Pillar III Disclosure

June 2026



Ibercaja

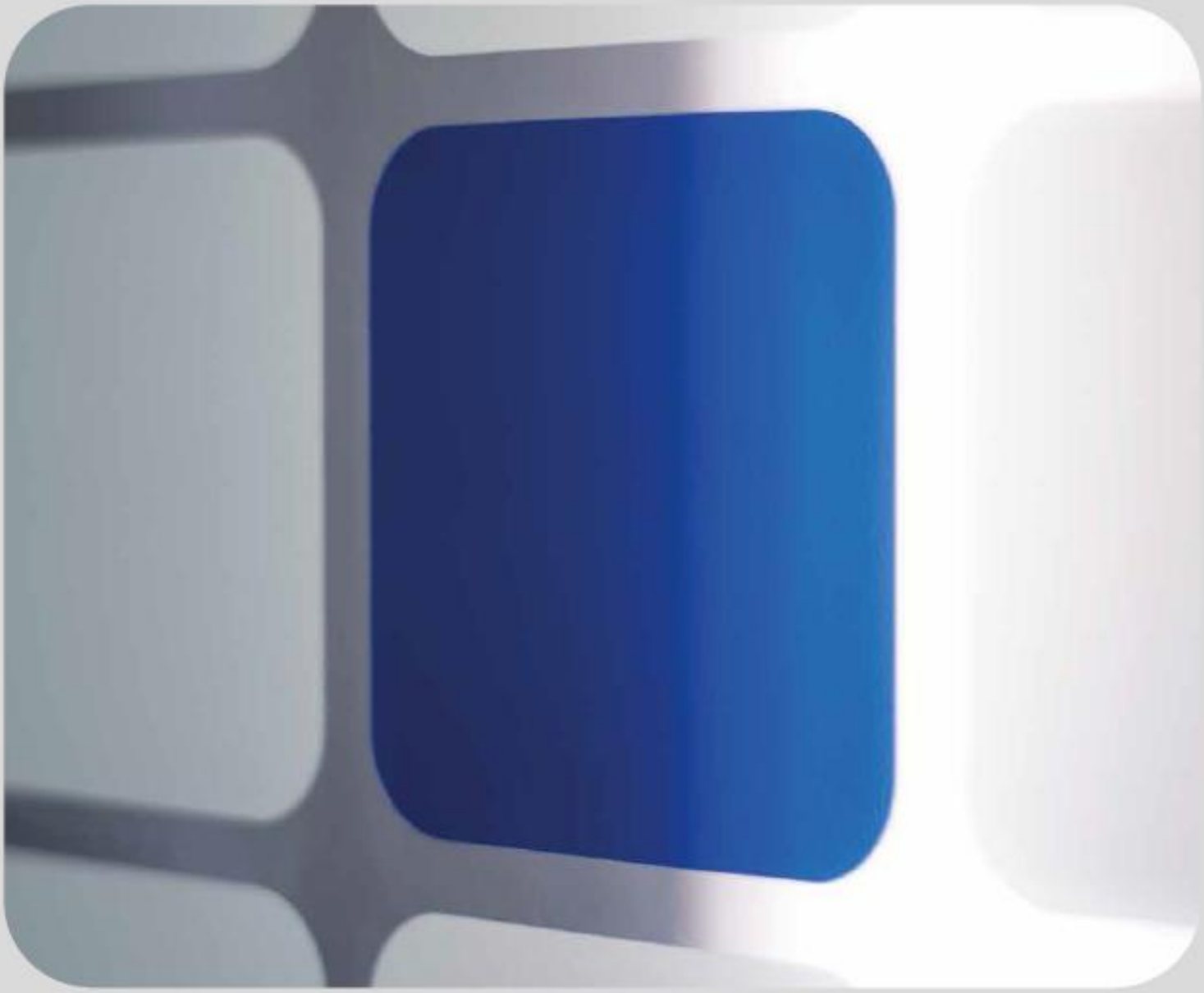
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The English version of this report is a free translation of the original, which was created in Spanish. Every effort has been made to ensure that the translation accurately represents the original text. However, in matters of interpretation, the opinions or views expressed in the original Spanish version of the document take precedence over the translation.

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1
ESG
Risk



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1. ESG Risks

This section covers the disclosure requirements for information on environmental, social and governance risks (Table 1 – Qualitative information on environmental risk; Table 2 – Qualitative information on social risk; and Table 3 – Qualitative information on governance risk) in accordance with Article 449a of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and which amends Regulation (EU) No 648/2012, known as the Capital Requirements Regulation (CRR).

This section summarizes Ibercaja's strategy and business processes, governance, and risk management to address ESG risks.

1.1 - Introduction to sustainability

The adoption of the **Paris Agreement on Climate Change** in 2015, together with the approval of the United Nations **Sustainable Development Goals** (SDGs) and the consolidation of the **Ten Principles of the UN Global Compact**, marked a milestone in the drive towards a more sustainable, resilient and inclusive economy, aimed at addressing the main environmental and social challenges worldwide.

In this context, the European Union has made sustainability one of the pillars of its growth strategy, with the aim of achieving climate neutrality by 2050 through the **European Green Deal** and strengthening the financial sector's role as a key agent in the transition to a sustainable economy. In 2025, the European Commission also presented the **Competitiveness Compass**, a roadmap designed to strengthen the EU's economic dynamism by promoting innovation, decarbonization and the reduction of strategic dependencies.

Aware of its responsibility in this process, Ibercaja integrates sustainability into its corporate strategy and business model, taking into account the impact of its activities on the environment and society. The Entity embraces the challenge of ensuring that its business objectives drive sustainable development, preserve natural resources, and promote a fairer, more inclusive and competitive society in the long term

Ibercaja's commitment to sustainability is sustained by a well-established track record. The Entity has been a signatory to the **United Nations Global Compact Principles** since 2006 and remains firmly committed to respecting and promoting human rights, as expressly stated in its Sustainability Policy and Code of Ethics.

In November 2019, Ibercaja signed the United Nations **Principles for Responsible Banking** (PRB), joining a global initiative aimed at advancing sustainable development by aligning banking activities with the goals of the **Paris Agreement** and the 2030 Agenda for Sustainable Development. Within this framework, the Entity works to identify the **Sustainable Development Goals (SDGs)** most relevant to its activities and assess the impact of the measures it takes to help achieve them. In addition, Ibercaja is a member of the United Nations Environment Programme Finance Initiative (UNEP FI), which seeks to mobilize private-sector finance to support sustainable development and generate positive impacts for people and the planet.

Ibercaja adheres to these principles into practice through its **Sustainability Policy**, updated in 2026, which provides the framework for integrating environmental, social and governance (ESG) considerations into Ibercaja's activities. This policy formalises its commitments to stakeholders and sets out the principles guiding the Entity's approach to sustainability, sustainable growth and long-term value creation.

This commitment extends to all companies of the Ibercaja Group, and encompasses, among other areas, the promotion of ethics, good governance, integrity, transparency, environmental protection, respect for human rights, and social cohesion and inclusion. In addition, specific commitments are highlighted, such as promoting employee development, managing financial and non-financial risks, and contributing to social integration. The Board of Directors is responsible for the governance of the Sustainability Policy, and Senior Management is responsible for approving the manuals and procedures for implementing the provisions of this Policy.

In the area of climate action, Ibercaja signed the Collective **Commitment to Climate Action** promoted by the Spanish financial sector in 2019 to measure the carbon footprint of balance sheets and reduce the climate impact of financial activities. Also in 2019, Ibercaja endorsed the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**, strengthening transparency and the disclosure of information on the risks and opportunities arising from climate change, as well as their integration into its corporate strategy.

In addition, Ibercaja is aligned with the decarbonization targets promoted by the financial sector's leading international net-zero initiatives. Within this framework, the Entity published decarbonization targets for its loan portfolio in 2022 and 2024, covering sectors with high emissions intensity to which it has material exposure. It also remains committed to progressing towards climate neutrality for the assets managed as part of its savings and investment activities. In its own operations, Ibercaja has been carbon-neutral for Scope 1 and 2 operational emissions since 2020 and continues to develop initiatives to progressively reduce its environmental footprint.

Ibercaja follows the Net Zero alliance framework that promotes the banking sector's commitment to achieving carbon neutrality in its credit portfolio. Likewise, it works towards achieving neutrality in its own emissions. In this regard, Ibercaja published decarbonization targets for its credit portfolio in 2022 and 2024, thereby covering those emission-intensive sectors with material exposure. It also pursues the commitment to be net zero in the assets managed within the savings and investment business.It also works to reduce its own emissions and has been carbon-neutral for Scope 1 and 2 operational emissions since 2020.

The commitment to sustainable finance is also reflected in Ibercaja Pensión's adherence to the **United Nations Principles for Responsible Investment** (UN PRI) since 2011. Ibercaja Gestión also joined the initiative in 2021. Both entities have a publicly available Socially Responsible Investment Policy.

In 2022, Ibercaja joined the **Partnership for Carbon Accounting Financials (PCAF)** to work toward its commitment to achieving carbon neutrality for its loan and investment portfolio by 2050. PCAF is the international benchmark for helping the financial industry align with the Paris Agreement and providing transparency in the calculation of greenhouse gas (GHG) emissions. This methodology has been consistently applied in measuring financed emissions and other indicators related to emissions intensity.

Lastly, Ibercaja considers the **supervisory expectations of the European Central B**ank, the **guidelines of the European Banking Authority** and the recommendations of international bodies such as the Network for Greening the Financial System (NGFS). In line with this regulatory and supervisory framework, the Entity continues to integrate climate-related and environmental risks into its risk management framework, strengthening its ability to identify, measure, manage and disclose relevant ESG risks. The main developments in this area are described throughout this chapter.

1.2 - Governance Model

This section includes qualitative information addressing the requirements of Annex II of Regulation 2022/2453 with regard to questions (e), (f), (g), (h) and (i) on environmental risk; and questions (d), (e), (f) and (g) on social risk.

Ibercaja has a robust sustainability governance model reflected in its organizational structure, with the direct involvement of the Board of Directors, as the highest governing body, and with the support of the Strategy Committee in driving the integration of ESG factors into the business strategy and risk management.

The Ibercaja Group's commitment to sustainable growth is endorsed by the **Sustainability Policy**, approved by the Board of Directors. This document establishes the overall framework for action on sustainability, setting out the commitments voluntarily assumed by Ibercaja towards its stakeholders to promote sustainable, inclusive and environmentally responsible growth, with a long-term vision.

1.2.1 - Sustainability strategy governance framework

The sustainability governance system is structured through the existing Governing Bodies and Executive Committees, in accordance with the defined ESG roles and responsibilities. This model aims to integrate sustainability across the organization, involving all functional areas to ensure effective management that meets supervisory expectations and requirements.

The Sustainability and Reputation Department is responsible for proposing and coordinating the implementation of the Entity's sustainability strategy, together with the Sustainability and Reputation Committee, a management-level body chaired by the Chief Executive Officer.

At the operational level, all areas of the Entity participate in the implementation of the sustainability strategy, which prioritizes supervisory and regulatory requirements and is aligned with the **UNEP-FI Principles for Responsible Banking.** Cross-functional work at the Group level is essential for the integration and alignment of strategic sustainability objectives.

Illustration 1: Governing and Management Bodies

Governing Bodies

Board of Directors	Body with maximum responsibility for ESG matters; it approves and promotes the Sustainability Policy and Sustainability Strategy.
Strategy Commitee	Reports to the Board on the Sustainability Strategy and monitors it.
Large Exposures and Capital Adequacy Comittee	Informs and advises the Board on ESG risk policies.
Audit Committee	Reviews sustainability information and performs functions for its external verification.
Compensation Committee	Oversees the remuneration policy, which includes ESG objectives.
Nomination Committee	Assesses the skills, knowledge and experience required by the Board in relation to climate and environmental risks.

Management Bodies

Management Committee	Monitors the Strategic Plan, including the Sustainability Strategy.
Reputation and Sustainability Committee	Validates and supervises the Sustainability Strategy.
Retail Banking Committee	Oversees the proper implementation of the sustainable business strategy.
Global Risk Committee	Defines and monitors the Group's risk strategies and policies, including ESG risk.
ESG Asset Management Committee	At Group level, it oversees the investment mandate for investment products with ESG characteristics.
Environment Committee	Oversees implementation of the internal environmental management system.

The functions and responsibilities of the Governing and Management Bodies for the proper integration of the Entity's Sustainability Strategy are detailed below:

- The **Board of Directors** is the highest governing body of the Entity and the ultimate authority responsible for approving, promoting, and overseeing the implementation of the Sustainability Policy and the sustainability strategy, addressing aspects such as climate change impact analysis, climate and environmental risk management, and transparent communication of sustainability progress. It also ensures that its members have the necessary knowledge and skills for the proper performance of their supervisory functions by incorporating sustainability-related content into the Board Member Training Plan.

  The search and selection processes for directors are geared toward ensuring diversity in the composition of the Board of Directors in terms of gender, age, and experience. To this end, the goal is for the underrepresented gender (female) to reach at least 36% of the total number of directors (currently 45%) and 40% of the total number of external directors (currently 50%). The incorporation of profiles beyond the financial field, such as experts in law, sustainability, technology, and auditing, among other disciplines, is one of the Appointments Committee's priorities, ensuring that the Board has multiple perspectives and makes more informed decisions. This commitment is aligned with the target recently set by the Council and the European Parliament for listed companies before 2026. Thus, in 2022, three new female directors were appointed, one of them an expert in sustainability and ESG risk management. Additionally, in 2025, a new board member was appointed with extensive experience at the World Bank and expertise in inclusive growth and developing economies.

  The Board of Directors is made up of six committees: the Executive Committee and five internal advisory committees on Appointments, Remuneration, Audit and Compliance, Major Risks and Solvency, and Strategy:

  - **The Strategy Committee** supports the Board of Directors work on sustainability, with a particular role in defining the sustainability strategy and ensuring that a specific organization is in place for its implementation.
  - The main function of the **Major Risks and Solvency Committee** is to advise the Board of Directors on the different policies related to ESG risks and first-level metrics within the Risk Appetite Framework, as well as to inform the Board of Directors on how Ibercaja integrates ESG risk into the different prudential risks, assessing whether the allocation of resources that the Entity allocates to cover ESG risk is adequate.

- The **Audit and Compliance Committee** reviews non-financial information, and specifically, sustainability information, that the Entity must disclose, to ensure that it complies with current regulations, particularly those relating to sustainability. It also ensures that its members have training and the required experience to properly understand sustainability-related information, in its auditing and verification.
- The **Remuneration Committee** oversees sustainability-related issues related to its specific functions, such as the remuneration policy or the incentive system, as these contain specific sustainability-related topics.
- Finally, the **Appointments Committee** is involved in the management of sustainability within the Entity, by defining and reviewing the criteria for the composition of the Board of Directors in line with the Suitability and Diversity Assessment Policy of Ibercaja Banco, SA, and in compliance with current regulations.

The sustainability strategy is a Group-wide global project, with a single roadmap that forms part of the Strategic Plan and is defined in Initiative 13 "Sustainability and Reputation", with the aim of responding to supervisory expectations, regulatory requirements and voluntarily assumed commitments. This strategic initiative prioritizes the lines of action, which are developed in a coordinated and consensual manner, achieving coherence and consistency in progress and optimizing all the existent synergies.

The sustainability roadmap includes among its priorities the identification, management and control of environmental, social and governance (ESG) risks for their progressive integration into the Entity's overall risk framework.

The axes of action in sustainability are developed, fundamentally, through the following policies:

- The **Sustainability Policy** constitutes the framework for the development of the Entity's sustainability strategy by establishing the principles of action and the Entity's commitments to its main stakeholders. Its purpose is to promote sustainable and inclusive growth through the gradual definition and implementation of different courses of action. During 2026, the Policy has been updated to reinforce its alignment with the European context and with the evolution of the economic, social, and environmental environment. Likewise, the sustainability commitments assumed with the various stakeholder groups have been reviewed and updated, in line with the progress made in the sustainability strategy.
- The **Environmental Policy** identifies the Entity's environmental commitments and promotes good practices, in accordance with the principles established in the Sustainability Policy.
- The Ibercaja Group's **ESG Exclusion Policies** aim to avoid any financing or investment transaction that could be considered controversial due to its high environmental, social, ethical, or reputational risk.
- The **Ethics Management Model**, comprised of the Entity's Code of Ethics, (updated in 2025 and approved by the Board of Directors), the Ethics Management Manual, which outlines the structure and functions necessary to implement the Code, and the Ethics Channel, as an independent means of communication for reporting potential breaches of the Code.
- The **Code of Conduct of Suppliers**, whose objective is to convey to this stakeholder group the Entity's commitment to sustainability and involve them in its progress.

- The **EFR Conciliation Plan**, which contains the actions to be developed to promote a balance between personal, family, and professional life, in accordance with the proactive management and continuous improvement defined by the Family Responsible Company (EFR) certification.

Furthermore, due to the progress of the sustainability strategy in the identification, management and control of ESG risks and their incorporation into the global risk framework, the Board of Directors of Ibercaja approved in 2025 the update of the **ESG Risk Governance Policy**, which establishes the framework for the identification, management and control of ESG risks to which the Group is exposed, integrating them into the risk management and control procedures.

In line with supervisory expectations, progress has been made in integrating C&E risks into management and control, and as specific frameworks and processes are developed, further progress will be made in assessing and managing social and governance risks.

1.2.2 - ESG Risk Governance and Management Framework

Ibercaja has a robust sustainability governance model reflected in its organizational structure, with the direct involvement of the Board of Directors, as the highest governing body, with the support of the Major Risks and Solvency Committee and the Strategy Committee. In addition, the Global Risk Committee and the Sustainability and Reputation Committee oversee and drive the integration of ESG factors into business strategy and risk management.

The Ibercaja Group's commitment to sustainable growth was endorsed by the approval, by Ibercaja Banco's Board of Directors, of the Sustainability Policy previously mentioned.

Like we mentioned before, Ibercaja has an **ESG Risk Governance Policy** that formalizes the governance, management and control structure for ESG risks. The Governing Bodies and Senior Management, within their respective responsibilities, are in charge of establishing, approving and overseeing the implementation of the business and risk strategy, as well as ensuring an adequate internal control and governance framework. Accordingly, ESG risks are managed as integrated factors within the Entity's prudential risks.

In this way, **ESG risks are managed as risk factors integrated into the Entity's prudential risks:**

- The **Board of Directors** assumes the responsibility of approving, after receiving reports from the Committee on Major Risks and Solvency and, where applicable, the Audit and Compliance Committee, the policies related to ESG risks. Additionally, it approves the metrics and first-level thresholds within those included in the Entity’s Risk Appetite Framework (RAF) reviewing also the RAF of other societies within the Group. Furthermore, it oversees the proper integration of ESG risk within the management of prudential risks, ensuring that the Entity allocates the necessary resources for its management. Additionally, it ensures that the non-financial information included in the individual and consolidated accounts incorporates all ESG content required by the applicable regulations at any given time.

- The **Major Risks and Solvency Committee's** primary function is to advise the Board of Directors on all matters submitted to the Board for approval, modification, or acknowledgment relating to these risks. In particular, it is responsible for informing and advising the Board on the various policies related to ESG risks that are submitted for approval or modification, on the different first-level metrics within the Entity's Risk Appetite Framework that are submitted for approval, modification, or monitoring by the Board, and for monitoring and reporting to the Board on the Entity's management and control of ESG risks. Specifically, it reports on how the Entity integrates ESG risk into the different risks, assessing whether the allocation of resources designated by the Entity to cover ESG risk is adequate.
- The **Global Risk Committee** is responsible for evaluating ESG risk management in an integrated manner with the management of risks identified in the Entity's Risk Appetite Framework. Specifically, it is responsible for updating to the management policies for the various risks in terms of the integration of climate risk management criteria or guidelines; and for monitoring the Group's risk profile through the evaluation of the indicators established in the RAF; and reviewing risk quantification methodologies.
- The **Sustainability and Reputation Committee** is responsible for validating and overseeing the Entity's Sustainability Strategy, as well as the programs and initiatives it develops, and for ensuring the effective integration into management of the principles set out in said sustainability strategy, facilitating and driving its implementation and the adequate identification and management of ESG risks.

The ESG Risk Governance Policy is of application to all entities which constitute the Ibercaja Group and involves all areas that incorporate the principles established there. Its aim is to expressively assign roles and responsibilities in relation to the definition, identification, assessment, management, and monitoring of ESG risks in accordance with the three lines of defense model:

- The **first line of defense** comprises the **Areas responsible for identifying, assessing, measuring, managing and reporting ESG risks** within their scope of activity and in all the processes under their charge. In addition, their main functions include ensuring consistency of the policies of each unit/subsidiary in relation to ESG risks, as well as the correct implementation, assessment, monitoring and oversight of the corporate ESG risk management methodologies. They must also advance in the dialogue with clients to understand their strategies and transition plans, assess their alignment with the Entity's objectives and integrate this information into decision-making and ESG risk management. The Sustainability and Reputation Area is responsible for coordinating with the business units involved in risk management the adequate integration of ESG risk factors.
- The **Risk Control Department and the Regulatory Compliance Department** constitute **the second line of defense**. Their functions include overseeing that the first lines adequately manage ESG risks and that policies, controls and procedures are applied in accordance with the regulations and the Risk Appetite Framework. Risk Control drives the identification, measurement, monitoring and control of ESG risks —including greenwashing risk—, reviews the adequacy of the control environment, updates policies and monitors indicators, reporting to Senior Management and Committees. Regulatory Compliance ensures adaptation to ESG regulation, compliance with conduct standards and the verification of ESG aspects in new products and services.

- The **Internal Audit Department**, as the **third line of defense**, reports functionally and hierarchically to the Audit and Compliance Committee of the Board of Directors and, therefore, enjoys complete independence from the business, management, and risk control areas. Its functions include verifying the adequacy and proper functioning of the governance, internal control, and financial and non-financial risk management systems, including ESG risks; verifying the proper functioning of the Group's financial, regulatory, and management reporting system; and reviewing the functioning of the Ibercaja Group's regulatory compliance monitoring procedures.

In turn, the **Sustainability and Reputation Area Directorate** maintains direct contact with the Non-Financial Risk Control Unit and the Regulatory Compliance Directorate to monitor the entity's progress in ESG risk management across the board. This is done with the tasks and planning associated with second-line control.

This year, progress will continue to be made in identifying, measuring, managing, and monitoring ESG risks, with the aim of strengthening the role played by the three lines of defense in achieving the full integration of sustainability into the governance model.

1.2.3 - Lines of frequency and reporting

Regarding ESG factors, the **Sustainability and Reputation Area Directorate** coordinates the information reported to the Sustainability and Reputation Committee to ensure that all progress made and improvement proposals for integrating ESG risks are communicated and approved.

In turn, the Areas responsible for each subject periodically report to the corresponding Executive Committees and Governing Bodies on the progress in integrating ESG factors into risk management and business strategy embedding them transversally across the organization’s various functional structures.

In this regard, the **Credit Risk Area Management and the Control Area Management** report to the Global Risk Committee and Governing Bodies on the progress made in the identification, measurement, management and control of ESG risks, emphasizing the reasons behind the development of such progress, the methodologies used, the results achieved, and the Areas involved in the process.

The **Financial Markets Directorate** reports quarterly to the Global Risk and Governing Bodies Committee on the exposure of the Entity’s own investment portfolio to climate transition risk, derived from its participation in sectors with high emission intensity. Furthermore, with the occasion of the issuance of the first green bond of the Entity, the Green Bond Working Group was established, chaired by the Financial Markets Directorate, and which reports to the Sustainability and Reputation Committee on the evolution of the eligible green bond portfolio and the impact achieved.

The **Control Area Directorate**, in coordination with the first lines of defense and through the Risk Control department, assesses and consolidates the results of the ESG risk materiality analysis, with the **Capital and Liquidity Regulatory Processes Coordination Unit** weighting the contributions of each business based on its relative exposure to the various risks. The outcome of this process is reflected in the consolidated climate risk map, while the environmental, social and governance risk maps are prepared for Ibercaja Banco on a standalone basis, without requiring an additional consolidation exercise. The ESG risk materiality analysis exercise is presented annually to the Global Risk Committee for review and approval, ensuring adequate oversight and alignment with the Risk Appetite Framework and European supervisory expectations.

The main topics addressed by the **Global Risk Committee** during 2025 in relation to ESG factors were:

- Proposed update of the **ESG Risk Governance Policy** and the **Ibercaja Group ESG Exclusions Policy.**
- Approval of the **2025 Climate, nature, social and governance risk maps.**
- Approval of the methodologies for **quantifying the potential impact of climate and nature risks.**
- Capital self-assessment and climate stress test scenarios on the Financial Group portfolio **(Climate ORSA).**
- Results from the application of the **Adverse Climate Scenario.**
- Update of the **Climate Stress Testing Framework.**
- Presentation of the **methodology for capital requirements linked to climate risks.**
- Ongoing tracking of **ESG risk** indicators.

On the other hand, the Sustainability and Reputation Area Management, the Retail Business Area Management, and the Corporate Banking Area Management presented to the Sustainability and Reputation Committee in the progress made in monitoring climate risks through the design of different key performance indicator dashboards and also presented the monitoring of the Transition Plan mentioned in the Strategy and Business Model section.

During 2025 and the first half of 2026, the **Sustainability and Reputation Committee** addressed the following topics related to ESG risks:

- Monitoring of the **Action Plan in response to the Horizontal Review on climate risks and presentation of the ECB Feedback on Climate and Nature Risks.**
- Presentation of the **EBA Guidelines on the Management of ESG Risks**
- Presentation of the **Prudential Transition Plan** and the **roadmap for its implementation,** including the follow-up of action **plans** for its development.
- Presentation of the methodology, results and governance of the ***Business Environmental Scan.***
- Update of the Sustainability Policy.
- Update of the ESG Risk Materiality Guide.
- 2025 Green Bond allocation and impact report.
- Ongoing monitoring of the ESG Dashboard, including specific risk indicators and decarbonization pathways.
- **Reputational risk map** and integration of reputational risk arising from climate risk, as well as the management and monitoring of reputational risk.

In addition, the following topics related to ESG risks were discussed in the Governing Bodies:

- Presentation and approval session of the Prudential Transition Plan.
- 2025 corporate variable remuneration (VR) targets, including those related to ESG metrics.

- **Training session on sustainability:** "ESG Context: regulatory developments and supervisory priorities. Progress in the integration of climate and environmental risks".
- Acknowledgement of the **ECB Feedback on Climate and Environmental Risks and the Action Plan in response to the Horizontal Review on climate risks.**
- Approval of the **update to the Sustainability Policy.**
- Approval of the **update to the Code of Ethics.**
- Approval of the update of the Ibercaja **Group ESG Risk Governance Policy** and the update of the **ESG Exclusions Policy.**

1.2.4 - Sustainability and ESG risks in Ibercaja's remuneration systems

To **promote management that reflects a firm commitment to sustainability principles and fosters their integration across all functional areas**, it is important to **incorporate ESG objectives into variable compensation schemes.** This aligns the interests of key managers with the Entity's strategic sustainability objectives.

In this regard, **Ibercaja's Remuneration Policy is consistent with its Sustainability Policy** and the Entity's principles and values regarding the management of environmental, social and corporate governance risks. It complies with the provisions of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the disclosure of sustainability-related information in the financial services sector, establishing a remuneration system based on equal opportunities and non-discrimination.

Thus, the 2026 variable remuneration scheme has included, within the corporate targets, specific ESG metrics linked to the fulfilment of the 2024-2026 Strategic Plan "Ahora Ibercaja". Specifically, a metric on the integration of climate risk into Ibercaja's prudential risk management has been included, along with another on climate transition risk in the credit portfolio.

Furthermore, the Entity has a long-term incentive, aimed at aligning the interests of certain key Bank executives with the corporate strategy and long-term value creation. These multi-year targets also include sustainability indicators:

1. Implementation of the Climate Transition Plan (5% of the total incentive).
2. Reputational Health Indicator (5% of the total incentive).

These remuneration schemes apply to the Entity's executive members. With regard to the Board of Directors, it affects the Bank's sole executive director: the Chief Executive Officer.

1.3 - Environmental Risk

1.3.1 - Business model and strategy

This section includes qualitative information addressing the requirements of Annex II of Regulation 2022/2453 with regard to questions (a), (b), (c) and (d) on environmental risk.

Ibercaja is committed to a **universal banking model**, focused on retail business and based on advisory services, quality of service with proximity and innovation. It offers a wide range of banking and financial products and services, with a particular focus on primary residence mortgages, SME financing, asset management, life-savings insurance products and risk insurance.

It serves a stable base of 1.7 million customers (management units). It has dedicated channels and offers, in addition to basic banking services, complementary services such as insurance, investment funds and pension plans, supported by a specialized Financial Group, whose subsidiaries own 100%.

Strategic Plan and set targets

The ***Ahora-Ibercaja 2024-2026 Strategic Plan*** includes among its strategic lines the "Sustainability and Reputation" Initiative. This initiative enables the Entity to support clients in the transition towards a decarbonized and inclusive economy, adequately managing sustainability risks and opportunities, and enhancing reputation as a differentiating strength of the Entity, in accordance with the following objectives:

Illustration 2: Objectives of the Strategic Plan 2024-2026

1	**Advance ESG risk management**	Progress in the consolidation and integration of ESG risks into the management of prudential risks and into the main risk management tools.
2	**Leverage ESG business opportunities**	Design of the 2024–2026 sustainable business strategy for the different business segments and portfolios (lending and savings), aligning them with decarbonisation objectives.
3	**Strengthen internal and external sustainability reporting**	Progress in governed dashboards and advancement in meeting regulatory requirements.
4	**Strengthen reputation as a Group strength**	Proactive management based on its measurement and monitoring, development of action plans to optimise reputation and minimise reputational risk, all with the aim of consolidating reputational risk management.

The initiative has defined a series of challenges that ensure the fulfilment of the objectives established for the next three years of the Strategic Plan:

Challenge 1: Integration of ESG factors into risk management.

> Ibercaja prioritizes its roadmap in accordance with **supervisory expectations on ESG risks**. Among other topics, the Entity strengthens the **integration of ESG factors into prudential risk management and the ICAAP**, the inclusion of **climate and nature risks** in the Business Plan and forward-looking scenario analysis, with the development of a **stress testing framework.** Define in its Prudential Transition Plan the strategic measures and risk management tools implemented to prepare for the climate transition.

Challenge 2: Defining and monitoring the ESG business strategy.

> The Bank drives the sustainable business strategy, identifying **business opportunities linked to sustainability**, in a manner aligned and consistent with decarbonization objectives. The purpose is to support clients in their decarbonization process, responding with sustainable products and services (investment and financing) while reinforcing the Entity's social commitment.

Challenge 3: Integrating sustainability into asset management and insurance.

Ibercaja is integrating ESG factors into the **strategy and decision-making of the Asset Management and Insurance** subsidiaries, addressing supervisory expectations, regulatory requirements and acquired commitments. The work covers: governance, risk measurement and management, ESG business model, ESG reporting and implementation of applicable regulations.

Challenge 4: ESG disclosure and reporting requirements.

Analysis and implementation of the regulatory requirements on **sustainability disclosure**, transparently and truthfully showcasing the **progress made by the Ibercaja Group on ESG matters and the creation of social value.**

Likewise, within the framework of this challenge, work has been carried out on the definition of criteria to meet regulatory requirements and on compliance with supervisory expectations, establishing plans to respond to supervisory feedback on disclosure matters. Finally, a governance model for internal sustainability reporting has been strengthened, with the approval by the Sustainability and Reputation Committee of the **Sustainability Report Governance Manual.**

Challenge 5: Implementation of the ESG data strategy.

Implementation of the roadmap designed to integrate ESG data into the enterprise architecture, with particular focus on its scalability and flexibility, while improving data coverage, consolidating the incorporation of this data into systems and strengthening its governance. Within the framework of this challenge, work has been carried out on the capture and governance of ESG data and on the development of a new ESG datamart.

Challenge 6: Proactive reputation management.

The company is working to strengthen its **corporate reputation** by proactively managing it based on measurement, monitoring, and identification of risks and opportunities. The main areas where progress has been made are internal measurement and reporting, the systematization of reputational risk management through the approved Policy and Manual, and internal awareness of the value of reputation.

In order to fulfil the objectives and challenges of **Initiative 13 "Sustainability and Reputation"**, a series of **milestones** have been defined which are monitored by the Management Committee and the Board of Directors.

Accordingly, the scorecard defined for monitoring the Strategic Plan includes specific indicators for tracking the **Initiative's objectives**, demonstrating the organization’s global involvement and commitment at the highest level to achieving them. This initiative has the Management Committee as its sponsor, with the aim of integrating sustainability transversally across the Group's strategy.

The impact of environmental risks on the business environment

Ibercaja considers the integration of ESG aspects into its business and risk management to be relevant, especially those related to climate change and nature. It is aware that they should not be considered as a new risk category, but rather as risk factors for existing categories. Therefore, the **climate and environmental (C&E) risk management strategy** developed by Ibercaja is the same as that applied to other prudential risks. In this context, risk identification and measurement are two key processes for their integration into the ICAAP. Its objective is to identify and assess the C&E risks to which Ibercaja could be exposed, focusing on those that are most relevant due to their materiality and/or probability of occurrence and impact. Ibercaja has made progress in the development and strengthening of the methodology to quantify these risks and integrate them into the ICAAP, applying shocks to risk parameters in both productive activities and real estate collateral.

These processes are carried out annually, allowing the Entity to identify emerging C&E risk events at all times. The results of this process allow for the selection of those risks that are material and therefore require management and.

Mitigated to determine whether C&E risks are material to the different prudential risks, Ibercaja uses a combination of qualitative and quantitative analyses, following the thresholds and criteria established based on the type of Prudential Financial risk. All material risks have a control environment, considering risk governance, management, control, and audit.

In response to the commitment to align the business strategy with the European Central Bank's (hereinafter, ECB) expectations on C&N risks and the Principles for Responsible Banking (PRB), Ibercaja has analysed from a climate perspective the environment in which the Entity operates. This process, called the Business Environment Scan (hereinafter, BES), enables the identification of environmental factors that may influence its strategic performance, its business model and its future capacity to generate income.

The BES aims to assess the resilience of Ibercaja's business model through the analysis of the environment in which it operates from an ESG perspective. This analysis takes into account the five macro-trends proposed by the EBA (macroeconomic variables, competitive environment, regulatory trends, technological trends and sociodemographic trends) for the definition of the ESG events to be analysed and evaluates them within a framework that considers: climate risks, nature risks, social risks and governance risks, and their transmission channels; prudential risks affected, particularly credit risk and business risk; evolution across different time horizons (short, medium and long term) and with a focus on the Entity's material portfolios.

In this way, it identifies the main risks that could impact its business model and those to which Ibercaja has the greatest exposure, examining physical and transition climate risks, assessing the predisposition of the prioritised segments in Ibercaja's credit portfolio to being affected by climate events and exploring potential business opportunities.

Decarbonization objectives

In response to the analysis of the potential impact of climate risks, and due to its commitments, Ibercaja aims to achieve neutrality of its own emissions and its credit portfolio by 2050. To this end, it publishes intermediate decarbonization targets across all its material portfolios:

Illustration 3: Decarbonization Goals

Sector[1, 2]	Scenario	Covered scope	Metric	*Baseline*[3]	2023	2024	2025	Objective 2030
Electricity Generation	NZE 2050 (IEA)	1 y 2	kg CO_2 eq / MWh	**68**	**82** (+31%)	**80** (-3%)	**88** (+10%)	**61** (-10%)
Iron and Steel Production[4]	NZE 2050 (IEA)	1 y 2	kg CO_2 eq / t steel	**966**	**968** (+0,2%)	**907** (-7%)	**927** (+2%)	**869** (-10%)
Real Estate **Residencial**[5]	NZE 2050 (IEA) y CRREM 1,5º	1 y 2	kg CO_2 eq / m^2 y year	**23**	**21,4** (-7%)	**19,5** (-9%)	**19,0** (-3%)	**19** (-16%)
Real Estate **Commercial**[5]	CRREM 1,5º	1 y 2	kg CO_2 eq / m^2 y year	**27,3**	**27,2** (-0,3%)	**24,3** (-11%)	**21,9** (-4%)	**19,8** (-28%)
Coal Mining[6]	N/A	N/A	*M€ exposure (Phase out)*	**<1**	**<1**	**<1**	**<1**	**0** (-100%)

(1) These four sectors, with the agriculture sector and with the phase out in coal mining, are the sectors considered material after studying Ibercaja's exposure in the emissions-intensive part

of the sectors defined by the NZBA as the most polluting.

(2) For the agriculture sector, the Entity is working to expand knowledge about its customers and to obtain data

(3) Base year 2021 for the sectors of Electricity Generation, Iron and Steel Production and Residential Real Estate; 2022 for Commercial Real Estate; 2023 for Coal.

(4) Data subject to variation depending on the disclosure

(5) To calculate the emission intensity (kgCO2e/m2/year) of the Real Estate sector, each type of building and its estimated or actual energy consumption based on the Energy Performance

Certificates (EEC) are considered, as well as the average emission factors of the energy source corresponding to each type of building.

(6) Customers whose revenues from thermal coal mining dedicated to the exploitation, development or export of coal for energy purposes represent more than 10% of their total revenues (in accordance with the provisions of the Ibercaja Group's current ESG Exclusions Policy). An exception will be those customers who have a diversification or decarbonization strategy, in line with those established in the Paris Agreement and can demonstrate progress in it.

The achievement of these objectives involves the cross-functional collaboration of various Ibercaja departments such as the Sustainability and Reputation Area, the Credit Risk Area, the Retail Business Area and the Corporate Banking Area, among others, with the established objectives requiring review and, if necessary, amendment at least every five years to ensure consistency with the latest scientific developments.[1]

In this regard, to ensure the fulfilment of the established objectives, the Entity has a **Decarbonization Plan** that sets out in a structured manner the necessary client engagement measures to progressively advance towards the strategic objective of carbon neutrality in accordance with the defined roadmap.

The Plan is based on three fundamental pillars: the integration of sustainability into the commercial and risk strategy, incorporating decarbonization criteria in capital allocation decisions; developing an offering of sustainable products and sustainable financial solutions that facilitates the financing of client's transition; and actively supporting clients throughout this process.

[1] The published baseline on intensity metrics may undergo changes as data, information sources, and methodologies are constantly evolving. Nonetheless, Ibercaja is committed to maintaining decarbonization targets aligned with scenarios that comply with the Paris Agreement.

The current composition of the Entity's credit portfolio, characterized by a predominant weight of retail mortgage business, low sector concentration and limited exposure to large emitters, favours an orderly transition without critical dependencies on specific sectors or counterparties. This profile justifies that, in the initial implementation phase, the decarbonization approach focuses primarily on the credit portfolio as the main lever for transforming the business model towards climate objectives.

In line with the commitments undertaken by the Entity and the expectations of its main stakeholders, the Decarbonization Plan establishes intermediate financed emissions reduction targets for five priority sectors, developed following the methodological guidelines of the Glasgow Financial Alliance for Net Zero (GFANZ) for financial institutions.

The deployment of the Plan began in 2024 through client engagement and internal involvement actions, structured around seven lines of action:

Illustration 4: Axes of the Decarbonization Plan



In 2025, and the first half of 2026, Ibercaja has continued to deploy the plan through a series of actions across the different lines of action.

a) Commercial actions to promote decarbonization.

Since 2025 it has been developing a commercial specific action to promote decarbonization in companies, that has been renewed and strengthened in 2026. This action enables the application of commercial levers for those companies committed with the fulfilment of decarbonization objectives and are not included within restrictive risk policies.

Likewise, in 2026, a commercial policy was established to enhance the terms of financing aimed at sustainable objectives**.** Client engagement has also been promoted through decarbonization workshops addressing how to implement a decarbonization plan and how to identify synergies between the decarbonization strategy and other projects within a company. In 2026, the entity initiated a project to further develop the ESG engagement strategy with clients by establishing a structured framework and its operational procedures.

b) Alliances to offer decarbonization services and support clients in the transition.

Noteworthy is the agreement signed with Proporciona, a consultancy specializing in sustainability, which provides clients with diagnostic, measurement, and specialized advisory tools at no cost to the client. An agreement has also been established with EFFIC to offer clients solutions for improving energy efficiency in self-consumption. Lastly, in 2025, together with NTT Data, it was initiated a sustainability training and advisory programme for SMEs has been made available to clients.

c) Advisory services on public grants linked to the economic transition.

Throughout 2025 and the first half of 2026, the Entity has maintained the service offered to its clients to support them in the processing of public grants such as the Next Generation funds.

d) Internal training on decarbonization.

A specific plan has been prepared in 2025 for retail business and another for corporate banking. In retail business, the focus has been on conveying the relevance of sustainable finance and the need for its identification and monitoring. In corporate banking, the objective was training on the appropriate process for the origination of sustainable loans.

In 2026, training on Ibercaja's Sustainable Finance Guide was rolled out to the various Business and Credit Risk units. In addition, a dedicated training session was held with the Credit Risk Department on sustainability in credit approval.

e) Evolution and adaptation of the ESG product offering.

Ibercaja has an ESG product offering that promotes a sustainable economy, in line with the decarbonization commitments assumed and consistent with its Sustainability Policy. In this regard, financing lines have been promoted that, in addition to considering strict financial criteria, incorporate sustainable features. In 2025, the expansion of its ESG product range in asset management and the development of a Sustainable Finance Guide are noteworthy. In the consumer segment, work was carried out on the general tagging of all vehicle transactions declared sustainable according to Taxonomy criteria, which is encouraging and increasing this type of lending, contributing to the energy transition and reducing CO2 emissions.

f) Analysis of client profiles on their progress in decarbonization.

Ibercaja has made progress in developing technological solutions aimed at integrating clients' ESG risk profiles into systems, incorporating information on their decarbonization progress and the energy performance certificates associated with mortgage loans. In 2025, a **Sustainability Analysis** was developed and a specific cross-functional working group (Sustainable Operations Technical Advisory Group) was established, with the aim of analysing sustainability in financing operations, enabling the rigorous and structured identification of sustainable operations granted to counterparties. Finally, various initiatives aimed at increasing the coverage and quality of available ESG data are also noteworthy, particularly with regard to energy performance certificates and counterparty emissions.

g) Events to promote the energy transition.

During 2025 and the first half of 2026, Ibercaja has continued organizing various events on decarbonization and existing public grants to finance this transition, in collaboration with chambers of commerce and other business organizations, supporting SMEs in their energy transition. These events were held at the Xplora space, located at Ibercaja's headquarters in Zaragoza, as well as in other venues across the rest of the territories in which the Entity operates.

Environmental business opportunities

As a result of the **analysis of climate factor impacts, the decarbonization targets for 2030, Ibercaja's mitigating activities** and the Entity's commitment to supporting the transition to a decarbonised economy and financing activities aligned with the environmental objectives of the EU Taxonomy, business opportunities have been identified across the most significant segments of the credit portfolio, enabling the integration of ESG factors into the business strategy.

In this regard, the Entity offers its clients a broad **catalogue of financing products aimed at the sustainable growth of the economy.** During 2025, progress was made in the launch and improvement of sustainable products and services, among which the following are noteworthy:

- Campaign products were launched such as the *Invierte +sostenible* loan and the *Invierte +sostenible* leasing, aimed at meeting the investment needs of companies in productive assets arising from sustainable projects.
- Focus was placed on increasing Spain's sustainable vehicle fleet, promoting products such as the ECO or Zero-Emission Car Loan, which has resulted in a 293% increase in the number of these transactions compared to 2024.

Furthermore, Ibercaja has a wide range of **sustainable savings and investment products that incorporate ESG criteria into their strategies** with the aim of achieving a suitable investment proposition for each client, regardless of investor profile. This offering has been expanded this year with the launch of new funds that promote sustainability characteristics (Art. 8) under SFDR and with the conversion of existing funds. Thanks to these actions, the Entity has an offering of 14 investment funds and 6 pension plans. As of June 2026, the volume of investment assets aligned with sustainability criteria rose to €12,415 million, reflecting progress in the integration of ESG considerations into investment management.

Additionally, Ibercaja approved their **Sustainable Finance Guide** that serves as a reference framework to guide financial decisions and products towards sustainable activities, driving the transition towards a low-carbon, inclusive and resilient economy. This Guide sets out criteria aligned with the main international, European and national standards, with particular emphasis on the Taxonomy Regulation, with the purpose of adequately and specifically defining the concept of "green", "social" and "sustainable" in Ibercaja's operations. Since early 2026, the deployment of the implementation of the Guide has commenced, including the development of internal training actions for business and risk teams, the review of the entity's ESG products to align them with the objectives of the Guide, and the identification of operational developments across the various internal applications.

It is also noteworthy that, in 2024, Ibercaja issued its first **green bond** for an amount of €500 million, thus advancing its role as a key player in the financing of the climate transition and in its commitment to channelling capital flows towards sustainable projects. Ibercaja publishes the **Green Bond Allocation and Impact Report annually,** which reflects how the allocation of the proceeds obtained to the financing of the various categories of the Framework has resulted in a final impact of 48,890 tCO_2e avoided greenhouse gas emissions in 2024 and of 63,194 $tnCO_2e$ in 2025

Procedures related to the counterparty's strategy for mitigating environmental risks

The decarbonization strategy is complemented by the measures carried out by the Entity to reduce or mitigate its exposure to ESG risks. Ibercaja has various policies, codes of conduct and internal regulations that seek to support clients in achieving sustainable development and to set limits with regard to their environmental, social and governance risks. Among these, Ibercaja has a Group-level ESG Exclusions Policy, applicable to financing and investment, with the aim of avoiding or controlling those risks that may arise from certain activities considered controversial due to their environmental, social, ethical or reputational risk. The ESG Exclusions Policy establishes a series of general and sector-specific exclusions that serve as mitigating factors against all ESG risks:

- General exclusions restrict a client's access to financing or investment based on criteria not directly related to the sector in which they operate. These exclusions are applied at company level and at transaction level, and are linked to Human Rights, Labour Rights, the OECD Guidelines for Multinational Enterprises and UNESCO or IUCN protected areas, among others.
- Sector-specific exclusions restrict financing or investment based on the sector of activity and are assessed at client level and at transaction level. Regulated sectors include Defense, Mining, Energy, Agriculture and Adult Entertainment sectors.

Likewise, Ibercaja gathers ESG information from its clients through ESG Questionnaires which also enable it to keep updated the residual environmental, social and governance risk level of each counterparty or project, based on the sector in which it operates and/or its commitment to sustainable development. Based on this ESG risk analysis, the Entity carries out measures to reduce or mitigate its exposure to such risks.

1.3.2 - Environmental Risk Management

This block includes qualitative information that addresses the requirements of Annex II of Regulation 2022/2453 regarding questions j), k), l), m), n), o), p), and r) of environmental risk

The Group's risk management is organized through the Risk Appetite Framework (RAF), the fundamental objective of which is to establish a set of principles, procedures, controls, and systems through which the Group's risk appetite is defined, communicated, and monitored.

The Risk Appetite Framework establishes a consistent management framework, integrated into existing risk management processes, and is approved and reviewed at least annually by the Board of Directors. It establishes the risk level or profile that the Ibercaja Group is willing to assume and maintain, both within and outside the organization.by its typology and amount, as well as its level of tolerance, and must be oriented towards achieving the objectives of the strategic plan, in accordance with the lines of action established therein.

Ibercaja is aware of the potential impact that ESG risks can have on prudential risks through various transmission channels, as well as on the Bank's business model, strategy, and activities. Therefore, it is working to develop procedures to identify its most sensitive exposures to ESG risks, with the goal of progressively quantifying and monitoring them to minimize their impact.

Thus, in its commitment to continue advancing in the **inclusion of ESG factors in credit risk admission and monitoring processes**, Ibercaja has continued to make progress during this reporting period in the integration of sustainability into its policies and manuals, and in the development and improvement of the ESG risk identification, assessment, monitoring and control exercises, particularly in credit risk, operational risk, business risk, liquidity risk, market risk and reputational risk management, and especially in the analysis of C&N risks.

Likewise, the Entity is part of the Sustainable Finance Sectoral Group and the Sustainability Observatory at sector level, in which legislative developments and Supervisory Expectations on sustainability are analyzed, with the aim of identifying the applicable requirements and adapting to the legislative proposals promoted by the European Commission's Action Plan for Financing Sustainable Growth.

Environmental risk identification and management processes

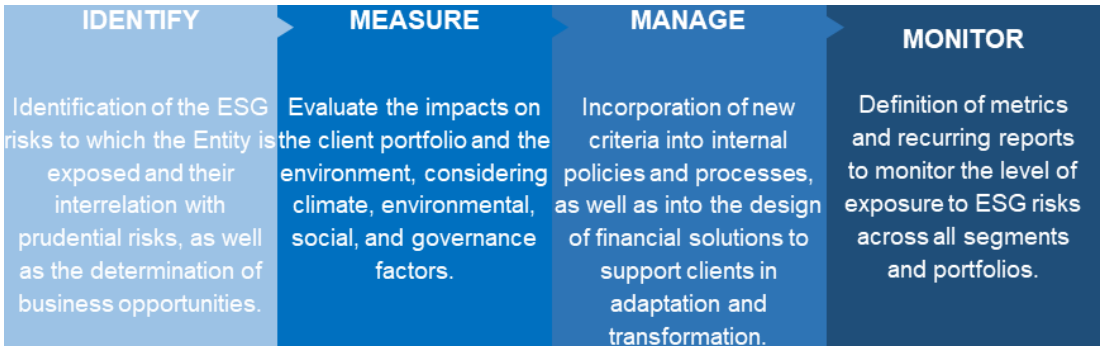
Ibercaja continues working to align its ESG risk management framework with relevant international regulatory frameworks and standards. To this end, it draws on the main guidelines issued by regulators and supervisors such as the European Central Bank (ECB) and the European Banking Authority (EBA), which in recent years have published guides and reports on the integration of ESG risks into institutions' internal risk management processes.

The Entity seeks to respond to its ESG commitments and regulatory requirements by integrating these aspects transversally. This is done by identifying and controlling activities and exposures vulnerable to ESG risks, thanks to the development of action plans on which it has worked in recent years and which will continue to be reviewed and updated periodically with the aim of assessing how these risks may evolve based on technological developments, the political framework, the business environment, stakeholder preferences and changes in the environment.

It is noteworthy that, during 2025, the Entity defined its **Prudential Transition Plan**, a document that serves as the central framework for adapting the business model to the risks and opportunities arising from ESG factors. The Plan integrates the strategic measures and risk management tools implemented to ensure preparedness for the climate transition. It establishes the foundations for adapting the Entity's portfolio toward a low-carbon economy by incorporating a transition strategy that includes both the gradual reduction of exposure to emissions-intensive activities and support for clients in their decarbonization processes. The Plan was approved by the Board of Directors in early 2026 and is currently in the implementation phase.

The main phases of ESG risk management that Ibercaja is working on, as shown in the following figure, are risk identification, measurement, management, and monitoring:

Illustration 5: Phases of ESG risk management

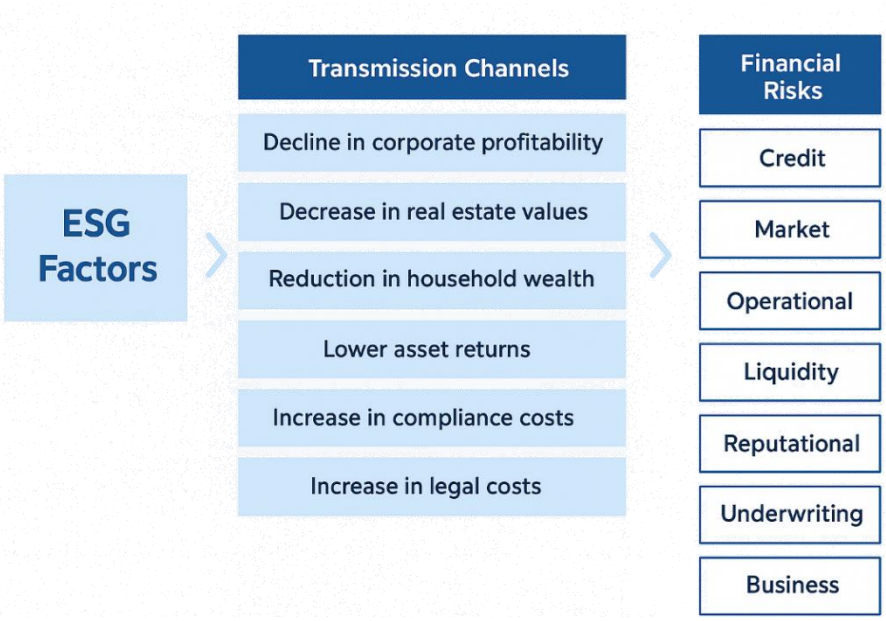


ESG risk management is carried out through the following areas:

i. **Identification:**

Ibercaja identifies environmental risks (climate and nature) as risk factors that may impact prudential risks through its counterparties and/or invested assets and through its own operations or decisions by means of certain transmission channels, considering the Entity's own business, which represent the chain of causality through which a factor and/or its inefficient management may negatively impact the Entity:

Illustration 6: Transmission channels from C&E risks to financial risks



- **Credit risk:** Environmental impacts can compromise borrowers' repayment capacity and the quality of the loan portfolio. Physical events can damage assets that back loans, and transition risks can affect the viability of carbon-intensive sectors. Furthermore, environmental degradation and resource overexploitation threaten key economic activities. These risks affect both businesses and mortgage lending, with potential losses for entities with high exposure to the retail segment.
- **Market risk:** The degradation of natural capital and climate change affect the valuation of financial assets. Physical events can generate losses in real estate and companies, while transition risks can devalue stocks and bonds in exposed sectors. In addition, market volatility may increase, driven by regulatory changes and demand for sustainable assets. These movements may generate volatility, impairment losses or divergences between asset prices and alter liquidity ratios. This requires entities to adjust their investment strategies to mitigate losses.
- **Operational risk:** Extreme climate events may disrupt the operations of entities, affect their properties and increase vulnerability to cyberattacks. Transition risks may lead to regulatory sanctions and litigation related to greenwashing or inadequate advice on sustainable investments. Poor management may affect business continuity and the confidence of clients and investors. Furthermore, incidents or vulnerabilities at suppliers could cause operational disruptions, financial losses or legal and regulatory implications for the Entity.
- **Reputational risk:** Poor management of climate and nature risks may damage the perception of an entity among its stakeholders. Failure to meet environmental commitments may affect the confidence of clients and investors and attract regulatory attention. Greenwashing is a key risk, as it may lead to loss of credibility, sanctions and affect the ability to attract investment and talent. Negative exposure to ESG factors may erode stakeholder confidence. The perception that the Entity acts against ethical or environmental standards may result in loss of value, deterioration of business relationships and social or institutional pressure.

- **Liquidity risk:** Climate impacts may reduce the liquidity of assets exposed to environmental risks. Regulatory and market changes may hinder the sale of assets with a high carbon footprint. The degradation of natural capital and restrictions on polluting sectors may affect the financial stability of key sectors, increasing the risk of asset-liability mismatches. These movements may generate volatility, impairment losses or divergences between asset prices and alter liquidity ratios.
- **Business risk:** Regulatory and market changes may affect the strategy and profitability of financial entities. The penalization of polluting sectors may limit traditional business opportunities, while physical risks may affect the financial stability of key sectors. All of this may compromise their competitiveness, adaptability and sustainability. Adapting to climate transition is key to maintaining long-term competitiveness and profitability.

In summary, environmental risks have the potential to impact financial risks due to the growing incidence of extreme climate events, the need to adapt to a low-carbon economy, and the current or future effects of environmental factors.

Aware of the potential impact that environmental risks may have on prudential risks through various transmission channels, as well as on the Entity's business model, strategy and activity, Ibercaja counts with an **ESG Risk Materiality Guide**, which includes the procedures for identifying the exposures most sensitive to these risks, with the aim of progressively quantifying and monitoring them to minimize their potential impacts.

Specifically, in the identification of environmental risks, the **materiality of climate risks** across the various risk categories is analyzed **qualitatively** through different **climate risk maps** based on NGFS projections under three climate scenarios (Net Zero 2050, Delayed Transition and Current Policies), and across different time horizons (short, medium and long term). This process enables an understanding of the characteristics and specificities of climate risks, the identification of the main risks that may affect the Group and their transmission channels, and the consolidation of the risk management model.

In 2026, it is updating its identification of environmental risks and it will be prioritizing the climate analysis scenario (Net Zero 2050).

Its preparation, which requires an annual update, involves the coordinated work of the Entity's first and second lines of defense to assess and review the relevance of climate risks and how they may affect the different business and risk areas, and is submitted annually to the Global Risk Committee for approval.

Illustration 7: Qualitative materiality matrix of climate risks 2025

	Orderly Transition Scenario (Net Zero 2050)					
	Transition risk			Physical risk		
	Short term	Medium	Long term	Short term	Medium	Long term
CREDIT RISK						
BUSINESS SEGMENT						
MORTGAGE SEGMENT						
CONSUMER RETAIL SEGMENT						
OTHER PRUDENTIAL RISKS						
REPUTATIONAL						
MARKET						
LIQUIDITY						
OPERATIONAL						
BUSINESS						
SUBSCRIPTION						

	Delayed transition					
	Transition risk			Physical risk		
	Short term	Medium	Long term	Short term	Medium	Long term
CREDIT RISK						
BUSINESS SEGMENT						
MORTGAGE SEGMENT						
CONSUMER RETAIL SEGMENT						
OTHER PRUDENTIAL RISKS						
REPUTATIONAL						
MARKET						
LIQUIDITY						
OPERATIONAL						
BUSINESS						
SUBSCRIPTION						

	Hot-House World Scenario (Current policies)					
	Transition risk			Physical risk		
	Short term	Medium	Long term	Short term	Medium	Long term
CREDIT RISK						
BUSINESS SEGMENT						
MORTGAGE SEGMENT						
CONSUMER RETAIL SEGMENT						
OTHER PRUDENTIAL RISKS						
REPUTATIONAL						
MARKET						
LIQUIDITY						
OPERATIONAL						
BUSINESS						
SUBSCRIPTION						

Risk low	Risk medium-low	Risk medium	Risk medium-high	Risk high

In this regard, taking into account the results of the analysis of the materiality of climate risks under the baseline scenario (orderly transition to Net Zero 2050), and considering that the Entity maintains a medium-low risk profile, **it is concluded that climate risks are material to credit risk.** Therefore, the Entity focused on quantifying the potential impacts of climate risks on the productive activities and mortgage loan portfolio of credit risk.

This analysis concludes in the **non-materiality of climate risks on the remaining prudential risk categories**, as the potential risk identified falls within the limits of the Entity's risk profile.

However, Ibercaja is aware that it must continue to advance in the assessment and measurement of the impacts of environmental risks on all prudential risks for a better evaluation of their materiality, and therefore, is also making progress in the **measurement of nature risks**.

The **dependence of certain productive activities on nature and natural resources** means that any alteration to the environment could have a considerable potential impact on the production of goods and services. Likewise, organizations may generate significant **impacts on natural capital**, causing adverse effects such as biodiversity loss, water pollution or the alteration of hydrological cycles.

Following the plan set out in the roadmap approved by the Sustainability and Reputation Committee, during 2025 Ibercaja continued to make progress in the **materiality analysis of nature risks in prudential risks, focusing on credit risk**, with the purpose of understanding the potential impact of environmental risks on the activities it finances. In this way, ecosystem services and impact drivers were analysed and the sectors subject to the greatest dependencies or impacts within the productive activities credit portfolio have been identified through the **ENCORE tool**.

As a result, Ibercaja defined a nature risk map based on transition risks and physical risks. This map considers the qualitative assessment at short, medium and long term of the materiality of nature risks across all financial risk categories and is based on the potential impact of these risks on productive activities, the degree to which environmental degradation affects the value of collateral or underlying assets, and the growth of regulatory, social or market trends in relation to environmental protection.

Illustration 8: Environmental risk materiality matrix

	Transition risk			Physical risk		
	Short term (1-3 years)	Medium term (3-10 years)	Long term (>10 years)	Short term (1-3 years)	Medium term (3-10 years)	Long term (>10 years)
Credit risk						
Corporates						
Mortgages						
Market risk						
Liquidity risk						
Operational risk						
Reputational risk						
Business Risk						

Risk low	Risk medium-low	Risk medium	Risk medium-high	Risk high

In conclusion, **the results obtained in the qualitative materiality analysis show that nature risks are not material** across the various prudential risks for the Entity within the time horizon analysed.

In 2026, the Entity continues advancing in the analysis of nature-related risks within the Financial Group's companies, expanding its approach to include aspects related to natural capital.

On the other hand, **reputational risk management** continues to play a key role in protecting one of the Group's main intangible assets, its corporate reputation, through the identification, prevention, and mitigation of events that may negatively impact its image and the perception of its stakeholders"

In 2025, Ibercaja continued to transparently disclose all the Entity's actions and progress on ESG matters, given their relevance in building reputation, as well as the objectives achieved in connection with the commitments voluntarily assumed under the 2030 Agenda, the Global Compact and the Principles for Responsible Banking, among others.

Furthermore, as a key element in the reputational risk management process, within the framework of the annual update of the reputational risk map, coordinated by the Sustainability and Reputation department, all climate risks that may have an impact on the Entity's reputation have been reviewed and included. The identification and assessment methodology has been reflected in the ESG Risk Materiality Guide and the Reputational Risk Management Manual.

ii. Measurement:

The predominantly retail nature of the business is reflected in the balance sheet structure and in the low risk profile. Ibercaja operates exclusively in Spain and holds a leading position in its traditional area of activity (the autonomous communities of Aragón and La Rioja and the provinces of Guadalajara, Burgos and Badajoz).

For this reason, together with the fact that climate risks are material with regard to the productive activities and mortgage credit risk portfolios, the most exhaustive measurement exercises focus on credit risk and on the geographical areas and segments that concentrate the majority of income and assets in said business. Apart from temporarily acquired assets and impaired assets, the composition of loans and advances to customers is based on three segments: the retail segment (mortgage portfolio) and the corporate segment (productive activities and real estate development) of the credit portfolio[2]:

a) Retail segment (mortgage portfolio)

The assessment of climate risks on the retail segment focuses on the mortgage portfolio because it represents approximately 91% of the total weight of the segment. Due to the weight in the portfolio, the type of financing and the average maturity (predominantly short-term) of consumer credit, this is not considered relevant for the purposes of exposure to climate risks.

Ibercaja analyses the exposure to climate transition risks in the mortgage portfolio through real **Energy Performance Certificates** (registered in the Official Registries of each Autonomous Community) and estimated certificates (proxies used to carry out the exercise). The quantification of transition risk is carried out using a bottom-up approach on residential properties securing mortgage operations. The analysis focuses on identifying the potential climate transition risk associated with the tightening of regulatory requirements on energy efficiency, in accordance with Directive (EU) 2024/1275, and assessing its potential impact on the value of real estate collateral. The quantification of transition risk is developed at individual collateral level and aims to estimate the cost of the renovations required to reach the minimum energy efficiency thresholds set at the regulatory time milestones, as well as their relative impact on the appraisal value.

The results of 2025 showed that **3.6% of the residential mortgage portfolio was predisposed to being potentially impacted by climate transition risks.**

[2] See Pillar III ESG Quantitative Templates 1, 2, and 5 for more details on the climate risk exposure of the credit portfolio.

Physical climate risks are assessed based on the location and property type of the collateral following a dual approach. On the one hand, information from an **external data provider** is used for the analysis of the potential predisposition to impacts from coastal flooding, wildfires, desertification and volcanic activity. On the other hand, a bottom-up approach is followed through the **modelling and simulation** of the potential impact of fluvial flooding on these properties held as collateral.

According to the information on physical climate risks from external data providers, the long-term ISIMIP (The Inter-Sectoral Impact Model Intercomparison Project) projections (2025–2050 time window) and the analysis of the potential impact of fluvial flooding risks on the appraisal value of real estate collateral, the results show that at the end of 2025 **0.13% of the residential mortgage portfolio is predisposed to being potentially impacted by physical climate risks.** Furthermore, extreme climate events, such as wildfires or droughts, may affect their physical assets and operations. This dual exposure entails comprehensive risk management, considering both the changing regulatory environment and climate-related physical threats.

This section captures the total exposure to clients affected by both types of climate risk, given that there is a possibility that some counterparties may be simultaneously subject to potential transition and physical risks. In this way, the exposure in the mortgage portfolio with potential climate risk impact includes exposure with real estate collateral that is only affected by climate transition risks, that is only affected by physical climate risks, and that is affected by both physical and transition climate risks simultaneously, thus avoiding duplication of exposure in the results of the forward-looking quantification.

The results show that 3.5% of the residential mortgage portfolio is predisposed to being potentially impacted by both climate transition and physical risks combined. Therefore, due to the thresholds set by the Entity, **climate risks are considered quantitatively material for the mortgage portfolio.**

b) Business segment

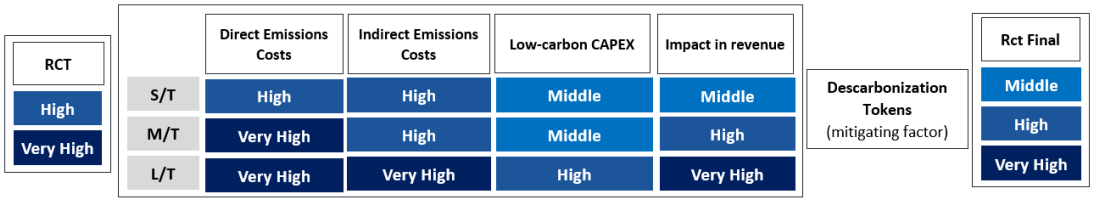
Promoter segment:

In order to assess this segment's predisposition to the impact of climate transition risks, the Energy Efficiency Certificate of the real estate developments in the portfolio, registered by the real estate developer in the Official Registry of each Autonomous Community, is evaluated. This seeks to analyse the exposure to climate transition risks of real estate developments that will soon become individual loans within the mortgage portfolio.

Portfolio of productive activities:

On the one hand, the Partnership for Carbon Accounting Financials (PCAF) framework is used to assess the climate transition risk of the most carbon-intensive productive activities. This framework captures emissions intensity at the sectoral level, along with specific heat maps for the most intensive activities, following the approach proposed by UNEP FI in Phase II of the project on the assessment and management of financial risks related to climate change for financial institutions. This approach makes it possible to measure the predisposition to climate transition risks of economic activity sectors over different time horizons (short, medium, and long term). Furthermore, the commitment of counterparties to addressing the climate transition as a mitigating factor for this risk is analysed.

Illustration 9: Illustrative diagram with an example of the climate risk methodology for transitioning productive activities



On the other hand, Ibercaja measures the exposure of its portfolio of productive activities to acute or chronic physical risks based on the average maturity of the transactions contracted by clients. The assessment is based on sector heat maps, which determine the sensitivity of economic activities to severe climate impacts in the short, medium, and long term, and the predisposition to physical risks in Spain, using the ThinkHazard tool as a reference and considering the location of the counterparties' headquarters.

Illustration 10: Illustrative diagram with an example of the methodology for physical climate risks and productive activities



In 2025, the **quantification of the potential impact of climate risks was carried out using the forward-looking approach employed in the assessment of transition risks and adding the analysis of physical risks across different time horizons. The result of the forward-looking quantification of the potential impact of climate risks on the productive activities credit risk portfolio is 1,106 million €, representing 12.70% of the total productive activities portfolio.**

In 2026, risk quantifications related to physical risks are expected to be enhanced through an initiative aimed at obtaining the geolocation of the main productive assets of counterparties in those sectors identified as having the highest physical risk.

Regarding the analysis of nature risks in the productive activities credit risk portfolio, this enables an understanding of the extent to which nature-related risks could affect the activities of the companies with which it works. This process is carried out in a structured manner, using specific tools and detailed methodologies that facilitate the analysis. In the case of Ibercaja, this assessment not only helps to identify the exposure of the credit portfolio, specifically the productive activities portfolio, to nature risks, but also provides information for decision-making, promoting proactive management of the risks that may arise.

To carry out this assessment, the **ENCORE tool** (Exploring Natural Capital Opportunities, Risks and Exposure) is used, an internationally recognised tool and knowledge base whose objective is to help companies and financial institutions identify, understand and assess the relationship between economic activities and nature. ENCORE enables analysis of how productive activities depend on ecosystem services and how, in turn, they generate impacts on natural capital.

From the perspective of a financial institution such as Ibercaja, ENCORE constitutes a particularly relevant methodological basis for the analysis of nature risks, by providing a structured framework for linking the portfolio of financed productive activities with potential physical and transition risks arising from the degradation of nature. The tool was developed by Global Canopy in collaboration with UNEP FI and UNEP-WCMC, and is aligned with emerging frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD), which reinforces its suitability as methodological support for prudential and sustainability analyses.

During 2025, Ibercaja updated the exercise by incorporating the value chain perspective, which allows the analysis to be extended beyond direct operations, facilitating the identification of nature risks that may materialise indirectly through other stages of the production process. This approach is applied consistently to both the dependencies and the impacts identified by ENCORE. In this way, the consideration of upstream and downstream levels enables the capture of the main indirect environmental risks relevant to the productive activities portfolio, providing a more comprehensive view of the potential exposure of Ibercaja's portfolio to nature risks (non-climate). Following this methodological update, the results showed that sector of Agriculture and Livestock is the sector with the greatest exposure to dependencies on and impacts on natural resources and therefore the greatest predisposition to nature risks.

Consequently, these activities may present a potential increase in credit risk, as a result of their reliance on natural capital, and in reputational risk, arising from the damage that these activities cause to nature. This conclusion also results from the exposure of Ibercaja's productive activities credit portfolio to the economic sectors that ENCORE assesses as having the greatest materiality on natural capital.

This assessment reveals that, while the sectors analysed show certain impacts on nature and, to a lesser extent, dependencies, **the effect of nature risks on credit risk is limited given the Entity's medium-low risk profile** and the lack of specific information on the production processes of each counterparty.

During 2025, Ibercaja deepened the **assessment and measurement of the impacts and dependencies of nature risks** to strengthen these results, and it is advancing on the **roadmap defined in 2026 to make further progress in the analysis of these risks using a substantial improvement in the analytical approach** and incorporating a forward-looking perspective through the use of climate and environmental scenarios.

In parallel, the Entity continued to measure the **potential impacts of climate risks on business, operational and market risk** with the aim of anticipating new regulatory, policy or market trends and new natural catastrophes, and began to measure **liquidity risk**. This ensures an adequate identification, assessment and oversight of these C&N risks across all traditional financial risks and enables a response aligned with sustainability and resilience objectives, while mitigating the potential adverse effects on activity.

During 2025, Ibercaja evolved the methodologies for quantifying the potential impact of climate risks on market risk and liquidity risk and during 2026, efforts are underway to expand the scope of the analysis to the financial conglomerate level. In market risk, the concentration in sectors with high CO_2 emission intensity (measured as $tCO_2eq./€$) is assessed based on the information provided by PCAF for the securities portfolio. This analysis, as in the productive activities credit portfolio, has enabled the development of the indicator called Climate Transition Risk (CTR), which classifies companies according to their NACE code. The Entity developed an additional methodology to adjust the market value of its equity and private fixed income investment positions based on their exposure to physical and transition climate risks, following an approach similar to that applied to the credit portfolio. In addition, management is complemented with specific ESG indicators, ensuring that investments meet sustainability criteria and reducing portfolio exposure to climate risks. In the case of **liquidity risk**, Ibercaja's ability to meet its short-term obligations is analysed by incorporating an adjustment to the market value of HQLA inventory assets exposed to counterparties with high climate, physical or transition risk, which allows the LCR (Liquidity Coverage Ratio) to reflect the potential decrease in liquidity arising from this type of risk. This approach follows the methodologies already implemented for the credit risk portfolio and ensures that the Entity considers the impact of climate events on its liquidity availability and on its ability to meet withdrawals or maturities.

With regard to **business risk**, Ibercaja updated its exercise in 2025 to analyse the impact of climate risks on the business model through the Business Environment Scan (BES), the development of which is based on a general analysis of climate events across Ibercaja's environmental dimensions (at Bank level, at productive activities portfolio level and at mortgage portfolio level) that are considered as potentially affecting the Business Plan.

The BES follows a three-phase approach: firstly, a list of events with potential impact is obtained from a qualitative perspective (Phase 1: Development of a "longlist"); secondly, the most relevant/plausible events to consider and analyse in detail are selected (Phase 2: Selection of a "shortlist"). For the latter, an analysis is defined to measure the potential impact they could have on Ibercaja (Phase 3: Impact analysis).

To this end, climate events that could most significantly affect the Entity's business environment over said time horizons were selected and analysed in depth, concluding that climate risks are not material in business risk.

Additionally, the Entity has initiated the development of the Climate Resilience Analysis (CRA) and its integration into planning processes, with the objective of assessing the resilience of its business model to climate risks, in line with supervisory expectations.

Regarding **operational risk**, Ibercaja carries out a recurring assessment of operational risks and controls by risk managers. An exercise called VaR (Value at Risk) is performed, which consists of an internal calculation methodology that Ibercaja uses as support for the analysis and review of its operational results, in addition to the regulatory methodology for calculating capital for Operational Risk through the Standardised Approach (Pillar I of Basel II).

The VaR methodology is based on the modelling of an operational loss distribution from the fitting of frequency and impact distributions using the frequency and impact data obtained from self-assessment questionnaires, completed by the expert managers for each risk, using the SIRO tool. In this regard, the VaR exercise takes into consideration climate risks, both physical and transition, to obtain the overall result of the analysis.

On this VaR calculation, Ibercaja applies stress measures at one and three years. In the latter case, it follows the methodology used by the EBA to determine the three-year loss floor under the adverse scenario. Given that the VaR considers, among others, some of the operational risks arising from climate change, this stress exercise incorporates the potential impact of climate risks in the short term. However, in order to understand and prepare the Entity for the potential impact of the effects of climate risks on Ibercaja's operations over a broader time horizon, an additional theoretical stress exercise is carried out taking into consideration the NGFS projections under three climate scenarios: Net Zero 2050, Delayed Transition and Current Policies.

For this calculation, the Climate VaR developed, a forward-looking quantification methodology for the potential impact of climate risks on operational risk. For this purpose, the growth estimated by the NGFS for the macroeconomic variables of the REMIND model and Climate Analytics Institute (CAI) is used as a reference to assess the impact of climate change through transition and physical risks. This calculation comprises the basis of the forward-looking quantification exercise of the impact of climate risks carried out during 2025, for different time horizons and scenarios, in line with supervisory expectations.

Additionally, during 2025 the Entity continued to analyse the potential probability that physical climate risks (e.g., extreme winds, torrential rain, etc.) could cause damage to business continuity, or that flooding from the overflow of the River Ebro, storms or pipe bursts could affect Ibercaja's headquarters. This impact on its owner-occupied properties is assessed using data provided by ST Analytics. The methodology employed by the data provider for the assessment of flood risks in Spanish provinces is based on the SNCZI (National Floodable Areas Mapping System) definition of floodable areas, which enables the generation of hazard maps, as well as the assessment of the potential adverse consequences arising from flooding, in order to produce risk maps.

iii. **Management and monitoring:**

Finally, as part of the Group's commitment to sustainability and prudent risk management, various indicators are monitored to comprehensively track exposure to C&N risks and meet supervisory expectations. During 2025, work was carried out on a review and evolution of these specific indicators to monitor sectors with decarbonization targets in the productive activities portfolio.

The main indicators are regularly monitored by the Credit Risk Area Management and are reported quarterly to the Global Risk Committee, the Major Risks and Solvency Committee, and the Board of Directors.

Credit risk

Ibercaja has worked to include climate factors in its credit risk intake and monitoring processes, in line with the EBA Loan Origination and Monitoring Guide.

Regarding its portfolio of productive activities, Ibercaja has an Ibercaja **Group ESG Exclusion Policy** approved by the Board of Directors (last updated in 2025). In its financial activities, Ibercaja seeks to balance economic growth with social cohesion and environmental protection, aligning its actions with its Corporate Purpose and advancing the integration of ESG criteria into its decision-making. Therefore, the objective of this Policy is to avoid any financing or investment that may be considered inappropriate due to its high environmental, social, ethical, or reputational risk, or due to a significant decrease in the value of assets on the balance sheet and that, therefore, may negatively affect the projection of its financial statements, cash generation, and financial valuation, as well as the Bank's reputation.

In addition, Ibercaja has **ESG questionnaires** at the client and transaction levels with the aim of collecting and managing a greater volume of ESG information. This allows for obtaining residual environmental inherent risk as part of the client and transaction assessment process. Among other aspects, in the environmental area, the questionnaires include data on clients' decarbonization plans.

In this way, the Entity can advance its assessment of the C&N risk of clients and transactions within its target audience. This information is reflected, where appropriate according to the Entity's internal criteria, in the Credit Transaction Risk Report.

Likewise, with the aim of advancing the analysis of all its clients and integrating climate risks into credit risk management, Ibercaja prepares decarbonization sheets to monitor the transition plans of significant counterparties operating in emissions-intensive sectors and/or those for which 2030 decarbonization targets have been defined.

Furthermore, the Entity integrates climate risks as part of the Comprehensive Monitoring Principle within its Credit Risk Monitoring Policy. This principle applies to all counterparties to the Entity's productive activities and aims to identify the information necessary for periodic monitoring of individually significant borrowers, including a comprehensive view of their transition climate risk (TCR) profiles.

To limit exposure to sectors with a high climate transition risk, Ibercaja has defined a metric for concentrating exposure to sectors with high CO_2 emissions intensity (measured as $tCO_2eq./€$). This metric, which is part of the Risk Appetite Framework, includes thresholds, establishing limits based on the appetite for high-carbon-emitting sectors. These thresholds trigger various actions aimed at correcting potential scenarios, taking into account the entity's risk appetite:

- **Appetite Threshold:** percentage of exposure to high and very high risks below which the exposure to transition risks is controlled and does not require the action of additional plans or controls.
- **Tolerance Threshold:** percentage of high and very high-risk exposure between appetite and non-compliance situations that may result in the execution of an additional control.
- **Capacity Threshold:** percentage of exposure to high and very high risks above which it will be necessary to define action plans to correct and resolve the non-compliance situation.

As part of the Risk Appetite Framework, this metric is governed by the RAF in terms of reporting frequency, monitoring, and control, beginning the review chain with the Risk Control Department, whose task is to evaluate the degree of compliance with the metrics, as well as their periodic monitoring.

Similarly, during 2025, the Entity developed a metric that measures the percentage of exposure to transition climate risk in the residential mortgage portfolio, defined as the proportion of outstanding balance in this portfolio secured by a property with an energy consumption certificate rated E, F, or G. This metric is also part of the Risk Appetite Framework, and as such, is subject to defined monitoring and includes appetite, tolerance, and capacity thresholds.

Furthermore, also in 2025, a tracking indicator was incorporated into the productive activities portfolio, enabling the monitoring of exposure potentially impacted by physical climate risks over the short, medium, and long term.

Finally, focus on the **request for the Energy Performance Certificate** of properties by branches and its assessment by the analyst has been maintained in the customer admission process within **the mortgage portfolio**, whether for individuals or self-employed borrowers, with the aim of improving data quality and **promoting awareness of the importance of the identification, measurement and monitoring of climate transition risk**. Likewise, the integration into the **mortgage portfolio monitoring of the energy rating reported** in the available Energy Performance Certificate of the Sustainable Mortgage maintained, along with the **periodic monitoring of the energy rating of the mortgage portfolio**, given the relevance of this segment in the total credit portfolio.

Market Risk

In market risk management, Ibercaja also has **the Ibercaja Group ESG Exclusion Policy**. In addition, the Bank has a transition risk concentration metric by applying the **climate transition risk indicator (Ctr)**, similar to the one used for credit risk management. This metric classifies investee companies based on their exposure to climate transition risks arising from their activities and is integrated into the Bank's Risk Appetite Framework. The Bank continuously monitors the evolution of this metric, which allows for constant oversight of the investment portfolio's exposure to transition risks. The metric falls under the governance of the Risk Appetite Framework (RAF), and is therefore subject to periodic monitoring with defined appetite, tolerance, and capacity thresholds.

Furthermore, in the area of portfolio management, Ibercaja implements exhaustive monitoring of indicators that define ESG criteria, with a particular focus on aspects related to climate and nature-related risks. These indicators have been complemented with specific asset selection criteria that facilitate the characterization of private fixed-income and equity portfolios, ensuring that investments comply with sustainability standards and fostering greater commitment in portfolio composition. During this year, Ibercaja is working on a forward-looking methodology to quantify the potential impact of climate risks on market risk.

Ibercaja Group's asset managers, Ibercaja Pensión and Ibercaja Gestión, committed to social development and environmental stewardship through socially responsible investment, have an internal, progressive model for investment selection and non-financial risk management, in addition to traditional fundamental analysis. Therefore, they worked to comply with Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on the disclosure of sustainability-related information in the financial services sector and with Delegated Regulation (EU) 2022/1288, analysing the main adverse impacts with the aim of disclosing their Statement of Major Adverse Impacts of investment decisions on sustainability factors. Furthermore, during 2025, work continued, and progress was made on updating the various ESG policies already approved.

Operational Risk

The Ibercaja Group has a business continuity management system (BCMS) certified in ISO 22301. Its objective is to ensure that it is prepared, organized, and has sufficient resources to respond appropriately to the materialization of a threat that affects the availability of an asset necessary for the operation of its most important business processes.

The Business Continuity program is a continuous cycle of activities that implements the policy. These activities are carried out following the business continuity management lifecycle, thus allowing for the construction of organizational resilience. Among the program activities, in the analysis stage, criticality is reviewed by material impact versus availability to determine the importance of the business process continuity for the organization and then a substitutability analysis is carried out to determine whether the continuity measures implemented in the different operational assets (people, real estate, technology, internal and third-party services) allow the business process to be recovered to continue providing services or operations in a time proportional to its criticality for the different scenarios contemplated in the business continuity management system.

In addition, the Entity continually updates the operational risk and controls map linked to the climate risk map based on the progress made.

Liquidity Risk

As detailed in the previous section, during 2025, a forward-looking quantification methodology for the potential impact of climate risks on liquidity risk was approved, with the aim of analysing Ibercaja's ability to meet its short-term obligations by incorporating an adjustment to the market value of HQLA inventory assets exposed to counterparties with high climate, physical or transition risk.

Reputational Risk

For the integration, identification, management and control of reputational risk, Ibercaja made progress in the identification and inclusion of all risks arising from ESG factors that may have a potential impact on reputation, both in its governance manuals and in risk management.

Accordingly, the reputational risk map has updated, in line with the climate risk map, including a specific reference to reputational risks arising from ESG factors. The methodology for its incorporation, measurement and control has been reflected in the Reputational Risk Management Manual.

Subscription Risk

Additionally, within its risk and solvency self-assessment (ORSA) process, Ibercaja Vida incorporates climate risks into the assessment of risk events that could impact its results, developing the Climate ORSA. As a first assessment, it analyses cualitatively the potential impact of physical and transition risks on all financial risks, including underwriting risk.As a first assessment, it analyses cualitatively the potential impact of physical and transition risks on all financial risks, including underwriting risk and, subsequently, quantitatively analyze the potential impact of climate risks on market risk and underwriting risk.

Climate stress testing framework

Ibercaja focuses most of its progress on managing C&N risks, following the expectations of the ECB and the recommendations of the EBA. In this regard, the Bank elaborated in 2025 a climate stress testing framework as a methodological document that establishes the basic principles for the various internal processes in which climate stress tests are used, as well as for the design of potential exercises that can be implemented. Its main objectives are to inventory climate-related exercises, provide basic criteria and principles, and ensure consistency in the Bank's climate stress tests by establishing general principles related to key factors to be considered.

The Sustainability and Reputation Area Directorate is responsible for developing and updating this Framework and is responsible for requesting updated information from other Directorates and Units responsible for the internal exercises and processes included. The Global Risk Committee has the final authority to approve and validate the Framework.

Additionally, as previously mentioned, the Entity has initiated the development of the Climate Resilience Analysis (CRA). The methodological approach is based on the development of forward-looking scenarios, applied with an appropriate degree of sectoral granularity and proportionality, enabling the identification of potential impacts on key variables such as credit risk, capital, liquidity, and profitability. This analysis facilitates the assessment of potential losses and the identification of vulnerabilities within the portfolio.

Moreover, in 2026, Ibercaja developed its adverse climate scenario to evaluate the potential impact of climate change on the Entity’s solvency, in alignment with climate stress testing exercises. The approach is based on the definition of an adverse scenario that combines physical and transition climate risks, translating their effects into relevant macroeconomic and sectoral variables. From this scenario, impacts on the credit quality of exposures are estimated, allowing for the analysis of potential risk deterioration over the considered time horizon.

All of the risk management exercises explained above are subject to the guidelines outlined in the ESG Risk Governance Policy, which outlines and formalizes the governance, management, and control of ESG risks and reinforces the Group's commitment to sustainable development.

Availability and quality of data used in the measurement of ESG risks

Given that Ibercaja's portfolio of productive activities is primarily comprised of SMEs, the availability of ESG information from counterparties is in an initial phase and will need to evolve over the coming years, in line with the regulations regarding the disclosure of sustainability information applied to SMEs. In this regard, Ibercaja currently has the information contained in this IRP regarding ESG risk management and continues to define action plans to collect more detailed data, primarily related to climate, environmental, social, and governance risks, from its counterparties. This includes the role of the highest governing body in the presentation of non-financial information, as well as to integrate this information and results into its internal management processes, in accordance with the evolution of the regulatory framework and sectoral developments.

Ibercaja is aware of the importance of its clients' non-financial information for the proper integration of ESG factors and for advancing the metrics and objectives necessary to assess and manage the risks and opportunities arising from them. Therefore, it is developing a specific line within the **Strategic Sustainability Initiative to work with non-financial data, incorporating it as one of the information areas in the entity's business architecture and data governance model.**

The availability of such data is critical for integrating climate factors into business and decision-making. Therefore, the Entity is working with external providers to collect non-financial information from its clients and subsequently incorporate it into systems, evaluating its availability, transparency, quality, and the external verifications it undergoes.

As an example, some of the fields obtained are related to the environment, such as the availability of environmental policies, waste management plan and breakdown of these, polluting emissions, water and energy consumption or ISO14001 certification, among others. In the social area, information fields such as the wage gap, work-life balance measures, job creation, training, percentage of male and female employees, etc. are highlighted. Finally, fields related to the governance of their clients are included, such as the number of directors, independent directors, Board remuneration or number of men and women on the Board, among others.

Currently, we receive a total of more than 122 data fields from corporate clients required to publish ESG information, with the number increasing in line with regulatory requirements. This non-financial information will be available for review in internal tools for the three most recent years for which we have information.

The lack of uniform standards and the volume of external and internal requirements led Ibercaja to generate an **inventory of priority ESG data**, constructed from internal or external ESG data (depending on the source of each information), as part of a specific line within the Strategic Sustainability Initiative to work on non-financial data.

The ESG data to be prioritized determined based on its implementation needs for generating external reports, developing internal processes, responding to regulatory requirements, and implementing supervisory expectations. Ibercaja also defined the strategy for integrating ESG data into the Bank's information systems, specifying its specific uses, and has designed a roadmap for its implementation, taking into account that it will need to continue adapting and incorporating new ESG data requirements. This roadmap has begun to be implemented in conjunction with the new strategic cycle and has been identified as one of the priority milestones, with the goal of developing a Sustainability Datamart integrated into the Bank's data architecture. Following the progress made in 2025, the new Cloudera platform and the data ingestion tool are now available, and the development of sustainability management use cases has begun.

Additionally, during 2025, Ibercaja worked on designing the project for obtaining and improving the data of the Energy Efficiency Certificate (EEC) with the objective of enhancing data quality. This is a cross-functional project developed by a multidisciplinary group, aiming to implement actions that enable the capture and improvement of the quality of EEC data. During 2026, efforts have continued to remediate data in the formalizations from 2025 and 2024 to obtain the Energy Efficiency Certificate.

Ibercaja intends to progressively integrate counterparty corporate governance information, as well as other sustainability information, into its credit risk analyses, as a complement to traditional economic and financial analyses. In this regard, relevant information from the ESG risk assessment of the Bank's portfolio has been integrated into information environments, in order to leverage it in Ibercaja's processes:

- Data provided by ST Analytics and Datacentric on Ibercaja's real estate collateral was integrated.
- The Energy Efficiency Certificate has been included in the systems for credit risk admission and monitoring, as well as in real estate development operations.
- The transition climate risk level was integrated based on the RAF metric.
- The level of residual environmental risk provided in the ESG questionnaires was included in the Entity's internal systems.

Ibercaja is currently collecting ESG information published in its counterparties' non-financial reporting statements into its systems. This will continue to deepen the analysis of good governance, social aspects, and disputes in which the counterparty has been involved, and this information can be incorporated into the granting process for certain sectors.

Furthermore, given the current relevance of environmental risks to the supervisor, Ibercaja strives to collect real-world information on Scope 1, 2, and 3 emissions data from its counterparties and to identify all the information necessary to assess exposure to physical risks or calculate the percentage of its portfolio aligned with the EU Taxonomy.

Additionally, the Entity participates in sectoral sessions and working groups that pursue the goal of combining efforts and knowledge to standardize available data and methodologies, making the exercises comparable with similar entities.

1.4 - Social Risk

1.4.1 - Business model and strategy

This section includes qualitative information addressing the requirements of Annex II of Regulation 2022/2453 with regard to questions (a), (b) and (c) of the social table.

Objectives and measures to mitigate social risk

Beyond climate-related aspects, another fundamental ESG factor for the Entity is its impact on society and people. In this regard, Ibercaja works across different strategic lines to mitigate social risks, both internally and in its relationship with clients:

Leadership and Talent

In the 2024-2026 strategic cycle, Ibercaja has designed the "Leadership and Talent" initiative with the aim of continuing on the path of incorporating new talent and retaining existing talent, with a cross-functional professional development model.

In this regard, Ibercaja has a strategic framework for talent **attraction and recruitment.** This process includes, among other initiatives: **the evolution of the Entity's employment portal** (further detail below), increased participation in **talent forums**, the development of **visual resources aimed at attracting candidates**, **the improvement of the candidate experience** and the exploration of **new recruitment channels.**

Of the new hires made during 2025, 137 were permanent contracts. Of these, 83 were employees with a prior connection to the Bank who were given permanent contracts. Additionally, 283 students received training at branches and central services through internship contracts, **reinforcing Ibercaja's commitment to the development of young talent.** During the first half of 2026, more than 82 permanent contracts, over 185 temporary contracts, and more than 183 student internship placements have been formalized, reflecting a significant volume of talent acquisition across various modalities.

With the aim of enhancing recruitment dynamics, Ibercaja launched a **new, more accessible employment website** showing the need for new profiles across the different territories in which the Entity operates. The organization's values and corporate culture, which place people at the centre, have been strengthened through this initiative. The new website is more accessible, and its content highlights the Entity's **corporate purpose: "helping people build their life story, because it will be our story".**

Likewise, Ibercaja launched the Origen Programme, an **initiative aimed at university graduates who have completed their studies within the last two years, with outstanding academic records**, and who show an interest in beginning their professional career in the banking world with Ibercaja. The aim of the programme is to provide a **comprehensive annual experience of professional and personal development.**

Throughout 2025, six one-week immersion sessions were held with the aim of **integrating Ibercaja's new recruits**, reflecting on the importance of working towards a common goal to achieve the bank's objectives and continuing to build a solid culture that drives the Entity towards the future. Four additional sessions are scheduled to be held throughout 2026.

Additionally, 23 colleagues from the Entity graduated in 2025 from the **1st Xplora Talent Programme.** An initiative that forms part of the 2024-2026 Strategic Plan Ahora Ibercaja and whose aim is to enhance the talent of the Bank's workforce. The programme's objective is to boost the professional growth of people and contribute to the evolution of their capabilities, aligned with the Bank's strategic priorities, while strengthening the participants' bond with the organization. In 2026, notable progress was made with the development of a strategic tool aimed at the comprehensive development of talent, the enhancement of professional performance, and the alignment of personnel with Ibercaja’s objectives in a context of constant transformation, characterized by the evolving roles, competencies, and expectations of both the business and its people.

In the first half of 2026, the evolution of the professional development model was also completed with the launch of the final 13 career paths. This model is more open, flexible, and cross-functional, enabling each individual to understand how to continue growing within the Entity. This update facilitates a shift toward a more transversal vision, based on common competencies, knowledge, and skills, supporting better adaptation to business evolution and the new capabilities demanded by the financial sector. Additionally, it provides individuals with a clearer and more transparent view of their development opportunities at Ibercaja.

Furthermore, in 2025 the Bank drove a strategic corporate **culture evolution** project, with the aim of reinforcing Ibercaja's distinctive way of acting and engaging, aligned with the new corporate values and with the organization's present and future challenges. The project is articulated under the SOMOS model, a framework inspired by and projecting our **corporate purpose "Helping people build their life story, because it will be our story", integrating**

the corporate values of Closeness, Vocation, Authenticity and Drive, translating them into concrete day-to-day behaviours among colleagues, clients and society.

All these advances are reflected in Ibercaja being recognized as a **Top Employer 2026** for the excellence of its comprehensive people management practices and its contribution to employees' personal and professional development. The certification process by the Top Employers Institute, a global authority in assessing the professional environment organizations provide to their employees, involves an exhaustive and rigorous analysis of people management practices and their impact both across the organization (strategy and results) and on employee engagement, attraction, and talent development.

Foundations and social projects

Ibercaja's commitment to society is present through its financial activity and through the involvement of its shareholder foundations which, through their activity, work continuously to improve the lives of those most in need, care for and protect the environment and promote quality education and culture.

The Foundation's social action takes the form of calls for proposals in various areas that enable third-sector entities to carry out their work.

- **Childhood Aid Call for Proposals:** the aim of this initiative is to support projects that address situations of vulnerability in the area of childhood. The call is exclusively aimed at promoting proposals whose purpose is to improve child wellbeing, foster equal opportunities and promote the comprehensive development of minors. In 2025, grants totalling €215,000 were approved for projects. The project has been renewed in 2026.
- **Third-sector digitalisation call for proposals:** this first edition, promoted by Fundación Ibercaja, Fundación Hiberus and Amazon and launched in April 2025, aimed to support various Aragonese social entities in their digital transformation process. An essential requirement nowadays to provide the necessary tools and technological resources to improve their operations. This purpose will be achieved by offering Amazon Web Services (AWS) cloud technology, thereby improving their efficiency, reach and capacity to serve the community.

Other noteworthy initiatives include the twentieth edition of the Social Projects Call for Proposals and the signing of a new collaboration agreement between Fundación Ibercaja and the Red Cross, which consolidates its commitment to social inclusion and sustainable development through two priority lines of action: promoting employment for people in vulnerable situations and combating energy poverty in Aragón.

Volunteering

During 2025 and the first half of 2026, Ibercaja's corporate volunteering programme has continued to consolidate itself as a strategic tool for social commitment and internal mobilisation, reinforcing its corporate culture and the Purpose of building a fairer, more inclusive and sustainable society.

During this period, numerous activities were carried out that channelled the solidarity of its professionals and their families and connected with the realities of their immediate surroundings. In 2025, 54 volunteering actions were carried out, with the active participation of 909 volunteers, covering topics as relevant as the inclusion of people with disabilities, accompanying homeless people, supporting young people in the educational sphere, promoting financial literacy and caring for the environment. In the first half of 2026, 32 additional actions have been carried out, with a total participation of 375 volunteers.

Among the most notable successes of this period, the long-term **volunteering programme is worth highlighting**, where more than 28 volunteers collaborate on a recurring basis in actions with partner associations, on a weekly or monthly basis. In addition, environmental days were held, one of which involved the reconstruction and cleaning of mountain shelters, contributing to the regeneration of natural spaces and the promotion of ecological awareness.

The Group also continues to advance in measuring the impact of its actions, not only in quantitative terms but also qualitatively, gathering perceptions from participants and partner entities. The results show a high degree of satisfaction, both from the beneficiaries and from the volunteers, who particularly value the opportunity to generate positive change and the personal enrichment that this experience brings them.

"*Tu Dinero con Corazón*" (Your Money with Heart)

The **"*Tu Dinero con Corazón*"** initiative, led by the Ibercaja Group and developed in collaboration with Fundación Ibercaja, supports social and environmental projects through the investment fund and pension plan "*Ibercaja Sostenible y Solidario*".

This fund and plan reached close to **€852 million and more than 39,000 participants in 2026.** They are sustainable because they are managed incorporating ESG criteria (environmental, social and good governance) and they are socially responsible **because the management companies of both products donate a portion of the management fee** they receive to social and environmental projects.

During the first half of 2026, **donations have exceeded one million one hundred thousand euros and have been made to 19 non-profit organizations and associations** to carry out various social and environmental projects.

Social business strategy

Likewise, as part of this impact analysis, Ibercaja conducted an in-depth study of the main **social impact** areas most relevant to its client portfolio, aiming to minimize the difficulties faced by the most vulnerable groups in financial matters.

In this context, the primary needs of **young people and seniors**, vulnerable groups on which the Entity focuses, were identified, and the characteristics of these groups within Ibercaja's portfolio were analyzed (education levels, income, etc.). Subsequently, the key life stages of these groups were identified, along with how the Entity can support these moments through specific services and its commercial offerings. The goal is to provide a customer value proposition that differentiates Ibercaja through the social focus of its business strategy.

As a consequence of this analysis, responding also to Ibercaja's historic commitment to creating value and positively impacting society, Ibercaja continues to focus on **the senior segment**. To this end, it maintains various collaboration agreements and alliances with other organizations such as Pensium, Depencare and Taxdown.

Likewise, in its commitment to supporting the **young segment**, Ibercaja is a signatory to the Mortgage Code of Good Practice to support the most vulnerable mortgage clients and has products such as the Youth Loan and the Postgraduate Master's Training Loan to support young people in their educational investment needs. Furthermore, the current 2024-2026 Strategic Plan develops, within the "Client Programme", **a strategic initiative aimed at young people with banking needs**, with the objective of providing an empathetic and comprehensive response to their financial needs, also taking into account their social and environmental awareness.

Moreover, Ibercaja launched "Pensumo" in 2024, a pioneering application to help Spaniards save for retirement without additional effort. This is a tool that was developed within the framework of the first financial sandbox promoted by the Treasury and the Directorate General of Insurance and Pension Funds of the Ministry of Economy, Trade and Enterprise, and on which the Entity has been working for over two years.

In its firm commitment to offering **inclusive and accessible banking for all**, it has deployed voice-guided mode functionality on its ATMs, guaranteeing the confidentiality of information and the protection of sensitive data at all times. This functionality also offers greater autonomy to people with visual impairments or difficulties reading screens, enabling them to carry out their transactions through verbal instructions that guide them through each step.

Procedures related to the counterparty's strategy for mitigating social risks

As discussed in previous sections, Ibercaja has various policies, codes of conduct and internal regulations that seek to support clients in achieving sustainable development and to set limits with regard to their environmental, social and governance risks. Among these, Ibercaja has an Ibercaja Group ESG Exclusions Policy, applicable to financing and investment, with the aim of avoiding or controlling those risks that may arise from certain activities considered controversial due to their environmental, social, ethical or reputational risk. In addition to general and sector-specific exclusions, Ibercaja gathers ESG information from its clients through ESG Questionnaires which also enable it to keep updated the inherent and residual social risk level of each counterparty or project, based on the sector in which it operates and/or its commitment to sustainable development. To this end, it gathers information such as companies' commitment to human and labour rights, occupational health and safety and the promotion of equality and work-life balance, among other data. Based on this ESG risk analysis, the Entity carries out measures to reduce or mitigate its exposure to such risks.

Furthermore, with the aim of promoting good governance principles in its value chain, Ibercaja has a Supplier Code of Conduct, through which it conveys its responsible management principles, with a focus on social aspects, with engagement and dialogue being key aspects for fostering a stable and enriching relationship with its suppliers, based on ethics, transparency and compliance with agreed commitments. In Ibercaja's commercial contracts with its suppliers, they must adopt the principles of the United Nations Global Compact on Human Rights, Labour Rights, Environmental Protection and Anti-Corruption, committing to implementing measures within their organizations that support compliance with these principles and to promoting, among the third parties with whom they contract, compliance with said principles.

In line with the Entity's processes and criteria, progress has also been made in the inclusion of ESG criteria in the supplier tendering and procurement process. In the tendering and award process, certifications that promote care for the environment, society, employees and good governance are valued positively, both qualitatively and quantitatively.

1.4.2 - Social risk management

This section includes qualitative information addressing the requirements of Annex II of Regulation 2022/2453 with regard to questions (d), (e), (f) and (g) of the social table.

International methodologies and standards on which the social risk management framework is based

Ibercaja is aware that social risk management is in continuous evolution and, therefore, advances in the identification and management of these risks will be gradually incorporated into the Entity's processes, in line with regulatory, market and methodological developments.

In this regard, it works to stay up to date with new regulations and best practices and trends relating to social risk management. The Entity respects and supports the dignity and labour rights of all people and specifically freedom of association and freedom to organise and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment, taking as a point of reference international frameworks such as the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work.

Integration of social factors into the risk framework

The main phases of social risk management on which Ibercaja is working are risk identification, measurement, management and monitoring:

i. Identification

Social risks, for their part, are those arising from any negative financial impact on entities, derived from the current or future impacts of social factors on their borrowers or investments.

During 2025, Ibercaja made progress in the qualitative materiality analysis of social risks across the various prudential risks, work that will be reviewed and updated in 2026. To this end, an analysis of the main social factors is conducted (labour conditions, consumer relations, consumer protection and safety) that could have an effect from both an inside-out and outside-in perspective through various events and transmission channels. This assessment is being carried out using a methodology based on a severity and frequency approach for each of the prudential risks, and across different time horizons (short, medium and long term), with a detailed analysis of credit risk in those sectors with the greatest exposure in the productive activities portfolio:

- **Credit risk:** the impacts of social factors such as labour disputes, prolonged strikes, poor working conditions, human rights violations or litigation arising from inadequate corporate practices may directly affect the solvency of counterparties.
- **Market risk:** social risks may also generate abrupt movements in share and bond prices as a consequence of social controversies such as labour rights violations or negative impacts on local communities in companies in which financial entities hold investment positions.
- **Operational risk:** at a social level, failures in employee management, lack of diversity and inclusion, poor working conditions or conflicts with trade unions may translate into operational losses, staff turnover, loss of productivity or litigation. Regulatory pressure to ensure transparency and compliance with ESG disclosure standards also increases the risk of sanctions if the commitments assumed are not truthfully reflected in the entity's practices.
- **Reputational risk:** poor management of ESG risks could compromise an entity's reputation and negatively affect the loyalty of clients and investors, impacting its market positioning and its ability to attract new investments. Furthermore, a lack of action could attract regulatory attention and generate conflicts with stakeholders, which in turn would increase legal and compliance risks. The perception that the Entity acts against ethical or environmental standards may result in loss of value, deterioration of business relationships and social or institutional pressure.
- **Liquidity risk:** high exposure to companies involved in ethical or legal controversies may reduce the liquidity of portfolio assets, potentially affecting the confidence of depositors or institutional investors, hindering access to funding or increasing refinancing costs.

- **Business risk:** failure to adapt to changes such as, for example, not anticipating regulations on human rights due diligence, may limit the entity's ability to access new business opportunities or maintain its market share. Conversely, adequate management of ESG risks may become a source of competitive advantage, attracting investment, talent and clients aligned with the principles of corporate responsibility.

Illustration 11: Social risk materiality matrix

	Short term (1-3 years)	Medium term (3-10 years)	Long term (>10 years)
Credit risk			
Market risk			
Liquidity risk			
Operational risk			
Reputational risk			
Business Risk			

Risk low	Risk medium-low	Risk medium	Risk medium-high	Risk high

The materiality assessment of social risks reflects an overall low exposure across all prudential risks and all-time horizons. While a slight increase in materiality to medium-low levels is observed in credit, business and reputational risk in the medium and long term, the results remain below the materiality threshold defined by Ibercaja, and therefore, overall, **social risks are not considered material for the various prudential risk categories.**

ii. Measurement

In terms of **social issues**, following the United Nations Principles for Responsible Banking, meeting the needs of its customers is a priority for Ibercaja, which is why, at all times and of its own volition, it seeks the best solutions to help them in the most difficult situations.

This challenge responds to the Corporate Purpose of "Helping people build their life story" and is part of Ibercaja's commitment to sustainability, demonstrating its **sensitivity to the socia**l demands of the region where it operates.

Ibercaja assesses its contribution to the financial inclusion impact area by periodically reviewing products and services focused on the two most important segments of individuals in its customer base and potentially the most vulnerable within the financial system (younger and older individuals).

Additionally, Ibercaja is beginning to collect information from its corporate clients through social media data providers.

iii. Management and monitoring

The ESG Exclusion Policies for credit, market, and underwriting risk also aim to **limit exposure to socially controversial productive activities**. Ibercaja, steadfast in its social commitment to supporting the region and the business community since its inception, seeks to balance economic growth with social cohesion in its financial activities, aligning its actions with its corporate purpose and advancing the integration of ESG criteria into its decision-making.

Furthermore, based on the **ESG Questionnaires** at the client and transaction levels, the **inherent social risk** (derived from business activity) and residual risk (as a consequence of a specific company's commitment) of their most significant counterparties are obtained. These Questionnaires capture companies' commitment to human and labour rights, health and safety at work, and the promotion of equality and work-life balance, among other data. They are recorded in the client and transaction assessment process, making them accessible to all Entity staff.

Additionally, the Entity, in collaboration with external data providers and relying on internal data sources, collects information on the assessment of training capabilities, shareholder continuity aspects, and aspects related to the governing bodies and their commitments to its client portfolio.

As with environmental risks, all of the social risk management exercises explained above are subject to the guidelines outlined in the **ESG Risk Governance Policy.**

1.5 - Governance risks

1.5.1 Governace Model

This section includes qualitative information addressing the requirements of Annex II of Regulation 2022/2453 with regard to questions (a), (b) and (c) on governance risk.

At Ibercaja, governance-related risks are analysed and managed both from the perspective of Ibercaja's internal governance and from the perspective of counterparty governance.

This second perspective includes:

- The analysis of the highest governing bodies of borrowers, as well as the committees that make the main economic decisions.
- The responsibility of the borrower's highest governing body in the preparation and oversight of non-financial information.
- The integration by the borrower of governance-related factors such as ethical considerations, risk management, inclusion, transparency, conflict management and internal communication.

The detail of the ESG risk governance model, which includes governance risk, can be found in section 1.2.2 ESG risk governance and management framework.

Procedures related to the counterparty's strategy for mitigating governance risks

As discussed in previous sections, Ibercaja has various policies, codes of conduct and internal regulations that seek to support clients in achieving sustainable development and to set limits with regard to their environmental, social and governance risks. Among these, Ibercaja has an Ibercaja Group ESG Exclusions Policy, applicable to financing and investment, with the aim of avoiding or controlling those risks that may arise from certain activities considered controversial due to their environmental, social, ethical or reputational risk. In addition to general exclusions and sector-specific exclusions, Ibercaja gathers ESG information from its clients through ESG Questionnaires which also enable it to keep updated the inherent and residual governance risk level of each counterparty or project, based on the sector in which it operates and/or its commitment to sustainable development. To this end, it gathers information such as the company's capital structure, information on the members of the Board of Directors and their involvement in sustainability matters, the existence of whistleblowing channels, the opinion of the external verifier where applicable, as well as the implementation of preventive policies, supplier approval policies and conflict of interest policies, among other data. Based on this ESG risk analysis, the Entity carries out measures to reduce or mitigate its exposure to such risks.

1.5.2 - Risk Managment

This section includes qualitative information addressing the requirements of Annex II of Regulation 2022/2453 with regard to the questions set out in requirement (d) on governance risk.

Integration of governance factors into the risk framework

The main phases of governance risk management on which Ibercaja is working are risk identification, management and monitoring:

i. **Identification**

Failure to comply with good governance practices represents a significant risk for financial institutions, as it can negatively impact both their counterparties and the assets they manage or invest. This includes the lack of adequate governance mechanisms to integrate environmental, social, and ethical factors into their policies, processes, and procedures, which could lead to regulatory sanctions, loss of stakeholder confidence, and adverse effects on the financial and reputational stability of financial institutions.

Considering that governance risks depend on the business management of each counterparty and have minimal connection to productive activities, the materiality of these risks has been qualitatively assessed in all financial risk categories based on different risk examples derived from good governance factors.

During 2025, Ibercaja made progress in the **qualitative materiality analysis of governance risks** across the various prudential risks, work that will be reviewed and updated during 2026. To this end, an analysis of the main governance factors is conducted (corporate governance, information disclosure and management, etc.) that could have an effect from both an inside-out and outside-in perspective through various events and transmission channels. This assessment is being carried out using a methodology based on a severity and frequency approach for each of the prudential risks, with a detailed analysis of credit risk in those sectors with the greatest exposure in the productive activities portfolio:

- **Credit risk:** the impacts of governance factors such as deficiencies in governance systems, including corruption, fraud, money laundering or lack of internal control, may result in sanctions, loss of contracts or loss of access to financing, affecting borrowers' repayment capacity and the value of collateral.
- **Market risk:** governance risks may also generate abrupt movements in share and bond prices as a consequence of governance scandals (fraud, accounting manipulation or breaches of ethical codes) in companies in which financial entities hold investment positions.
- **Operational risk:** exposure to governance risks, such as fraud, corruption, money laundering or non-compliance with ESG regulations, may lead to administrative sanctions, legal costs and reputational damage. Regulatory pressure to ensure transparency and compliance with disclosure standards also increases the risk of sanctions if the commitments assumed are not truthfully reflected in the entity's practices.
- **Reputational risk:** poor management of ESG risks could compromise an entity's reputation and negatively affect the loyalty of clients and investors, impacting its market positioning and its ability to attract new investments. Furthermore, a lack of action could attract regulatory attention and generate conflicts with stakeholders, which in turn would increase legal and compliance risks. The perception that the Entity acts against ethical or environmental standards may result in loss of value, deterioration of business relationships and social or institutional pressure.

- **Liquidity risk:** high exposure to companies involved in ethical or legal controversies may reduce the liquidity of portfolio assets. Similarly, reputational tensions or poor corporate practices may affect the confidence of depositors or institutional investors, hindering access to funding or increasing refinancing costs.
- **Business risk:** failure to adapt to these changes (for example, not strengthening governance control mechanisms) may limit the entity's ability to access new business opportunities or maintain its market share. Conversely, adequate management of ESG risks may become a source of competitive advantage, attracting investment, talent and clients aligned with the principles of sustainability and corporate responsibility.

Illustration 12: Governance risk materiality matrix

	Short term (1-3 years)	Medium term (3-10 years)	Long term (>10 years)
Credit risk			
Market risk			
Liquidity risk			
Operational risk			
Reputational risk			
Business Risk			

Risk low	Risk medium-low	Risk medium	Risk medium-high	Risk high

ii. Management and monitoring

The ESG Exclusion Policies in force seek to reduce exposure to governance risks by including **limits on financing or investment in companies that do not meet minimum international standards, such as compliance with Human Rights, Labor Rights (according to the ILO), or the provisions contained in the OECD Guidelines for Multinational Enterprises.** In addition, such exclusions are included at the operational level, with the aim of maximizing the mitigation of these risks. Failure to comply with these aspects will result in the Entity being unable to finance these companies.

If the transaction is material, **the risk report includes a specific section analysing governance-related aspects,** such as the company's capital structure. If shareholder-related risks are identified, these aspects are detailed in the report, assessing their impact on the transaction's solvency.

Regarding the good governance factors included in the **ESG Questionnaires** at the client and operational levels, information is collected on the members of the Board of Directors and their involvement in sustainability issues, the existence of reporting channels, the opinion of the external auditor when applicable, as well as the implementation of preventive policies, supplier approval, and conflicts of interest, among others.

If the transaction is material, issues of potential ethical controversies that the counterparty may be facing will be addressed throughout the admissions process.

Additionally, Ibercaja, aware of the potential impacts of its banking activities and business model, has a criminal risk prevention system in place to combat corruption and bribery to limit the risk of members of the organization committing actions that could constitute crimes in this area. The entity also has an internal control system to prevent and deter transactions that may be related to money laundering or the financing of terrorist activities.