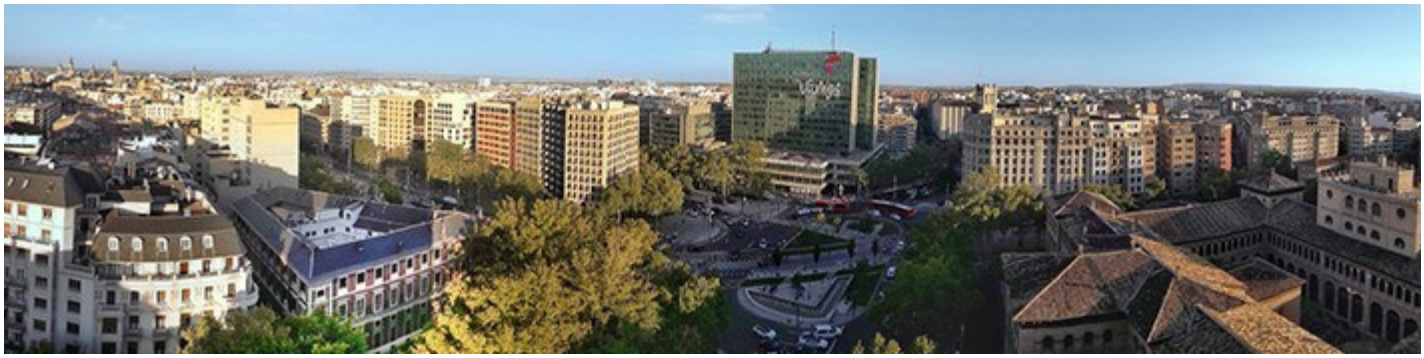
IBERCAJA BANCO OPERATIONAL CARBON FOOTPRINT REPORT 2023

June 2024



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1. INTRODUCTION

Ibercaja is firmly committed to protecting the environment and combating climate change, taking into account its environmental impact and promoting, through its activities, the transformation towards a sustainable economy.

Climate change is a reality and its effects on economic and social stability are already noticeable: its mitigation requires the commitment of all to achieve progress towards a carbon-free economy.

Guided by its Corporate Purpose: "Helping people to build the story of their lives, because it will be our story", Ibercaja works to ensure that its financial performance serves as a lever for sustainable and inclusive development and acquires commitments aligned with the fight against climate change.

In 2019, Ibercaja adhered to the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD) set up by the Financial Stability Board. With this adhesion, the Bank aims to advance in the disclosure, in a clear, consistent and standardised manner, of the risks and opportunities of climate change on its business and its implications and integration into the Bank's strategy. The information summarises how Ibercaja is becoming engaged in responding to the challenges arising from climate change, following the recommendations of the TCFD in the analysis, in the implementation of measures and in the development of reporting.

In 2021, the Bank became one of the founding partners of the **Net-Zero Banking Alliance** (NZBA). This organisation is led by the banking sector, convened by the UN and co-launched by the United Nations Environment Programme Finance Initiative (UNEP Finance Initiative) and the Financial Services Task Force of the Sustainable Markets Initiative, to lead the transition towards a low-carbon global economy and meet the objectives of the Paris Agreement.

In line with this commitment, in 2022, the Bank joined the **Partnership for Carbon Accounting in the Financial Industry** (PCAF) to work towards its commitment to achieve emission neutrality of its loan book and investment portfolios by 2050 or earlier. PCAF is the international benchmark to facilitate the financial industry's alignment with the Paris Agreement and to convey transparency in the calculation of greenhouse gas (GHG) emissions.

In compliance with NZBA, in October 2022, Ibercaja published its 2030 decarbonisation targets for three emission-intensive sectors, "Electricity generation", "Iron and steel production" and "Residential real estate". These sectors were identified by assessing their contribution to global warming by volume of GHG

emissions, the weight on the Bank's loan portfolio and the availability, quality and granularity of data as far as possible on the prioritised sectors.

In 2023, a Transition Plan has been defined to achieve the decarbonisation targets set for 2030 and 2050 for the three specific sectors of the loan portfolio.

The Bank is also committed to measuring and publishing its carbon footprint. This report contains the calculation of its Scope 1, 2 and partially Scope 3 emissions for the period from 01/01/2023 to 31/12/2023.

2. METHODOLOGY AND LIMIT SETTING.

The Bank is committed to measuring and publishing its carbon footprint. This calculation helps the organisation to identify its main sources of greenhouse gas emissions, to calculate emissions, and above all to develop strategies that contribute to reducing both consumption and emissions associated with the activity.

Ibercaja has had its carbon footprint registered in the Registry of the Climate Change Office of the Ministry for Ecological Transition and Demographic Challenge since 2016. The Ministry has awarded the organisation the “Reduzco” (I reduce) seal since 2019 in recognition of the efforts the bank has made to successfully reduce its emissions.

This report includes the calculation of GHG emissions from the company's operations (direct emissions) as well as from the value chain (indirect emissions), classified into 3 scopes:

Scope 1: direct GHG emissions from sources owned or controlled by the organisation (vehicles, boilers, machinery and air-conditioning)

Scope 2: indirect emissions associated with the generation of electricity purchased and consumed by the organisation.

Scope 3: other indirect emissions from the company's value chain, which are a consequence of the Bank's activities but occur in sources that are not owned and controlled by the Bank (product or service use, supplier emissions, upstream and downstream transport, etc.).

In determining the organisation's limits, the calculation approach takes into account the calculation of the emissions produced, measured in CO_{2eq}, over which there is operational or financial control and that therefore provide complete and accessible information.

The scope of the calculation is made at the level of the entire Ibercaja Banco S.A. organisation without including other Group companies (Ibercaja Vida, Insurance and Reinsurance Company, Ibercaja Mediación de Seguros, Ibercaja Gestión, Ibercaja Pensión, Ibercaja Leasing and Financing) and includes all the branches of the national network, functional administrative centres and the headquarters building located in Plaza Basilio Paraíso, in Zaragoza. The calculation of the carbon footprint of Ibercaja Group companies is not included in the organisation's limits.

In the operational limits the organisation identifies the emissions associated with the operations included within the areas defined in the organisational limit.

The emitting sources included in the calculation according to the defined scopes are detailed below:

SCOPE 1: Direct emissions

- Burning fossil fuels (natural gas and oil) for the thermal needs of buildings.
- Leaks from refrigeration and air-conditioning equipment operating with refrigerants composed of fluorinated gases.
- Operation of vehicles owned or controlled by the organisation.

SCOPE 2: Indirect emissions

- Emissions associated with electricity consumption.

SCOPE 3: Other indirect emissions

- Emissions associated with employees travelling by car for work purposes.
- Mileage-related emissions from the courier service.

For the selection of emission sources for the calculation period, the Bank has focused on two GHG-generating activities. The first of these sources, related to the upstream transport stage, is considered relevant because it represents a high percentage of Scope 1 and 2 emissions and there are potential measures for its reduction. With regard to the emissions associated with pouch courier services, in addition to having a high level of access to information, the organisation has carried out planned actions to reduce them throughout the calculation period.

In terms of methodology, the formula for calculating emissions in all cases is as follows:

Carbon footprint= Activity data x Emission factor

In which:

Activity data: parameter defining the degree of activity (litres in the case of diesel, kWh in the case of electricity, km in the case of employee travel, etc.).

Emission factor: amount of greenhouse gases emitted per unit of the "activity data" parameter.

The emission factors used to calculate Scopes 1 and 2 are those provided by the Ministry for Ecological Transition and Demographic Challenge (MITERD), based on official sources. For the calculation of Scope 3 emissions, the emission factors of the Defra - Greenhouse Gas Protocol have been used.

This document contains the calculation of the operational carbon footprint for the period 01/01/2023 to 31/12/2023. It also includes activity data, calculation criteria used, methodology and the performance of the carbon footprint in the period 2016-2023.

3. DATA COLLECTION, CRITERIA AND RESULTS OF THE CARBON FOOTPRINT CALCULATION FOR 2023

Once the emission sources have been identified and the activity data collected, the carbon footprint is calculated.

3.1. SCOPE 1 EMISSIONS RESULTS

Scope 1 emissions are distributed as follows:

- Fossil fuel consumption in stationary installations.
- Fossil fuel consumption for travelling in vehicles.
- Leakage emissions - fluorinated gases.

*The sources from which the following emission factors have been derived can be found in section 4 of this report.

Fossil fuel consumption in stationary installations

Table 1. Calculation of the emissions associated with the consumption of fossil fuels in stationary installations

Fuel type	Building	Activity Data	Emissions (t CO_2e)	Total emissions (t CO_2e)	Data source
Oil B (l) (generator sets at Headquarters)	Headquarters	2,000	5.44	165,30	Bills for the diesel supply

Oil B (l) (branch office heating)	Branch Network	11,856	32.26		
Oil C (l) (heating other offices)	Branch Network	17,008.0	46.28		
*Natural Gas (kWh_{HCV})	Branch Network	445,721.8	81.32		Bills from suppliers

(*) The emission factor for Natural Gas is expressed in $kgCO_2/kWh_{HCV}$
NOTE: In order to obtain activity data on the consumption of diesel b and c in offices, the methodology has been modified by employing a surface area allocation factor. Two leased properties have been excluded from the calculation, which explains the reduction in emissions compared to previous years.

The procedure for collecting data on energy consumption from natural gas and oil is based on bills from suppliers. The figure for oil in the branch network is associated with the consumption of fossil fuels to cover thermal needs. At the headquarters, fuel consumption is associated with the unloading and filling the oil tank to supply the emergency generator sets.

The natural gas calculation takes into account the percentage of banking activity occupancy of seven buildings (5539 DT Extremadura y Sur-Badajoz, 4891 Burgos Reyes Católicos, 8968 Zaragoza Centro CPD, 4853 Burgos San Pedro de la Fuente, 4826 Medina de Pomar, 4822 Lerma and 3852 Teruel Ramón y Cajal).

Fossil fuel consumption for vehicle travel.

The fuel consumption data of own vehicles, controlled by the organisation, are collected from the kilometres travelled data.

The emission factors (expressed in gCO_2/km) are obtained from the vehicle data sheet and, for diesel-fuelled vehicles, by entering the data: car model and type of fuel consumed in the IDAE website application: http://coches.idae.es/.

The source of the activity data is the distance travelled by each of them (km). In 2023, ten new vehicles were added to the fleet and six were removed. At year-end there were twenty-four leased vehicles and two owned diesel vehicles.

Table 2. Calculation of the emissions associated with fleet vehicle fossil fuel consumption

Fuel type	Activity Data: Km vehicle fleet	Partial emissions (t CO_2)	Total emissions* (t CO_2e)	Data source
DIESEL (1)	21,606	2.52	72.18	IDAE website
DIESEL (2)	3,364	0.64		IDAE website
COROLLA HYBRID ECO Label	465,325	46.07		Data sheet
TOYOTA CAMRY ECO Label	215,544	21.77		Data sheet
Plug-in HYBRID ZERO label	25,698	1.18		Data sheet

(*) complete combustion is assumed

Leakage emissions - fluorinated gases

Leakage emissions from the leakage of these gases are derived from the amount of gas leaked into the atmosphere and its GWP (Global Warming Potential).

Table 3: Calculation of emissions associated with leakage of fluorinated gases

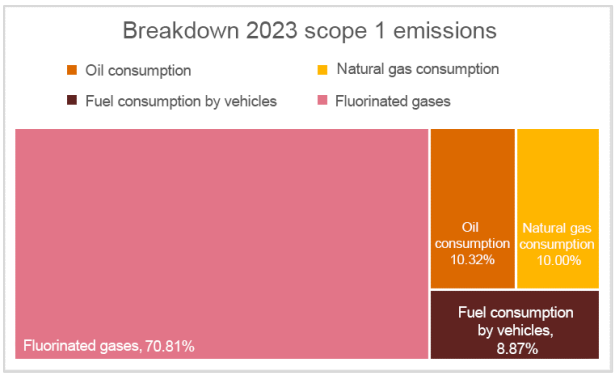
BUILDING	GAS OR PREPARED	Activity Data: annual refill (kg)*	Emissions (t CO_2e)	Total emissions (t CO_2e)
BRANCH NETWORK	R453A	69.00	131.45	575.98
	R407C	98.39	187.73	
	R410A	69.90	157.69	
	HFC32	9.00	6.93	
	R427A	27.50	65.93	
	R422D	9.00	26.25	

*For the activity data, two bills have been identified for the previous fiscal year that were outside the scope (21 kg) but the Bank has decided to keep this information as the associated emissions have been considered within the offsetting plan

Annual recharging of air conditioning equipment: amount of refrigerant gas produced when a leak has occurred. The data is recorded on the leakage check sheets carried out by the authorised maintenance companies. Evidence of the information contained therein is supported by bills and maintenance reports.

Table 4: Summary calculation scope 1 emissions

EMISSIONS	EMITTING SOURCE	SCOPE 1 t CO_2 e
1	Fuel consumption in stationary installations	165.30
	Leakage of fluorinated gases	575.98
	Fuel consumption of own vehicles	72.18
TOTAL		**813.46**



It should be noted that the total Scope 1 emissions have been offset by acquiring allowances from two projects registered with the Spanish Climate Change Office (OECC) and certified by MITERD. The Bank has also offset the rest of the direct emissions with ECODES, through its participation in the Serra do Amolar Pantanal Protection Project. This information is expanded upon in section 6 of this document.

3.2. SCOPE 2 EMISSIONS RESULTS

Scope 2 emissions are distributed as follows:

Electricity

Table 5: Calculation of emissions associated with electricity consumption

Type of electricity contracted	Building	Activity Data: consumption (kWh)	Total emissions (t CO_2e)	Data source
Renewable origin with Guarantee of Origin*, ENDESA	Branch network	19,450,808	0.00	Data compiled by the electricity manager, based on bills from the supplier
	Headquarters	7,309,066		
Renewable origin with Guarantee of Origin*, non-ENDESA	Branch network	25,574	0.00	
Non-renewable origin, non-ENDESA	Branch network	182,414.9	46.39	

The electricity consumption data collection procedure is carried out on the basis of the supplier's consumption bills.

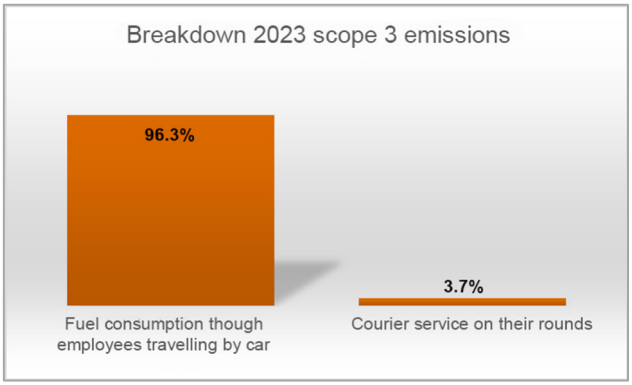
There are some non-Endesa supply points in small towns whose consumption accounts for around 0.6% of Ibercaja's total consumption. Although this consumption is not significant, in 2023 the calculation of the carbon footprint associated with this consumption has been included in order to promote and boost the demand for clean energy and contribute to the fight against climate change.

Consistent with the information provided in the Consolidated Annual Management Report, the electricity consumption study for branches corresponds to the period from October 2022 to November 2023.

In terms of consumption related to the fleet's plug-in vehicles, the charging points are covered by Endesa's Guarantee of Origin certificate and are considered to have a zero impact on the carbon footprint.

Table 6: Summary calculation scope 1+2 emissions

EMISSIONS	EMITTING SOURCE	SCOPE 1+2
		t CO_2 e
1	Fuel consumption in buildings	165.30
	Leakage of fluorinated gases	575.98
	Fuel consumption of own vehicles	72.18
2	Electricity consumption	46.39
TOTAL		**859.85**



3.3. SCOPE 3 EMISSIONS RESULTS

Scope 3 emissions are distributed as follows:

- Emissions associated with employees travelling for work purposes.
- Emissions associated with the in-house pouch courier service.

Employees travelling for work purposes

Table 7: Calculation of emissions associated with employee travelling for work purposes

Type of journey	Activity Data: Vehicle kilometres travelled	Total emissions (t CO_2e)	Data source
Motor vehicle	4,788,192.00	797.90	Accounting data expenses by kilometres travelled

The data is obtained through the corporate travel expense management tool whereby employees enter their mileage in the corporate travel and expense tracking app.

In-house pouch courier service

Table 8: Calculation of emissions associated with ground travel courier service

Type of journey	Activity Data: Vehicle kilometres travelled	Total emissions (t CO_2e)	Data source
Motor vehicle	131,355.93	30.26	Data collected on the number of customers sharing route in the various territorial areas.

PARAMETERS ASSESSED:

The number of pouches per area of operation has been assessed by taking an average distance applicable to the whole area, estimating a single trip per office and 2.243 days per week. In 2022, the methodology for obtaining the emissions data was revised in order to improve the accuracy of the data and such that emissions caused by flights to the Canary and Balearic Islands were disregarded as they are very small quantities that do not affect the final result. Land transport to Algeciras and Barcelona from Zaragoza is taken into account in the calculation.

Table 9: Summary calculation scope 3 emissions

SCOPE	EMITTING SOURCE	SCOPE 3 EMISSIONS
		t CO_2e
3	Employees travelling for work purposes	797.90
	In-house pouch courier service.	30.26
TOTAL		**828.16**

Ibercaja Banco's calculated scope 3 carbon footprint was **828.16 t CO_2e.**

3.4. TOTAL CARBON FOOTPRINT RESULT

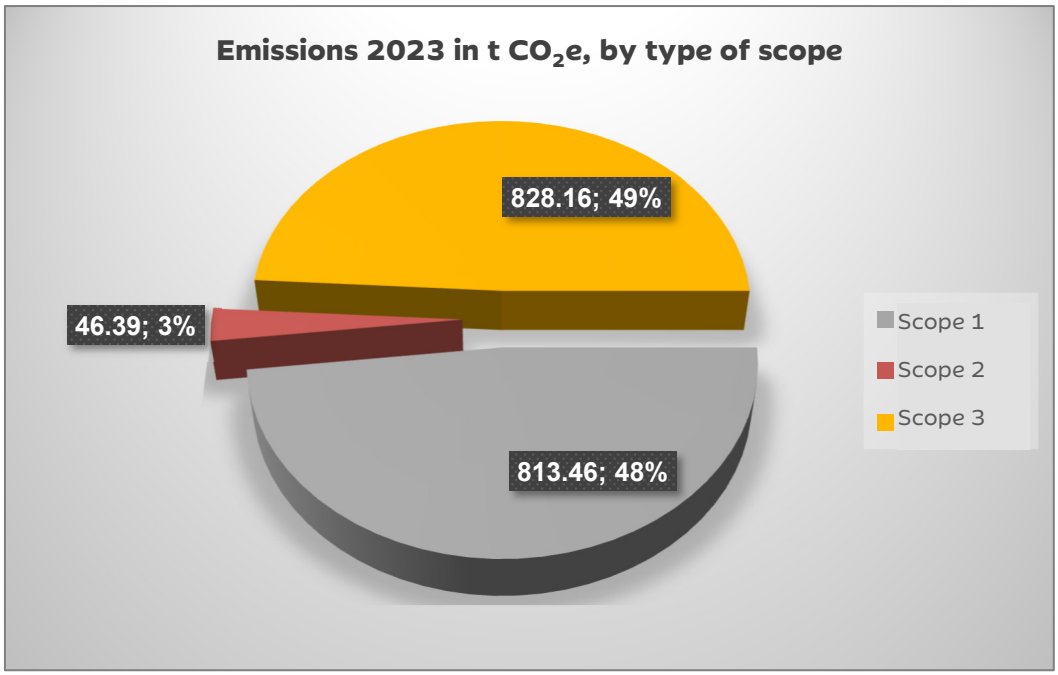
The result of Ibercaja's carbon footprint calculation in 2023 was **1,688.01 tonnes of CO_2e,** of which **859.85 were direct emissions** (scope 1 and 2), 51% of the calculated total.

Table 10: Summary total emission calculation scopes 1, 2 and 3

	TOTAL EMISSIONS (tCO_2e)
SCOPES	
SCOPE 1 (tCO_2e)	**813.46**
SCOPE 2 (tCO_2e)	**46.39**
SCOPE 3 (tCO_2e)	**828.16**
TOTAL EMISSIONS	**1,688.01 tCO_2e**

The graph below shows the distribution of emissions by scope, in absolute value.

Figure 1. Distribution of emissions by scope, in absolute terms



4. EMISSION FACTORS 2023

SCOPES 1+2

Emission factors correspond to Calculator Version V29 published by the Ministry with revision date 09/05/2024. Available at **Calculadoras (miteco.gob.es)**

SCOPE 1

Table direct emission factors, fossil fuels in stationary installations scope 1

Fuel	kg CO_2/unit	g CH_4/unit	g NO_2/unit	Source
Diesel C (l)	2.705	0.365	0.022	**OECC.** Emission factors Carbon footprint registration, offsets and carbon dioxide absorption projects.
Diesel B (l)*	2.705	0.365	0.022	
Diesel B (l)**	2.705	0.365	0.022	
Natural Gas	0.182	0.016	0.000	

*Supply of machinery (generators) in the Headquarters building

**Supply in offices, fixed installations (boilers)

Table of direct emission factors for fluorinated gases, scope 1

Gas	PCA (Kg CO2e/kg gas)	Source
R-453A	1,905	**OECC.** Emission factors Carbon footprint registration, offsets and carbon dioxide absorption projects
R-407C	1,908	
R-410A	2,256	
HCFC 32	771	
R-427A	2,397	
R-422D	2,917	

Table of fossil fuel emission factors for own vehicle travel, Scope 1

Fuel	kg CO_2/unit	g CH_4/unit	g NO_2/unit	Source
Diesel vehicle 1	0.117	-	-	* Emission factors taken from the IDAE website
Diesel vehicle 2	0.190	-	-	
ELECTRIC vehicle	0.046	-	-	Vehicle data sheet
Toyota Corolla plug-in hybrid vehicle	0.099	-	-	Vehicle data sheet
Toyota Camry plug-in hybrid vehicle	0.101	-	-	Vehicle data sheet

* Diesel vehicle emission factors were extracted from the IDAE website in 2016.

SCOPE 2

Fuel	Kg CO_2e	Source
ENDESA ENERGÍA S.A.U	0.00	MITERD calculator (Guarantee of Origin)
EDP ESPAÑA, S.A.	0.260	MITERD calculator
ELECTRA ENERGÍA, S.A.	0.00	MITERD calculator (Guarantee of Origin)
TENSINA DE ENERGÍA Y SERVICIOS S.L.	0.00	MITERD calculator (Guarantee of Origin)
IBERDROLA ENERGÍA ESPAÑA S.A.U.	0.241	MITERD calculator
NATURGY IBERIA, S.A.	0.215	MITERD calculator
Other	0.260	MITERD calculator

SCOPE 3

Table of indirect emission factors for courier service while on their rounds

Source: UK Government GHG Conversion Factors for Company Reporting. Full set: Business Travel air, Delivery vehicles Guidance. Version 2.0 2022 Greenhouse gas reporting: conversion factors 2023 - GOV.UK (www.gov.uk)

Delivery vehicles Guidance:

Activity	Haul	Class	Kg CO_2e per unit
Managed Vans	-	Average (up to 3.5 tonnes)	0.23037

Table of indirect emission factors for employee trips

Source: UK Government GHG Conversion Factors for Company Reporting. Full set: Managed assets-vehicles, activity managed cars (by size) Guidance. Version 1.1 2023.

Managed assets-vehicles, Guidance:

- Activity: Managed cars
- Type: Average car
- Kg CO_2e /km: 0.1666

5. CARBON NEUTRALITY - SCOPES 1 and 2

In 2023, Ibercaja has achieved carbon neutrality of its operational footprint taking into account scopes 1 and 2. To achieve neutrality, the focus has been on the implementation of measures to reduce emissions and those that could not be avoided have been offset through the purchase of credits in the voluntary emissions offset market.

As a result, 38% of these emissions, **325 tCO_2e**, have been offset in two projects certified by the Spanish Ministry for Ecological Transition and Demographic Challenge, which provides a total guarantee of commitment and sustainability and also contributes to the reduction of erosion, biodiversity conservation and job creation. The amount of emissions offset through MITERD projects in 2023 has exceeded, by 14%, the amount offset in 2022, when offsetting was first registered in the Carbon Footprint, Offsetting and CO_2 Absorption Projects Registry.

The following absorption projects were compensated:

- Offsetting of **200 t CO_2 in the CO_2 Forest Management 'Tierras de Rueda I and II'** in Gradefes (León).
- Offsetting of **125 t CO_2 in the CO_2 Forest Management 'Juarros II'** in San Adrián de Juarros (Burgos).

The Bank has offset the rest of its emissions (535 tCO_2e) through the Foundation for Ecology and Development (ECODES) in the **Serra do Amolar Pantanal Protection Project**, validated by two of the most prestigious standards of the Voluntary Carbon Market: the Verified Carbon Standard (VCS) and the Climate Community and Biodiversity Standard (CCBS). This project aims to protect 135,000 hectares of the Pantanal by working together with local communities, key stakeholders and technical experts to prioritise and generate actions against the main drivers of deforestation in the region. The VCS validates the number of CO_2 removals (carbon credits) and the CCBS ensures that the project promotes and generates positive community and biodiversity benefits.

Energy production from renewable energy sources is also a priority to combat climate change and reduce the carbon footprint. In this way, Ibercaja, through purchasing 100% renewable energy and offsetting the emissions that it could not avoid, guarantees its commitment to sustainability by achieving neutrality of its CO_2 emissions belonging to scope 1 and 2.

6. CHANGE IN EMISSIONS 2016-2023

Ibercaja has established 2016-2030 as the comparative period. In order to contribute to the mitigation of climate change, the company has designed a GHG emissions reduction plan that affects its entire network of branches and central services for this period. This plan includes measures that have already been implemented and are being continued, as well as measures with a medium-term focus.

This document reports on the main actions carried out in the 2023 financial year and takes stock of the results.

The following table and graph show the **change in emissions between 2016-2023**.

Scopes 1, 2 and 3	**2016**	2017	2018	2019	2020	2021	2022	**2023**	Change (%)
Emissions tCO_2e	**16,214.9**	16,202.1	14,511.8	9,769.7	1,917.8	1,550.2	1,783.2	**1,688.01**	**-89.59%**

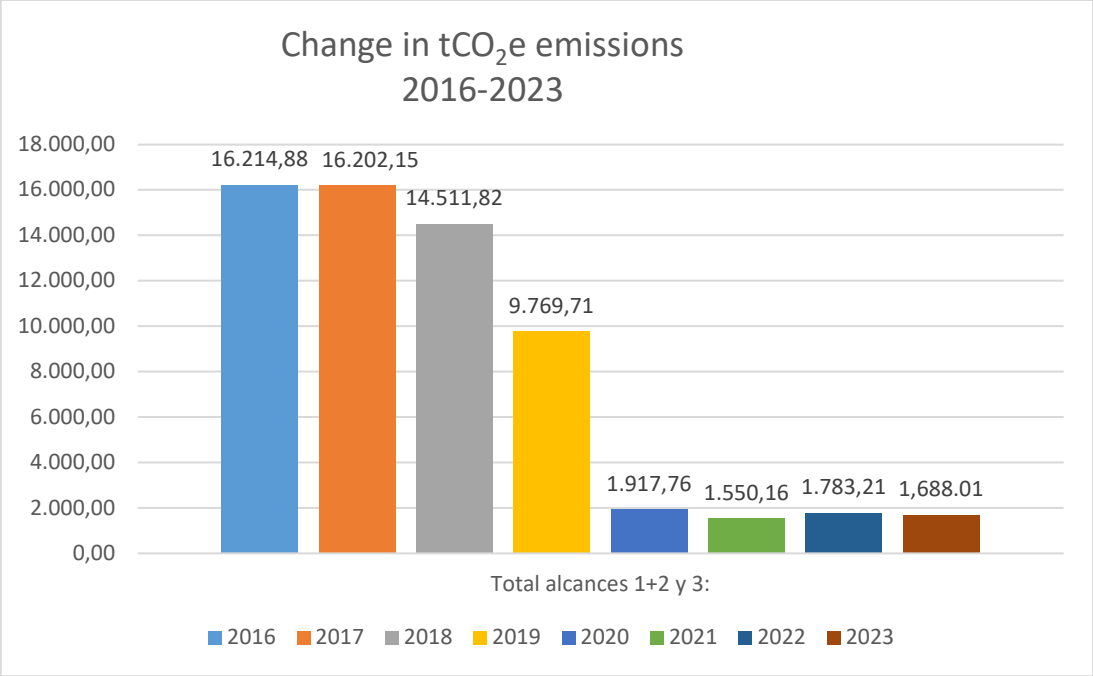


Figure 2. Change in total emissions results 2016-2023 period

In absolute values, **the emissions generated during the financial year 2023 have been reduced by 89.59% with respect to the reference year, 2016.** This reduction is the result of the Bank's efforts to carry out actions to reduce energy consumption, efficient use of resources and materials with better environmental performance.

In relation to electricity consumption, it is important to highlight how the Bank has managed to reduce electricity consumption by around 30% since 2016, which has meant a reduction of 14% per employee.

This reduction is supported by actions related to energy efficiency in which priority is given **to design criteria based on energy efficiency and sustainability** involving the implementation of equipment with better performance and high energy efficiency. Some examples:

- Acquisition of IT equipment qualified with the "**Energy Star" eco-label**.
- Optimisation of the performance of the transformation centres at the headquarters in Plaza Paraíso in Zaragoza.
- The design and dimensioning of **air conditioning installations** is carried out according to the criterion of maximum energy efficiency.
- In all refurbishments and maintenance work carried out in branch offices, when the installation allows it, **LED lighting systems** are incorporated, as well as **energy-efficient air conditioning systems**. In addition, the illuminated signs are fitted with energy-saving LED lighting systems.

We also continue to promote initiatives to raise awareness of environmental protection. Focusing on the continuous improvement of energy saving and efficiency policies, every year the branches are sent information on electricity consumption and expenditure data and reminded of important aspects to consider in order to make the branches more sustainable from an environmental point of view.

In 2023, the lighting on floors 4 to 8 was renewed, with the implementation of LED lamps and an automatic control system that regulates the level of lighting according to the natural light, with presence control. With this action, it is expected to achieve energy savings per floor of around 50%. In 2024, installation of LED lighting on several floors of the Headquarters tower was completed: floors 10, 11 and 12.

Electricity consumed is supplied by ENDESA Energía S.L., in accordance with the contract in force. Since 2020, this energy has come from renewable sources in accordance with the Certificate of Guarantee of Origin provided to us, and it has no associated emissions. There are some non-Endesa supply points in small towns whose consumption accounts for around 0.6% of Ibercaja's total consumption. Although this consumption is not significant, in 2023 the calculation of the carbon footprint associated with this consumption has been included in order to promote the commercialisation of renewable energy sources in the rest of the companies.

In addition, in 2019 Ibercaja began incorporating hybrid and electric vehicles into its fleet and replacing them with less polluting ones. The Bank has two vehicles of its own that run on diesel.

6.1. CHANGE IN SCOPE 1 EMISSIONS, 2016-2023

The change in direct emissions from Scope 1 emission sources is detailed below.

The table shows the breakdown of Scope 1 emissions in the 2016-2023 period:

Emission sources/ tCO_2e emissions	2016	2017	2018	2019	2020	2021	2022	2023	Change% 2023 compared to 2016
Oil consumption	345.3	282.5	321.07	250.9	269.20	236.92	183.38	83.98	-75.68%
Natural gas consumption	181.1	164.13	163.60	176.73	193.89	189.71	184.39	81.32	-55.10%

Fuel consumption by vehicles	48.4	70.73	61.53	77.63	44.98	58.31	72.92	72.18	49.12%
Fluorinated gases	1,053.1	1,515.79	1,034.9	570.39	763.77	346.99	543.73	575.98	-45.31%
Total scope 1 emissions	1,627.91	2,033.15	1,581.10	1,075.65	1,271.59	831.94	984.42	813.46	**-50%**

From the data shown in the table, it can be concluded that the reduction of direct Scope 1 emissions in 2023 compared to the base year 2016 is **50%.** This data is not comparable with previous years as the calculation of diesel B and C consumption data has been modified by using a surface area allocation factor and two leased properties have been excluded from the calculation.

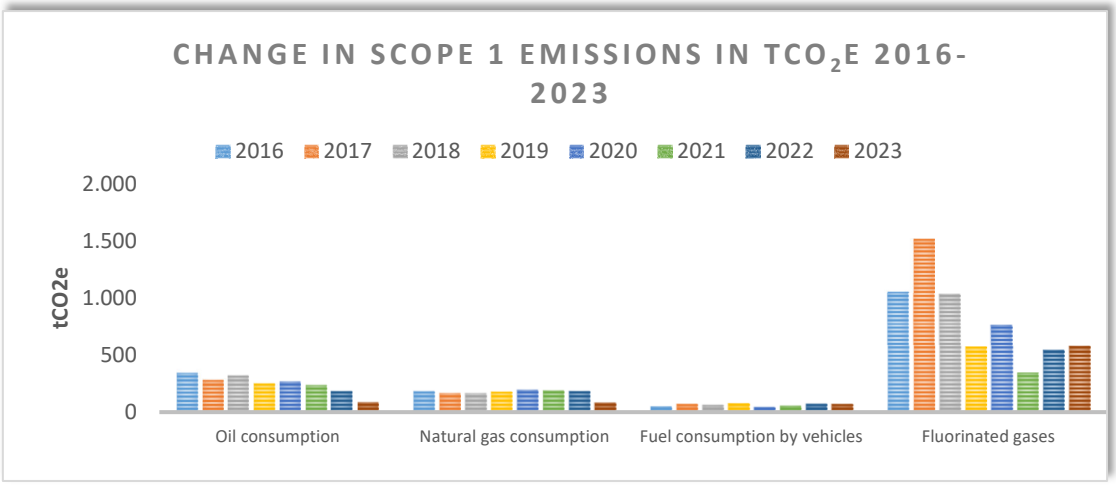
With regard to natural gas consumption, the reduction in emissions is due to the lack of staff in the Juan de la Cierva building in the winter months of 2023 and the replacement of the heating system during this period with electrically operated self-contained units.

The largest volume of GHG emissions is associated with the use of refrigerant gases, which accounted for 70.8% of total Scope 1 emissions in 2023. The next largest source of emissions is associated with diesel and natural gas consumption, which accounted for 20%.

The procedure for collecting data on energy consumption from natural gas and oil is based on bills from suppliers. Direct emissions from diesel consumption are emissions associated with the three generators in the central building and those associated with heating boilers in a total of 16 offices. The natural gas calculation takes into account the percentage of banking activity occupancy of 7 buildings (5539 DT Extremadura y Sur-Badajoz, 4891 Burgos Reyes Católicos, 8968 Zaragoza Centro CPD, 4853 Burgos San Pedro de la Fuente, 4826 Medina de Pomar, 4822 Lerma and 3852 Teruel Ramón y Cajal).

Additionally, the emissions derived from the fuel consumption of company-owned vehicles amounted to 8.87% in 2023.

Figure 3. Comparison of scope 1 direct emissions results by source 2016-2023



6.2. CHANGE IN SCOPE 2 EMISSIONS, 2016-2023

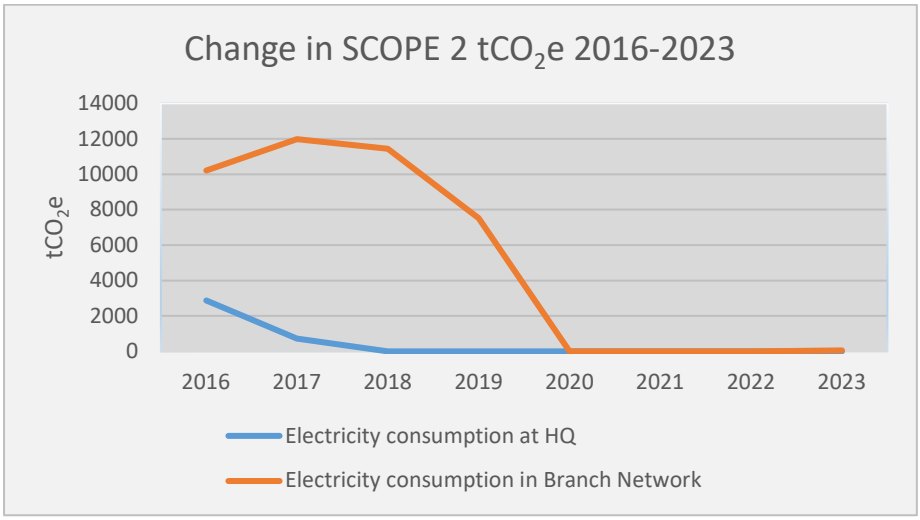
The change in indirect emissions from Scope 2 emission sources is detailed below.

The table shows the breakdown of Scope 2 emissions in the 2016-2023 period:

Emission sources/ tCO_2e emissions	2016	2017	2018	2019	2020	2021	2022	2023	Change% 2023 compared to 2016
Electricity consumption Headquarters	2,874.79	724.62	0.00	0.00	0.00	0.00	0.00	0.00	-100%
Electricity consumption Branch network	10,215.35	11,980.58	11,440.80	7,512.36	0.00	0.00	0.00	46.39	-99.55%
Total scope 2 emissions	13,090.14	12,705.20	11,440.80	7,512.36	0.00	0.00	0.00	46.39	**-99.65%**

100% of the electricity consumed is supplied by ENDESA Energía S.L., in accordance with the contract in force. Since 2020, this energy has come from renewable sources in accordance with the Certificate of Guarantee of Origin provided to us, and it has no associated emissions. There are some non-Endesa supply points in small towns whose consumption accounts for around 0.6% of Ibercaja's total consumption. Although this consumption is not significant, in 2023 the calculation of the carbon footprint associated with this consumption has been included in order to promote and boost the demand for clean energy and contribute to the fight against climate change.

Figure 4. Comparison of scope 2 indirect emissions results by source 2016-2023



6.3. CHANGE IN SCOPE 3 EMISSIONS, 2016-2023

The following table and graphs show the **change in scope 3 emissions between 2016-2023**, in absolute values.

The table shows the breakdown of Scope 3 emissions in the 2016-2023 period:

Emission sources/ tCO_2e emissions	2016	2017	2018	2019	2020	2021	2022	2023	Change% 2023 compared to 2016
Fuel consumption though employees travelling by car for work	1,006.66	1,006.96	1,089.53	1,133.45	607.42	687.06	768.55	797.90	-20.7%
Fuel consumption by the courier service transport	490.16	456.83	400.39	48.25	38.75	31.16	30.24	30.26	-93.8%
Total scope 3 emissions	1,496.82	1,463.79	1,489.92	1,181.70	646.17	718.22	798.79	828.16	**-44.7%**

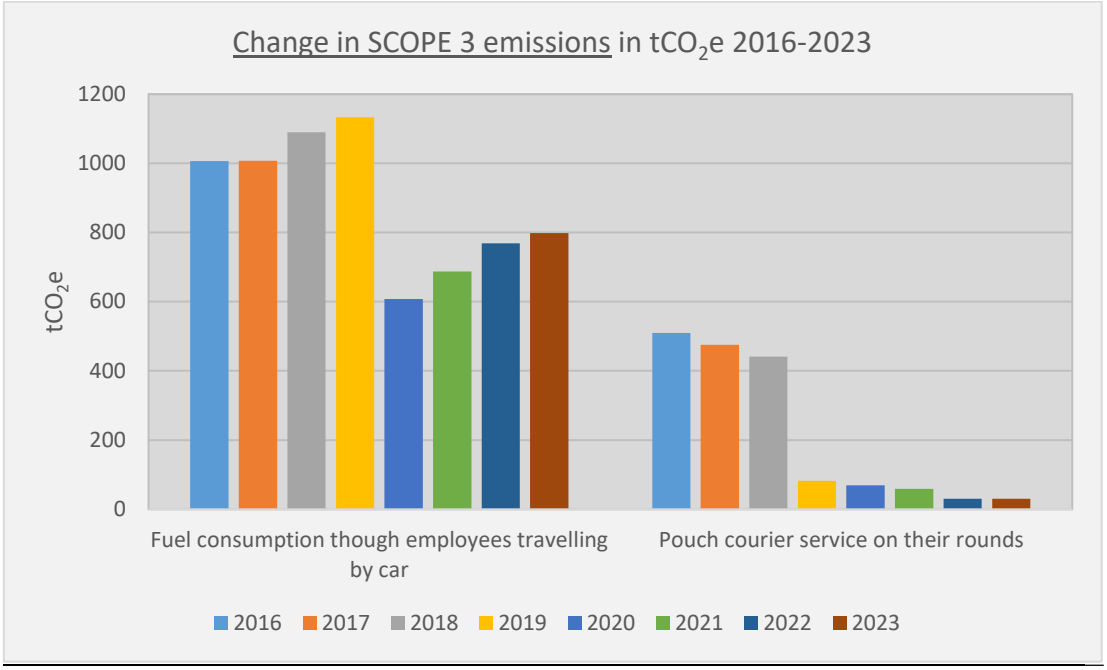
The data reflect that there has been a **44.7% reduction in emissions from Scope 3 emission sources**, compared to the base year (2016).

- ✓ The routes and frequency of the pouches have been optimised.
- ✓ Virtual meetings and online training continue to be promoted.

The process of optimising the frequency of courier routes continues and has gone from an average of 3 days a week in 2016 to 2.244 days in 2023, which represents a reduction of 25%.

Compared to the base year (2016)**, total emissions have been reduced by 93.83%.** This significant reduction was justified in 2019 when the criterion for the distribution of courier service mileage was corrected.

Figure 5. Comparison of scope 3 indirect emissions results 2016-2023 periods



6.4. CHANGE IN INTENSITY OF EMISSIONS 2016-2023

The activity index considered by the organisation to obtain the emissions ratio is the Retail Turnover.

With these updated figures, the following tables show the result in 91% change compared to the base year (2016).

Activity index: RETAIL BUSINESS VOLUME

Activity index data	2016	2017	2018	2019	2020	2021	2022	**2023**
Balance €Mn	84,156	86,170	86,653	90,297	94,367	99,025	98,253	**100,118**

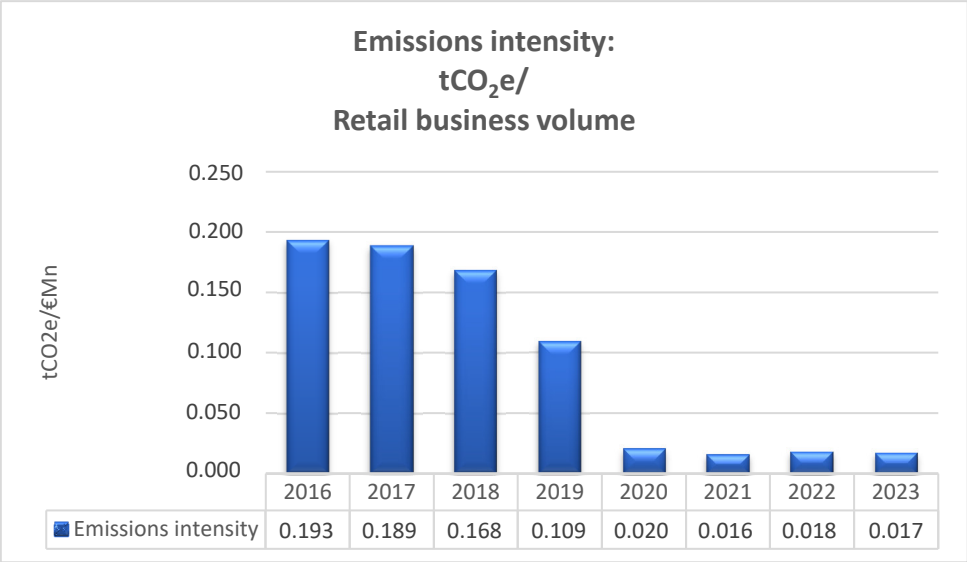
Change in emissions between 2016-2023

Scopes 1, 2, 3	2016	2017	2018	2019	2020	2021	2022	**2023**
tCO2e emissions	16,214.9	16,202.1	14,511.8	9,769.7	1,917.8	1,550.2	1,783.2	**1,688.01**

Emissions intensity by RETAIL BUSINESS VOLUME

	2016	2017	2018	2019	2020	2021	2022	2023	Change % 2023 compared to 2016
tCO_2e/€Mn emissions ratio	0.193	0.189	0.168	0.109	0.020	0.016	0.018	0.017	**-91.2%**

Figure 6. Comparison of total emissions intensity results for the periods 2016-2023



Keys for change in tCO_2e emissions ratio:

The performance of emissions since 2016 shows progress in the implementation of the reduction measures set out in the Improvement Plan. In 2019, a 40% reduction in total emissions was achieved compared to 2016 by securing 100% of the electricity consumed in the main building from renewable energy sources. In 2020, a reduction of 88.2% was achieved by increasing the number of green energy supply points in the office network. The significant reduction achieved from 2019 onwards has led to a 62.28% reduction in the average emission intensity in the three-year period 2020-

2022 compared to the three-year period 2019-2021, for Scope 1+2 and 3, certified by MITERD. In 2023, there is a change in the trend of a reduction in the average intensity of the three-year period 2021-2023 compared to the previous three-year period 2020-2022.

7. DECARBONISATION TARGETS IN THE CREDIT PORTFOLIO

Ibercaja is a founding member of the *Net-Zero Banking Alliance* (NZBA), an initiative of the United Nations that promotes the commitment of the banking sector worldwide to achieve carbon neutrality in respect of CO_2 emissions by 2050. Meanwhile, Ibercaja Gestión and Ibercaja Pensión signed up to the *Net-Zero Asset Managers*, with the commitment to achieve neutrality of their own and their portfolios' CO_2 emissions by 2050 at the latest.

In response to this commitment, Ibercaja has defined decarbonisation targets for 2030 in three carbon-intensive sectors, relevant to the Bank's business model: **Residential real estate, electricity generation and iron and steel production**.

To define the decarbonisation targets, different scenarios have been considered depending on the economic sector:

- Power generation and iron and steel sectors: Net-Zero 2050 scenario of the IEA at global level.
- Residential real estate sector: The IEA's "Net-Zero 2050" scenarios at global level and CRREM's "Global Decarbonisation Pathway 1.5°C" for Spain.

Reference methodologies such as PCAF and PACTA have been used to calculate the intensity metrics as well as the emissions intensity of the counterparty and its weight in the Bank's portfolio.

Decarbonisation targets in the credit portfolio:

Sector	Scenario	Scope of emissions[1]	Metric	Base year (2021)	2030 objective
Electricity Generation	NZE 2050 (IEA)	1+2	kg CO_2 eq. / MWh	**164** (2021)	**103** (-37%)
Iron and Steel Production	NZE 2050 (IEA)	1+2	kg CO_2 eq. / t	**576** (2021)	**518** (-10%)
Residential Real Estate	NZE 2050 (IEA) and CRREM1, 5°	1+2	kg CO_2 / m^2	**42** (2021)	**36** (-16%)

1 Ibercaja has not calculated Scope 3 financed emissions as the availability of information, as well as existing methodologies, is limited. The Bank has planned to work on improving climate and environmental reporting during 2023 to improve its analysis for reporting in 2024.

These objectives, approved by Ibercaja's Management Committee, are supported by a specific governance structure that guarantees their compliance. To this end, a Transition Plan has been defined to achieve the intermediate objectives in the three sectors, following the guidelines and recommendations for financial institutions published by the Glasgow Financial Alliance for Net Zero (GFANZ), and combining the following strategies:

- Financing or facilitating the development of climate solutions.
- Financing companies already aligned with decarbonisation.
- Financing companies with decarbonisation plans.
- Assessing the removal of sectors and/or companies not aligned with the 2050 Net-Zero targets.

At sectoral level, the main lines of action of the decarbonisation strategy to achieve the 2030 targets have been defined:

- **Residential Real Estate**: The aim is to promote the financing of sustainable housing in the market and the renovation of housing in the portfolio that is considered unsustainable.
- **Electricity Generation**: Compliance of the large companies in the portfolio with the decarbonisation plans will be monitored, and the full financing of renewable companies and financing of decarbonisation projects by cogeneration companies will be promoted.
- **Iron and Steel Production**: financing of projects related to decarbonisation, financing of large companies and SMEs already in Ibercaja's portfolio that are aligned with the emission neutrality objectives and, finally, monitoring of the decarbonisation plans of those that are significant in the portfolio due to their weight, are defined as a line of action.

Additionally, an engagement strategy has been defined to strengthen our link and promote decarbonisation actions, including:

- Training for the commercial team.
- Improvement of counterparty transition risk analysis.
- Organisation of forums and events related to decarbonisation and economic transition.
- Deepening of a one-to-one conversation model.
- Work in alliances with partners to offer decarbonisation-related services to customers.
- Advice on public subsidies.

8. GLOSSARY

Carbon footprint:

This environmental indicator aims to reflect "the total greenhouse gases (GHG) emitted as a direct or indirect effect of an individual, organisation, event or product". The carbon footprint is measured by carrying out an inventory of GHG emissions through the application of recognised international standards, such as ISO 14064-1, ISO 14067, GHG Protocol, PAS 2050 or PAS 2060, among others. The carbon footprint is configured as a basic reference point for the initiation of actions to reduce energy consumption and for the use of resources and materials with better environmental performance.

Climate change:

Climate change refers to long-term changes in temperatures and weather patterns. These changes can be natural, due to variations in solar activity or large volcanic eruptions. But since the 19th century, human activities have been the main driver of climate change, mainly due to the burning of fossil fuels such as coal, oil and gas.

The burning of fossil fuels generates greenhouse gas emissions that act like a blanket around the earth, trapping the sun's heat and raising temperatures.

The main greenhouse gas emissions causing climate change are carbon dioxide and methane. These come from the use of petrol to drive a car or coal to heat a building, for example. Land and forest clearing can also release carbon dioxide. Agriculture and oil and gas activities are important sources of methane emissions. Energy, industry, transport, buildings, agriculture and land use are among the main emitters.

Greenhouse effect:

The greenhouse effect is a process in which the thermal radiation emitted by the planetary surface is absorbed by the greenhouse gases (GHG) atmospheric greenhouse gases and is radiated in all directions. Since part of this radiation is returned to the earth's surface and lower atmosphere, this results in an increase in the average surface temperature compared to what it would be in the absence of GHGs.

Greenhouse gases:

A greenhouse gas (GHG) is a gas that absorbs and emits radiation in the infrared range. This process is the root cause of the greenhouse effect. The main GHGs in the

Earth's atmosphere are water vapour (H_2O), carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and ozone (O_3). Without greenhouse gases, the average surface temperature of the Earth would be -18°C instead of the current average of 15°C. In the solar system, the atmospheres of Venus, Mars and Titan also harbour greenhouse gases.

Hydrofluorocarbons (HFCs),

These are fluorinated greenhouse gases with a high global warming potential (GWP), between 150 and 22,800, whose use has increased significantly in recent years. This is because they have replaced ozone-depleting gases (Chlorofluorocarbons (CFCs) and Hydrofluorocarbons (HCFCs)) in their applications.

Carbon equivalent:

The CO_2 equivalent or Carbon Dioxide Equivalent (CO_2eq) is a measure of the carbon footprint in tonnes. Carbon footprint is the name given to total greenhouse gas emissions (carbon dioxide CO_2, methane CH_4, nitrous oxide N_2O, among others).

Climate change mitigation:

The set of actions aimed at reducing the intensity of radiative forcing in order to reduce the potential effects of global warming. In general, mitigation involves reducing greenhouse gas concentrations, either by reducing their sources or by increasing the capacity of carbon sinks to absorb GHGs from the atmosphere.

Emission factors:

Emission factors (EFs) provide a valid estimate of the environmental impact of different materials, products, services and processes. They are a key part of the **carbon footprint calculation**. EFs are usually converted to a known unit, such as carbon dioxide equivalents or CO_2e.

DEFRA:

The Department for Environment, Food and Rural Affairs (Defra) is the government department responsible for environmental protection, food production and food standards, agriculture, fisheries and rural communities in the United Kingdom of Great Britain and Northern Ireland. The treaties established agreed frameworks for cooperation between Defra and the Scottish Government, [2] the Welsh Government [3] and the Northern Ireland Executive, [4] which have delegated responsibility for these matters to their respective nations.

Kyoto Protocol:

The Kyoto Protocol is a protocol of the United Nations Framework Convention on Climate Change (UNFCCC), and an international agreement that aims to reduce emissions of six greenhouse gases (GHGs). This document committed industrialised country signatories to stabilise GHG emissions, and the Convention for its part has encouraged countries to do so. Structured around the principles of the Convention, the protocol sets binding emission reduction targets for 37 countries and the European Union (EU), implicitly recognising that, in 1997, they were primarily responsible for the high levels of GHG emissions in the atmosphere.

9. GREENHOUSE GAS EMISSIONS INVENTORY INDEPENDENT LIMITED ASSURANCE REPORT

Independent Limited Assurance Report on the Greenhouse Gas Emissions Inventory for the year ended December 31, 2023

IBERCAJA BANCO, S.A.

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Building a better working world

INDEPENDENT LIMITED ASSURANCE REPORT ON IBERCAJA BANCO, S.A. "IBERCAJA BANCO OPERATIONAL FOOTPRINT REPORT 2023"

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Management of Ibercaja Banco, S.A.:

Scope of work

We have been hired by Ibercaja Banco, S.A. (hereinafter, Ibercaja Banco) to perform a limited assurance engagement on the Greenhouse Gas Emissions Inventory (hereinafter, GHG Inventory 2023) of Ibercaja Banco for the year ended December 31, 2023, which is included in the document section "Greenhouse Gas Emissions Inventory Independent Limited Assurance Report" of the "Ibercaja Banco Operational Carbon Footprint Report 2023", included as an Annex to this Report.

Criteria

The Bank's Management has carried out the GHG Inventory 2023 in accordance with its internal procedure defined in the sections "Introduction", "Methodology and establishment of limits" and "Emission factors 2023" of the "Ibercaja Banco Operational Carbon Footprint Report 2023", the bases of which are available on the corporate website at the following link https:/www.ibercaja.com/sostenibilidad/compromisos-con-el-medio-ambiente/iniciativas-medioambientales.

Management Responsibility

The Bank's management is responsible for selecting the criteria and conducting the 2023 GHG Inventory in accordance with those criteria, in all material aspects.

It is also responsible for defining, implementing, adapting and maintaining the management and internal control systems necessary to ensure that the preparation and presentation of the information is free from material misstatement due to fraud or error.

The GHG Inventory 2023 is subject to inherent uncertainties due to the incomplete scientific knowledge necessary to determine the emission factors and values needed to combine emissions of different gases.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the 2023 GHG Inventory, based on the procedures we have performed and the evidence we have obtained.

Our work has been carried out in accordance with International Standard on Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and the terms of reference for this work as agreed with Ibercaja Banco, in accordance with the terms of our engagement letter dated November 7, 2023. Those standards require that we plan and carry out our engagement to express a conclusion as to whether we are aware of any material modifications that need to be made to the 2023 GHG Inventory in question in order to agree with the criteria and issue a report. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and quality management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board's International Code of Ethics for Professional Accountants (IESBA Code of Ethics), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our firm applies the International Quality Management Standard (IQMS) 1, which requires the firm to design, implement and operate a quality management system that includes policies and procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The work team has been formed by professionals with expertise in non-financial information reviews and, specifically, in economic, social and environmental performance information.

Procedures Performed

The procedures performed in a limited safety job vary in nature and extent and are of lesser scope than those of a reasonable safety job. Consequently, the level of assurance obtained in a limited assurance engagement is substantially less than that which would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all of the evidence that would be necessary to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls in determining the nature and scope of our procedures, our assurance engagement was not designed to provide assurance over internal controls. Our procedures did not include testing controls or procedures related to verification of aggregation or calculation of data within information technology systems. The 2023 GHG Inventory development process is subject to scientific uncertainty, which arises due to incomplete scientific knowledge about carbon footprint measurement. In addition, carbon footprint calculation procedures are subject to uncertainty in the estimation resulting from the measurement and calculation processes used to quantify emissions within the limits of existing scientific knowledge.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for performing the Carbon Footprint 2023 Calculation and related reporting and applying analytical and other relevant procedures.

According to the circumstances of the assignment, in performing the above procedures, we have carried out:

- Meetings with personnel from various Bank units involved in the preparation of the 2023 GHG Inventory to obtain an understanding of Ibercaja Banco's control environment and information systems relevant to the 2023 GHG Inventory and reporting. We have not evaluated the design of particular control activities, nor have we obtained evidence about their implementation, nor have we tested their operational effectiveness.

- Evaluation of whether Ibercaja Banco's methods for developing estimates are appropriate and have been applied consistently. However, our procedures did not include testing the data on which the estimates were based, nor did we calculate our own estimates to compare them with those of the Bank.

- Verification through analytical and substantive tests based on the selection of different samples, of the quantitative information (activity data, calculations and information generated) for the realization of the Bank's GHG Inventory 2023 and its adequate compilation in accordance with the internal procedure applied.

We also carry out other procedures that we consider necessary according to the circumstances.

Other issues

In no case can this report be understood as an audit report in the terms set forth in the regulations governing the auditing of accounts in force in Spain. This issue does not modify our conclusion".

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, no aspect has come to our attention that leads us to believe that the GHG Inventory 2023 of Ibercaja Banco for the year ended December 31, 2023, has not been prepared in accordance with the criteria defined by Ibercaja Banco in the sections "Introduction", "Methodology and limit setting" and "Emission factors 2023" of the "Ibercaja Banco Operational Carbon Footprint Report 2023" included as an Annex to this report.

Use and distribution

Our report is issued solely in the interest of the management of Ibercaja Banco, S.A. in accordance with the terms of our engagement letter. We assume no liability to third parties other than the management of Ibercaja Banco, S.A. Our report should be read in conjunction with the "Ibercaja Banco Operational Carbon Footprint Report 2023".

(Signed on the original version in Spanish)

28 de Junio de 2024

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Héctor Martín Díaz