2024 Climate Report

CONTENT

INTRODUCTION

Climate change is a reality that affects all sectors of society and the economy, and its impact on financial stability and people's wellbeing is becoming increasingly evident. From the rise in extreme weather events to changes in public health, its effects can be felt in the areas of economic security, quality of life, and families' ability to cope with unforeseen events.

At VidaCaixa, we are committed to ensuring protection for everyone, safeguarding their stability in the face of the challenges posed by a constantly evolving environment. We understand that climate risks can influence a wide range of factors, from life expectancy and morbidity rates to the sustainability of financial markets and the investments that support our coverage solutions.

This report aims to analyse the impact of climate change on our operations, identifying both the risks and the opportunities that may arise. Through management based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we aim to understand **how climate trends may affect financial planning and how we can adapt our strategies to be more resilient and sustainable**.

In addition, we see it as our responsibility to promote practices that help mitigate the effects of climate change, through responsible investment initiatives and tailored solutions that strengthen the protection for our policyholders and support the transition towards a more sustainable economy.

By integrating climate management, we reaffirm our commitment to supporting our customers at every stage of life, offering them tools that enable them to face the future with confidence and security.

VidaCaixa recognises that, beyond the exposure our own activity may have to risks associated with climate change, **as an insurance provider we also have a duty and responsibility to drive the climate transformation of the economy**.

For this reason, a key part of our environmental strategy and efforts is focused on investment management, where climate criteria are incorporated into the design and management of the investment portfolio.

CLIMATE STRATEGY

VidaCaixa's aim is to contribute to the transition to a Net Zero carbon economy, particularly by reducing the impact of its investments. As a result, this has been one of the strategic pillars of the 2022–2024 Sustainability Master Plan and will continue to be so in the upcoming 2025–2027 period.

This commitment and the targets we have set are reflected in our Statement on climate change, as well as in our membership of the Net Zero Asset Owner Alliance (NZAOA), through which we pledge to achieve net-zero emissions by 2050 and to follow the Alliance's recommendations on thermal coal[1 2].

VIDACAIXA'S CLIMATE STRATEGY is focused on:

Integrating climate metrics when building the investment portfolio

Once again this year, VidaCaixa's model for integrating ESG criteria into investment management has received the **highest score in the "Policy, Governance and Strategy" category of the PRI** (Principles for Responsible Investment).

As a first step in the integration process, VidaCaixa applies exclusion criteria set out in the Sustainability Risk Integration Policy[2] . Under these criteria, VidaCaixa may decide not to invest in companies that do not meet certain climate requirements, such as exposure to thermal coal.

In addition to applying exclusions, certain material ESG metrics for VidaCaixa or the company in question are analysed, with particular focus on carbon footprint, carbon intensity and dependence on fossil fuels.

These ESG metrics are sourced from ESG rating providers or the company's own publications, and are assessed against thresholds defined in internal frameworks (or comparable metrics from benchmark indices), based on a detailed analysis of the company's climate strategy. The outcome of this analysis is taken into account, alongside other financial variables, when making investment decisions.

In the case of investment funds managed by external asset managers, due diligence processes are carried out regarding ESG information to assess the suitability of the investment, along with a review of ESG metrics at fund level.

Monitoring the climate metrics of the portfolios

Once the investment has been made, the previously mentioned metrics continue to be monitored for as long as the company remains in VidaCaixa's portfolio. This ensures that the portfolio is always aligned with VidaCaixa's decarbonisation commitments and helps to mitigate exposure to climaterelated risks. If a deviation from the metrics is identified, the measures outlined in the following section are applied.

[1] Thermal Coal Position paper NZAOA

[2] Policy on the Integration of Sustainability Risks

Exercising active ownership (voting and dialogue)

In those cases in which a need for engagement is identified to understand and/or improve the performance of the investee company, VidaCaixa can start a dialogue process or exercise its voting rights during the General Shareholders' Meeting to support proposals in favour of greater transparency or better ESG performance. In some cases, a vote is cast against the re-election of a Board member responsible for ESG matters if there is evidence of poor risk oversight, including the failure to adequately manage or mitigate environmental, social and governance (ESG) risks. This process is defined in the Engagement Policy[1] and the Engagement Plan[2] , and its outcomes are reported annually[3].

Financing the transition

The company promotes investment in climate-positive solutions through green bonds, which finance projects aimed at improving energy efficiency and developing renewable energy, among others.

Environmental Management Plan

VidaCaixa has an Environmental Management Plan aimed at minimising the environmental impact of our operations. Among other areas, it sets out targets and actions for reducing emissions, focusing on improved efficiency and lower energy consumption, circular economy practices, and the promotion of sustainable mobility.

Membership in different initiatives

VidaCaixa is a member of the main climate initiatives in the sector. Through the Strategy and ESG Department, the company actively participates beyond the minimum requirements of membership, contributing to and even leading working groups:

[1] Engagement Policy [2] Engagement Plan [3] Engagement Results

Net Zero Asset Owner Alliance (NZAOA)

This is an initiative led by institutional investors committed to transitioning their investment portfolios to net-zero greenhouse gas emissions by 2050, in line with a maximum temperature increase of 1.5 °C.

Members of the Alliance are the first in the financial sector to set interim targets, which include CO_2 reduction ranges of between 40% and 60% by 2030.

As a member, VidaCaixa aligns with climate commitments both in the long term (2050) and the medium term (2030), as well as with the content of the Alliance's position papers.

Principles of Responsible Investment (PRI)

It is an initiative developed by an international group of institutional investors to integrate ESG criteria into investment practices.

As a signatory, VidaCaixa:

- Integrates commitment to the six principles in its internal investment decisionmaking processes (ESG integration in investments).
- Prepares a detailed annual questionnaire in which performance is made transparent.

Additionally, the Strategy and ESG Department takes part in ad hoc working groups promoted by the initiative, for example by presenting and sharing knowledge.

Climate Action 100+

This initiative aims to reduce emissions, improve climate governance and set financial metrics on climate change. It focuses on dialogue with the most carbonintensive companies worldwide.

As a participating and co-leading company, VidaCaixa commits to:

- Engaging in collective dialogues with the companies with the highest levels of greenhouse gas emissions at the global level.
- Publicly supporting CA+ and its decarbonisation targets.

RISKS AND OPPORTUNITIES ARISING FROM CLIMATE CHANGE

Climate risks are classified into:

PHYSICAL RISKS	These are risks linked to climate events, which may be chronic or acute and may involve physical damage to assets (infrastructures, property), production or supply chain disruptions and/or changes in the productivity of economic activities (agriculture, power generation).	• **Chronic:** changes in climate patterns, average temperatures, rainfall, rising sea levels, etc. • **Acute:** more frequent extreme events and increased intensity and severity of tornadoes, hurricanes, floods, etc.
TRANSITION RISKS	These are risks that arise as a result of the transition to a lower-carbon economy.	• **Legal and political risks** • **Technology risks** • **Market/reputational risks**

VidaCaixa is exposed to these risks in multiple ways, which may have an impact on the assets' ability to create long-term value:

- As an insurance company that offers insurance policies, for example, through changes in our customers' mortality and morbidity, a rise in diseases or changes in insurance trends and preferences.
- As an investment company with significant stakes in different economies and companies that could be affected by the physical impact of climate change and the transition to a lower-carbon economy.

Below are the main climate risks with an impact on the traditional risks in the VidaCaixa risk catalogue:

Main climate risks with an impact on traditional risks

Transition risks

The transition to a lower-carbon economy may involve significant changes in policies, laws, technology and markets.

Policy and legal risks, arising from political actions that restrict activities contributing to the adverse effects of climate change
E.g.: Increased cost of GHG emissions, greater exposure to litigation.

Technological risks, arising from technological improvements and innovations that support the transition to a low-carbon system.
E.g.: Failed investments in technology, technological obsolescence and stranded assets.

Market risks, certain raw materials, products or services.
E.g.: Changes in customer behaviour and preferences, rising costs.

Reputational risks, arising from perceptions of a company's contribution to climate change mitigation and adaptation.
E.g.: Shifting consumer preferences, industry stigmatisation.

Business impact
- Changes in demand and the design of new products
- Lack of adaptation and data gaps

Financial impact
- PLoss of investment value due to regulation • Loss of investment value due to changes in consumer preferences

Operational impact – cyber risks

Reputational impact por no adaptación

Physical risks

Resulting from acute or chronic risks, these may have financial implications, such as direct damage to assets.

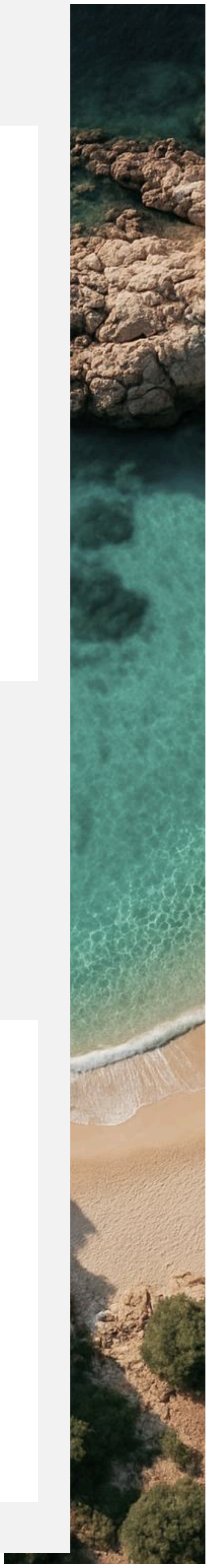
Acute risks, referring to the increased severity of extreme weather events.
E.g.: Cyclones, hurricanes.

Chronic risks, referring to long-term changes in climate patterns.
E.g.: Sustained higher temperatures, rising sea levels, drought and/or chronic heatwaves.

Business impact
- Increase in claims
- Changes in mortality and health trends
- Market shifts due to climate change

Financial impact
- Loss of investment value due to physical damage to businesses
- Losses from reinsured parties

Operational impact, affecting own assets and systems



CLIMATE RISK GOVERNANCE

The governance of sustainability in general and climate change in particular is one of VidaCaixa's priorities. For this reason, the Board of Directors holds ultimate responsibility for approving the sustainability strategy and Principles of Action, as well as overseeing their proper implementation.

VidaCaixa integrates environmental, social and governance (ESG) criteria into the core elements of the risk management system, with a top-down governance model structured though the governing and management bodies, which are complemented by other internal committees and areas of the company.

DIRECTORS

BOARD OF DIRECTORS

- It monitors and approves the outcome of the risk assessment process, including climate risks, at least annually.
- It approves, oversees and ensures the effectiveness of the commitments set out in the Statement on climate change.
- It sets the strategy and fundamental principles of sustainability risk integration, including climate risks.

Risk Committee

It advises the Board of Directors on the risk strategy and overall risk appetite and proposes policies for risk management.

Audit and Control Committee

It oversees the effectiveness of internal control systems, internal audit and risk management systems.

Appointments, Remuneration and Sustainability Committee

It monitors compliance with sustainability policies. It supports the Board in matters related to sustainability.

SENIOR MANAGEMENT

Steering Committee

It approves the courses of action on sustainability.

Global Risk Committee

It's responsible for the integration of sustainability risks. It manages, controls, and monitors the risks included in the Risk Catalogue.

Investment Committee

As a delegated committee of the Management Committee, it is responsible for overseeing the evolution of investments and managing associated risks.

MANAGEMENT BODIES

Sustainability and Communications Department	The Sustainability and Communications Department is responsible for implementing and monitoring the Sustainability Plan and the Environmental Management Plan.
Strategy and ESG Department	The Strategy and ESG Department is responsible for implementing the Sustainability Risk Management Policy, defining and applying the responsible investment model and monitoring climate metrics within the portfolio.
Risk Department	Responsible for identifying, analysing and managing climate change risks, among others.

VidaCaixa

POLICIES RELATED TO CLIMATE MANAGEMENT

VidaCaixa's internal regulatory framework sets out a number of policies and standards in the field of sustainability with an impact on climate governance:

Statement on climate change[1]

It defines five courses of action for climate change management, both directly (VidaCaixa) and indirectly (customers, investee companies, business partners and value chain):

1. Support viable projects that are compatible with a carbon-neutral economy and solutions to climate change.
2. Manage risks that arise from climate change and move towards climate neutrality in the investment portfolio.
3. Minimise and offset our operational carbon footprint.
4. Foster dialogue on sustainable transition and collaborate with other organisations to move forward together.
5. Report on our progress in a transparent manner.

Policy on the integration of sustainability risks[2]

It sets out the principles and premises that regulate the integration of sustainability risks in investment management, including aspects linked to environmental risks.

Principles of action on sustainability[3]

Defines and sets out the general principles of action and the main commitments to stakeholders in terms of sustainability, including climate-related aspects.

Due diligence policy statement on principal adverse impacts (PAIs)[4]

It defines how to identify and manage the principal adverse impacts, as well as the policies that comprise their control framework.

Engagement policy[5]

Sets out the general principles, criteria and procedures for active ownership (voting and dialogue) for portfolios managed by VidaCaixa, in its capacity as an insurance company and manager of pension funds and Complementary Retirement Savings Providers

[1] Statement on climate change

[2] Policy on the integration of sustainability risks

[3] Sustainability action principles

[4] Principal Adverse Impacts Statement

[5] Engagement Policy

CLIMATE MANAGEMENT

PROCESSES FOR IDENTIFYING CLIMATE RISKS AND INTEGRATING THEM INTO GLOBAL RISK MANAGEMENT

VidaCaixa has a **risk management framework** aligned with that of the CaixaBank Group, which is governed by the **Global Risk Management Policy** and enables decision-making based on the assumption of risks in a manner consistent with the target risk profile and the appetite level approved by the Board of Directors.

The climate risk management model is integrated into this model, as shown below:

RISK ASSESSMENT	Periodic self-assessment of the risk profile for the purpose of assessing the inherent risks assumed according to the environment and business model, as well as the risk management, control and governance capabilities. The outcome of the self-assessment is reported at least annually to the Risk Committee and is approved by the Board of Directors.
CORPORATE RISK CATALOGUE	The risk catalogue is a list and description of the material risks identified by the risk assessment process. It is distributed according to the following classification: • Level 1 (L1): material risks at a corporate level for the entire Group. • Level 2 (L2): breaks down the main drivers behind the emergence of L1 risks. Sustainability and climate risk is considered a cross-cutting factor (L2) that affects several risks in the catalogue: since 2020, climate risk has been included as an L2 risk under credit risk; and since 2018, environmental risk has been recognised as an L2 risk under reputational risk. Additionally, since 2021, climate risk has been included as an L2 risk under operational risk, and under legal and regulatory risk since 2022. In 2024, sustainability was incorporated as a cross-cutting factor in the measurement of Business Profitability risk, in line with the "Materiality Analysis of ESG Risks", on assessing the potential impact of ESG criteria as a factor affecting business profitability and market risk.
RISK APPETITE FRAMEWORK (RAF)	This is the process for determining and monitoring risk appetite for the risks in the catalogue. The Board defines the types and thresholds of L1 risks. These are reviewed monthly by the Global Risk Committee with the aim of monitoring the defined parameters, and recalibration takes place annually. The metric used for climate change risk is the carbon footprint (tonnes of CO_2e/€m invested), which is in line with the commitment made with the Net Zero Asset Owner Alliance (NZAOA). The threshold set for this metric is defined in line with the decarbonisation pathway established for 2030 and is progressively reduced year by year.

ASSESSMENT OF VIDACAIXA'S CLIMATE RISKS AND RESILIENCE

Within the regulatory framework, the proposed amendment to the Solvency II Directive introduces the requirement to identify and analyse climate change risks as part of the Own Risk and Solvency Assessment (ORSA), using two scenarios based on global temperature increases. However, EIOPA proposes that these scenarios should only be considered if climate change risks are deemed to have a material impact. If not, a qualitative assessment supported by business data must be provided to justify why the company would not be significantly affected.

In this context, VidaCaixa analyses its current business model, including Unit Linked products, to assess how it may be exposed to climate change risks under different scenarios and its capacity to mitigate potential impacts.

Physical risks

At present, the consequences of physical climate risk remain highly uncertain. This, along with the unknown severity of potential catastrophic events and their possible effect on the life expectancy of VidaCaixa customers or on production and supply chains, leads VidaCaixa to maintain a cautious stance for now regarding the impact of physical risk on the company's financial statements.

As for physical risks specific to the business, stemming from the nature of the social protection activity, infrastructure, and its location, no relevant physical risks have been identified that would currently affect business operations.

Transition risks

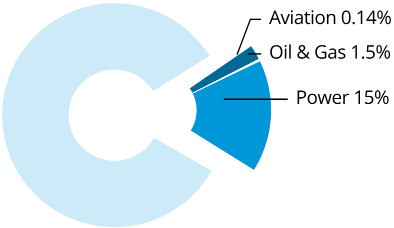
VidaCaixa is considering the analysis of its asset portfolio based on the scenarios used in the tools developed by PACTA; specifically, the scenarios from the European Commission's Joint Research Centre (JRC) published in the Global Energy and Climate Outlook (GECO) are used.

- VidaCaixa is considering the analysis of its asset portfolio based on the scenarios used in the tools developed by PACTA; specifically, the scenarios from the European Commission's Joint Research Centre (JRC) published in the Global Energy and Climate Outlook (GECO) are used.
- NDC-LTS: this scenario considers compliance with the climate policies assumed by countries both in the short term (nationally determined contributions or NDC) and the long term (long-term strategies or LTS).
- 1.5°-Uniform: this scenario assumes the immediate and exponential introduction of a global carbon price, consistent with an orderly transition pathway aligned with a 1.5 °C trajectory.

The analysis focuses particularly on the most heavily represented portfolios, and specifically on companies operating in climate-related sectors.

The **corporate portfolio** assessed, with a PACTA coverage of 78%, represents 13% of total assets. Of this, 17% of the corporate portfolio is CO_2-intensive, with 15% of that linked to the energy sector. As of December 2023, the exposure percentage stood at 23%, with a **6% reduction** to December 2024, driven by greater alignment with the commitments of the Paris Agreement and the NZAOA.

Corporate Fixed Income



17% of the Bonds portfolio covered by PACTA

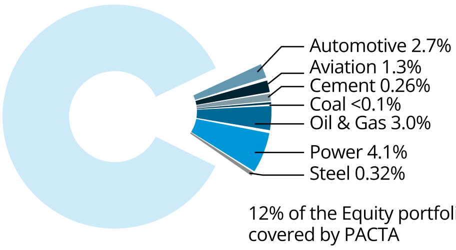
More than half of the technologies used in the energy sector are lowcarbon. For the most carbon-intensive sectors, such as Coal and Oil, energy production forecasts show a decline, in line with compliance with the Paris Agreement commitments (1.5 °C scenario) and adherence to climate policies (NDC-LTS scenario).

The other highly intensive sector, Gas, which represents 4.6% of the corporate portfolio analysed by PACTA, is not aligned with the 1.5 °C production levels. However, this energy source is considered by PACTA to be a transitional fuel, with an increase accepted in the short term and a reduction expected over the long term.

The low exposure to carbon-intensive sectors, the positive five-year outlook for the carbon-intensive portion of the portfolio, the defined NZAOA commitments, a long-term and prudent investment policy, and the Sustainability Risk Integration Policy, **do not, at present, support the conclusion that climate change risk is a material risk for VidaCaixa.**

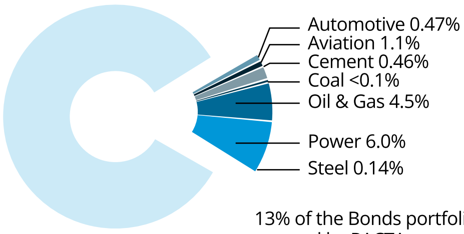
For the **Unit Linked portfolio** of third-party managed funds assessed by PACTA (71% coverage), the most carbon-intensive sector is Energy, followed by Oil & Gas. For the Equity portfolio (63% coverage), the Energy sector accounts for 4.1%, Oil & Gas for 3%, and the Automotive sector for 2.7%.

Equity Unit Linked



12% of the Equity portfolio covered by PACTA

Corporate Unit Linked



13% of the Bonds portfolio covered by PACTA

- More than half of the energy sector portfolio uses low-carbon technologies.
- In the Equity portfolio, the high-emission sectors of Oil, Coal and Gas have five-year energy production forecasts that follow a 1.5 °C pathway and comply with climate policy targets (NDC-LTS scenario). However, the forecast for Oil & Gas extraction and internal combustion vehicles is unfavourable and not aligned with the Paris Agreement commitments.

The low exposure to carbon-intensive assets, the favourable five-year outlook for the carbon-intensive portfolio, the commitments adopted, the Sustainability Risk Integration Policy and the fact that nearly 50% of assets under management fall under Article 8, **do not, at present, support the conclusion that climate change risk is a material risk.**

METRICS AND TARGETS

As a result of its climate commitments and the strategy deployed for their fulfilment, VidaCaixa **has a number of monitoring targets and metrics that provide the different levels of the organisation with information on their progress.**

KEY CLIMATE METRICS

The portfolio's carbon footprint

As part of its commitment to the Net Zero Asset Owner Alliance, VidaCaixa published its interim 2030 targets for its insurance activity at the beginning of 2023: a pledge to reduce the emissions intensity (Scopes 1 and 2) of corporate investments within the insurance portfolio by at least 50% by 2030, using 2019 as the baseline year.

EMISSIONS AND CARBON FOOTPRINT OF THE INSURANCE COMPANY (SCOPES 1+2)

2023	2024	
59	45	TCO_2 EQ PER € MILLION INVESTED
439,712	348,664	ABSOLUTE TCO_2 EMISSIONS

In addition to its NZAOA commitment, VidaCaixa regularly monitors the climate approach of its managed and insurance portfolio within the SFDR scope (approximately 71.3% of total assets) through a dedicated dashboard. The carbon footprint, as well as its exposure to carbon-intensive sectors, is monitored as follows:

FDR PORTFOLIO CARBON FOOTPRINT (SCOPES 1+2+3)
TCO_2 EQ PER € MILLION INVESTED

2023	2024
455	406

The portfolio's carbon footprint is calculated using the information available on VidaCaixa's systems, fed by the information available from the MSCI on each of the companies comprising our portfolio.

The coverage of information available on these tools increases and improves every year – a fact that has an impact on the variability of the carbon footprint of VidaCaixa's portfolio.

Active ownership indicators

Another interim target set by VidaCaixa within the framework of the NZAOA has to do with climate dialogues: engage in dialogues with 20 carbon-intensive companies or those responsible for 65% of the emissions of the insurance portfolio.

For 2024, it was established that climate-related dialogues should be conducted with companies representing at least 15% of the financed emissions in the insurance portfolio. This target has been met, with 16% of the companies in the portfolio subject to dialogue.

The criteria established for selecting the companies for dialogue on climate matters are:

- High greenhouse gas emissions intensity.
- Non-existent or low ambition and/or noncompliance with decarbonisation targets.
- Relevant exposure to fossil fuels.

Below is a summary of the dialogues and votes carried out during the year, beyond those undertaken as part of the NZAOA framework.

DIALOGUES WITH COMPANIES AND MANAGERS	2023		2024	
	2	dialogues held within the framework of the CA100+ initiative, in which we act as co-leads	2	dialogues held within the framework of the CA100+ initiative, in which we act as co-leads
	3	new climate dialogues opened	5	new climate dialogues opened
	13	dialogues with external managers	10	dialogues with external managers

EXERCISING VOTING RIGHTS	2023		2024	
	16	meetings where dissenting votes were cast against Board members on the grounds of ESG or climate risk controversies	18	meetings where dissenting votes were cast against Board members on the grounds of ESG or climate risk controversies
	31	external climate resolutions supported	26	external climate resolutions supported

Financing the transition

The commitment to finance the transition is moving in the right direction towards its target with an increase compared with the previous year in investments in green and sustainability bonds, as shown in the table below with cumulative amounts:

	2022	2023	2024
GREEN BONDS	€2,531 M	€3,049 M	€3,955 M
SUSTAINABILITY BONDS	€621 M	€770 M	€994 M
SUSTAINABILITY-LINKED BONDS	€309 M	€302 M	€264 M

The organisation's carbon footprint

The organisation's carbon footprint is made up of the following categories:

- Scope 1: emissions from the petrol and diesel consumption of leased vehicles.
- Scope 2: emissions from electricity consumption.
- Scope 3: this category is reported partially. It currently includes emissions from the purchase of goods and services (3.1), capital goods (3.2), fuel and energy-related activities (3.3) and travel (3.6).

THE ORGANISATION'S CARBON FOOTPRINT[1]

Scope 1	Scope 2[2]	Scope 3[3]
2022 - 5.02 tCO_2 eq	2022 - 0 tCO_2 eq	2022 - 7,394 tCO_2 eq
2023 - 5.08 tCO_2 eq	2023 - 0 tCO_2 eq	2023 - 6,309 tCO_2 eq
2024 - 32.26 tCO_2 eq	2024 - 0 tCO_2 eq	2024 - 13,700.32 tCO_2 eq

[1] 2022 and 2023 data refer to all proprietary operations of VidaCaixa, S.A.U. The 2024 data include figures from BPI Vida e Pensões.

[2] Data using market-based methodology.

[3] The total Scope 3 emissions for VidaCaixa can be obtained by adding these figures to the absolute portfolio emissions (Scope 3.15) reported on page 13.

Every year, the organisation's carbon footprint is monitored and efforts are made to improve it, both in terms of calculation and results.

As part of its Environmental Management Plan, VidaCaixa is committed to **offsetting the carbon footprint** of its own operations for Scopes 1, 2, and Scope 3 category 3.6 (business travel).

To achieve this goal, as outlined in the "Climate Strategy – Environmental Management Plan" section, measures have been implemented and targets set to reduce the company's own emissions.

For emissions that could not be avoided, offsetting has been carried out through greenhouse gas (GHG) absorption projects financed via verified carbon credits, certified by recognised quality standards.

In 2024, a significant step forward was taken in terms of emission offsetting, as **100% of the offset projects now focus on carbon removal**, with 50% of them carried out in Spain.

Alignment with the taxonomy

For the first time in 2024, VidaCaixa published[1] the **degree of alignment with the European green taxonomy** for investments linked with its insurance business (the Green Asset Ratio or GAR) and those linked with the pension plan and voluntary mutual benefit organisation (VMBO) business (the Green Investment Ratio or GIR).

More specifically, it assessed and published alignment with two of the taxonomy's six environmental objectives: climate change mitigation and climate change adaptation.

In terms of **alignment with the objective of climate change mitigation**, based on revenues of the underlying portfolio entities, 2.5% was assessed for pension plans and VMBOs and 3.3% for the insurance business. These percentages rise to 13.1% and 16.2%, respectively, if they are assessed based on capital expenditure (CapEx) instead of revenues.

It is worth pointing out that these figures do not constitute a comprehensive analysis of the portfolio due to the lack of data for certain asset classes (investments in the financial sector or in funds managed by third-party managers). It's also important to highlight that **only a few of the investments are eligible for the taxonomy** (and thus eligible for alignment) **due to several reasons:** exposure to entities not subject to the taxonomy regulation (i.e. non-European entities) or sectors not covered by the taxonomy. This investment eligibility rate, based on revenues, reaches 3% for pension plans and VMBOs and 7% for the insurance business.

[1] CaixaBank Management Report (VidaCaixa Taxonomy, pp. 551-560)

Climate-focused compensation

VidaCaixa has a **Compensation Policy** whose general principles state that "total compensation is aimed at driving behaviours that ensure long-term value creation and sustained results over time" and that "it's consistent with sustainability risk management, with targets linked with this aspect included in the variable compensation structure, bearing in mind the assigned responsibilities and duties".

In accordance with this principle, the Policy states that "the creation of a variable compensation structure aims to link the compensation of VidaCaixa's professionals with the targets, sales strategy and risk management and integration, including the sustainability risks that the Entity considers and manages. In this regard, the **variable compensation structure includes**, where applicable, **criteria for the proper integration of sustainability risks in the strategy and management**".

The **sustainability measurement indicators integrated into the annual variable compensation structure** that applies to all employees, including the CEO, are as follows:

- **Mobilisation of sustainable finance:** this metric is a variable part of the targets for the entire workforce and is related to the commitment of the CaixaBank Group's Strategic Plan to become a benchmark for sustainability in Europe.

  Sustainable finance is measured through the gross increase in assets under management (AuM) at VidaCaixa, in products classified under articles 8 and 9 under the SFDR[1] , particularly products that promote environmental and/or social characteristics and/or have sustainable investment as their objective, both including climate issues.

  One of the indicators of promotion for products classified under article 8 is that the carbon intensity of the fund must be lower than that of its traditional index. Therefore, this is an indirect climate risk mitigation tool. In contrast, in the case of article 9, these products have sustainable investment as their objective, including investment in environmentally sustainable activities

For the purpose of determining the award of variable compensation for the aspect described above, once the financial year has ended, the results of each metric will be compared with the target value and, depending on the level of compliance, the variable compensation to be received will be calculated by applying the relevant scales of levels of achievement, using the weighting assigned to each indicator, based on the target value.

[1] SFDR: Regulation on Sustainability Disclosures in the Financial Services Sector, which defines article 8 products as those that promote environmental and social aspects, and article 9 products as those that have sustainable investment as their objective