

SKA

**2019 SUSTAINABILITY AND SOCIALLY
RESPONSIBLE INVESTMENT REPORT**

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

SUMMARY

3 SOCIALLY RESPONSIBLE INVESTMENT

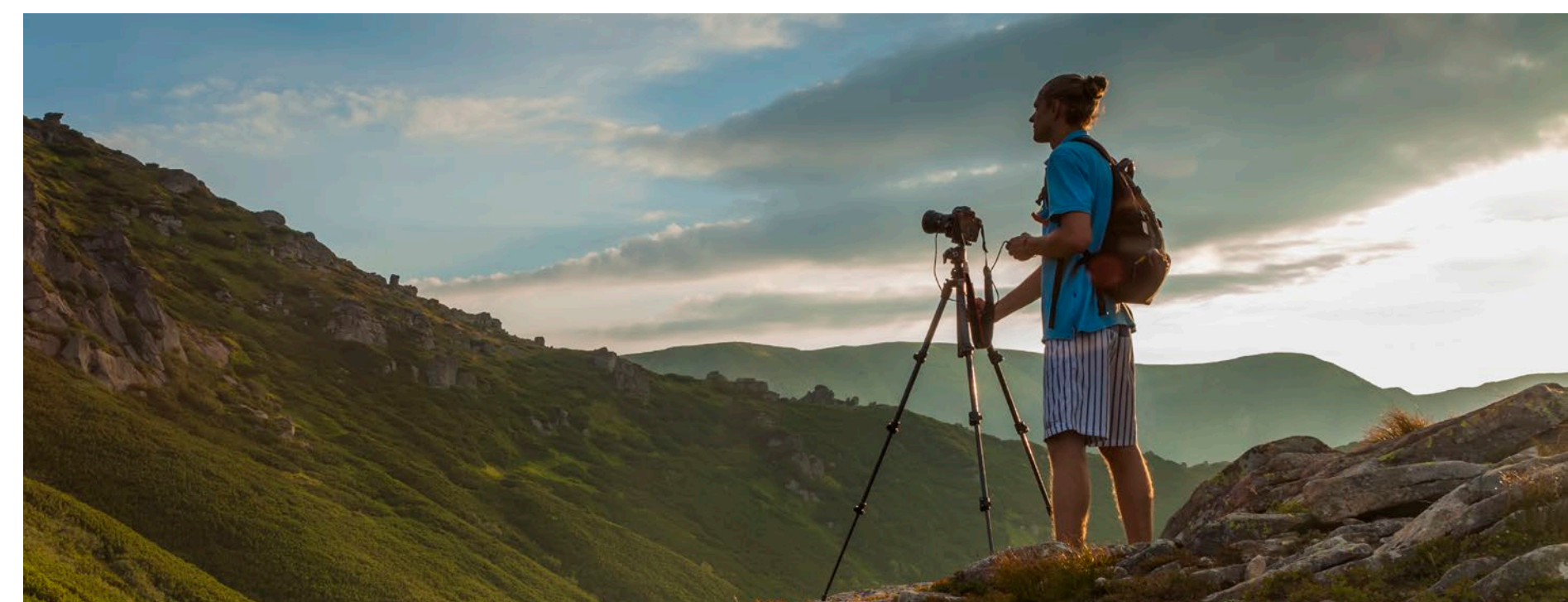
- 3 Introduction
- 4 SRI, making an impact
- 5 SRI in the world

7 ESG INVESTMENT STRATEGY AT VIDACAIXA

- 7 Values, principles, policies and governance
- 10 SRI as a strategy for long-term profitability
- 11 Organisation and management of SRI
- 20 Major milestones in sustainable management

21 THE SDGs: SUSTAINABLE DEVELOPMENT GOALS

- 21 Introduction to the SDGs
- 22 Sustainability as it affects the investor and SRI
- 24 VidaCaixa's contribution to the SDGs



SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

SOCIALLY RESPONSIBLE INVESTMENT

INTRODUCTION

The public is becoming increasingly aware of the future challenges faced by the planet. Firstly, the expected increase in the population, which the UN forecasts will reach 9.8 billion people by 2050, is going to be challenging from the viewpoint of managing natural resources. Feeding an additional 2.1 billion people will require a 70 % increase in current food production, according to the Food and Agriculture Organisation of the United Nations (FAO). If we take into account that 30 % of the planet's greenhouse gas emissions come from agriculture and livestock, as estimated by the Food & Land Use Coalition, the impact on the environment may be significant. In 2019, we have once again witnessed how the global temperature of the planet has increased, making this year the second hottest since records began. We have also seen how a large part of Australia and the Amazon have been devastated by the fires that have taken place and we have witnessed floods in Venice, Mozambique and Texas, as well as other devastating meteorological events in our own country.

The concept of sustainability, understood as development that guarantees present needs without compromising those of future gene-

rations, is an increasingly important issue in our society. The public is increasingly aware of the need to commit to more ethical and sustainable consumption and people are demanding that companies generate not only economic value, but also value for society.

Institutional investment is no stranger to this greater social awareness, and the channelling of investment resources towards activities with a positive impact on society and the environment has been growing significantly in recent years.



SOCIALLY RESPONSIBLE INVESTMENT

SRI, MAKING AN IMPACT

Socially responsible investment (SRI) consists of looking further than just profitability and instead incorporating environmental, social and governance (ESG) aspects into the analysis and management of invest-

ments, with the belief that they can have a favourable impact on the long-term financial results of companies and contribute to greater economic, social and environmental progress.

[Link](#)

VidaCaixa blog: What is SRI



E ENVIRONMENTAL
ASPECTS

They are issues linked to the environmental policy, its integration into the strategy, the establishment of objectives and the measurement of the impact that investing companies have on the environment.

3-5°C

Is the expected increase in the global temperature by the end of this century compared to the pre-industrial period. The 2015 Paris Agreements establish a roadmap to limit the temperature increase to 2 °C.*

*State of the Global Climate in 2017, World Meteorological Office Statement.



S SOCIAL
ASPECTS

They are issues related to the management of companies' human resources from the viewpoint, for example, of equality, labour practices and talent management. They also include how companies manage their relationships with their customers, suppliers and society in general.

€0.18

Is the average pay that a textile worker receives for producing a t-shirt that retails at €29.*

*cleanclothes.org



G GOVERNANCE
ASPECTS

They are issues related to the composition of companies' governing bodies, how they make decisions in a transparent and ethical manner, how they manage their risks and how they mainly relate to their shareholders.

€2.6BN

Is the cost of corruption, which is the equivalent of 5% of global GDP.*

*World Economic Forum

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

SOCIALLY RESPONSIBLE INVESTMENT

SRI IN THE WORLD

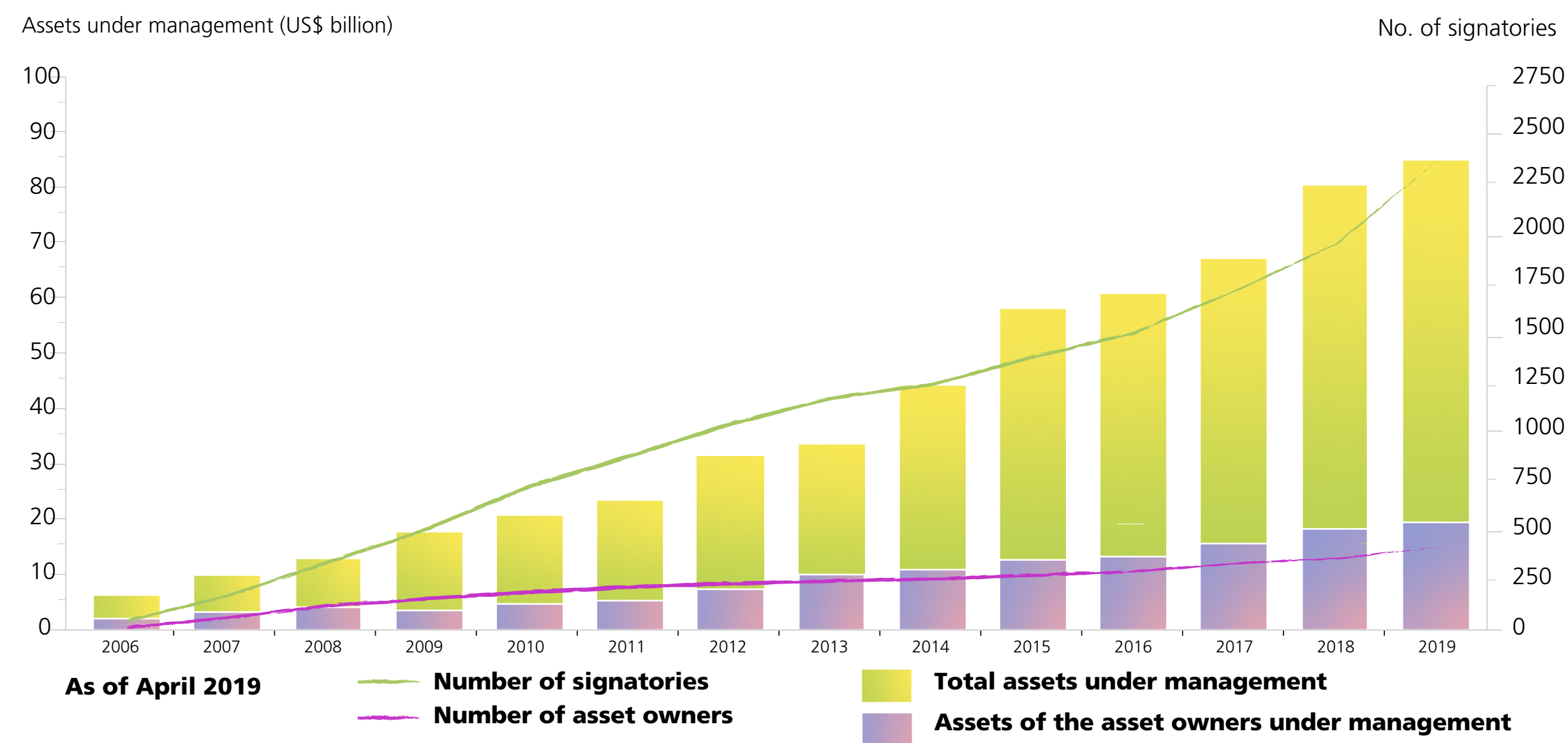
Investors worldwide are seeking to strengthen their performance through a more strategic assessment of long-term risk factors and to identify new investment opportunities that take into account the changing needs and aspirations of their beneficiaries and customers.

Numerous initiatives worldwide have contributed to the development of socially responsible investment. The most noteworthy was the launch of the United Nations Principles for Responsible Investment (PRI) in 2006, which has allowed its signatories to create a common framework, share best practices and promote collective dialogue to change or improve the responsible and sustainable behaviour of companies or sectors. Later, in 2015, the United Nations launched the Sustainable Development Goals (SDGs) initiative and the Paris Agreement on Climate Change (COP21). These two initiatives constitute the two largest global commitments to sustainability.

Socially responsible investment has been greatly influenced by the effect and scope of these initiatives. The number of companies signing up to the PRI and the volume

of assets that meet ESG principles has not stopped growing since then and reached investment of \$80 billion in 2019.

THE VOLUME OF SUSTAINABLY MANAGED ASSETS HAS BEEN GROWING CONTINUOUSLY SINCE 2006



Source: PRI.

SOCIALLY RESPONSIBLE INVESTMENT

SRI IN THE WORLD

This improvement in behaviour has also been seen at the European level. In 2019, according to Mercer's European Asset Allocation Survey, 55 % of pension plans were taking into account the ESG principles in their investment decisions, compared to 40 % in 2018. In our country, a total of 11 Ibex-35 companies use metrics based on ESG principles. In the insurance sector, the large companies continue to commit clearly to socially

responsible investment. For VidaCaixa, leader in the Spanish market with a volume of managed resource of €93 billion in 2019, the commitment to socially responsible investment remains a strategic priority. As a result of the commitment to the sustainable management of investments, the Company has once again received the highest rating (A+) from the Principles of Responsible Investment for its strategy and governance.

The new SRI trends, such as climate change, mobility and gender diversity, are transforming the funds launched in the market.

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS



ESG INVESTMENT STRATEGY AT VIDACAIXA

VALUES, PRINCIPLES, POLICIES AND GOVERNANCE

VidaCaixa started operating in 1992, inheriting the insurance and pension activity of “la Caixa”, carried out for more than 100 years.

In line with the mission and values of the CaixaBank Group (quality, trust and social commitment), VidaCaixa manages investments not only seeking economic profitability, but also taking into account principles of socially responsible investment, based on sustainability and transparency, to generate greater economic and social progress in the long-term.

The integration of environmental, social and corporate governance (ESG) aspects

into investment management is carried out at VidaCaixa in accordance with the United Nations Principles for Responsible Investment (PRI), to which it has been signed up since 2009, when it became the first insurer and manager in Spain to globally join this initiative.

VidaCaixa adopts additional commitments through its Human Rights Policy that covers the entire organisation and this is also taken into account in relation to the management of investments, which is why it establishes controls so that the companies in which it invests comply with the main international treaties.

MAIN TREATIES

United Nations Universal Declaration of Human Rights.

Declaration of the International Labor Organization (ILO).

United Nations Guiding Principles on Business and Human Rights.

The OECD Guidelines for Multinational Enterprises.

The United Nations Global Compact.

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

PRINCIPLE 1: We will incorporate ESG issues into investment analysis and decision-making processes.

PRINCIPLE 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

PRINCIPLE 5: We will work together to enhance our effectiveness in implementing the Principles.

PRINCIPLE 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

PRINCIPLE 4: We will promote acceptance and implementation of the Principles within the investment industry.

PRINCIPLE 6: We will each report on our activities and progress towards implementing the Principles.

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

ESG INVESTMENT STRATEGY AT VIDACAIXA

VALUES, PRINCIPLES, POLICIES AND GOVERNANCE

VidaCaixa's commitment to the PRI extends to all of its investments and is subject to continuous improvement. To ensure this compliance, VidaCaixa uses all measures at its disposal and also counts on the support of suppliers specialising in ESG methodologies and data so that it can incorporate into its management the latest principles, procedures and best practices in the sector worldwide, which ensure that investments are

analysed from an environmental, social and corporate governance perspective.

VidaCaixa extends its commitment to the PRI among its stakeholders (customers, suppliers and investment managers), actively disseminating its principles and promoting the participation of their professionals in forums and working groups in order to raise awareness about the European Commission's Action Plan on Sustainable Finance.

100%

of VidaCaixa's investments are analysed using ESG principles.



In 2009, VidaCaixa became the first Spanish insurer to sign up to the PRI*.

Since 2018, VidaCaixa has held the highest rating (A+) for the PRI in the strategy and governance category. It was the first insurer in Spain to achieve this.

VidaCaixa performs better than its competitors with an average "A" rating.

*In 2020, BPI Vida e Pensões, belonging to VidaCaixa, signed up to the PRI.



SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

ESG INVESTMENT STRATEGY AT VIDACAIXA

VALUES, PRINCIPLES, POLICIES AND GOVERNANCE

VidaCaixa's aim is to be a benchmark in the sustainable management of its customers' investments and it undertakes to meet the commitments it makes to them on the basis of the principles of good governance, transparency and ethics.

VidaCaixa's investment governance model is based on a set of general policies that mainly relate to the Principles of Responsible Investment.

When implementing its policies on how to act in relation to the defence and management of environmental risks, sectoral exclusion mechanisms are established for investments. Beyond these exclusions, VidaCaixa applies active ownership management through exercising engagement and proxy voting rules. The goal of this active ownership is for the companies in which it invests not only to comply with the ESG principles, but also to improve their sustainability practices.



GOVERNANCE

GENERAL CHARACTERISTICS

**Investment and
Concentration Risk Policy**

**Corporate Social
Responsibility Policy** ✓

Human Rights Policy

**Climate Change
Declaration**

ACTIVE OWNERSHIP

**Rules for exercising voting
rights in listed securities** ✓

**Rules for engagement
with financial companies
and suppliers** ✓

EXCLUSIONS

**Environmental Risk
Management Policy** ✓

**Policy for
Defensive Action**



New in 2019

ESG INVESTMENT STRATEGY AT VIDACAIXA

SRI AS A STRATEGY FOR LONG-TERM PROFITABILITY

At VidaCaixa, we are convinced that integrating ESG principles into the management of investments helps us to make better long-term investment decisions for our customers.

Responsible investment management has a positive effect on the financial results of companies in the long-term and contributes to generating greater economic and social value.

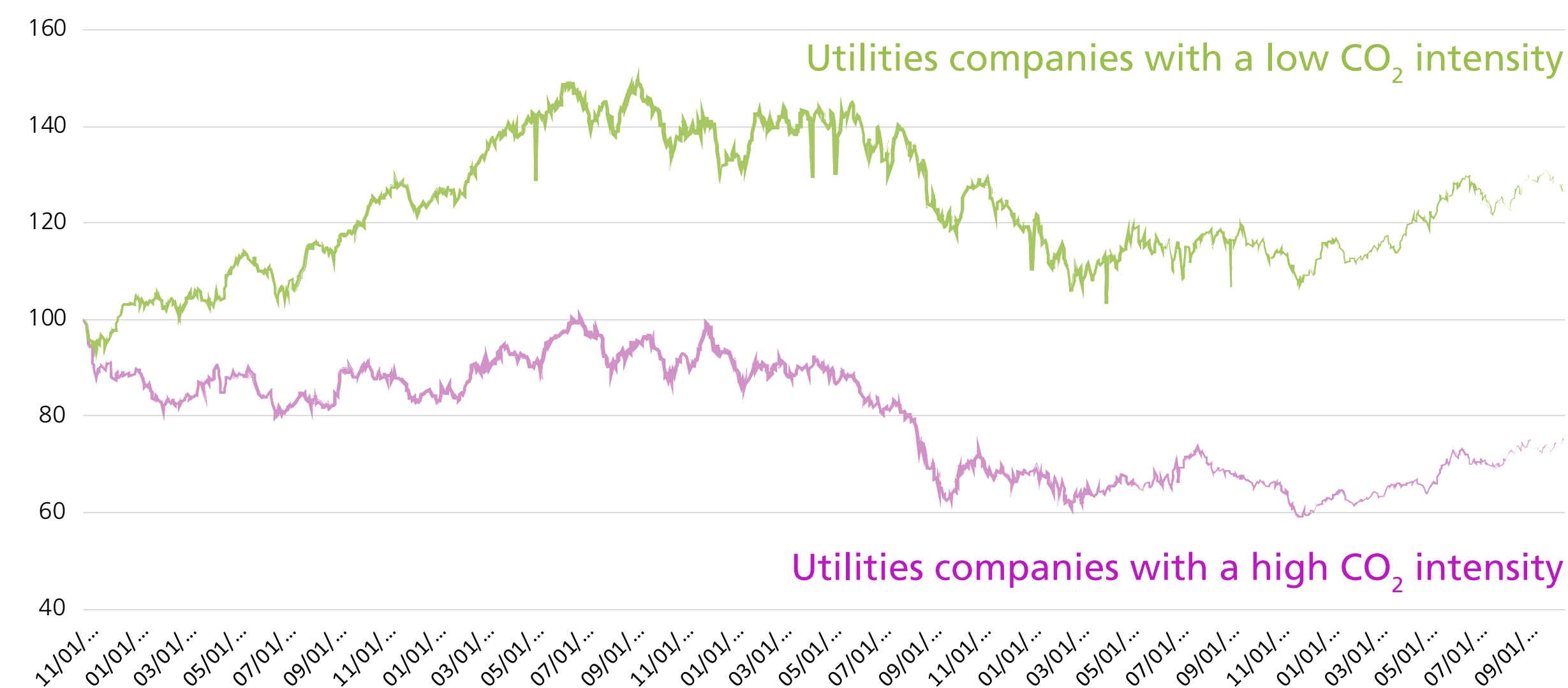
In addition, these investments, on being aligned with the corporate values, also allow for better risk management and to identify new investment opportunities whilst reinforcing the control of reputational risks.

Investing in sustainability allows for returns similar to those provided by the traditional indexes and also reduces risk.

ESG SCORE: 6.5 OUT OF 10
for the VidaCaixa portfolio*

ESG RATING: A**
for the VidaCaixa portfolio*

EVOLUTION OF THE SHARE VALUE



Source: Robeco, based on the CO₂ intensity in 2014, high intensity in CO₂ >400TCO₂/GWh

* Own source from the ESG Rating and ESG Quality Score indicators ©2020 MSCI ESG Research LLC. Reproduced with permission. See page 27.

** The maximum rating is AAA and the minimum is CCC.

ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI

SRI is at the core of the Company's business management. VidaCaixa has a management model that, since the strategic integration of the SRI into VidaCaixa's business in 2001, has evolved and been reinforced over time: strengthening the management team, investing in technology, forming an active part

of international initiatives that promote sustainability, incorporating the best practices for the analysis and integration of ESG principles and exercising active ownership in the companies where it invests through engagement and proxy voting at General Shareholders' Meetings, where appropriate.

5,2 MILLION CUSTOMERS
PLACE THEIR TRUST IN
VIDACAIXA*

SRI AT THE CORE OF VIDACAIXA



ORGANISATION AND MANAGEMENT

**Continuous improvement
in the management of the
associated risk and generation
of social and economic value.**



ANALYSIS AND PRINCIPLES OF INTEGRATION

**Avoid reputational risk and
improve the management
of financial risks and
opportunities.**



ACTIVE OWNERSHIP

**Exercising of fiduciary
responsibility over the
investments made.**



REPORTING

**Continuous improvement
in transparency towards
customers.**

Engagement: improved dialogue to optimise investments and protect the long-term performance of assets.

Proxy voting: protection of the value of the investments, influencing and creating changes that encourage sustainability and generate a greater impact.

*Customers in Spain and Portugal (through BPI VeP)

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI

ORGANISATION AND MANAGEMENT

In order to guarantee the governance and excellent management of SRI, VidaCaixa has a department dedicated exclusively to this matter, which is part of the investment area and coordinates SRI across the entire Company. The results of the SRI management are reported to the Investment Committee, a forum that includes VidaCaixa's most senior executives and investment directors from VidaCaixa and CaixaBank.

The Company also participates in the Group's Corporate Responsibility and Reputation Committee, where the main management indicators on SRI and reputational risk management are reported internally.

VidaCaixa also participates in working groups and organises meetings with customers and unions to assess progress in SRI management and promote its expansion.

The integration of SRI into VidaCaixa's investment strategy involves a dual approach: integrating the ESG principles into the construction of investment portfolios and improving the ESG positioning of companies in the portfolio.

HOW DO WE APPROACH SRI?



INTEGRATING ESG PRINCIPLES INTO THE CONSTRUCTION OF THE INVESTMENT PORTFOLIO

Integration: Including ESG principles in the analysis and decision-making aimed at improving the management of risks and profitability.

Monitoring: Having complete information on the ESG aspects of companies, in collaboration with partners, to ensure transparency in management and the possibility of establishing investment principles and filters.

Impact: Specific lines of action seeking to maximise profitability with specific social impact or environmental objectives.



IMPROVING THE ESG POSITIONING OF COMPANIES IN THE PORTFOLIO

Commitment – Engagement: Engagement and actions with companies in the portfolio to promote ESG improvements in their management or in the disclosure of information on these matters.

Proxy voting: Positioning on specific ESG issues through proxy voting at Shareholders' Meetings.

ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI

ANALYSIS AND PRINCIPLES OF INTEGRATION IN INVESTMENTS

Before investing in a company and if it does eventually form part of its investments, VidaCaixa applies sustainability principles based on the assessment of compliance with the main international treaties and the establishment of exclusions in accordance with its Defence Policy and its Environmental Risk Management Policy.

In this regard, the Company does not invest in the following sectors: biological weapons, chemical weapons, antipersonnel mines and cluster bombs. Nor does it invest in companies that have a significant exposure to thermal coal and tar sands.

If an asset passes the exclusion principles, the analysis is carried out from both a financial and an ESG viewpoint, on the basis of which the investment decision is made. To perform this analysis, VidaCaixa uses data from suppliers specialising in ESG issues.



ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI

As a manager of Pension Funds, VidaCaixa has fiduciary obligation* for the investments it makes for its customers in the individual segment. For this reason, the ESG principles also apply to indirect investments, that is, when making the decision to invest in an investment fund. This analysis uses both ESG data collected in the due diligence processes carried out with external fund managers and data from specialised suppliers. Based on that, the suitability of investing in the fund is finally assessed.

The ESG principles are also integrated into the monitoring of portfolios. Continuous assessment and rating of this investment is carried out through a system of daily alerts. The active ownership of the companies in the portfolio should also allow them to improve their ESG performance in the medium-term.

*Fiduciary obligation: The fiduciary obligation is the responsibility of the managers of institutional investment funds to act in the best interest of the unitholders and beneficiaries of the fund.

4 EXCLUSIONS IN 2019

INVESTMENT PRINCIPLES AT VIDACAIXA

ANALYSIS AND DECISION

The starting point is the defined universe

Investment universe

Sustainability principles

Integration principles

Compliance with the main international treaties

Direct investment:
ESG principles + financial principles

Indirect investment:
ESG due diligence + ESG partner report + financial principles

Exclusions:
anti-personnel mines, biological weapons, chemical weapons and cluster bombs

Active ownership:
Attendance at the General Shareholders' Meeting voting in line with PRI + direct and collaborative dialogue

ESG MANAGEMENT OF THE PORTFOLIO

ESG management:
Management of ESG variables of the fund + daily ESG alerts + annual updating of the DD

SUMMARY

SOCIALLY RESPONSIBLE INVESTMENT

ESG INVESTMENT STRATEGY AT VIDACAIXA

SUSTAINABLE DEVELOPMENT GOALS

ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI

ACTIVE OWNERSHIP

VidaCaixa has continued to progressively improve the use of active ownership by implementing its engagement and proxy voting rules so that the companies in which it invests do not breach the ESG principles.

As a new feature in 2019, the Company has developed its voting strategy at the General Shareholders' Meetings of the companies in which it invests, integrating ESG considerations in order to improve the governance and sustainability practices of these organisations.

ENGAGEMENT PROCESSES

VidaCaixa carries out active management of its customers' investments and sees engagement with those responsible for the assets in which it invests as a key strategy for influencing business conduct that facilitates better alignment with VidaCaixa's values, those of its customers and also those of society.

VidaCaixa carries out these engagement processes directly with the companies and also collaboratively, together with Caixa-

Bank and other institutional investors globally, through the PRI. In terms of its collaborative engagement, VidaCaixa is a member of, and actively participates in, various collective engagement initiatives, such as Climate Action 100+.

This engagement is also carried out with the managers of the funds in which VidaCaixa invests. To do this, it annually consolidates all the positions of the investment funds in its portfolios and it starts an engagement processes with those responsible when a position that might be subject to exclusion is identified or a position in companies is identified as having high risks in terms of ESG.

The engagements consist of contacting, corresponding with and meeting those responsible for the assets and managers of funds in which VidaCaixa invests. The engagement process may end up leading to the exclusion of the assets from the portfolio.

The results of the engagements carried out by VidaCaixa are reported in an aggregated and transparent way through its CaixaBank Consolidated Management Report.

312 ESG ISSUES

resulting in engagement with managers

10 COMPANIES

involved in direct engagement processes

**6 COLLECTIVE
ENGAGEMENT PROCESSES**

through investor groups such as the PRI

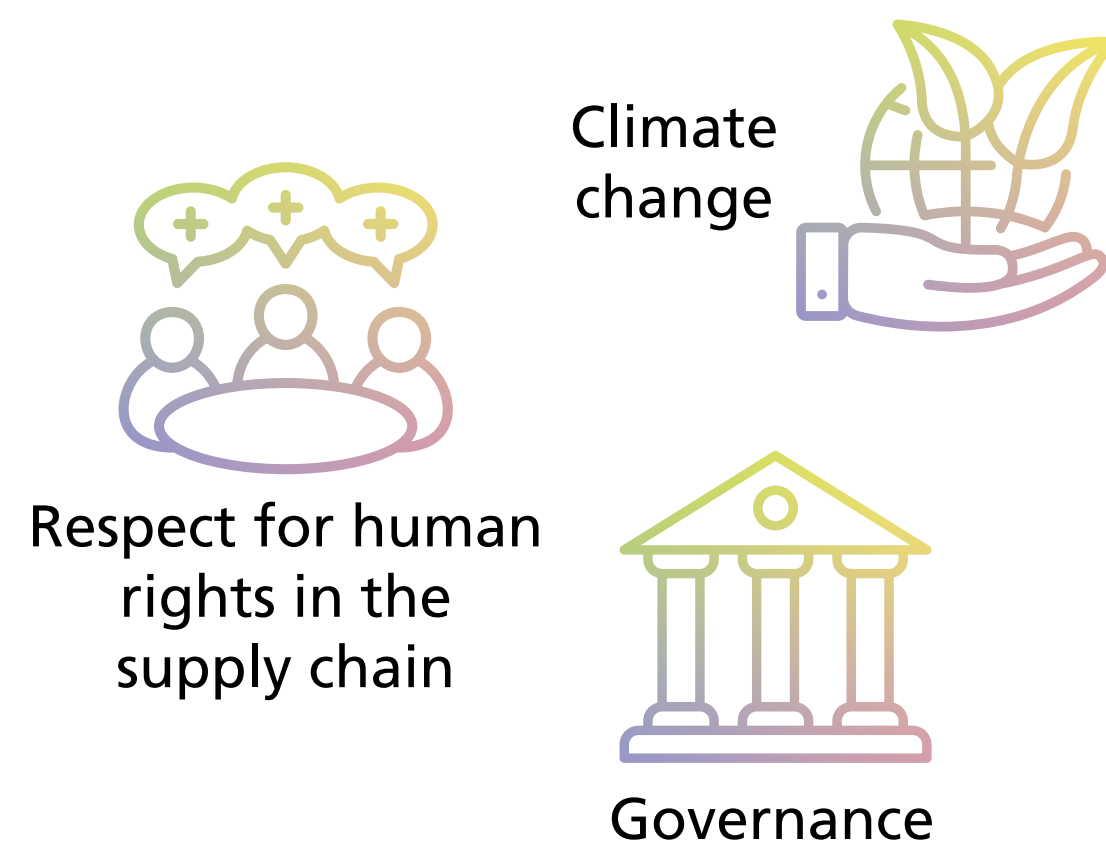
Link

**CaixaBank Consolidated
Management Report**

ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI

As with active ownership, the engagement processes form part of VidaCaixa's daily work. Although the Company started its direct engagement activity in 2019, the focus of the effort has been on the types of collaborative engagement, with 6 processes: The collaborative engagement processes have focused on the following topics:



VidaCaixa prioritises collaborative engagement activities because they have a greater impact on the behaviour it wishes to modify.

"CLIMATE ACTION 100+" ENGAGEMENT

Since 2018, VidaCaixa has been signed up to Climate Action 100+, an initiative that aims to stop climate change and promote the transition towards clean energy. More than 300 institutional investors have signed up to this initiative, including VidaCaixa, to demand that the 100 largest companies, which are responsible for 66% of industrial greenhouse gas emissions worldwide, adopt urgent measures to reduce emissions, improve governance and establish financial metrics on climate change.

Engagement
process



Climate
change



Global



"KNOW THE CHAIN" ENGAGEMENT

VidaCaixa has signed the "Know the Chain" declaration through a joint engagement with the PRI, which aims to eradicate forced labour globally, establish responsible labour standards and preserve human rights. Promoting a legal framework in favour of decent work throughout the value chain is the goal of this initiative. It aims to roll out initiatives in this area worldwide and they have already started to be launched in the United States, United Kingdom and Australia.

Investors'
Statement



Human
rights



Global



SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

SUMMARY

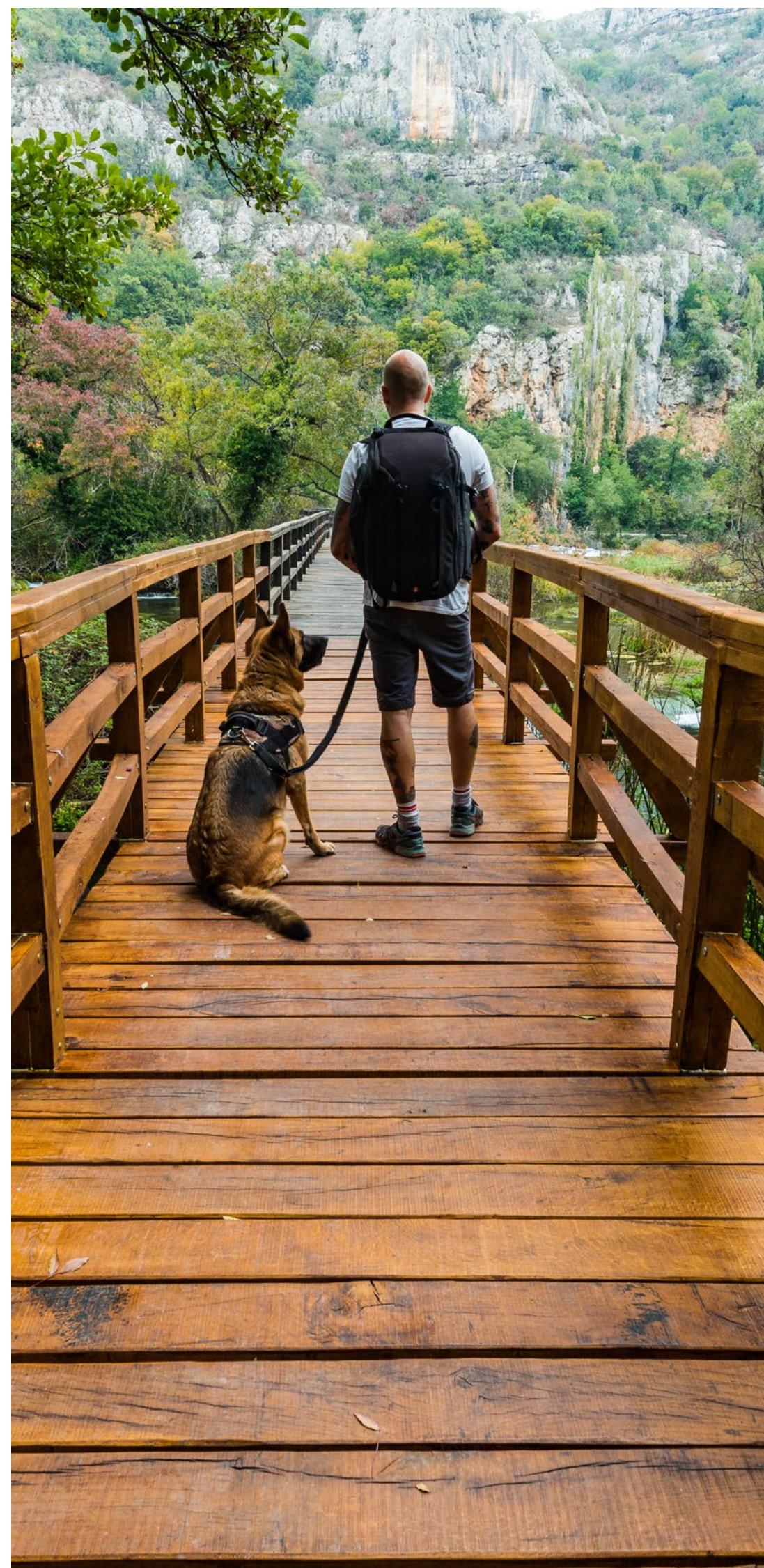
SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI



"LETTER OF OPPOSITION TO THE CHANGES OF THE U.S. SECURITIES AND EXCHANGE COMMISSION (SEC)" ENGAGEMENT

This initiative was suggested to object to the limits on the integration of ESG aspects into the analyses of the securities listed on the American stock exchanges. These reports are offered by independent analysts who provide transparent and impartial information, which is key for investors to make their decisions.

Investors'
Statement



Governance



United
States



"DAM ACCIDENT IN BRAZIL" ENGAGEMENT

VidaCaixa has participated in an engagement initiative, coordinated by the PRI, involving more than 90 institutional investors from around the world. The engagement has resulted in conversations with the company and with stakeholders from the Minas Gerais community. The engagement process will last until 2020 and seeks to establish improvements both in the company's environmental performance and in its governance and management structure.

Engagement
process



Climate change,
governance and
human rights



Brazil



SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI



"PROMOTE THE RESPONSIBLE SUPPLY OF COBALT IN AFRICA" ENGAGEMENT

The extraction of cobalt from mines in the Congo poses a significant risk to the companies that depend on it to manufacture their products, given that there have been systematic violations of human rights in the supply chain. Since the end of 2018, various collaborative engagement initiatives have been carried out in order to improve the human rights management of the companies and establish compensation for the local communities.

Engagement
process



Social



Congo



"DEFORESTATION AND FIRES IN THE AMAZON" ENGAGEMENT

Hundreds of commodity companies have pledged to end deforestation of the Amazon by 2020. However, progress has been very limited. Through the PRI initiative, a declaration has been made worldwide aimed at institutional investors with the aim of putting pressure on these companies to commit to improving their management processes in the production chain and limiting the impact on deforestation.

Investors'
Statement



Climate
change
and human
rights



Brazil and
Bolivia



ESG INVESTMENT STRATEGY AT VIDACAIXA

ORGANISATION AND MANAGEMENT OF SRI

PROXY VOTING AND REPORTING

VidaCaixa actively exercises the voting rights derived from its equity holdings and other assets in which it invests, on behalf of its customers and shareholders, thus defending their rights and protecting their interests.

It is about holding companies' governance and management bodies accountable to ensure that they manage the business thinking about the long term. In order to create, maintain and protect the value of customer and shareholder investments, VidaCaixa recommends that companies follow the best practices in corporate governance.

VidaCaixa generally decides how to vote in a general manner, integrating ESG aspects and the recommendations of a leading international advisor. VidaCaixa also attends all General Shareholders' Meetings, unless a possible share blocking could potentially harm the management of the investments.

Since 2018, VidaCaixa has strengthened the Company's voting policy for the listed assets that make up its securities portfolios, in order to preserve the interests of customers

and unitholders, employing full independence and objectivity. This policy is applied to the voting rights for both its own shares and those where it represents its customers.

VidaCaixa also places great importance on the information it provides to its stakeholders with regard to the ESG management of their investments.

325

General Shareholders' Meetings
voted at in 2019

67

Meetings in which there has been a vote in
favour of greater transparency or an overall
improvement in the management of ESG issues

13

Meetings in which there has been a
vote against the managers of the
company as a result of ESG issues

REPORTS AVAILABLE TO VIDACAIXA

- Report for company pension plan customers in which the ESG investment model is presented.
- Report on the pension plan for CaixaBank employees, which monitors the evolution of the positions and reports them back to the customer on a monthly basis.
- Disclosure information on SRI through VidaCaixa's corporate website and blog.
- Specific reports for the committees of VidaCaixa and CaixaBank.

ESG INVESTMENT STRATEGY AT VIDACAIXA

MAJOR MILESTONES IN SUSTAINABLE MANAGEMENT

TWO DECADES OF WORKING WITH ESG PRINCIPLES IN VIDACAIXA

Signing up to the PRI.
VidaCaixa, the first insurer in Spain to do so.



Integration of
SRI into employ-
ment plans.

Focus on the active
ownership strategy.
11th Control Committee
Forum on the subject of SRI.



2001

2009

2011

2015

2016

2017

2018

2019

SRI is applied
to 100% of the
Company's assets.

Improvement of the ESG
decision-making processes.

Paris Climate Agreement.
VidaCaixa takes part in the
initiatives promoted by the UN.

Creation of a specific
department for SRI.
Enhancement of the proxy vo-
ting mechanisms and dialogue
and engagement processes.



SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

THE SUSTAINABLE DEVELOPMENT GOALS

INTRODUCTION TO THE SDGs

In order to respond to the future challenges of the planet, the United Nations launched the Sustainable Development Goals (SDG) initiative in 2015. Its main objective is to eradicate poverty, protect the planet and ensure prosperity for all. These 17 goals, which have 169 specific targets, set an agenda of priorities for the coming 15 years, trying to ensure that, with the joint collaboration of governments, companies, social organisations and the public, all of them are met by 2030.

In addition to its main activity, VidaCaixa extends its commitment to the SDGs through its operations as a company and as part of the CaixaBank Group, by carrying out projects aligned with meeting these goals. It also participates in global initiatives and alliances that seek to have a positive impact on people and the environment.

SUSTAINABLE DEVELOPMENT GOALS



SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

THE SUSTAINABLE DEVELOPMENT GOALS

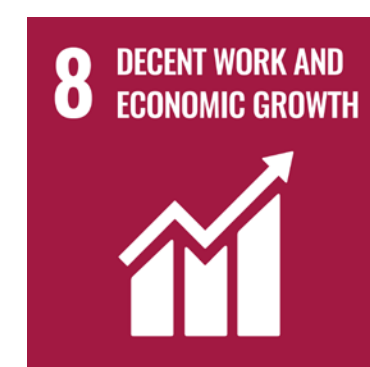
SUSTAINABILITY AS IT AFFECTS THE INVESTOR AND SRI

VidaCaixa felt the need to understand the sustainability-related issues of most concern to people. To do this, the Company used its latest Barometer to analyse what aspects the Spanish people feel are most important if we are to make progress towards a more responsible future.

In relation to the Sustainable Development Goals, 76% of Spanish people believe that the priority goal should be to promote economic growth, full employment and decent work. In other words, they believe that SDG 8 is the priority in the current environment. The second most important Goal for Spanish people is to ensure the availability and sustainable management of water and sanitation for all (SDG 6). The final spot on the podium goes to the goal related to the oceans: conserve and sustainably use their resources (SDG 14).

*Average score out of 10.

THE 5 HIGHEST RANKED SDGS*



8.41



8.40



8.38



8.28



8.21



SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

THE SUSTAINABLE DEVELOPMENT GOALS

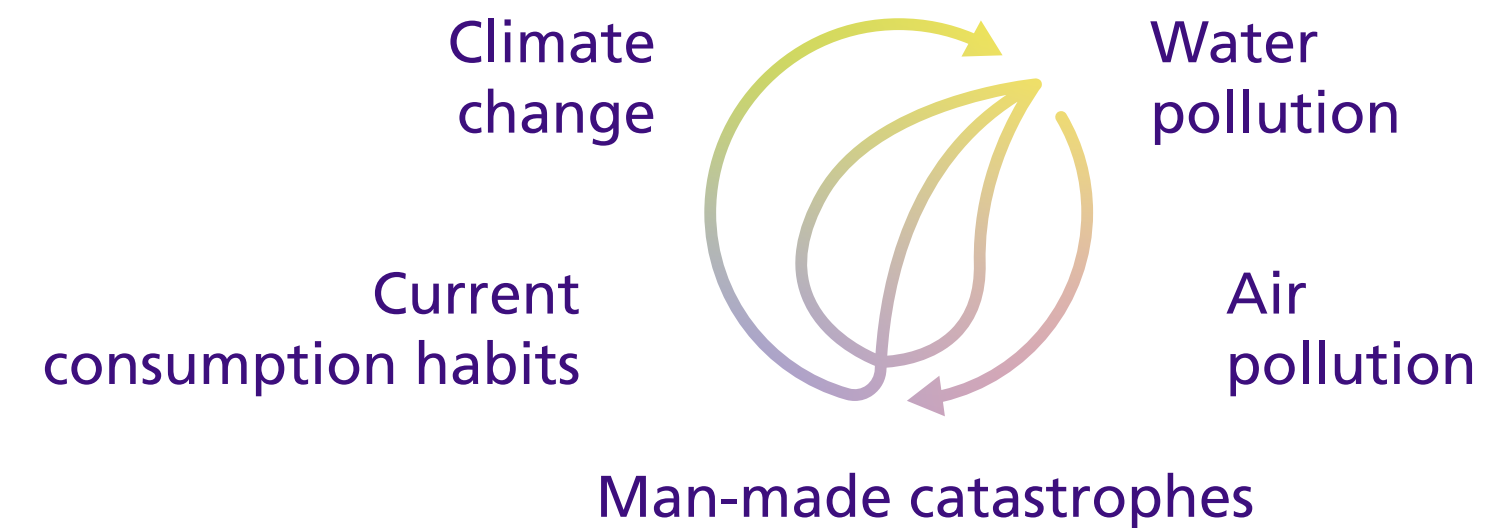
SUSTAINABILITY AS IT AFFECTS THE INVESTOR AND SRI

In general, Spanish people consider themselves committed to the environment and society but few see the connection between this concern and financial management. In fact, only two out of every ten try to find out about the behaviour of their insurance company in relation to environmental and social issues. Spanish people are especially concerned about climate change, water and air pollution and current consumption habits. What they value most in relation to a sustainable company is that it offers decent salaries and, in line with their environmental concerns, they want it not to pollute, to use renewable resources and to generate economic growth. Specifically, they expect a sustainable insurance company or financial institution to guarantee that they will invest in companies that respect human rights and in economic activities that are transparent and free from corruption.

*Average score out of 10.

5 ENVIRONMENTAL ISSUES

The 5 highest-ranked environmental concerns



WHAT DO THE SPANISH PEOPLE EXPECT FROM A SUSTAINABLE INSURER AND MANAGER?*

A guarantee that they invest in companies that respect human rights,	8,17
A guarantee that they invest in companies and economic activities that are transparent and with policies in place to prevent corruption and money laundering	8,13
That they offer decent wages and ensure the well-being of their employees	8,1
That they consider investing in new technologies or innovative activities that can help overcome the challenges of climate change	7,96
That they invest their assets and their customers' savings under management in economic activities that respect the environment and biodiversity	7,94
That they have a zero carbon footprint because they do not emit greenhouse gases derived from their activity	7,89

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

THE SUSTAINABLE DEVELOPMENT GOALS

VIDACAIXA'S CONTRIBUTION TO THE SDGS



- Collaboration with Obra Social "la Caixa". Semana Social (Social Week), Ningún niño sin bigote (No child without a milk moustache) and El Árbol de los Sueños (The Tree of Dreams).



- Collaboration with GAVI Alliance to promote access to vaccinations around the world.
- + Vida programme for employees (+Vida Sana and +Vida Activa) to promote a healthy life-style and sustainable attitude.
- Participation in the CaixaBank's Equipo Saludable (Healthy Team) platform.
- Family Responsible Company (FRC certification).
- Cardio-protected central services building.



- Tuproyectodevida.es: promoting the culture of saving, insurance and pension planning.
- Participation of employees in the training programme "El riesgo y yo" (The risk and I) (UNESPA).
- CaixaBank Futuro meetings for more than 6,400 customers.
- Continuous training for employees: 65,201 hours of training given, 45.3 % online.

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

THE SUSTAINABLE DEVELOPMENT GOALS

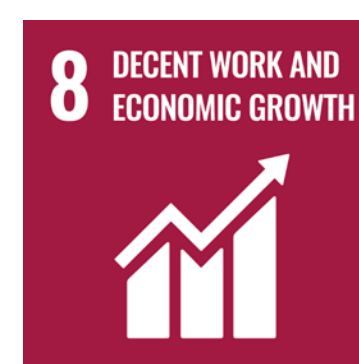
VIDACAIXA'S CONTRIBUTION TO THE SDGS



- Internal women's coaching and mentoring programme.
- Equality plan.
- Talent Committee.
- Participation in the EWI (Empower Women in Insurance) Network.
- Women make up 29 % of the Boards of Directors of the companies in VidaCaixa's investment portfolio.
- 53 % of the workforce are women, out of a total of 646 employees*.
- 43 % of management positions are held by women.



- 22 % of the electricity generated (kWh) by the electricity generating companies in VidaCaixa's investment portfolio comes from renewable sources each year.



- Specific protection for those who create employment: companies and free-lance professionals.
- Promotion of professional development and internal talent.
- Corporate Social Responsibility Policy.
- Direct and indirect contribution to GDP: 0.15% or €1,886 million

*Includes VidaCaixa and BPI VeP.

SUMMARY

SOCIALLY RESPONSIBLE
INVESTMENT

ESG INVESTMENT
STRATEGY AT VIDACAIXA

SUSTAINABLE
DEVELOPMENT GOALS

THE SUSTAINABLE DEVELOPMENT GOALS

VIDACAIXA'S CONTRIBUTION TO THE SDGS



- Integration of ESG aspects into asset management.
- Signing up to Climate Action 100+.
- Sponsorship of and participation in a Climate Summit Madrid workshop.
- Support for the recommendations of the Task Force on Climate-Related Financial Disclosures.



- Programmes to reduce waste and promote recycling in offices.
- €151 million in sustainable bonds.
- €320 million in green bonds.



- United Nations Global Compact.
- Support for and commitment to the Sustainable Development Goals.
- Principles for Responsible Investment (PRI).
- Alliance for Child Vaccination- Gavi Alliance.
- Obra Social "la Caixa".
- "la Caixa" association of volunteers.



If you have any comments on the report or any questions about it, please contact us at comunicacion@vidacaixa.es

Note referring to the ESG Rating and ESG Quality Score indicators ©2020 MSCI ESG Research LLC, appearing on page 10 of this report.

Although VidaCaixa information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the “ESG Parties”), obtain information (the “Information”) from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.