risks Integration Policy, VidaCaixa will not invest in companies that seriously violate the main principles set forth in the United Nations Global Compact regarding environmental protection, including those that pose a threat to biodiversity.</p> <p>Dialogue and voting</p> <p>In 2022, VidaCaixa initiated dialogue processes related to protecting biodiversity with four companies, through a specialised service provider.</p>
Water	8. Emissions to water (Tonnes of emissions to water / Millions of EUR invested)	Tonnes of emissions to water generated by the companies the Entity invests in per million of EUR invested (weighted average)	53.2		<p>The indicator provides the weighted average of the tonnes of emissions to water of the companies invested in, per million of euros invested.</p> <p>Emissions to water are direct emissions of priority pollutants, as defined in article 2, section 30 of Directive 2000/60/EC of the European Parliament</p>	<p>Integration of ESG factors</p> <p>Prior to making any purchase, VidaCaixa assesses the company's possible exposure to controversies related to negative impacts on water resources. The company's ESG assessment is also analysed by specialised providers; this assessment takes into account indicators related to exposure to water stress and management of water resources, whenever this is pertinent to the company's sector.</p> <p>VidaCaixa monitors impacts to water resources by analysing the activities that negatively affect these resources, particularly through alerts that allow the Entity to detect new controversies that may affect the companies in its portfolio.</p>

Sustainability indicator with regard to adverse incidents		Parameter	2022 Impact	Explanation	Measures adopted, planned measures and objectives established for the next reference period
				and of the Council and direct emissions of nitrates, phosphates and pesticides. <i>Indicator coverage 9%.</i>	Exclusions and restrictions: In accordance with the Sustainability Risks Integration Policy, VidaCaixa will not invest in companies that seriously violate the main principles set forth in the United Nations Global Compact regarding environmental protection, including those that pose a threat to water resources. Dialogue and voting In 2022, VidaCaixa initiated dialogue processes related to protecting water resources with six companies, through a specialised service provider.
Waste	9. Ratio of hazardous waste and radioactive waste <i>(Tonnes of hazardous and radioactive waste / Millions of EUR invested)</i>	Tonnes of hazardous and radioactive waste generated by the companies the Entity invests in per million of EUR invested (weighted average)	8.3	The indicator provides the weighted average of the tonnes of hazardous and radioactive waste generated by the companies invested in, per million of euros invested. Hazardous waste is defined by Article 3, Section 2 of Directive 2008/98/EC of the European Parliament and of the Council; and radioactive waste by Article 3, Section 7 of Directive 2011/70/Euratom of the Council. <i>Indicator coverage 40%.</i>	Integration of ESG factors Prior to making any purchase, VidaCaixa assesses the company's possible exposure to controversies related to pollution and poor management of hazardous waste. The company's ESG assessment is also analysed by specialised providers. This assessment takes into account indicators related to waste management (including hazardous waste), whenever this is pertinent to the company's sector. VidaCaixa monitors the impact of its investments as it relates to hazardous and radioactive waste, particularly through alerts that allow the Entity to detect new controversies that may affect the companies in its portfolio. Exclusions and restrictions: in accordance with the Sustainability Risks Integration Policy, VidaCaixa will not invest in companies that seriously violate the main principles set forth in the United Nations Global Compact regarding environmental protection, including those that involve pollution due to poor management of hazardous waste. Dialogue and voting In 2022, VidaCaixa initiated dialogue processes related to waste management with one company, through a specialised service provider.
INDICATORS ON SOCIAL AND LABOUR MATTERS, RESPECT FOR HUMAN RIGHTS, AND THE FIGHT AGAINST CORRUPTION AND BRIBERY					
Social and labour matters	10. Violations of the principles of the United Nations Global Compact and of the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises <i>(%)</i>	Proportion of investments in companies that have been related to violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	0.5	The indicator provides the percentage of companies invested in that violate the aforementioned international standards. These infractions are not reported by the companies. The data provider analyses events or activities carried out by the companies that may violate a principle or guideline. The existing exposure – which is very low – is mainly due to vehicles from third-party managers, or positions that were authorised after the Entity reviewed the controversy provided by the data provider and decided it was not, in fact, a controversy, or was not of the seriousness indicated, under the procedure set forth in the exclusions policy. <i>Indicator coverage 86%.</i>	Integration of ESG factors Prior to making any investment, VidaCaixa assesses any potential violations by the company of the principles of the United Nations Global Compact. This analysis is carried out by specialised providers, whose assessment indicates the controversies related to violations of these principles by the companies. VidaCaixa monitors these situations by analysing the degree of controversies related to the principles of the United Nations Global Compact, particularly through alerts from our providers that allow the Entity to detect new controversies or events that may affect the companies. If a new, very severe event is detected, this event is analysed by the specialised working group and, if necessary, any further investment is approved by the SRI Committee. Exclusions and restrictions: According to the Sustainability Risks Integration Policy, in the field of international treaties and standards, the Entity establishes a series of exclusions, and does not invest in companies that seriously violate the fundamental principles set forth in the United Nations Global Compact, specifically on matters of human rights, labour rights, the environment and corruption. Dialogue and voting VidaCaixa carries out dialogue and voting actions related to potential violations of the major international treaties on these matters: these actions are carried out, among other pathways, by it joining the Advance initiative, promoted by Principles for Responsible Investment (PRI), and the Climate Action 100+ initiative. In 2022, VidaCaixa initiated dialogue processes due to suspected violations of the principles of the Global Compact with 31 companies (focused on human rights matters for six of them), through a specialised service provider.

Sustainability indicator with regard to adverse incidents		Parameter	2022 Impact	Explanation	Measures adopted, planned measures and objectives established for the next reference period
	11. Absence of compliance processes and mechanisms to monitor compliance with the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises (%)	Proportion of investments in companies without policies to monitor compliance with the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises, or without mechanisms for managing claims or complaints to address violations of the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises	38.4	<p>The indicator provides the percentage of companies the Entity has invested in that do not have policies to monitor the abovementioned standards.</p> <p>The data provider considers it a violation of the OECD Guidelines when the company does not have a public policy.</p> <p><i>Indicator coverage 85%.</i></p>	<p>Integration of ESG factors</p> <p>If an adverse incident is detected in PAI 10, the company's policies and processes are analysed in greater detail to ensure compliance with the principles of the Global Compact.</p> <p>Limitation: Very few companies publish this information, meaning that this adverse incident cannot be managed systematically, and only when an adverse incident in PAI 10 is detected previously.</p>
	12. Unadjusted wage gap between men and women (%)	Average unadjusted wage gap between men and women of the companies the Entity invests in	15.3	<p>The indicator provides the weighted average of the unadjusted wage gap of the companies invested in</p> <p>The unadjusted wage gap is the difference between the gross income per hour of salaried men and salaried women, expressed as a percentage of the average gross income per hour of the salaried men.</p> <p>This indicator does not take into account segmentations by professional category, age, time at the company or type of contract.</p> <p><i>Indicator coverage 28%.</i></p>	<p>Integration of ESG factors</p> <p>The indicator coverage is low, and the lack of information published by the companies on the wage gap does not allow for systematic integration of this adverse incident in investment processes.</p> <p>Dialogue and voting</p> <p>Through dialogue with the companies, the Entity will incentivise companies to improve their information and data quality. In the report Engagement: 2023 Plan and 2022 Results, good governance and good social practices were identified as priorities in terms of sustainability. The priority objectives for establishing dialogue actions included transparency about salary differences, by publishing a report on the wage gap.</p> <p>Regarding voting, in 2022 the Entity backed 191 shareholder proposals on social and/or environmental topics. Five of these proposals demanded greater transparency about the company's wage gap. See more information about voting in the report Engagement:2023 Plan and 2022 Results.</p>
	13. Gender diversity of the board of directors (%)	Proportion between the number of women on the board of directors and the total number of members (men and women) on the board of directors of the companies invested in ⁵	34.7	<p>The indicator provides the weighted average of the percentage of women on the boards of directors of the companies invested in.</p> <p><i>Indicator coverage 86%.</i></p>	<p>Integration of ESG factors</p> <p>Prior to making any purchase, VidaCaixa has specialised providers analyse the company's ESG assessment. This assessment takes into account the composition of the board of directors and the gender diversity among its members.</p> <p>Dialogue and voting</p> <p>The priority areas in terms of sustainability identified in the report Engagement:2023 Plan and 2022 Results include good governance and good social practices. More specifically, the priority objectives for establishing dialogue actions included compliance with the most demanding market standards in terms of minimum percentage of women on Boards of Directors.</p> <p>With regard to voting, in 2022 VidaCaixa voted against re-electing directors (and particularly against re-electing members of the appointments committee) in 10 general shareholders' meetings due to the lack of diversity in the Board of Directors. See more information about voting in the report Engagement:2023 Plan and 2022 Results.</p>

⁵ Average proportion of women on the board of directors of the companies invested in

Sustainability indicator with regard to adverse incidents		Parameter	2022 Impact	Explanation	Measures adopted, planned measures and objectives established for the next reference period
	14. Exposure to controversial weaponry (anti-personnel mines, cluster bombs, chemical and biological weapons) (%)	Proportion of investments in companies related to the manufacture or sale of controversial weaponry	0.1	<p>The indicator provides the percentage of assets under management invested in companies related to the manufacture or sale of controversial weaponry.</p> <p>The existing exposure is very low and is due solely to investment through vehicles managed by third parties.</p> <p><i>Indicator coverage 86%.</i></p>	<p>Integration of ESG factors</p> <p>Prior to making any purchase, VidaCaixa assesses the company or investment vehicle's possible exposure to controversial weaponry, including anti-personnel mines, cluster bombs, and chemical and biological weapons. VidaCaixa systematically monitors its exposure to controversial weaponry through its investments.</p> <p>Exclusions and restrictions</p> <p>According to the Sustainability Risks Integration Policy, VidaCaixa will not invest in companies involved in developing, producing, maintaining or selling controversial weaponry. In other words, companies:</p> <ul style="list-style-type: none"> ▪ That are involved in producing controversial weaponry ▪ That provide components or essential or non-essential services ▪ That participate in the aforementioned activities directly, or indirectly if they own more than 50% of companies that produce controversial weaponry or provide components or essential or non-essential services. In the event of exposure to controversial weaponry through investment vehicles of third-party managers, due to the characteristics of this asset, the manager will establish a maximum exposure threshold. In the event of direct exposure to a company with exposure to controversial weaponry, VidaCaixa will sell the position. <p>Dialogue and voting</p> <p>In 2022, dialogue actions were established with third-party managers regarding their exposure to the weapons sector.</p>
Indicators applicable to investments in sovereign and supranational entities ⁶					
Environmental	15. Greenhouse gas emissions intensity (tCO2e/ Billions GDP)	Intensity of greenhouse gas emissions of the countries receiving the investment	263.1	<p>The indicator provides the weighted average of the intensity of GG emissions over the gross domestic product (GDP) of the countries invested in.</p> <p><i>Indicator coverage 71%.</i></p>	<p>Integration of ESG factors</p> <p>The transition to a sustainable, decarbonised economic model is one of the greatest global challenges. This transition process is a source of risks and opportunities for governments. VidaCaixa aims to contribute to this challenge by reducing the impact of its operations and investing in sustainable projects.</p> <p>To manage these PAI, VidaCaixa integrates climate metrics into its investment decision-making processes. The Entity considers the countries' greenhouse gas emissions indicators, and also assesses the ESG quality of the states it invests in.</p> <p>Dialogue and voting</p> <p>In 2022, we signed on to the Investor Agenda initiative, with the objective of world governments adopting a climate policy that ensures, among other aspects, that their greenhouse gas (GG) emissions are aligned with the objective of limiting the global temperature increase to 1.5°C by 2030.</p>
Social	16. Countries receiving investment subject to social violations (% and No.)	Number of countries receiving investment subject to social violations (absolute number and relative number, divided by all countries receiving investment) included in international treaties and conventions, the United Nations	Absolute: 0 Relative: 0%	<p>The indicator provides the number of countries receiving investment subject to social violations and the % over the total number of countries receiving investment.</p> <p>For this indicator in this disclosure, the data reflects exclusively direct investment positions, due to a lack of data for third-party funds.</p> <p><i>Indicator coverage 96%.</i></p>	<p>Integration of ESG factors</p> <p>Prior to making any purchase, VidaCaixa assesses the state's possible violations of the main social aspects included in international treaties or national regulations.</p> <p>VidaCaixa monitors the seriousness of the social violations and evolution of the ESG rating.</p> <p>Exclusions and restrictions:</p> <p>According to the Sustainability Risks Integration Policy, in the field of human rights, the Entity establishes a series of exclusions, and does not invest in states that seriously violate human rights.</p>

Sustainability indicator with regard to adverse incidents		Parameter	2022 Impact	Explanation	Measures adopted, planned measures and objectives established for the next reference period
		principles and, when applicable, national law			
Indicators applicable to investments in property assets					
Fossil fuels	17. Exposure to fossil fuels through property assets	Proportion of investments in property assets related to extraction, storage, transport or manufacture of fossil fuels	0.0	The indicator provides the % of investments in property assets related to fossil fuel activities <i>Indicator coverage 71%.</i>	
Energy efficiency	18. Exposure to property assets that are not energy efficient	Percentage of investments in property assets that are not energy efficient	71.7	The indicator provides the % of property investments with energy certification “C” or lower. <i>Indicator coverage 53%.</i>	
Other indicators of the principal adverse impacts on sustainability factors ⁷					
Climate change indicators and other additional environmental indicators					
Emissions	4. Investments in companies without initiatives to reduce carbon emissions (%)	Percentage of investments in companies without initiatives to reduce carbon emissions aimed at meeting the Paris Agreement objectives	27.9	This indicator provides the percentage of assets under management invested in companies that do not have initiatives to reduce their carbon emissions. <i>Indicator coverage 87%.</i>	<p>Integration of ESG factors</p> <p>In line with the sustainability strategy and Climate Change Declaration of CaixaBank Group, of which VidaCaixa is a part, and which have been mentioned above (PAI 1, 2, 3, 4, 5 and 6). As well as the Entity's Engagement Policy. This indicator complements the management of other PAI indicators related to climate change.</p> <p>VidaCaixa monitors the impact on climate change of the companies it invests in by analysing and monitoring the greenhouse gas emissions generated by these companies.</p> <p>Exclusions and restrictions:</p> <p>According to the Sustainability Risks Integration Policy, VidaCaixa may decide not to invest in companies that may pose a material risk to the Entity of not complying with its climate change and portfolio decarbonisation commitments. In addition to this general restriction, VidaCaixa restricts investment in companies whose turnover is more than 25% dependent on carbon-based energy generation or coal mining; companies whose exploration, production or transport of oil sands or gas exploration, production or transport activity in the Arctic represents more than 10% of their turnover; and companies where over 50% of group-level revenue comes from oil and gas that do not promote the energy transition.</p> <p>Dialogue and voting</p> <p>VidaCaixa is a signatory to the Climate Action 100+ initiative. In this framework, it participates as “co-leader” of a dialogue with one of the companies that contributes most to the emissions financed by the Entity's portfolios.</p> <p>In 2022, VidaCaixa initiated or continued direct dialogues with five companies regarding their climate transition plans and, through its specialised provider, participated in dialogues with four companies on their climate impact, among other topics.</p>

Sustainability indicator with regard to adverse incidents		Parameter	2022 Impact	Explanation	Measures adopted, planned measures and objectives established for the next reference period
					<p>Regarding voting, in 2022 the Entity backed 191 shareholder proposals on social and/or environmental topics. Thirty-three of these proposals were focused on climate change. See more information about voting in the report Engagement:2023 Plan and 2022 Results.</p> <p>As future objectives, the Plan establishes making climate change one of the priorities in sustainability issues and, more specifically, driving the transition towards a sustainable, decarbonised economic model that limits global warming in accordance with the objectives of the Paris Agreement, by identifying expectations and objectives to achieve through dialogue. See the engagement report for more information on the commitment, criteria and objectives to achieve through dialogue.</p>
Additional indicators on social and labour matters, respect for human rights, and the fight against corruption and bribery					
Human rights	<p>14. Number of cases detected of serious human rights problems and incidents</p> <p>(No.)</p>	Number of cases of serious human rights problems and incidents related to companies the Entity invests in over a weighted average	0.0	<p>The indicator provides the number of assets under management invested in companies in which serious human rights problems and incidents have been identified.</p> <p><i>Indicator coverage 85%.</i></p>	<p>Integration of ESG factors</p> <p>Prior to making any purchase, VidaCaixa assesses the company's possible involvement in serious human rights incidents. This assessment is carried out by specialised providers, and indicates the incidents related to human rights at these companies.</p> <p>VidaCaixa monitors these violations by analysing the degree of controversy, particularly through alerts that allow it to detect new controversies or changes that may affect the companies in its portfolio. If a new, very severe event is detected, this event is analysed by the specialised working group and, if necessary, any further investment is approved by the SRI Committee.</p> <p>Exclusions and restrictions:</p> <p>According to the Sustainability Risks Integration Policy, in the field of human rights, the Entity establishes a series of exclusions, and does not invest in companies that seriously violate the fundamental principles set forth in the United Nations Global Compact, specifically on matters of human rights.</p> <p>Dialogue and voting</p> <p>This commitment is solidified by VidaCaixa in different ways, including through dialogue and voting actions, and by joining the Advance initiative promoted by Principles for Responsible Investment (PRI), through which the Entity has participated directly in dialogues with companies to address their performance in this area.</p> <p>In 2022, VidaCaixa initiated dialogue processes due to suspected violations of the principles of the Global Compact with 31 companies (focused on human rights matters for six of them), through a specialised service provider.</p>

3. Description of policies to identify and prioritise the impacts of the main adverse sustainability incidents

VidaCaixa has a series of policies (see sections 3.2 and 4 for greater detail) to detect and prioritise the PAI on sustainability factors. Below, the approach through which these policies are integrated into the Entity's work and how they are applied and updated is described. Along with each of the policies, the date on which they were approved by the governing bodies is indicated.

Below is a brief explanation of how the investment framework is established, how ESG factors are integrated into analysing investments, the due diligence process followed and the methodology for identifying PAI (methodologies for selecting additional indicators and for detecting and assessing principal adverse impacts). This includes the additional PAI, so that readers can observe the inter-disciplinarity of the procedure and how all areas of the Entity intervene.

All of the policies explained here are constantly updated. They are reviewed periodically (at least twice yearly or more frequently if deemed appropriate, at the request of any of the areas of the Entity that indicates a need) and are submitted for approval to the governing bodies.

3.1. Sustainable Investment Framework

VidaCaixa considers the sustainability risks and possible impacts of adverse sustainability events in its investment processes. The Entity has established due diligence processes to identify, prevent, mitigate and explain how these impacts are addressed. To that end, it applies the provisions of the **Sustainability Risks Integration Policy and the Engagement Policy**, among other frameworks. More specifically:

1. **Integration of ESG factors in investment** (including monitoring controversies):
 - Among other factors, VidaCaixa considers the ESG indicators that are pertinent to the sector or company and sustainability ratings in its processes to select and analyse investments: to construct these indicators and ratings, issuers' adverse incidents and their actions on matters such as climate change, good governance practices, etc. are considered.
 - The Entity also actively monitors potential serious controversies related to sustainability issues that could be associated with an issuer in its portfolio or investment universe (these can include incidents related to biodiversity or respect for human rights).
 - The following PAI are managed: those related to greenhouse gas emissions (PAI 1 - PAI 6, PAI 15), biodiversity (PAI 7), water (PAI 8) and waste (PAI 9).
2. **Sector exclusions and restrictions:** complementarily, the Sustainability Risks Integration Policy establishes that:
 - VidaCaixa may decide not to invest in companies that may pose a material risk to the Entity of not complying with its climate change and portfolio decarbonisation commitments. Additionally, it establishes specific exclusions regarding activities related to coal, oil and gas, weaponry and oil sands.
 - The following PAI are managed: social incidents related to violations of the Global Compact (PAI 10) and to controversial weaponry (PAI 14).
3. **Long-term engagement** (includes dialogue with issuers and third-party agents, and active voting):
 - The objective of dialogue actions is to improve and change company behaviour on certain relevant matters, including adverse incidents when they are detected, or a path to improving how they manage their impact, both positive and adverse. This potentially applies to all PAI.
 - The Entity exercises its right to vote and back only proposals that promote greater transparency and better performance on sustainability issues, and can vote against proposals for that same objective: this may result in improving the data available regarding principal adverse impacts (such as those related to corporate governance) and in better management of companies' impact.
 - The Entity publishes an Engagement Plan that includes the main fields and objectives for engagement matters, as well as expectations with regard to investor

behaviour.

4. Assignment of responsibilities:

- Regarding how responsibilities are assigned to apply the policies within the organisation's strategies and procedures, the Entity applies the "three lines of defence" model, where the first line is responsible for applying the policies, the second for supervising their application and the third for auditing it. As explained below, this is inter-disciplinary work in each of the aforementioned lines, and the policies are applied from the very beginning, involving, for example, on the first line of defence the management and sustainability teams. This is true both when the assets that could potentially become part of the portfolio are analysed, as well as when investment strategies are established. The second line of defence (Risks and Regulatory Compliance) is brought in to verify and monitor correct compliance with the regulations, policies and procedures in force, and their control framework; and the third to audit them.

VidaCaixa carries out a systematic analysis and monitoring of the principal adverse impacts on sustainability factors and takes the necessary mitigation measures. These measures may consist of not investing, divestment, reducing exposure or observation, initiating the engagement actions that the Entity considers to be necessary.

Details on integrating ESG in analysing investments

Integrating ESG means explicitly and systematically including ESG considerations in the analysis of investments and in investment decision-making. In this regard, according to point 1 of the above section, when analysing and/or making an investment decision, managers will consider both the sustainability risks as well as the principal adverse impacts (whenever applicable), as defined below:

- **Sustainability risks** are defined as any environmental, social or governance event or status that, if it were to occur, would have a material negative effect – whether real or potential – on the value of the investment.
- **Main adverse incidents** are defined as impacts resulting from investment decisions that may have negative effects on sustainability factors.

The ESG integration process aims, in short, to reduce the effects of sustainability risks and principal adverse impacts without losing sight of the objective to generate profitability.

The Due Diligence Process

VidaCaixa has put risk-based due diligence processes into place to identify, prevent, mitigate and explain how these actual and potential negative impacts are addressed in its own activities, its supply chain and other commercial relationships.

Additionally, the Entity voluntarily participates actively to facilitate and channel change through its dialogue and active voting policies, when applicable. Therefore, the due diligence that exists in its corporate behaviour is also reinforced in its investment decisions through specific due diligence measures. In some cases, due diligence may, as a last resort, help decide whether to continue or discontinue activities or investments, either due to the risk of negative impact being too high or mitigation efforts not being successful.

Considering that due diligence must be proportional to the risk and adapted to the circumstances and context of a specific company, the below principles are followed in investment decision-making processes at VidaCaixa:

- Identify the actual or potential principal negative impacts.
- Take measures to stop, prevent or mitigate these negative impacts.
- Monitor the implementation and results of said measures.
- Report on how the principle adverse impacts are addressed.

In this regard, the Entity has implemented a specific procedure in order to adequately monitor compliance with these principles on a regular basis. In practice, the due diligence process is ongoing, iterative and not necessarily sequential, since several stages can be carried out simultaneously with results feeding back into each other.

Methodology for identifying principal adverse impacts

The process for identifying PAI is integrated into the investment decision-making process carried out by VidaCaixa.

Using its own methodology, VidaCaixa analyses, assesses and monitors the adverse sustainability impacts generated by its investments.

With the aim of determining whether possible adverse impacts exist, VidaCaixa will evaluate the evolution of PAI indicators compared to the results obtained the prior year. An adverse impact on sustainability factors is considered to have occurred when there is a significant worsening of the results for said indicators; or, for some indicators, when they exceed certain thresholds established through CaixaBank Group's policies or procedures, which include restrictions related to investing in certain criteria or sectors.

Specifically, there are policies that exclude or restrict investments in companies where violations of the United Nations Global Compact have been identified (after a process to analyse the case and assess remediation actions), as well as violations of major international treaties and standards, or companies that are exposed to controversial activities or sectors.

In any event, if an adverse impact is identified, VidaCaixa will assess it, following criteria such as: the reasons it occurred, recurrence and the likelihood of successfully managing it. Furthermore, VidaCaixa will evaluate and define management and mitigation actions to carry out, when necessary.

Said measures may consist of not investing, divestment, reducing exposure or observation. If appropriate, these measures may be complemented by exercising active ownership through engagement actions, such as dialogue and/or exercising the voting rights that correspond to the Entity through its share in the company receiving the investment⁸.

Analysis of scenarios, likelihood of occurrence or margins of error are not applied.

With regard to data sources, as indicated above, MSCI⁹ is used as the main data provider. When, in some indicators, the lack of coverage or data quality does not allow the Entity to actively manage all of the adverse impacts that may occur, VidaCaixa will, to the extent possible, work with the data provider to improve coverage and data quality in order to obtain greater reliability for future years. It will also explore data sources from other providers.

⁸ For more information on these types of engagement actions, see section "4. Engagement Policy" of this document.

⁹ MSCI Inc. (LEI: 549300HTIN2PD78UB763) is an American provider of data, tools and services to support investment decision-making with over 50 years of experience in research, data and technology. For more information about MSCI, visit their website: <https://www.msci.com/>

Criteria for Selecting Additional Indicators

To select the additional PAI indicators to report, an analysis was carried out that prioritised the following factors:

- The indicator's availability and coverage from the data provider.
- The indicator's alignment with CaixaBank Group's policies, as set forth in point 3.2 of this disclosure.
- The possible margin of error associated with the calculation process performed by the data provider.

As a result of this analysis, the additional PAI indicators listed in point 2 were selected, which are indicated below:

- Table 2, indicator 4: Investments in companies without initiatives to reduce carbon emissions.
- Table 3, indicator 14: Number of cases detected of serious human rights problems and incidents.

3.2. Sustainability Policies

In addition to the engagement policies set out in point 4 of this disclosure, VidaCaixa has its own corporate policies to identify, assess and manage real or potential negative impacts. In terms of due diligence policies and processes, VidaCaixa has put risk-based due diligence processes into place to identify, prevent, mitigate and explain how these actual and potential negative impacts are addressed in its own activities, its supply chain and other commercial relationships.

The responsibility for applying these policies falls to the corresponding bodies at the Entity, which are defined in each policy. The “three lines of defence” model is applied at the Entity.

Sustainability Risks Integration Policy (January 2023)

The Sustainability Risks Integration Policy establishes the principles for incorporating ESG criteria into the processes and decision-making for providing investment services – along with traditional financial criteria – from a perspective where risk is defined as the ESG event or condition that, were it to occur, could have a material negative impact on the value of the investment.

In general, this Policy applies to investments in all vehicles and portfolios managed by the Entity, except for those that, exceptionally, as is the case of indexed funds, are outside of the scope of application of the Sustainability Risks Integration Policy, or those subsidiaries that have their own policy due to regulatory requirements.

Sustainability Principles (January 2023)

The Sustainability Principles define and establish the general principles and main stakeholder commitments that the CaixaBank Group must follow with regard to sustainability. These principles are established within the framework of CaixaBank's corporate mission and values.

General Principles of the Corporate Anti-Corruption Policy (September 2021)

The General Principles of the Corporate Anti-Corruption Policy are corporate, and therefore apply to all CaixaBank Group companies, their employees, directors and members of their governing bodies. The document establishes the Group's commitment to working against corruption in all its forms, including extortion and bribery,

establishing general principles that include a regulatory framework and the definition of a standard of conduct, the general principles that govern corruption risk management, and a queries and reporting channel. The objectives of these principles include:

- Transmit corporate values and principles for action, ensuring their compliance at the level of the group and employees, directors and members of the Group's governing bodies and companies.
- Establish due diligence measures for contractual relations with third parties.
- Ensure that measures are taken to prevent or reduce the risk of committing corruption crimes at all levels of activity.

Human Rights Principles (January 2023)

The action principles constitute a guide on human rights matters for VidaCaixa's relations with its employees, clients, shareholders, suppliers, commercial partners and with the communities in which it carries out its business and activities. These Principles apply to employees, directors and members of the Entity's governing bodies.

Moreover, the Entity periodically analyses human rights matters relative to its activity and implements due diligence processes to assess the risk of non-compliance, based on which it proposes measures to prevent or remediate negative impacts and measures to maximise positive impacts.

Climate Change Declaration (January 2023)

This Declaration establishes the following lines of action, among others:

- Support viable projects that are compatible with a carbon-neutral economy and climate change solutions.
- Manage the risks arising from climate change and advance towards carbon neutrality in the credit and investment portfolio.
- Minimise and offset our operational carbon footprint.
- Promote dialogue on the sustainable transition and collaborate with other organisations to make progress together.
- Report on our progress in a transparent fashion.

In this context, VidaCaixa believes that as a financial entity it can play a key role in implementing said objectives by stressing the need to accelerate the transition towards a carbon-neutral economy through investment in sustainable projects, supporting the sustainable transition, minimising and offsetting the impact of its operations, and dialogue with CaixaBank Group stakeholders.

4. Engagement Policies

As part of its investment advising, analysis and management processes, VidaCaixa takes into account different ESG policies – both its own internal policies and those adopted by the CaixaBank Group. These policies are a control framework to try to prevent, anticipate or mitigate events that may result in adverse impacts on sustainability. The most relevant policies are:

4.1. Engagement Policy (January 2023)

The Engagement Policy applies to all vehicles and portfolios managed by the Entity, except for those which, exceptionally, have decided to maintain their voting rights and carry out engagement activities on their own, or those subsidiaries that have their own policy due to regulatory requirements. This policy has the following objectives:

- Promote the involvement of managing companies in the governance of the companies the Entity invests in.
- Improve the transparency of investment strategies, engagement policies and the process for exercising voting rights, especially when using proxy advisers.

VidaCaixa diligently exercises both dialogue actions as well as attendance and voting rights, always in the exclusive benefit and interest of the shareholders.

Dialogue Actions:

VidaCaixa may establish dialogue actions directly with providers of investment products and companies, either collaboratively with other investors or through a third party on their behalf. In this regard, the Entity prioritises collaborative actions with other investors, as it believes that they have a greater impact on modifying companies' behaviour. Furthermore, if it chooses to initiate a dialogue with a company, it will always, to the extent possible, do so while preserving the independence of VidaCaixa and the interests the Entity represents.

In addition to the dialogue processes, when dealing with third-party products, such as investment funds, due diligence will be performed regularly to assess the ESG integration processes at a fund manager level and of the investments made. Among the aspects considered, special attention will be given to engagement, dialogue and voting mechanisms.

If a favourable result is not obtained from dialogue with a company, voting may be used as a strategy to continue dialogue actions with the companies depending on the milestones achieved (escalation), taking measures such as supporting shareholders' proposals in favour of greater transparency or enhanced ESG performance or voting to oppose the (re)election of a board member responsible for ESG issues in the event of an adverse incident.

Exercising Voting Rights:

VidaCaixa will exercise the voting rights inherent to the listed securities that comprise the portfolios it manages, always for the sole benefit of the shareholders/clients. In any case, its decision on how to vote will remain fully independent and objective with respect to the interests of the CaixaBank Group. The attendance and voting rights provided by the listed securities will either be exercised directly or delegated to another shareholder, or to the Chair of the Board of Directors of the companies in which they hold capital. In any case, at the time of the vote, the delegated voting stance, as previously decided by VidaCaixa, must be followed.

Voting rights will be exercised or delegated as deemed most appropriate for the interests of the clients, giving due consideration to the nature of each resolution of the shareholders submitted to the General Shareholders' Meeting, on the basis of information that is publicly available or that has been made available to shareholders for

the General Shareholders' Meeting. The exercise of voting rights aims to increase transparency and improve performance on sustainability issues.

4.2. Engagement Plan (2023):

VidaCaixa believes that the transition to a more sustainable economy and the long-term profitability of investments can be achieved through both investment decisions and long-term engagement with the companies in which it invests through constructive dialogue and active voting. As a result, VidaCaixa participates in corporate governance decisions through active voting in general shareholders' meetings and regular open dialogue actions with companies and issuers – whether public or private – on matters related to ESG factors, to promote value creation and a profitable business in the long term for the companies it invests in.

This document establishes the Entity's global engagement strategy, in which it defines, among other elements: the channels for establishing dialogue processes, the priority areas for carrying out engagement actions, and the prioritisation criteria and objectives for dialogue in each of the areas.

These priority areas cover sustainability issues such as **climate change, human rights, violations of major international standards, good governance and good social practices**.

The **dialogue process** comprises the following three steps:

- i. Defining objectives and aspects to be discussed, which will be identified in each case by defining the most appropriate governance guidelines.
- ii. Defining the duration of the process, which may vary significantly depending on factors such as the topic, the sector of activity or regulations, etc.
- iii. Analysing the results of the engagement work carried out, investment decisions will be made according to the responses obtained by the company.

VidaCaixa will exercise its **voting rights** at the general shareholders' meetings of the securities listed on regulated EU and OECD markets that make up its portfolios. Its vote will always support proposals that promote greater transparency and better performance on sustainability issues and, similarly, it may vote against proposals with that same objective.

Priority areas for engagement actions:

This engagement plan is aligned with VidaCaixa's engagement policy. Its objective is to prioritise the most relevant actions for voting and dialogue: i.e. the actions that can have the greatest impact on issuers' behaviour and which allow the Entity to use the resources available in the most efficient way possible.

Priorities have been determined taking into consideration:

- i. The CaixaBank Group's **ambitions** on sustainability issues.
- ii. The sustainability **commitments** taken on by VidaCaixa, such as the Principles for Responsible Investment (PRI), the Task Force on Climate-Related Financial Disclosures (TCFD) or other initiatives in the sector.
- iii. The **context** and **global practices** in terms of sustainability.
- iv. The **principal adverse impacts** (PAI) of investments.
- v. The **portfolio profile** (its sector and geographic exposure, ESG characteristics, etc.).
- vi. The **resources** available at VidaCaixa.

5. References to international standards

Through the Group's commitments to different international guidelines, criteria for corporate conduct has been established. These standards include the Group's responsibilities to act and applicable regulations for its operation in different sectors, with the objective of mitigating the risk of events that could result in adverse impacts on sustainability.

VidaCaixa considers the following international standards as part of its control framework to prevent events that could result in adverse impacts on sustainability, and it has signed on to several initiatives in this field that reinforce its management of risks and ESG factors.

Connections between the PAI indicators and international standards are established depending on the thematic areas they share.

For example, this means that if the Entity has signed on to standards and commitments focused on environmental issues, the monitoring and management of PAI indicators related to the environment will be affected, to a greater or lesser extent, by said standards and commitments.

VidaCaixa carries out the following actions periodically in order to monitor compliance with policies and commitments:

- Periodic review of policies/initiatives joined by the governing bodies.
- Supervision of compliance by the corresponding bodies.
- Establishing objectives and action plans, where applicable.
- Including control measures to ensure compliance.
- Reporting on degree of progress, when applicable.

5.1. International Standards Related to Environmental Issues

The subject matter and commitments established in these declarations are related to some of the PAI indicators applicable to environmental issues (indicators 1, 2, 3, 4, 5, 6 and 15 of Table 1, as well as indicator 4 of Table 2 of Annex I of the RTS).

- VidaCaixa supports achieving the objectives of the [Paris Agreement through its support for the Task Force on Climate-Related Financial Disclosures](#) (TCFD).
- **Member of the Climate Action 100+ initiative:** In the field of climate action, VidaCaixa has signed on to this initiative that promotes collective dialogues with the largest corporate emitters of greenhouse gases worldwide, with the objective of reducing emissions, improving climate governance and improving transparency on climate issues.
- **Partner in GIS collaborative dialogue with governments:** Which pushes governments to strengthen their level of ambition with regard to the objective of limiting global temperature increases to below 1.5°C.
- **UN-Convened Net-Zero Asset Owner Alliance:** Commitment to achieve climate neutrality by 2050 in the investment portfolio with risk balance (public objective), drive dialogues to promote changes among the most intensive emitters and promote investment in solutions that contribute to the transition, among others.

5.2. International Standards Related to Social Issues

The subject matter and commitments established in these declarations are related to some of the PAI indicators applicable to social and labour issues (indicators 10, 11, 12, 13, 14 and 16 of Table 1, as well as indicator 14 of Table 2 of Annex I of the RTS).

The Entity commits to respecting the following international declarations:

- **The United Nations International Bill of Human Rights**, which includes:
 - The Universal Declaration of Human Rights.
 - The International Covenant on Civil and Political Rights.
 - The International Covenant on Economic, Social and Cultural Rights.
- **The ILO Declaration** on Fundamental Principles and Rights at Work and the eight fundamental Conventions it has identified.
- **The Charter of Fundamental Rights of the European Union.**
- **The United Nations Guiding Principles on Business and Human Rights.**
- **The OECD Guidelines for Multinational Enterprises.**

Additionally, the Entity has signed on to the **Advance initiative** promoted by Principles for Responsible Investment, which aims to reinforce implementation of the United Nations Guiding Principles on Business and Human Rights through the collective influence of institutional investors.

5.3. Participation in other sustainability initiatives

The subject matter and commitments set forth in these declarations are related to all the PAI indicators.

- **Signatory to the United Nations Global Compact (the “Global Compact”):** In 2011, VidaCaixa signed on to the Global Compact, which constitutes the largest voluntary corporate social responsibility initiative in the world. It pursues two main objectives:
 - Incorporate the 10 universal principles related to human rights, work, the environment and the fight against corruption into the company’s strategies and operations.
 - Channel actions in favour of a plan to support the broader goals of the United Nations, including the 17 Sustainable Development Goals (“SDG”). In this regard, although VidaCaixa integrates the 17 SDG into its sustainability strategy, contributing to all of them through its activity, social action and strategic partnerships, its action is focused on four priority goals:
 - SDG 3 – Health and well-being
 - SDG 5 – Gender equality
 - SDG 8 – Decent work and economic growth
 - SDG 13 – Climate action
- **Signatory to the United Nations Principles for Responsible Investment (PRI):** These principles were developed in collaboration with the UNEP FI and the Global Compact and promoted by the United Nations with the objective of reflecting the growing relevance of environmental, social and corporate governance issues in the context of investment practices.

In this regard, VidaCaixa undertakes to comply with the following principles: incorporate ESG criteria into analysis and decision-making processes for investments, incorporate ESG criteria in practices and policies, promote transparency of ESG information among entities, as well as promote the principles in the investment

community, collaborate and improve application of the principles and transparency in communicating activities and progress in applying these principles.

- **Signatory to the Principles for Sustainable Insurance (PSI):** These principles were drafted by the United Nations Environment Programme Finance Initiative (UNEP FI) and constitute a global framework for the insurance industry to address environmental, social and governance risks and opportunities. This commitment centres on four major guiding principles.

5.4. Use of a climate scenario

This year, prospective climate scenarios were not used to manage PAI indicators. Although the available scenarios were assessed, the Entity believes that, for now, the results do not offer the sufficient quality, as they are still in the development phase.

6. Historical Comparison

The results of the PAI indicators that are provided for 2022 are not comparable to the results published in the “Disclosure of Principal Adverse Impacts of Investment Decisions on Sustainability Factors”¹⁰ from the prior financial year.

Prior to the development and entry into force of the technical standards that are listed in the specific PAI to be considered by the entities, VidaCaixa published in the “Disclosure of Principle Adverse Impacts of Investment Decisions on Sustainability Factors” for the 2021 financial year the indicators that it considered relevant. Specifically, the scope 1 and 2 GHG emissions, carbon footprint, carbon intensity, exposure to companies active in the fossil fuel sector, gender diversity and exposure to controversial weaponry indicators were published. With regard to investments in sovereign entities and supranational bodies, the carbon footprint indicator was published.

These indicators cannot be compared to those published in the 2022 financial year for the following reasons:

- The evolution of the regulations and methodology for calculating the PAI indicators.
- Variations in the coverage and quality of the data provided by the data providers.
- And, finally, due to the modification in the scope and reporting perimeter for measuring the PAI indicators, given that in the prior financial year the Entity only reported positions with regard to direct investment (corporate fixed income, public debt and equity) at the close of 2021.

¹⁰ The prior Disclosure can be viewed at the following link: [Disclosure of Principal Adverse Impacts – June 2022](#)