

The background of the top half of the page is a dark red gradient. It features several financial and technological icons: a candlestick chart, a line graph with a red trend line, a stack of gold coins, a hand pointing at a screen with concentric circles, and a solar panel. At the bottom of this section, there is a horizontal timeline with months from January to December.

DRIVING SUSTAINABLE GROWTH AND DIGITISATION



Instituto de Crédito Oficial

Integrated Report **2021**



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1

Chairman's letter





The ICO Group works to contribute from its sphere of action to promote, in public-private collaboration, the competitiveness and sustainable growth of Spanish companies in order to generate quality employment. This reason for its existence has been particularly evident in 2021, the year in which ICO celebrated its **50th anniversary**.

During the year, together with the management of the COVID-19 Guarantee Lines, the ICO launched new initiatives, together with other public bodies and the private sector, aimed at promoting the activity of companies and boosting their green and digital transition to consolidate the recovery, in accordance with the Recovery, Transformation and Resilience Plan.

Indicators for 2021 reflected a strong and sustained recovery in all sectors of activity in Spain, with GDP growth of 5.1%, above the euro area average. The Spanish economy was in a solid recovery phase when the war in Ukraine started in February 2022. This aggression against Ukraine is having an impact from an economic point of view, especially in the case of Spain due to the increase in energy prices.

At the present time, as I write this letter in April 2022, all forecasts indicate a slowdown in growth, although the path of recovery initiated in the previous year will continue, as recently confirmed by the IMF, whose forecasts place Spanish growth above the average for the euro area. To underpin this recovery and preserve business activity, the government has approved the "Shock Plan against the economic and social impact of the war" which will mobilise up to 16 billion euros and in which ICO has been assigned the role of launching a new line of guarantees for an amount of 10 billion euros.

To this end, ICO has experience and an efficient system of public-private collaboration with financial institutions and the business sector, which has been consolidated thanks to an exercise of co-responsibility since March 2020 with the management of the COVID-19 Guarantee Lines. 135 billion in more than 1,150,000 operations, making it one of the most effective programmes in the neighbouring EU countries.



Under this scheme of work, the various measures approved by the government to make guaranteed loans more flexible in 2021 were deployed to strengthen the solvency of companies, including, among others, extensions of the maturities of operations, aimed at alleviating the financial burden of the self-employed, SMEs and companies.

At the same time, with the aim of providing a comprehensive range of financing to meet the needs of companies of all sizes and sectors of activity, the Institute continued to make its product catalogue more flexible, broadening it, bringing added value to the economy.

Thus, thanks to the commitment and dedication of all ICO professionals, the objectives set for 2021 have been achieved in all areas of activity, as detailed in the content of this Report, which has been prepared in accordance with the 10 Principles of the United Nations Global Compact -to which the ICO Group has renewed its commitment for another year- and the standards of the Global Reporting Initiative (GRI). All of this, with the aim of offering the highest standard of transparency, clarity and integrity on the economic, environmental and social impact of its activity.

The ICO Group's activity has been particularly focused on the promotion of sustainable projects, in line with its Sustainability Policy and the Recovery, Transformation and Resilience Plan. Thus, in the area of direct financing operations, €2,531 million in financing was approved in 2021, 71% of which corresponds to projects with a positive environmental or social impact carried out by medium-sized and large Spanish companies with a tractor effect on smaller companies.

It should also be noted that the ICO Mediation Lines, benchmark programmes in the public-private partnership model, mobilised more than EUR 1,035 million, 76% of which was earmarked for financing the self-employed and SMEs located in regions with per capita income below the national average.

In addition, ICO has continued to create instruments so that companies can diversify the sources from which they obtain financing and boost their growth, offering different solutions linked to the acquisition of promissory notes, project bonds and corporate bonds from Spanish companies, prioritising those that are certified as responsible issuers or that are listed on sustainability indices. At this point, I would like to highlight the work done to broaden the focus of these actions to include smaller companies, participating in innovative initiatives such as Aquisgrán, which will help mutual guarantee companies to finance SMEs, the self-employed and entrepreneurs. This is a pioneering initiative in Europe, supported by the European Investment Fund (EIF).

AXIS, the ICO Group's venture capital subsidiary, also worked hard during the year to promote the growth of companies and projects that combine innovation and entrepreneurship. Two milestones in this area stood out: the launch of the largest round, called "consolida", of Fond-ICO Global and the creation of Fond-ICO Next Tech.

Fond-ICO Global's "Consolida" call, the fourteenth since the creation of this instrument, allocated 750 million euros - the largest volume of all rounds - in fifteen funds that will channel, complementing Fond-ICO Global's contributions with those of private investors, approximately 1,600 million euros to Spanish companies.

Special mention should be made of the launch of Fond-ICO Next Tech, together with the State Secretariat for Digitalisation and Artificial Intelligence (SEDIA), which will mobilise up to €4 billion in public-private partnerships to foster the development of innovative, high-impact digital projects and investment in scale-ups. With this initiative, the ICO Group once again demonstrated its capacity to anticipate and adapt, creating new products that favour the transformation of the business fabric.



In terms of fundraising, the ICO continued to position itself as a benchmark in sustainable bond issuance at the European level. In 2021, it launched its third green bond for 500 million euros and its eighth social bond for a similar amount. Both transactions recorded overdemand and a high participation of international accounts (94% and 75% respectively), showing once again the confidence of international investors in ICO bonds.

The figures endorse the work carried out during the year, consolidating ICO's role as one of the key players in the transformation and growth of companies. To further consolidate this position, the ICO Group has intensified its activity in actions of marked added value, such as the channelling of EU funds to projects of Spanish companies or the implementation of measures linked to the Recovery, Transformation and Resilience Plan.

In the management of EU funds, the activity carried out through the CEF-T (Connecting Europe Facility Transport) programme, which promotes the participation of private sector investors and financial institutions in actions that contribute to the environmental sustainability and efficiency of the transport sector in Europe, stands out. ICO, in collaboration with the Ministry of Transport, Mobility and Urban Agenda (MITMA), presented ten projects by Spanish companies to this initiative, which were awarded 32 million euros in subsidies, representing 10% of the total allocation of this initiative for all EU countries. ICO also completed, under a blending scheme, the subsidy received by the projects, mobilising a total of 263 million euros.

As indicated, the ICO Group is also contributing its know-how and capacity to generate new products - together with the relevant ministries and organisations - to the deployment of actions included in the Recovery Plan, with the aim of boosting the

green and digital transition of the Spanish economy. An example of this is the renewal of the agreement with RTVE, increasing the endowment with up to 100 million euros to finance the production of Spanish short films, feature films and series, one of the objectives established in the Spain Audiovisual Hub Plan. In addition, in 2021, funding programmes were designed with MITMA to support sustainable mobility projects and actions to improve energy efficiency in buildings, and with SEDIA to promote digitisation in SMEs, which will come to fruition in 2022.

There is no doubt that the coming years will be crucial to consolidate the process of recovery, transformation and strengthening of Spain's growth model through the deployment of the Recovery Plan. The ICO Group wants to contribute to this goal with all its capabilities. Therefore, during 2021, the Strategy 2022-2027 has been designed, elaborated and approved by the Boards of Directors, taking as a reference the priorities of the Recovery Plan and the EU Multiannual Financial Framework (2021-2027).



The 2022-2027 Strategy focuses the ICO Group's action plans around four strategic axes:

- **Boost business growth, competitiveness and resilience of the Spanish economy.**
- **Promote the digital transformation of the Spanish productive fabric.**
- **Promote sustainable finance, driving the ecological transition and the environmental, social and governance sustainability of the business fabric.**
- **Strengthen governance in the ICO.**

With this roadmap, we at the ICO Group reinforce our commitment to the objectives assigned to us, in our triple role as a national promotional bank, financial instrument of economic policy and financial agency of the State: to promote the transformation and growth of Spanish companies to generate quality employment and underpin the sustainable growth of the economy, based on public-private collaboration.

I began this letter by pointing out that in 2021, ICO celebrated its 50th anniversary, five decades that we wanted to summarise and communicate with the phrase "We work together looking to the future". I refer to it to conclude this presentation because "working together, we can build a better future".



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2

Highlights



2.1. Highlights



50th
Anniversary
ICO

In 2021, we celebrate ICO's **50th anniversary** after half a century of supporting the productive fabric through business financing.

278,000
Million euros

3,200,000 operations

in Spanish companies, and responding to the changing needs of the self-employed and companies at all times.





Activity

During 2021, ICO has maintained its financing activity as a driver of business growth and transformation.

The total flow made available to companies through the catalogue of products offered through the ICO Lines of mediation or direct activity, reached a volume of

2,516
Million euros

11,200 operations

Corresponding to **8,800 companies**, highlighting in the area of direct activity the promotion of financing complementary to bank financing, with various forms of corporate debt acquisition.

ICO has consolidated its position in the sustainable bond market by launching its eighth social bond issue and its third green bond issue, for a combined amount of **1 billion €**.

The total amount of sustainable bonds issued by ICO, amounting to **€ 5.5 billion**, has mobilised more than **€15 billion**, reduced CO₂ emissions by more than 578,000 tonnes, generated 407,000 jobs and financed nearly 65,000 projects.

In the same line of sustainable financing, **1,463 million euros** were also earmarked for approving operations with **environmental impact** and **347 million euros** for operations with **social impact**.

In 2021, ICO renewed its membership in the **Advisory Board of the ICMA Green Bond Principles and Sustainable Bond Principles Executive Committee** and has joined the Spanish Sustainable Finance Observatory (**OFISO**) and the **Nasdaq Sustainable Bond Network**.

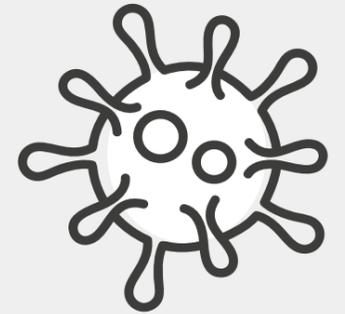
ICO is accredited by the European Commission as **Implementing Partner** of the new Multiannual Financial Framework 2021-2027 to manage European funds from programmes such as InvestEU and Connecting Europe Facility.

This accreditation gives ICO new capabilities to expand the support it provides to companies, reinforcing its involvement in the area of sustainability, in line with the action plans set out in the Recovery, Transformation and Resilience Plan, focusing on four main areas of action: Sustainable Infrastructures; Research, Innovation and Digitisation; SMEs; and Social Investments and Skills.



In order to boost the green and digital transition of the Spanish economy and in line with the objectives set out in the Spain Audiovisual Hub Plan, the ICO has renewed its agreement with RTVE, increasing its endowment by up to **100 million euros** to finance the production of Spanish short films, feature films and series.

In response to the consequences of the health crisis caused by the COVID-19 pandemic, in 2021, ICO continued to provide guarantees for financing obtained by the self-employed and companies, mainly to cover their liquidity needs and maintain the payment chain. According to data at the end of 2021, thanks to this mechanism managed by the ICO, the following have been injected:



136,400 million of €

in corporate finance spread over more than:

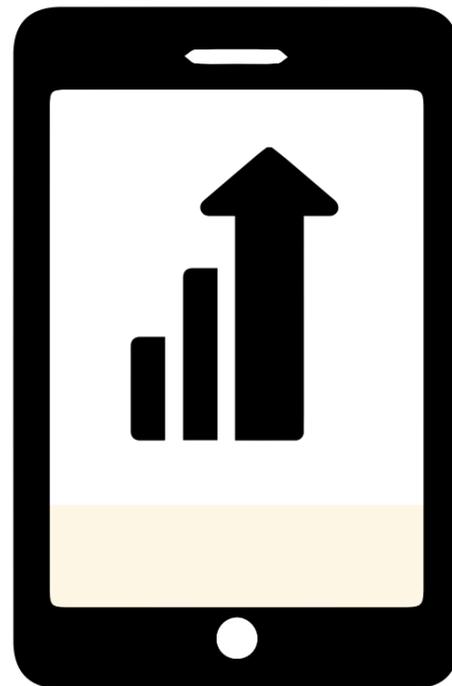
1,150,000 operations

(98% formalised by the self-employed and SMEs) and with a guaranteed volume of **103.8 billion euros**.

On the other hand, in order to continue protecting the productive fabric and avoid a structural impact on the economy and employment, Royal Decree-Law 5/2021 establishes a set of measures, including the creation of a line endowed with **3 billion euros so that the ICO can accompany financial institutions** in the restructuring processes of financial debt that has a public guarantee.



During the year, AXIS also worked hard to promote the growth of companies and projects that combine innovation and entrepreneurship, including the launch of **Fond-ICO Next Tech** to foster the development of innovative, high-impact digital projects and investment in scale-ups, and the updating of the investment policy of **Fond-ICO Infraestructuras II** to enhance its sustainable profile as a result of its accreditation by the CNMV as an ESG fund.



In addition, AXIS launched and resolved Fond-ICO Global's "Consolida" call, the fourteenth and largest since the instrument's inception, awarding **750 million euros** in fifteen funds that will channel, complementing Fond-ICO Global's contributions with those of private investors, approximately **1.6 billion euros** to Spanish companies.

The ICO Museum resumed its activities in terms of exhibition programming and was able to offer the public three new temporary exhibitions focusing on the world of Architecture and photography related to the territory, as well as developing in parallel multiple activities aimed at both the general public and groups with special needs, highlighting the inclusion and accessibility programme.

fundación



The Economics and Internationalisation areas of the Fundación ICO maintained or established alliances with similar institutions working on financial education, circular economy and economic thinking, holding various forums, courses and seminars throughout the year, as well as publishing a series of studies and publications. The Fundación ICO-China Scholarship programme was affected by the restrictions caused by the pandemic, but was able to be carried out in an online format, reinforcing the Chinese language classes.



Governance



The internal procedure for the management of the **prevention of money laundering and terrorist financing** has been updated in 2021 to incorporate the main developments at national and European level. The entity's **Risk Appetite Framework** has also been updated to incorporate, among others, indicators related to environmental risk and technology risk and the **Management by Objectives System** to incorporate a sustainable direct activity objective, which enabled 72% of new direct financing activity to be approved using sustainability criteria.

The ICO has designed, prepared and approved in the Board of Directors the **Strategy 2022-2027**, which will collaborate in the process of recovery, transformation and strengthening of the sustainable growth model of the Spanish economy on the basis of the horizontal strategic priorities established in the Recovery Plan and the EU's Multiannual Financial Framework 2021-2027.



The Environmental Management System implemented by ICO received the **ISO 14001 certification** in 2021. The ICO Group has also obtained the AENOR certification for **COVID-19 protocols** and has developed and implemented a quality management system based on the principles and requirements of the **ISO 9001 standard**.



In addition to the Fundación ICO's annual Action Plan, a **three-year Action Plan (2022-2025)** was also established, consistent with the ICO's Strategic Plan for the period 2022-2027.



Equality

In the second year of the ICO Group's **Second Equality Plan**, actions were carried out in the seven areas that make up the Plan. Of the **45 measures**, action has been taken on 35, carrying out a total of **84 actions** (78% of the 2nd Plan).



Among the actions, in 2021, ICO will join the Ministry of Equality's **Red de Puntos Violeta** initiative to combat gender violence and disseminate the information necessary to know how to act in the event of violence against women. As part of its adherence to the **#DóndeEstánEllas (Where Are They?)** manifesto, the ICO Group has been represented by women in 54% of the events in which the Institute has participated as a speaker.



3

The ICO group and our business model



3.1. Composition

The ICO Group is made up of:



The Institute, the Group's parent company, accounts for **99% of the Group's consolidated** balance sheet.

The definition of the ICO Consolidated Group has been made by considering as Group Entities those over which the Institute has the capacity to exercise control; this capacity is generally, but not exclusively, manifested by direct or indirect ownership of 50% or more of the voting rights of the investees or, even if this percentage is lower or zero, if, for example, there are agreements with shareholders of the investees that give the Institute control. In accordance with the provisions of the regulations, control is understood to be the power to direct the financial and operational policies of a company, in order to obtain benefits from its activities.

The annual accounts of the subsidiary are consolidated with those of the Institute using the full consolidation method as defined in the regulations. Consequently, all significant balances arising from transactions carried out between the companies consolidated using this method have been eliminated in the consolidation process.



3.2. Nature and functions



Instituto de Crédito Oficial is a Corporate State-Owned Entity that has the legal status of a credit institution and is considered a State Financial Agency. It has its own corporate status, assets and treasury, as well as management autonomy to fulfil its goals. ICO is financed in the capital markets and through loans. It has the Spanish State's guarantee for the debts and obligations it incurs for fundraising.

Attached to the Ministry of Economic Affairs and Digital Transformation, the State Secretariat for Economy and Business Support is responsible for the strategic management of ICO, as well as the evaluation and control of the results of its activity.

ICO's legal nature and framework, as well as its aims and functions, are defined in its Statutes, approved by Royal Decree 706/1999, as amended by Law 40/2015 on the Legal Framework of the Public Sector, Royal Decree 1149/2015 and Royal Decree 390/2011.

The organisation chart is included in point 11 of this document.

INSTITUTO DE CRÉDITO OFICIAL, CORPORATE STATE-OWNED ENTITY (ICO)
 NIF (Tax ID): Q-2876002-C
 Paseo del Prado, 4, 28014 MADRID
www.ico.es
 Twitter @ICOGob



MISSION

The aims of the Instituto de Crédito Oficial are to support and promote economic activities that contribute to the growth and improvement of the distribution of national wealth and, in particular, those which, due to their social, cultural, innovative or ecological importance, deserve to be encouraged.



VISION

These objectives are carried out by the Institute in its triple role as a National Promotional Bank, a Financial Instrument of Economic Policy and a State Financial Agency.

ICO seeks to be a leading international organisation and a national institution of reference in terms of transparency, solvency and credibility, to be recognised, especially by SMEs and financial institutions, as an ally for the growth of wealth and employment, and to be made up of a highly qualified, motivated, efficient and committed team that carries out its functions in an atmosphere of trust and collaboration.



FUNCTIONS

- Contribute to alleviating the economic effects produced by situations of serious economic crisis, natural catastrophes or other similar events, in accordance with the instructions of the Council of Ministers or the Government Delegate Commission for Economic Affairs.
- Act as an instrument for the execution of certain economic policy measures, following the fundamental lines established by the Council of Ministers, the Government Delegate Commission for Economic Affairs or the Minister for Economic Affairs and Digital Transformation, and subject to the rules and decisions agreed by its General Council.



AXIS is a state limited trading company as provided for in art. 2.2(c) of Law 47/2003, on the General Budget, in art. 166(c) of Law 33/2003, on the Assets of the Public Administrations, and in art. 111 of Law 40/2015 on the Legal Framework of the Public Sector.

As stated in its Statutes, the Company's main corporate purpose is the administration and management of venture capital funds and the assets of venture capital companies, as well as the control and management of their risks. In addition, the Company may perform the functions described in Article 42.4 of Law 22/2014 of 12 November regulating Venture Capital Companies, Other Collective Investment Companies and Management Companies of Collective Investment Institutions (hereinafter "Law 22/2014"). As a complementary activity, the Company may carry out advisory tasks to non-financial companies defined in Article 7 of Law 22/2014.

Axis acts in the interests of the funds it manages and of its sole participant and shareholder, Instituto de Crédito Oficial, in the investments and assets of these funds, in accordance with the provisions of Law 22/2014 and other applicable legislation.

The organisation chart is included in point 11 of this document.



MISSION

AXIS aims to promote the dynamisation and consolidation of the private ecosystem of venture capital funds, both early stage: venture capital, incubation and technology transfer and business angels, as well as expansion, growth and debt, thus supporting the creation and growth of highly innovative and technology-based companies.



FUNCTIONS

- Serve as a catalyst for the creation of venture capital entities with a majority of private capital with the ultimate aim of providing SMEs with alternative financing to bank financing.
- To directly support companies in their expansion plans to contribute to the development of the business fabric, job creation and the revitalisation of the economy.
- To mobilise the greatest possible amount of private sector resources through investments in co-investment schemes with other private venture capital funds.
- To improve the quality and security of Spanish infrastructure as a key piece in the country's economic growth and modernisation.

AXIS PARTICIPACIONES EMPRESARIALES, S.G.E.I.C., S.A.,
S.M.E.
NIF (Tax ID): A78290269
Los Madrazos Street, 38 2nd floor - 28014 MADRID
www.axispart.com



fundación



The Fundación ICO is a permanent, non-profit, State Public Sector Foundation created in 1993, which carries out its activities under the sole sponsorship of the ICO. It has corporate status and its own assets.

The organisation chart is included in point 11 of this document.

FUNDACIÓN ICO
NIF G-80743503
Paseo del Prado, 4, 28014 MADRID
www.fundacionico.es
Contact in relation to this report: rse@ico.es



MISSION

The mission of the Fundación ICO is to contribute to and support the development of society.



VISION

The Fundación ICO aims to become a leader in the promotion and dissemination of knowledge, with an international vocation and on two axes: the economy and contemporary art, with special dedication to Architecture.



FUNCTIONS

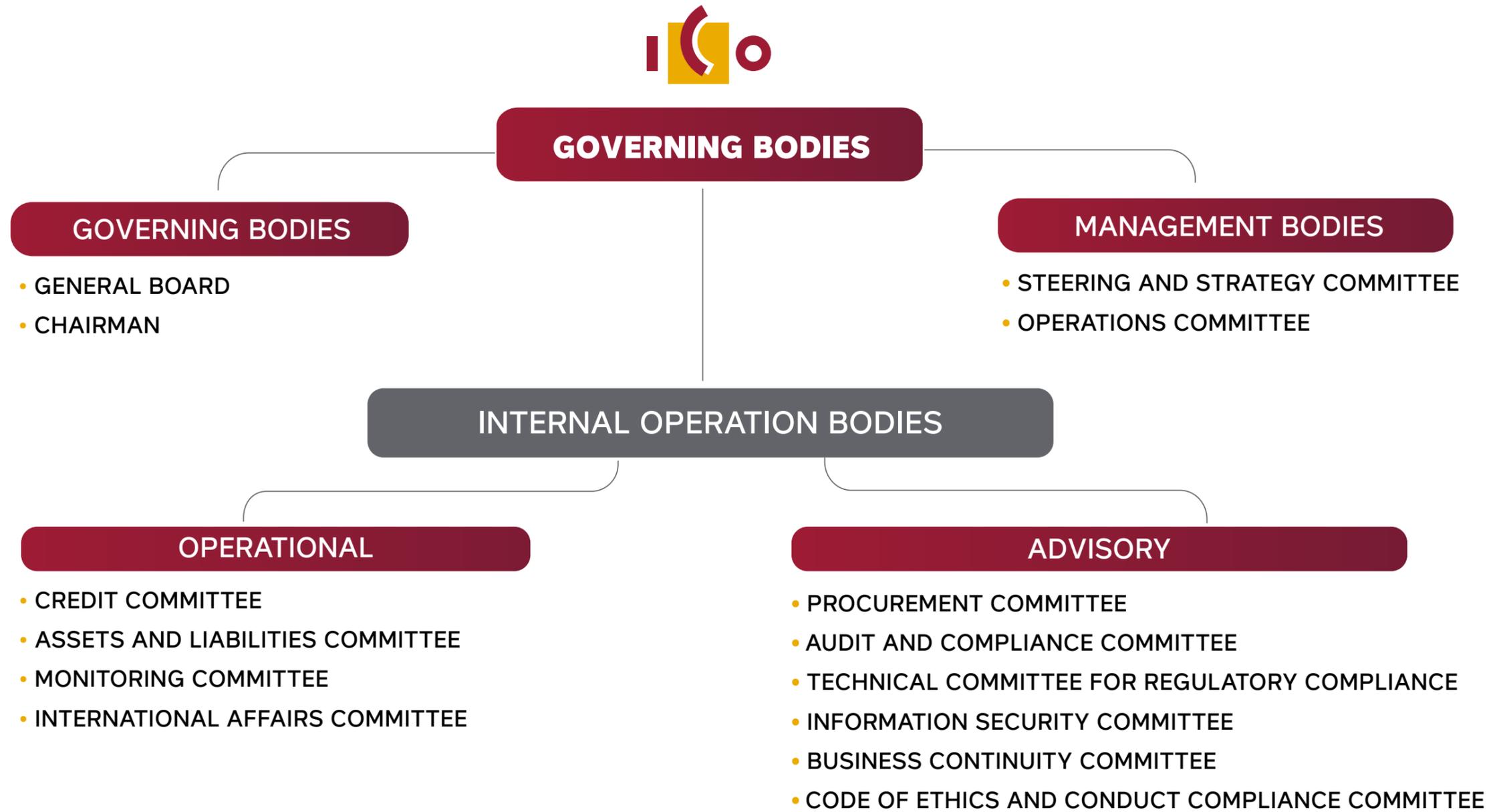
- Area of Art and Sustainable Architecture:** To manage and preserve ICO Collections. Helping to promote Marca España ("Spain Brand") and Marca ICO ("ICO Brand") through the loan of these collections for exhibition in other spaces. To organise educational and inclusive activities to make the Museo ICO a learning space for everyone.
- Area of Sustainable Economics and Finance:** To promote activities aimed at generating and disseminating knowledge in economic and financial matters through the development of studies and the creation of spaces for debate and the exchange of knowledge on matters of interest referring to the environment in which ICO operates.
- Internationalisation area:** To promote and strengthen relations with China in the economic and cultural fields through the Fundación ICO Becas-China Scholarships Programme. To promote the exchange of knowledge through the development of alliances with prestigious institutions. Conduct and sponsor specialised courses to broaden knowledge.



3.3. Governance and management structure



The governing structure of Instituto de Crédito Oficial is set out in its statutes, approved by Royal Decree 706/1999, as amended by Law 40/2015 on the Legal Regime of the Public Sector, Royal Decree 1149/2015 and Royal Decree 390/2011. It is completed by the operating and internal control bodies, approved by ICO's Chairman within the scope of the powers conferred on him by the Statutes. The internal regulation in force in 2021 is Circular 1/2021 of 27 April, which defines the collegiate bodies and, together with Circular 2/2021 of 19 November, forms the organisational structure of the Institute.



Management bodies

GENERAL BOARD

The composition of ICO's General Board, its functions, meetings and agreements are defined in the Statutes, approved by Royal Decree 706/1999.

Law 40/2015 and Royal Decree 1149/2015 incorporate and develop the role of the General Board's independent directors, reinforcing the Institute's autonomy and its alignment with the best European standards. The figure of the independent director plays a key role in the functioning of the Board, as he/she has a double vote for the operations of the Institute's financial business, which means that he/she can obtain a majority.

Structure and composition

The General Board is formed by the Chairman of the entity and ten Members, and is attended by the Secretary and, where appropriate, their Deputy Secretary. The Secretary is not considered to be a Director, so therefore attends the meetings with the right to speak but not to vote.

Following the amendment by Law 40/2015 to Royal Decree-Law 12/1995 and by Royal Decree 1149/2015 of 18 December, the appointment and removal of the members of the General Board is the responsibility of the Council of Ministers, by means of an Agreement, at the proposal of the Minister of Economic Affairs and Digital Transformation, who shall appoint them from among persons of recognised prestige and professional competence in the ICO's field of activity.

Members shall be appointed in accordance with the following terms:

Four members shall be independent, understood as those that are not Public Sector staff. The independent members' mandates will be three years, and they can only be re-elected once.



Six members shall be appointed who are Public Sector staff with recognised competence. A maximum of two members shall come from the Ministry of Finance, while at least two public members shall come from the Ministry of Economy and Digital Transformation.



As at 31 December 2021, the General Board of ICO consisted of:

Name	Role	Body	Appointment
José Carlos García de Quevedo Ruiz	Chairman of ICO and the Board	Instituto de Crédito Oficial (ICO)	Royal Decree 683/2018 of 22 June (BOE 23.06.2018)
Jaime Iglesias Quintana	Director General of Budgets	Ministry of Finance	15.02.2012
María del Carmen García Franquelo	Director General of Economic Programming and Budgets	Ministry of Transport, Mobility and Urban Agenda	31.08.2018
Elena Aparici Vázquez de Parga	Director General of Economic Policy	Ministry of Economic Affairs and Digital Transformation	18.02.2020
César Veloso Palma	Member of the Cabinet of the Minister of Finance	Ministry of Finance	05.10.2018
Andrés Barragán Urbiola	Director of the Technical and Financial Analysis Department	Ministry of Economic Affairs and Digital Transformation	28.09.2021
Ignacio Mezquita Pérez-Andújar	Deputy Director-General for Foreign Investment	Ministry of Industry, Trade and Tourism	22.09.2020
Enrique Feás Costilla	Independent Director	-	01.11.2021
Silvia Iranzo Gutiérrez	Independent Director	-	16.11.2018
Clara García Fernández-Muro	Independent Director	-	16.11.2018
Blanca Montero Corominas	Independent Director	-	14.07.2021
Cayetana Lado Castro-Rial	Board Secretary	Instituto de Crédito Oficial (ICO)	22.02.2021
Gerardo Harguindey Valero	Board Deputy Secretary	Instituto de Crédito Oficial (ICO)	25.01.2016



CHANGES TO THE COMPOSITION OF THE GENERAL BOARD IN 2021

During the financial year 2021, the following directors left the board:

RESIGNATIONS

Name	Role	Body	Date of resignation
José Manuel Reyero García	Independent Director	-	16.11.2021
Judith Arnal Martínez	Director of the Technical and Financial Analysis Department	Ministry of Economic Affairs and Digital Transformation	09.06.2021
Teresa Santero Quintillá	Independent Director	-	26.03.2021

To replace these directors, the following appointments were made:

APPOINTMENTS

Name	Role	Body	Appointment
Enrique Feás Costilla	Independent Director	-	01.11.2021
Blanca Montero Corominas	Independent Director	-	14.07.2021
Andrés Barragán Urbiola	Director of the Technical and Financial Analysis Department	Ministry of Economic Affairs and Digital Transformation	28.09.2021

During the financial year 2021, the Secretary of the Board was replaced. Cayetana Lado Castro-Rial replaced the previous secretary, Juan Alfonso Domenech Gil.

Equality and diversity in the General Board



As at 31 December 2021, there were 5 women on the ICO General Board (46%). 75% of the independent directors are women.

In terms of age, 5 directors are under 50 years old, while 2 of them are over 60 years old. The average age of the directors at year-end was 51.64 years (52.6 years for female directors and 50.8 years for male directors).

Although the independent directors represent 36.4% of the board, they have a double vote in the most important decisions. Consequently, in these cases, independent directors represent 53.3% of the total possible votes. In this context, women's votes represent 60.0% of the total votes on the Board. Taking into account age and considering the double value of the Independent Directors' vote, those under 50 years of age hold 40% of the total votes.

Directors' expenses policy



Royal Decree 462/2002, of 24 May, on compensation due to service, provides for the payment of compensation for attending meetings of Public Administration and agency collegiate bodies.

In accordance with article 10 of Royal Decree 706/1999, on the adaptation of Instituto de Crédito Oficial to Law 6/1997, of 14 April, on the organisation and operation of the General State Administration and approval of its Statutes, the General Board's members, Secretary and Deputy Secretary shall be entitled to receive the economic compensation corresponding to their attendance of meetings, to be determined by the Board itself, according to what is provided for by the regulations on compensation due to service for Public Administration staff. Notwithstanding the foregoing, when the director has the status of senior officer, the remuneration for attending board meetings shall be paid into the Public Treasury.

The per diem for attendance at the Board was 1,089.48 euros, with no difference for reasons of gender or age. The total accrued in 2021 by all ICO directors (excluding the Chairman) was 127,469.16 euros, the same figure as in the previous year.

The members of the General Board are not beneficiaries of loans or any other social benefit granted by ICO.



CHAIRMAN

Appointed by Agreement of the Council of Ministers of 22 June 2018 (Royal Decree 683/2018), José Carlos García de Quevedo Ruiz holds a degree in Economics and Business Studies from the Complutense University of Madrid and is a Commercial Technician and State Economist.

Previously, he held the position of Executive Director of Invest in Spain at ICEX, España Exportación e Inversiones, and was responsible for attracting and promoting direct foreign investment in Spain and obtaining international financing for new investment projects.

The positions that he has previously held include Director General of Trade and Investments in the State Secretariat for Trade of the Ministry of Economy and Competitiveness, Head Economic and Trade Advisor at the Permanent Representation of Spain to the European Union in Brussels and Director General for Insurance and Pension Funds at the Ministry of Economy and Finance.

He has been a member of Management Committees and Boards of several companies and funds, including: ICO, ICEX, CESCE, COFIDES, FIEM, Crédito y Caución, Consorcio de Compensación de Seguros and Repsol gas

He has written and published several articles about economics, finance, trade and investment and he speaks at business and professional conferences and forums both in Spain and abroad.

RESPONSIBILITIES

As covered in Article 12 of the Statutes, the Chairman's responsibilities, so important that they largely define our organisation's social responsibility, are as follows:

- A** To represent ICO and its General Board before all kinds of people and entities.
- B** To manage the Institute's actions, ensuring its compliance to the legislation applicable to it, and the actions of the fundamental lines established by the Council of Ministers, the Delegate Commission of the Government for Economic Affairs and the Minister of Economic Affairs and Digital Transformation.
- C** To ensure compliance with the Statutes.
- D** To direct the work of the General Board, convene it, set the agenda, preside and direct its deliberations, resolve ties with his casting vote and adjourn its meetings.
- E** To execute agreements adopted by the General Board.
- F** To appoint and dismiss the Director Generals and Directors, the Board Secretary and, where appropriate, the Board's Deputy Secretary.
- G** To be the head of the Institute's staff.
- H** To prepare ICO's annual accounts and submit them to the General Board for approval, as well as to draw up the proposal for the allocation of profits and losses, which it shall report to the General Board.
- I** To report to the General Board on the progress of the operations and financial situation of the Instituto de Crédito Oficial, on a quarterly basis or whenever the General Board requests any type of information
- J** To regulate expenses and payments that exceed the scope of any of the entity's units
- K** To determine the Institute's human resource structure.
- L** To present ICO's programme of action, investments and financing to the Government for its approval, as well as any other legally required plans and budgets, informing the Board.
- M** To fulfil all other roles attributed to him by these Statutes, those expressly assigned to him by the General Board as well as those not assigned to the aforementioned Board.
- N** The Chairman shall be the Institute's contracting entity.



Management bodies

STEERING AND STRATEGY COMMITTEE

The Steering and Strategy Committee is the body that assists the Chairman in the exercise and development of the functions and powers belonging to him, and facilitates coordination between ICO's different Directorates General.

The Steering Committee's functions, structure and composition are defined in the Chairman's Circular concerning management and internal operation and control bodies.

Functions

The Steering and Strategy Committee's functions are essentially to manage ICO's actions by determining, promoting and coordinating:

- ICO's objectives, as well as the management of processes for their implementation.
- The Institute's strategic lines, which the Operations Committee (COPER) is responsible for translating into operations.
- The programmes of action of ICO's various organisational units, and the evaluation of their results in order to fulfil ICO's purposes and functions.
- The positioning of ICO at both the national and international level.

Organisational, HR and IT Systems strategies will be discussed in the Steering and Strategy Committee to achieve greater motivation and professional performance in achieving the approved objectives.

Structure and composition

The Steering and Strategy Committee is made up of the Chairman, the Institute's Directors General, the Department of Legal Counsel, the Department of the Chairman's Cabinet and the Directorate General of Axis and the Management of the Fundación ICO. As at 31 December 2021, the composition was as follows:

Name	Role
José Carlos García de Quevedo Ruiz	Chairman
Antonio Cordero Gómez	Director General of Financing and Strategy
Rosario Casero Echeverri	Director General of Business
Miguel López De Foronda Pérez	Director General of Risks and Financial Control
José Manuel Pacho Sánchez	Director General of Technical Issues and Resources
Cayetana Lado Castro-Rial	Director of Legal Counsel
Alfonso Noriega Gómez	Director of the Chairman's Cabinet
Guillermo Jiménez Gallego	Director General of AXIS
Lucinio Muñoz Muñoz	Director of Fundación ICO



Changes in 2021

During the financial year 2021 there was a replacement in the Directorate of Legal Counsel. Cayetana Lado Castro-Rial replaced the previous Director, Juan Alfonso Domenech Gil.

Remuneration system

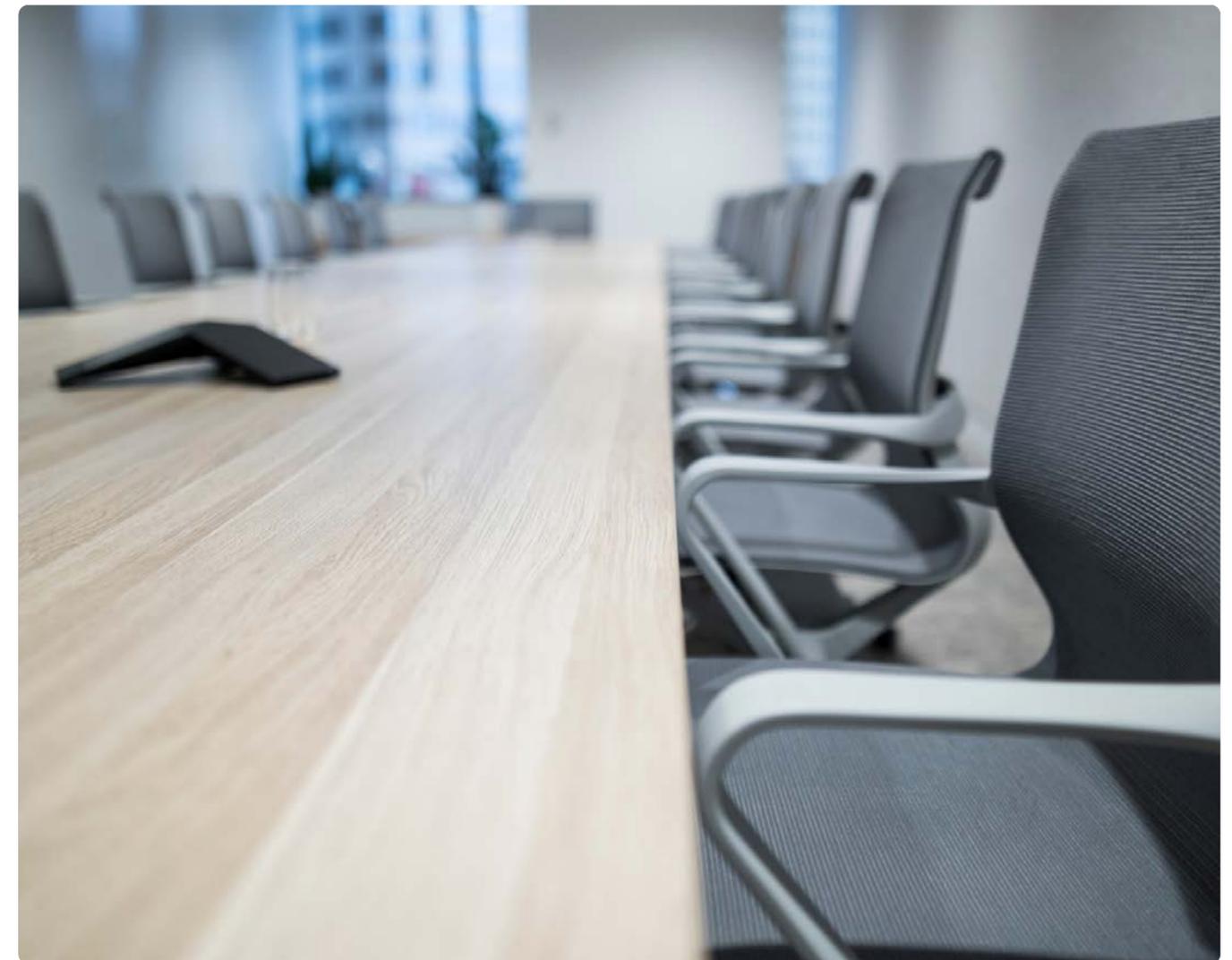
The Steering and Strategy Committee's members do not receive specific remuneration for attending meetings.

ICO's Chairman holds a "high office" (Law 3/2015 of 30 March 1984, governing the exercise of the high office of the General State Administration). The remuneration scheme of ICO's Chairman is determined by the State Secretariat for Budgets and Expenditure of the Ministry of Finance and Civil Service. The gross annual remuneration for the financial year 2021 amounts to 140,766.92 euros, which includes all the remuneration to be received for the exercise of the post, except for the long-service bonus that may be paid to him/her in accordance with the regulations in force and including, if applicable, any remuneration in kind.

ICO has four Directorate General posts and one Legal Counsel Directorate post which are considered as "senior management" posts. The remuneration of ICO's senior management is governed by Royal Decree 451/2012, of 5 March, which regulates the emoluments of heads and managers in the public business sector and other entities. The responsibility for setting remuneration lies with the Ministry to which ICO is attached, which must take into account the basic remuneration and the limits established in the Ministerial Order of 12 April 2012 of the Ministry of Finance and Public Administrations approving the classification of public business entities and other entities governed by public law.

The regulations governing the remuneration policy for senior management staff guarantee equal pay for men and women. Each Directorate-General post receives gross annual remuneration of 132,524.96 euros for the financial year 2021. In the case of the Directorate of Legal Counsel, this amount is 112,230.86 euros. Average remuneration is not included, as total remuneration per post is included.

These senior management positions, like the rest of the staff, also receive meal vouchers, health insurance and life insurance cover. The total remuneration paid to senior management in 2021, including this remuneration in kind, except for any long-service bonuses to which the incumbent may be entitled in accordance with current legislation, amounted to 659,158.45 euros.





OPERATIONS COMMITTEE

This collegiate management body exercises decision-making and counsel powers in the terms and limits that are assigned to it by the General Board or by the Chairman.

Structure and composition

On 31 December 2021, the composition of the Operations Committee was as follows:

Name	Role
José Carlos García de Quevedo Ruiz	Chairman
Antonio Cordero Gómez	Director General of Finance and Strategy
Rosario Casero Echeverri	Director General of Business
Miguel López De Foronda Pérez	Director General of Risks and Financial Control
José Manuel Pacho Sánchez	Director General of Technical Issues and Resources
Cayetana Lado Castro-Rial	Director of Legal Counsel

Changes in 2021

During the financial year 2021 there was a replacement in the Directorate of Legal Counsel. Cayetana Lado Castro-Rial replaced the previous Director, Juan Alfonso Domenech Gil.



In accordance with Article 13 of the Company's Statutes, the General Meeting of Shareholders, the Board of Directors and its Chairman hold the powers of governance, administration and representation of the Company.

BOARD OF DIRECTORS

It is the governing body responsible, among other functions, for the judicial and extrajudicial representation of the Company and the full management and administration of all matters relating to the corporate purpose and its assets and business, being empowered to enter into and grant all kinds of civil and commercial acts and contracts of administration and ownership, whatever the nature of the assets to which they refer and the person or entity they affect, and to approve investment and divestment decisions.

According to the Company's statutes, the Board of Directors shall be composed of a minimum of three and a maximum of nine members.

Composition of the Board as at 31.12.2021:

Name	Role	Date of appointment
José Carlos García de Quevedo Ruiz	Chairman ICO Chairman	27/06/2018 06/07/2018
Rosario Casero Echeverri	Deputy Chairman Director General of Business of ICO	23/07/2018 25/07/2018
Blanca Gloria Navarro Pérez	Member, Director of Strategy and Evaluation of ICO	19/09/2018
M^a Elena Aranda García	Member, Director of Mediation and SMEs	25/05/2017
Luís Javier Morales Fernández	Member, Director of Budgets and Financial Control of ICO	25/05/2017
Jaime Cervera Madrazo	Head of the Operations Management Department of ICO	29/09/2015
Antonio Bandrés Cajal	Member, Head of the ICO's International Financing and EU Affairs Dept.	27/04/2017
Silvia Díez Barroso	Member, Director of International Finance, ICO	13/09/2017
Cayetana Lado Castro-Rial	Non-Director Secretary ICO's Legal Counsel Director	22/02/2021



Changes in the composition of the Directors Board during the financial year 2021

During the financial year 2021, the Secretary of the Board was replaced. Cayetana Lado Castro-Rial replaced the previous secretary, Juan Alfonso Domenech Gil.

Equality and diversity on the Board of Directors

As at 31 December 2021, there were 4 women on the AXIS Board of Directors (50%).

Directors' expenses policy

The members of the Board of Directors receive remuneration for attending Board meetings, except for the Chairman and Vice-Chairwoman, who, as they hold senior management and senior executive contracts, respectively, may not receive attendance fees for attending Board meetings, in accordance with the legislation in force applicable to them in each case. The maximum remuneration for attending the Board of Directors' meetings is established by Ministerial Order of the Ministry of Finance.

In 2021, the annual remuneration received by each member of the Board of Directors amounted to **€ 6,809.77, the same amount as in 2020**. There is no wage gap between women and men in the remuneration of the AXIS Board of Directors.

In 2020 the Company did not have any pension obligations towards former or current members of the Board of Directors and senior management, nor did it have any obligations assumed on their behalf under guarantee. Nor were there any loans or advances to members of the Board of Directors and Senior Management.

Incompatibilities

No director of the management company (AXIS) is a director of another company in which AXIS has an interest through the managed funds.

Prohibitions on the exercise of office

No member of the Board of Directors has informed the Company during 2021 that he or she has been prosecuted, or that a court order has been issued against him or her, for any of the offences referred to in Article 213 of the Law on Capital Companies.

COMMITTEES

AUDIT AND CONTROL COMMITTEE

Specialised body set up within the Board of Directors to provide technical support and assistance in the field of monitoring.

INVESTMENT COMMITTEE

There is one for each of the following funds: FOND-ICOpyme, F.C.R., FOND-ICO Next Tech, F.C.R. and FOND-ICO Infraestructuras II, F.I.C.C., whose members are mainly appointed by Axis or ICO and include at least two independent members. These are the bodies responsible for giving investment and disinvestment operations the green light before they are presented to the Board of Directors.

*fundación*

Fundación ICO has two governing bodies: the Board of Trustees and the Executive Committee.

GOVERNING BODIES

BOARD OF TRUSTEES

It is the governing, administrative and representative body of the Foundation. It consists of a minimum of six members. The Chairman of the Board of Trustees is the Chairman of ICO. It also has a secretary, a position held by the Secretary of ICO's General Board.

As at 31 December 2021, the Board of Trustees was made up of eight personalities from the economic, cultural and scientific world, five of whom are men and three of whom are women.

Name	Role	Position
José Carlos García de Quevedo Ruiz	Chairman	ICO Chairman
Alfonso Noriega Gómez	Deputy Chairman and Trustee	Director of the ICO Chairman's Cabinet
Eva María González Díez	Trustee	Director of the Legal Department of Grupo Mutua Madrileña
Pedro Bueno Iniesta	Trustee	Technical Architect, Industrial Engineer and Doctor in Business Administration from Harvard University
Concepción Osácar Garaicoechea	Trustee	Managing Partner of Azora
Cecilia Pereira Marimón	Trustee	Commissioner of Xacobeo 2021 and Managing Director of the S.A. do Plan Xacobeo
Juan José Toribio Dávila	Trustee	Emeritus Professor of Economics and President of the International Center for Financial Research (CIIF) of the IESE Business School
Pablo Vázquez Vega	Trustee	University Professor of Applied Economics
Lucinio Muñoz Muñoz	Director of the Foundation Non-trustee	Director of Fundación ICO
Cayetana Lado Castro-Rial	Non-Trustee Secretary	Secretary of ICO's General Board ICO's Legal Counsel Director
Ángeles Blanco Fernández	Non-Trustee Deputy Secretary	Counsellor of ICO's Legal Counsel Office



Changes in the composition of the Board of Trustees during the financial year 2021

During the financial year 2021, the Secretary of the Board of Trustees was replaced. Cayetana Lado Castro-Rial replaced the previous secretary, Juan Alfonso Domenech Gil.

Equality and diversity in the Board of Trustees

As at 31 December 2021, there were 3 women on the Board of Trustees of Fundación ICO (36%).

Per diem policy of the members of the Board of Trustees

The members of the Board of Trustees of Fundación ICO do not receive any economic retribution in the performance of their duties.

COMMITTEES

EXECUTIVE COMMITTEE

The Executive Committee is the body in charge of studying and proposing Fundación ICO's programmes and specific actions to the Board of Trustees. It is established as a resolution and agreement body in those matters which, for reasons of urgency, require it.

The Executive Committee is chaired by the President of the Board of Trustees and consists of a minimum of three trustees and a maximum of five.

As at 31 December 2021, the Executive Committee was composed of the following members of the Board of Trustees:

NAME	POSITION
José Carlos García de Quevedo Ruiz	Chairman
Eva María González Díez	Member
Pablo Vázquez Vega	Member
Alfonso Noriega Gómez	Member

The Director of Fundación ICO attends the meetings of the Executive Committee, with the right to speak but not to vote.

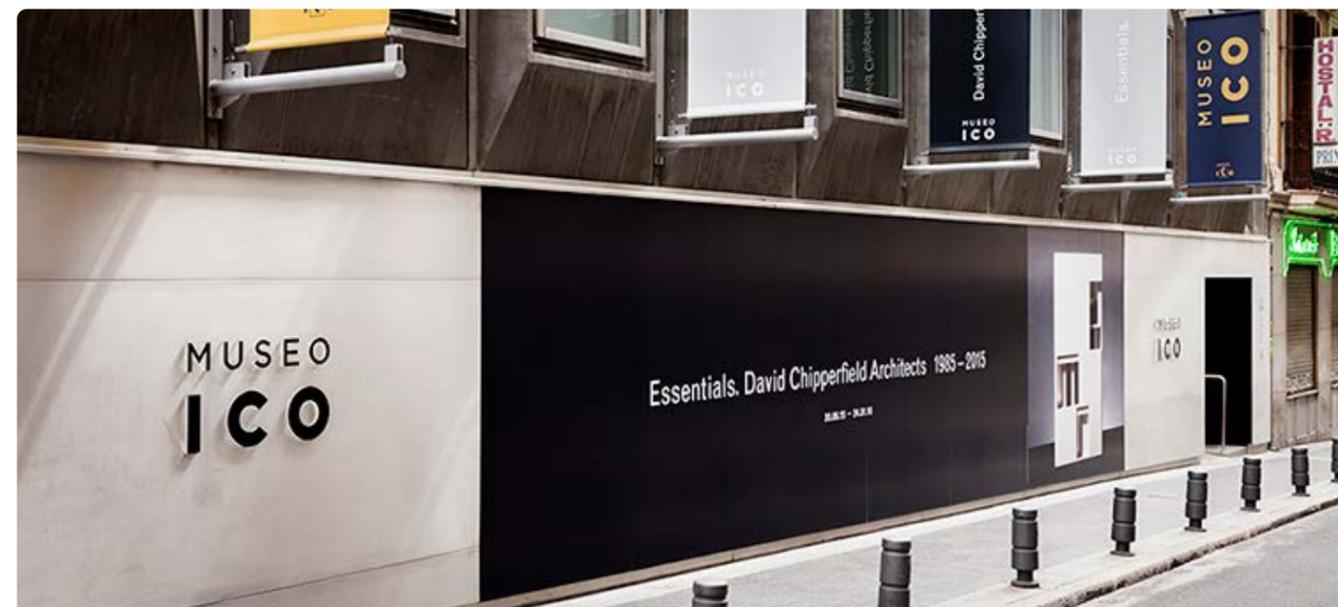
Changes in the composition of the Executive Committee during the financial year 2021

There were no changes in the composition of the Executive Committee during the financial year 2021.

ADVISORY COMMITTEE OF THE FUNDACIÓN ICO - CHINA SCHOLARSHIP PROGRAMME

Its functions are to advise on the evaluation and selection of candidates for scholarships. It consists of:

- **Taciana Fisac Badell**, Professor of East Asian Studies, specialising in Chinese Language and Literature, and Director of the Center for East Asian Studies at the Autonomous University of Madrid.
- **Ana Wang Wu**, CEO of Fenix Globe Consulting (Spain-Asia). Former Director for Asia-Pacific at Banco Santander.
- **Javier Serra Guevara**, Director General of Business Internationalisation of ICEX España Exportaciones e Inversiones. Economic and Commercial Adviser in Beijing during the years 2002-2007 and 2010-2016.



ART ADVISORY COMMITTEE

Its functions are to advise on the design of the programming of the Museo ICO museum. It consists of:

- **Francisco Javier Martín Ramiro**, Director General for Housing and Land. Secretary General of the Urban Agenda and Housing. Ministry of Transport, Mobility and Urban Agenda.
- **Museo Nacional Centro de Arte Reina Sofía**, represented by its Director, Manuel J. Borja-Villel.
- **Martha Thorne**, Associate Dean of External Relations at IE School of Architecture and Design.
- **Jorge Ribalta**, photographer and exhibition curator.

3.4. Stakeholders

ICO	SUB-GROUP	DESCRIPTION
CLIENTS	FINANCIAL INSTITUTIONS	Financial institutions that act as mediators for the ICO Group's loans for SMEs and the self-employed
	SMEs	Companies benefiting from the ICO Group's financing facilities
	SELF-EMPLOYED	Individual entrepreneurs who benefit from the ICO Group's financing facilities
	LARGE COMPANIES	Companies benefiting from the ICO Group's direct loans
	STATE FUND MANAGERS	Ministries managing State funds
ANALYSTS AND AUDITORS	MARKETS	Economic and financial analysts and rating agencies
	NON-FINANCIAL	Auditors and verifiers of GRI reports and sustainability reports subject to non-financial disclosure and diversity laws
	SPECIALISING IN SUSTAINABILITY AND CSR	Analysts and agencies specialising in sustainability and ESG performance ratings
	MANAGEMENT SYSTEMS AUDITORS	Management systems auditors
INVESTORS	INVESTORS	Underwriters of bonds issued by the ICO Group to finance its activity
INDIVIDUALS	ACTIVE EMPLOYEES	Staff with a fixed or temporary contract
	GRANT HOLDER	Graduates enrolled in the training programme with the SEPI Foundation and with the A LA PAR Foundation, both of which carry out their scholarship at the ICO Group.
	EXTERNAL SERVICES PERSONNEL	Staff of service providers
	OTHERS	Staff who are on work leave due to retirement, leave of absence or any other reason
SUPPLIERS	SUPPLIERS	Companies supplying goods and services for the ICO Group



ICO	SUB-GROUP	DESCRIPTION
BODIES AND ENTITIES INVOLVED IN ECONOMIC AND FINANCIAL MARKETS	MULTILATERAL AGENCIES	International entities of a supranational nature, made up of a group of member countries or states, constituted to achieve common objectives that benefit the community or regions in which they operate.
	COUNTERPARTS TO THE ICO GROUP	Entities from EU member states and other countries with similar functions to the Institute
	REGULATORS AND SUPERVISORS	Agencies and bodies responsible for issuing standards and monitoring the activity
	LEAD OR ENSURANCE ENTITIES IN FINANCIAL MARKETS	Financial institutions placing the bonds issued by the ICO Group for their financing
	MANAGEMENT SYSTEM CERTIFICATION ENTITIES	Bodies accredited by ENAC for the certification of management systems
MEDIA	SPECIALISED MEDIA	Economic and financial media
	GENERAL MEDIA	General media
PUBLIC ADMINISTRATIONS	MINISTRY OF ECONOMIC AFFAIRS AND DIGITAL TRANSFORMATION	Ministerial department to which the ICO Group is attached through the State Secretariat
	OTHER MINISTRIES	Other ministries with which the ICO Group interacts in the course of its activity
	BODIES DEPENDENT ON THE GENERAL STATE ADMINISTRATION	Bodies dependent on the General State Administration with which the ICO Group interacts in the course of its activity
	AUTONOMOUS COMMUNITIES	Autonomous Communities with which the ICO Group interacts in the course of its activity
	LOCAL ENTITIES	Local entities with which the ICO Group interacts in the course of its activities
SECTORAL ORGANISATIONS	FINANCIAL SECTOR	Sectoral organisations in the economic and financial sector in which the ICO Group is a partner or actively participates
	SUSTAINABILITY AND CSR	Organisations specialising in sustainability and CSR of which the ICO Group is a partner
	OTHER	Other sectoral organisations in which the ICO Group participates
SECTORAL SOCIAL	NON-PROFIT ORGANISATIONS AND FOUNDATIONS	Social organisations and foundations with which the ICO Group collaborates in the development of the volunteering plan

3.5. Issues relevant to materiality

ICO carries out a cross-cutting materiality analysis based on the provisions of the statutes, the strategic axes, the recommendations of the Pillar Assessment, and the materiality study of its counterparts in Europe.



Material issue

Explanation

Corporate governance, sustainability, CSR and transparency

For the ICO Group, implementing best practices in Corporate Governance is a fundamental pillar on which its activity is based, in order to align with its institutional mission, regulations, sector-specific guidelines and in the area of sustainability.

The ICO Group incorporates Corporate Social Responsibility as the backbone of the whole organisation, as well as transparency, good governance, and the promotion of sustainability in all business activities within its reach and over which it can exert influence.

Sources of financing and financial balance

Solvency, liquidity and shared value are key concepts with which ICO finances itself in the financial markets, always maintaining an adequate financial balance under the principle of prudence and sustainability.

ICO does not consolidate with the State accounts nor does it have recourse to the General State Budget. As a credit institution, it operates under market conditions, without granting public aid, and is subject to the supervision and control regulations of the Bank of Spain, under the principles of financial equilibrium and sufficiency.

In addition, ICO has the explicit, irrevocable, unconditional and direct guarantee of the Spanish State, applicable to all debt and obligations contracted with third parties. The resources it obtains are allocated to financing facilities that generate economic, social and environmental benefits, making it the Spanish national promotional bank of reference in the issuance of sustainable bonds.



3.1 Composition

3.2 Nature and functions of ICO

3.3 Governance and Management Structure

3.4 Stakeholders

3.5 Issues relevant to materiality

3.6 Risks and opportunities

3.7 Our business model

3.8 ICO's investees

3.9 Alliances - public-private partnerships

Material issue

Explanation

Promoting development and improving the distribution of wealth

The ICO Group works to reverse the economic and social effects of economic and health crises, natural disasters, ecological disasters and other events of general interest, financing the recovery of the most affected sectors and providing the Government of Spain with all its operational capacity as a State Financial Agency.

We promote exports and development aid by managing the State's official financing instruments.

Digitalisation and adaptation to new environments

The ICO Group promotes digital transformation, innovation and technological development in order to maintain its competitiveness, adapt to new environments and continue to offer the best service as a national promotional bank and as a State Financial Agency.

Employment and sustainable economic growth

Through its financing products, the ICO Group aims to have a positive impact on employment, the country's economy and sustainable development, while generating shared value for the environment, the climate and the protection of human rights. The SDGs, the Paris Climate Agreement and the Guiding Principles are also reflected in its financing decisions, expressly prohibiting, through its internal policies, the financing of activities that go against its commitment to sustainability.

Environment, climate and human rights

ICO relies on public-private partnership models to finance strategic sectors, providing long-term value and financing. Its work complements that of private banks or is carried out in partnership with other national promotional and development banks similar to ICO.

Support for entrepreneurship, the growth and internationalisation of SMEs, direct and complementary financing of large investment projects, and financial support from Axis funds, the ICO Group's venture capital management company, are always carried out in the common interest.

People

The ICO Group's most important asset is its human and intellectual capital. Professionals who drive the organisation forward on a daily basis and make it possible to overcome the organisation's challenges.

Given the ICO Group's activities and its status as a public entity, it is essential to promote and foster a culture of efficiency and ethical and responsible management, starting with the integrity and high level of training of its professionals.

Training, health and safety plans, equality and family reconciliation policies, reflected in the EFR (Family Responsible Company) certification, are some of the most important aspects focused on protecting and caring for the people are part of the organisation.



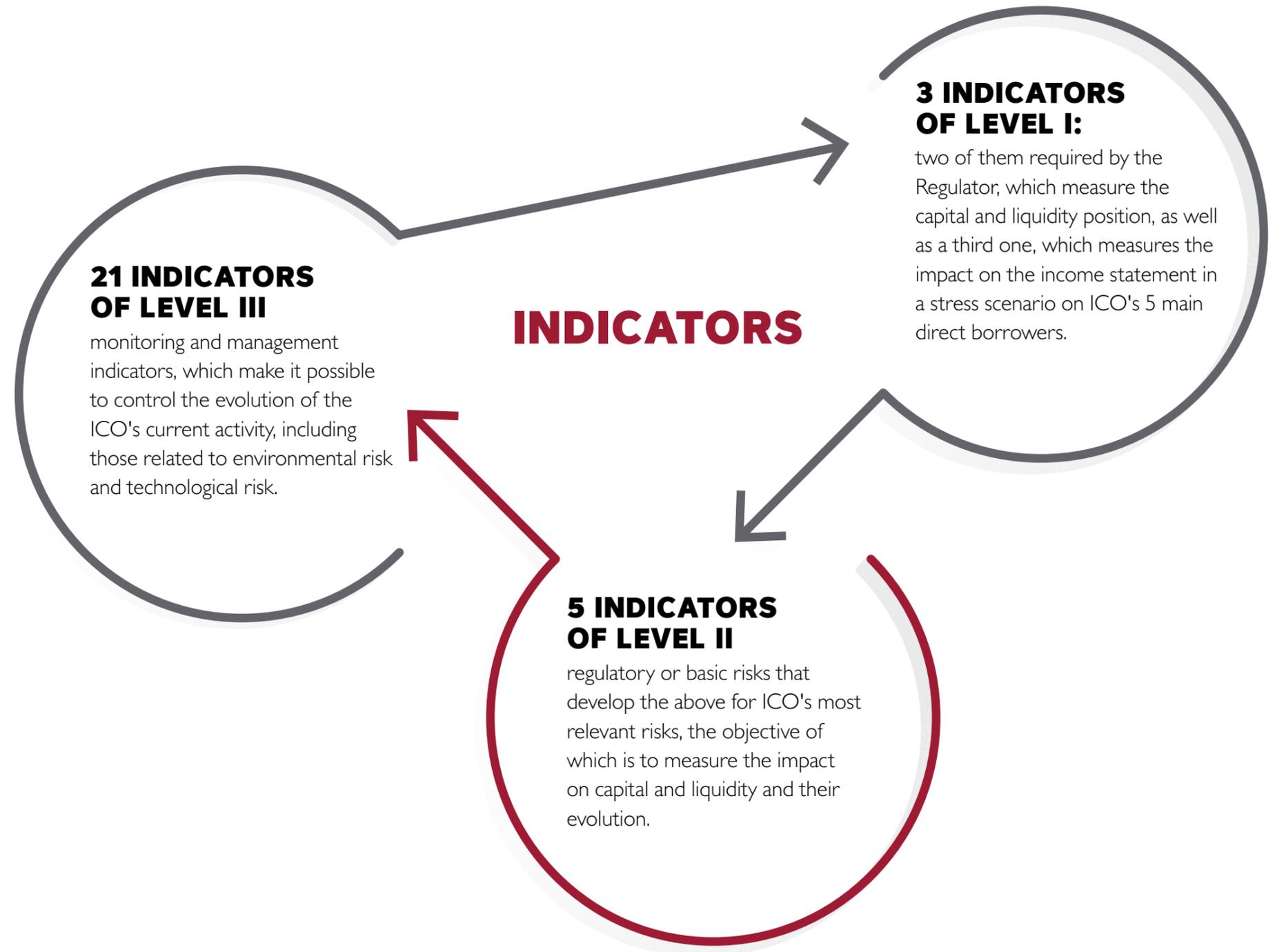
Material issue	Explanation
<p>Partnerships</p>	<p>Through public-private partnerships, ICO will seek to maximise the positive impacts generated in its activity and to work in harmony with the financial sector, capital markets, civil society and the third sector for a more sustainable economic model and compliance with global sustainability agendas.</p> <p>The ICO Group works in partnership and collaboration with other multilateral and regional investment and development banks and counter-part promotional banks in third countries and at EU level. The ICO Group shares best practices and management models with private credit institutions, which it supports and complements in their efforts to boost business financing.</p> <p>As part of the Public Administration, ICO coordinates with other bodies to share knowledge and best practices and implements the economic policy measures mandated by the Government.</p>
<p>Community service</p>	<p>The ICO Group contributes to the social, cultural and environmental development of its immediate surroundings.</p> <p>Through collaboration agreements with social entities, the ICO Group promotes corporate volunteering initiatives to help the most vulnerable groups or those at risk of exclusion. It also promotes actions to raise awareness and disseminate key aspects related to social responsibility and sustainability.</p> <p>The mission of the ICO Group, through the Fundación ICO, is to contribute to and support the development of society by promoting culture and knowledge in the areas of economics, architecture and contemporary art.</p>

3.6. Risks and opportunities

The identification, management and control of risks is a priority task for ICO. This is primarily done in accordance with the Institute's Risk Policy Manual and Risk Appetite Framework (RAF).

The Manual, updated in September 2021, compiles the different methodologies, applicable regulations, procedures and organisational structure of the Group in this area. The RAF, updated in July 2021, sets out the number and diversity of risks that, based on ICO's operations and business, the institution is willing to assume in order to achieve its strategic and business objectives under current conditions and stress scenarios.

To this end, a series of indicators (29 in total) are defined at three different levels according to their importance in the management of the Institute.



ENVIRONMENTAL RISK

In line with ICO's strategic plan, sustainability is transferred to the entity's risk management through the implementation and incorporation of the environmental performance ratio.

This level III indicator is not linked to capital, so the thresholds are defined according to the Institute's strategic criteria to develop a business plan aligned with international and national environmental commitments, seeking to promote the sustainable economic growth of companies and to achieve a portfolio in which the sectors with the highest environmental risk adapt to a low-carbon economy, limiting the physical and transition risk of the economy.

For the categorisation of operations that can be included as environmental, categories are identified according to internal criteria, including, among others, the approximation to the Taxonomy (1) of the objectives developed to date, and internationally recognised standards such as the Green Loan Principles and the Sustainability Linked Loan Principles.

3.7. Our business model

Article 2 of the Statutes of the Institute (regulated by Royal Decree 706/1999, of 30 April, adapting the ICO to Law 6/1997, of 14 April, on the organisation and functioning of the General State Administration and partially revised by Royal Decree 1149/2015, of 18 December) establishes that the aims of ICO are to support and promote economic activities that contribute to the growth and improvement of the distribution of national wealth and, in general, those which, due to their social, cultural, innovative or ecological importance, deserve to be encouraged.

In order to achieve these objectives, the Institute acts in full compliance with the principles of financial equilibrium.

In accordance with the functions set out in its Statutes, the Institute's activities can be grouped into three main areas:



¹ The methodology for the Taxonomy will be incorporated into the categorisation as and when the Taxonomy regulation comes into force.



1
NATIONAL PROMOTIONAL BANK



As a **National Promotional Bank**, ICO offers a comprehensive range of financing for companies and social economy entities of all sectors and sizes, aimed at boosting their activity in Spain and in international markets, with special emphasis on SMEs, the self-employed and entrepreneurs, operating with its balance sheet under market conditions, without granting public aid, subject to the supervision and control regulations of the Bank of Spain, under the principle of balance and financial sufficiency. The main forms of financing are the second-floor facilities, direct financing to companies and complementary and alternative financing to bank financing through bonds, promissory notes, securitisations and private equity funds.

- **ICO Second-Floor Facilities**, channelling public-private partnership financing through credit institutions, with the ICO acting as a second-tier bank, funding banks which, based on the capillarity of their commercial network, carry out the identification and risk analysis of the companies, determining the granting of the financing.
- **Direct financing** to companies through different types of structures: corporate loans (bilateral, syndicated loans, club deal), project finance, national and international guarantees and collateral or underwriting of issues in the primary market of bonds, corporate notes, securitisations.
- **Venture capital activity** through the venture capital manager AXIS, wholly owned by Instituto de Crédito Oficial. This activity is carried out through investments in private equity and venture capital funds aimed at fostering the creation and growth of companies throughout the entire investment life cycle, from the early stages (Business Angels - jointly with the European Investment Fund -, incubation, technology transfer), to start-up, scale-up, expansion and growth capital (equity) and debt. AXIS' actions take the form of minority co-investments in projects and funds alongside the Spanish venture capital sector.
- **Fundación ICO** contributes to the development of society in areas related to ICO's activity and heritage, both in the field of financial education and national, European and international economic and financial knowledge, as well as in the dissemination of sustainable finance and museum specialisation.

2
FINANCIAL INSTRUMENT OF ECONOMIC POLICY



As a **Financial Instrument for Economic Policy**, ICO supports economic policy measures promoted by different government agencies and developed at various levels that may be interrelated.

- **At national level**, collaborating with Ministries, Autonomous Communities (hereinafter, ACs), Local Authorities (hereinafter, LAs) and their dependent bodies to channel public budgets and aid to social economy enterprises and entities in order to achieve economic and sectoral policy objectives.
- **At the European level**, ICO works by channelling and implementing EU resources from programmes under the EU's Multiannual Financial Framework 2021- 2027 (Invest EU, Connecting Europe Facility) or the Next Generation EU programme, among others, or in collaboration with the European Investment Bank (EIB), the European Guarantee Fund or the Marguerite Fund, with other national promotional banks.

3

STATE FINANCIAL AGENCY

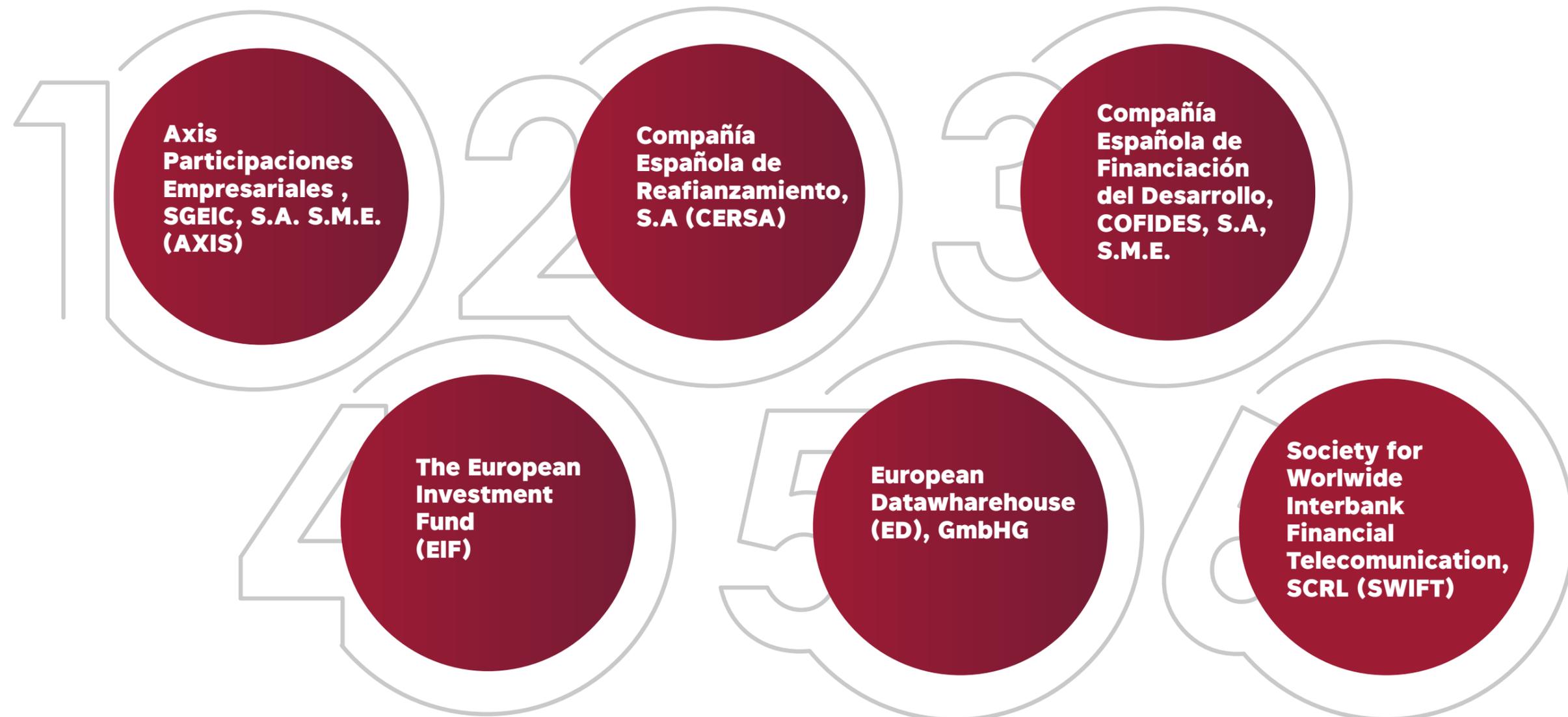


As the **State Financial Agency**, ICO performs off-balance sheet financial services to manage certain funds and instruments on behalf of other ministries. In terms of internationalisation, it should be noted that ICO always acts on behalf of and under the instructions of the Secretary of State for Trade of the Ministry of Industry, Trade and Tourism. In this framework, ICO manages the FIEM—Corporate Internationalisation Fund—and the CARI—Reciprocal Interest Adjustment Contract—in accordance with the OECD consensus on exports. In the area of development cooperation, ICO acts under the instructions of the Secretary of State for International Cooperation of the Ministry of Foreign Affairs, EU and Cooperation, managing the Fondo para la Promoción del Desarrollo [Fund for the Promotion of Development] (FONPRODE) and the Fondo de Cooperación para Agua y Saneamiento [Cooperation Fund for Water and Sanitation] (FCAS).

- As the State Finance Agency, it is also responsible for the management of the ACs' Financing Fund and the LAs' Financing Fund, on behalf of the State through the Ministry of Finance. As regards the React-EU funds, ICO has been entrusted with the additional task of carrying out the financial management of the new compartment of the ACs' Financing Fund "REACT-EU Liquidity Fund" established in the General State Budget Law 2021 (hereinafter, LPGE 2021) in its Twenty-ninth Final Provision, and more recently the extension and adaptation of the LAs Financing Fund.
- This function would also include the management of the COVID Guarantee Facilities, on behalf of the Ministry of Economic Affairs and Digital Transformation. These programmes, thanks to an unprecedented public-private partnership exercise, have contributed to maintaining business activity and preserving employment. ICO, in its capacity as the State Financial Agency, is responsible for the management and monitoring of these facilities, as well as the additional measures approved within the framework of these facilities with the aim of strengthening business solvency.
- ICO is not financed through the General State Budgets, nor does it accept deposits from individuals. Its source of financing comes from the capital markets, whose debt has the unlimited and irrevocable guarantee of the Spanish State.

3.8. ICO's investees

Instituto de Crédito Oficial has shareholdings in the following entities:





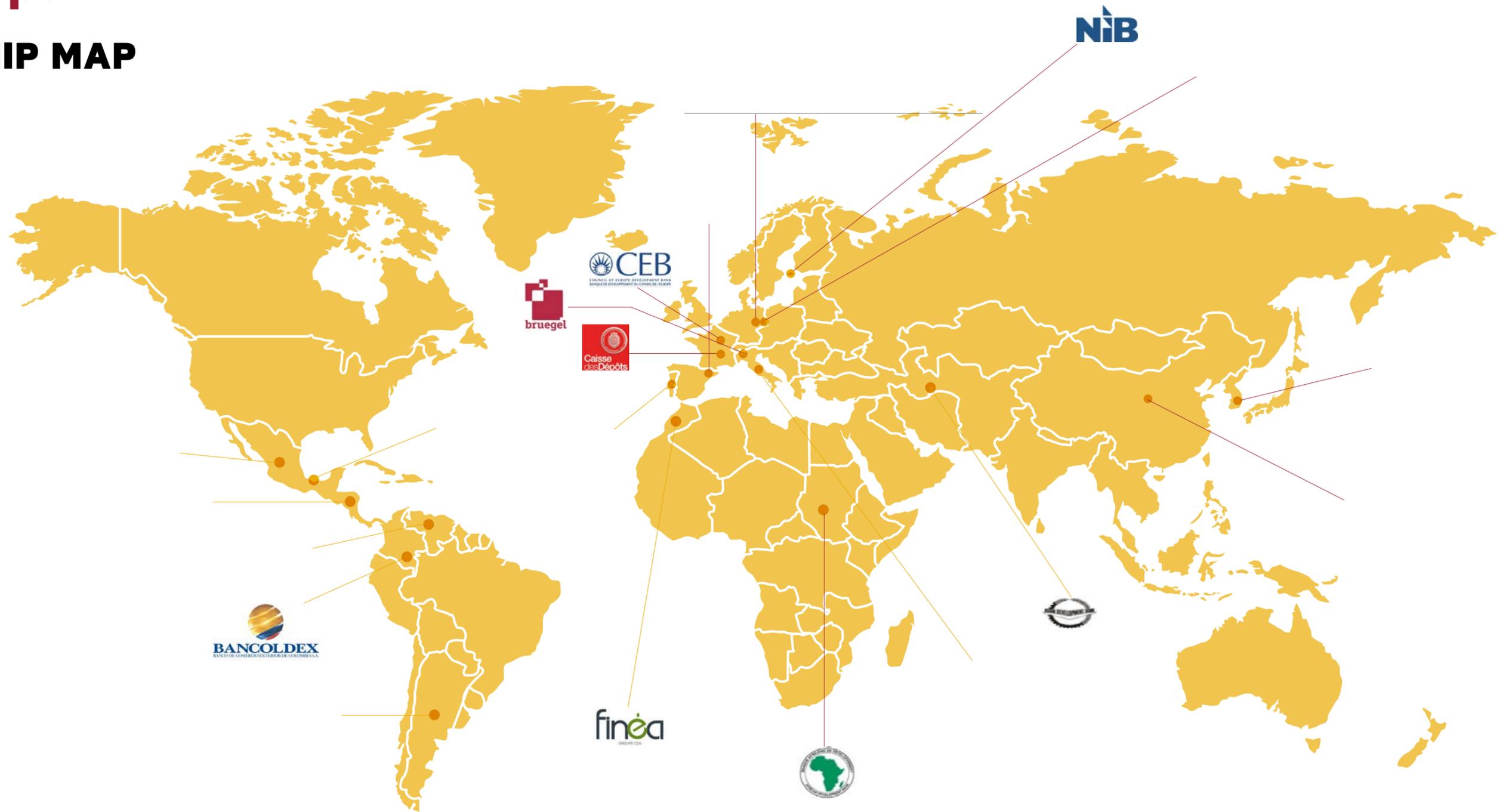
- **1. Axis Participaciones Empresariales, SGEIC, S.A. S.M.E. (AXIS)**, venture capital fund manager established in 1986. ICO owns 100% of the share capital.
- **2. Compañía Española de Reafianzamiento, S.A (CERSA)**. ICO owns 24.30% of the share capital. This is a state-owned trading company, attached to the Ministry of Industry, Trade and Tourism. Its goal is to make it easier for SMEs and the self-employed to obtain all kinds of financing, especially start-up companies and smaller companies. CERSA provides support through its refinancing to the Sistema de Garantía Recíprocas (Mutual Guarantee System) in Spain, consisting of CERSA itself, 20 Guarantee Associations and SAECA.

- **3. Compañía Española de Financiación del Desarrollo, COFIDES, S.A, S.M.E.** ICO holds 20.31% of the share capital. This is a state-owned trading company, attached to the Ministry of Industry, Trade and Tourism. It aims to finance private and viable investment projects overseas in the medium- and long-term where there is some kind of Spanish interest, in order to contribute, with profitability criteria, both to the development of recipient countries of investments, as well as to the internationalisation of the economy and Spanish companies.
- **4. The European Investment Fund (EIF)**. ICO has been a partner since its foundation in 1994 and currently has a holding of 0.72% in the capital. The main shareholder is the EIB and its fundamental aim is to provide financing for infrastructure and provide guarantees for SMEs. In 1997, the EIF also began to perform venture capital operations.
- **5. European Datawarehouse (ED), GmbHG**. ICO's shareholding is 3.57%. ED is a European centralised securitisation repository that collects data on loans that make up the securitised portfolios to be used by investors and other market participants in their analysis. Through ED data, users can analyse underlying portfolios and compare portfolios systematically.
- **6. Society for Worldwide Interbank Financial Telecommunication, SCRL (SWIFT)**. ICO has had a stake in this company since 2008. SWIFT was created in 1986 under Belgian law, which aims to provide a secure network that allows financial institutions around the world to send and receive information on financial transactions. The society has around 2,400 partners worldwide, of which 27 are Spanish financial institutions. This participation allows ICO to use this platform to perform financial transactions in a secure, standardised and reliable environment.



3.9. Alliances - public-private partnerships

PARTNERSHIP MAP





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4.2 ICO and the Sustainable Development Goals

4.3 Collaboration with associations in the field of Sustainability

4.4 Ethical and responsible management

4.5 Communication for sustainable growth

4

Sustainability and Social Responsibility at ICO





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4.1. Sustainability and digitalisation in the ICO Group

Sustainability

Sustainability and the transition to a low-carbon, more resource-efficient and circular economy that safeguards climate balance, biodiversity and human rights are key to ensuring long-term competitiveness and our development as a society.

For this reason, for ICO, sustainability, which takes into account environmental, social and corporate governance factors, is a basic pillar integrated in all its activity in a transversal manner, both in its asset and liability operations and in the internal management of the organisation, from the perspective of governance and corporate social responsibility. ICO's sustainability commitments are set out in the Sustainability Policy approved in 2020.

ICO plays a key role in promoting the development of a sustainable finance model that incorporates environmental, social and governance objectives into business decisions. It also mobilises resources to facilitate the transition to a future model of sustainable growth in line with the guidelines set by the new EU Financial Framework for 2021-2027 and the Next Generation EU initiative.

In this regard, ICO is accredited by the European Commission as an *implementing partner* of the new Multiannual Financial Framework 2021-2027 to manage European funds from programmes such as *InvestEU* and the *Connecting Europe Facility*. This accreditation gives ICO new capacities to increase the support it provides to companies, reinforcing its involvement in the field of sustainability, in line with the action plans set out in the Recovery, Transformation and Resilience Plan, focusing on four main areas of action: Sustainable Infrastructures; Research, Innovation and Digitisation; SMEs; and Social Investments and Skills.

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The extra-financial rating of the Institute, carried out by Sustainalytics (2) places ICO among the 36 best entities in its industry, out of more than 1,000 entities analysed. Within the global universe of the 14,765 companies examined by this rating agency, ICO ranks among the 179 best, with a rating that classifies its ESG risk as negligible.

ICO's extra-financial rating again supports the confidence that ICO's management generates in the financial markets and its stakeholders in environmental, social and governance issues.

In 2021, of the amount of operations aimed at financially supporting large and medium-sized enterprises, ICO allocated 1,463 million euros to approve operations with an environmental impact and 347 million euros to operations with a positive social impact.

As regards debt issuance, in 2021 ICO has updated the reference framework for green bonds. In addition, it

has launched its third green bond issue for **500 million euros**, aimed at boosting the green transition to underpin recovery and sustainable economic growth.

It has also launched the eighth issue of social bonds for an amount of **500 million euros**, which will finance projects aimed at promoting economic and territorial cohesion with a positive impact on employment.

Moreover, AXIS' actions complement those of ICO and reinforce the ICO Group's clear positioning in favour of sustainability. AXIS has continued to strengthen complementary financing channels aimed at both moderating the economic effects of COVID-19 and boosting business recovery in the medium and long term through funds managed by AXIS, in collaboration with the private equity and venture capital sector.

In 2021, the AXIS Board of Directors approved the change of name from Fond-ICO Infraestructuras to Fond-ICO Infraestructuras, ESG, F.I.C.C. as well as the update of the sector investment policy, deepening its sustainable profile and incorporating criteria aligned with those of ICO for valuation, measurement and reporting.

In April 2021, the AXIS Board of Directors approved the creation of Fond-ICO Next Tech, a joint initiative with the Secretary of State for Digitalisation and Artificial Intelligence (SEDIA), whose purpose is to promote the scalability of Spanish companies in the digitalisation and artificial intelligence sector.

Fundación ICO focuses much of its activity on promoting sustainability, disseminating relevant information on sustainable and alternative finance and financial education.

Section 5, description and evolution of the activity, contains the highlights in the field of sustainability related to the ICO's lending activity and in the financial markets.

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Information relating to Article 8 of the EU Taxonomy

The ICO Group promotes sustainability as one of the bases of its corporate strategy, implementing sustainability criteria in all its areas of activity, understood as environmental, social and governance.

For this reason, and in line with its commitment to sustainability, ICO has considered it good practice to carry out an eligibility analysis of its loan portfolio. It has been carried out in accordance with the criteria set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a Taxonomy to facilitate sustainable investments.

In this regard, it was deemed of interest to disclose the ratio of exposures to eligible and ineligible economic activities to the total assets of its loan portfolio.

Contextualisation of the information reported

- The assessment of eligible economic activities exclusively includes the balance of lending activity, which accounts for 48% of the balance sheet.
- The eligibility analysis carried out uses as its main criterion the Statistical Classification of Economic Activities of the European Community (NACE) of its clients and operations, taking into account the purpose of the financing included in the Taxonomy of Sustainable Investments.
- At the date of publication of this report, there is no public information available from all our partners on the eligibility ratio of their activities. To the extent that this information is made public, the ICO will incorporate this information in its analysis of eligible activities, thereby obtaining greater precision in the measurement of the economic activities it finances on the basis of the Taxonomy.

The ratios calculated as at 31 December 2021 are presented below:

% exposure to eligible economic activities **28.23%**
 % exposure to ineligible economic activities **20.33%**
 % of exposure in borrowers not subject to NFRD **51.44%**

Digitisation

The working conditions resulting from the COVID-19 crises have accelerated technological change, making it even more essential for companies to adapt to new business models, distribution channels and ways of working with digital tools. Digital transformation is one of the priorities of the Recovery, Transformation and Resilience Plan.

In this context, ICO provides companies, with special emphasis on the self-employed and SMEs, with the necessary instruments so that they can undertake their digitalisation plans to help them strengthen their resilience in the face of any crisis and increase their productivity. These instruments include the ICO Companies and Entrepreneurs Facility, which can be used to apply for long-term financing to undertake digitalisation projects, the ICO Red.es Acelera Facility and the "Kit Digital" initiative.

Also, in collaboration with the Secretary of State for Digitalisation and Artificial Intelligence (SEDIA), the Fond-ICO Next Tech fund has been set up through AXIS to promote the development of high-impact innovative digital projects and investment in scale-ups.

The objective of this initiative is to mobilise joint public-private partnership resources of **4 billion over euros** an initial four-year period.



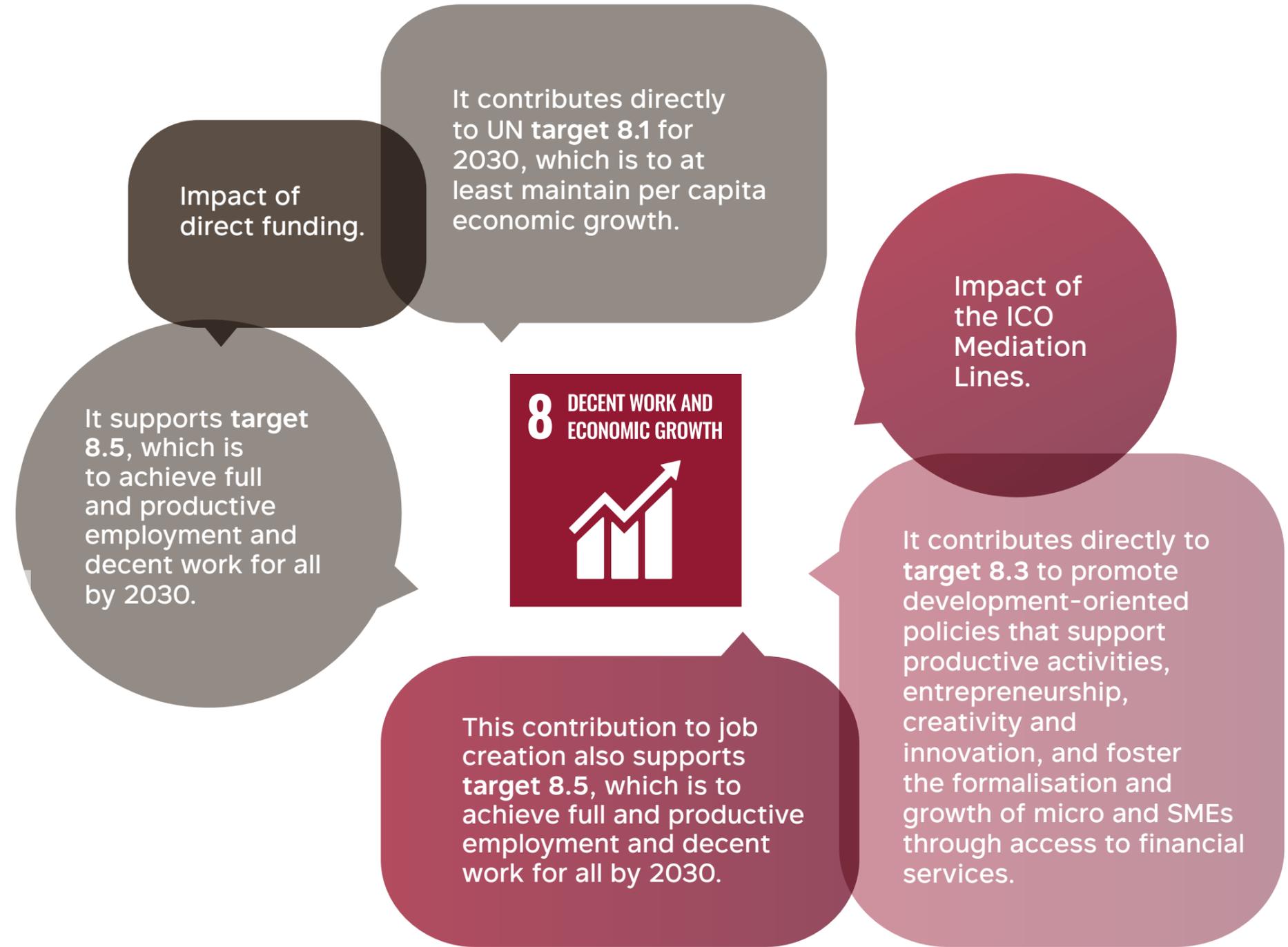
In addition, together with other organisations and ministries, work is being carried out on the design of new instruments.

aimed at SMEs to promote digitalisation within the framework of the "Spain, Audiovisual Hub of Europe" plan, one of the pillars of the Digital Spain Agenda 2025.

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4.2. ICO and the Sustainable Development Goals

The direct impact of our activities stems from one main purpose as a company: to contribute as much as possible to SDG 8 on decent work and sustainable economic growth. By supporting projects and activities that advance this SDG, we also advance other relevant SDGs that depend directly on it. All the SDGs to which we contribute are interconnected and mark the path that the ICO Group offers towards sustainability and social responsibility.



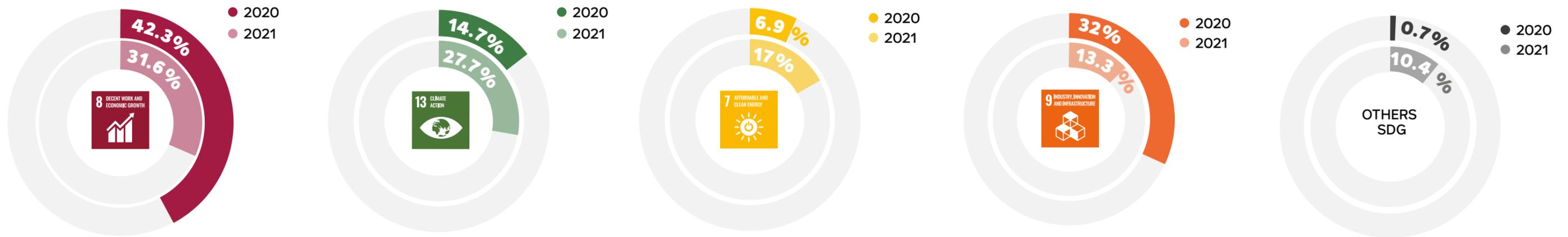


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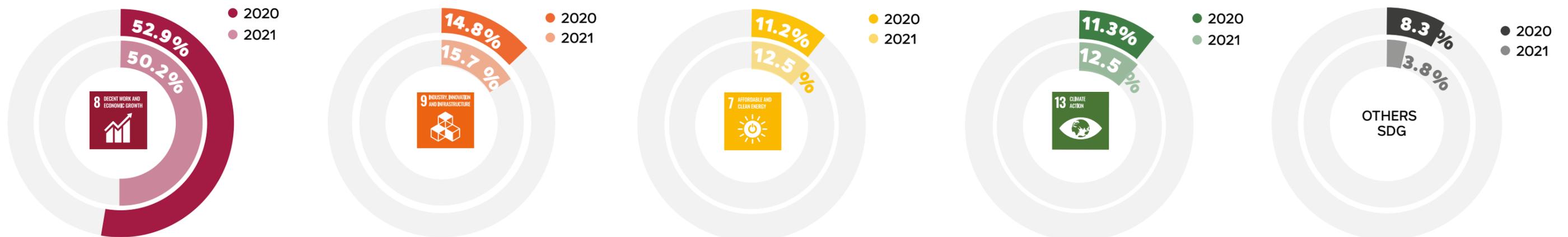
Direct financing

Core SDGs

Distribution of New Activity by SDGs



Portfolio distribution by SDGs



From highest to lowest, according to the year 2021



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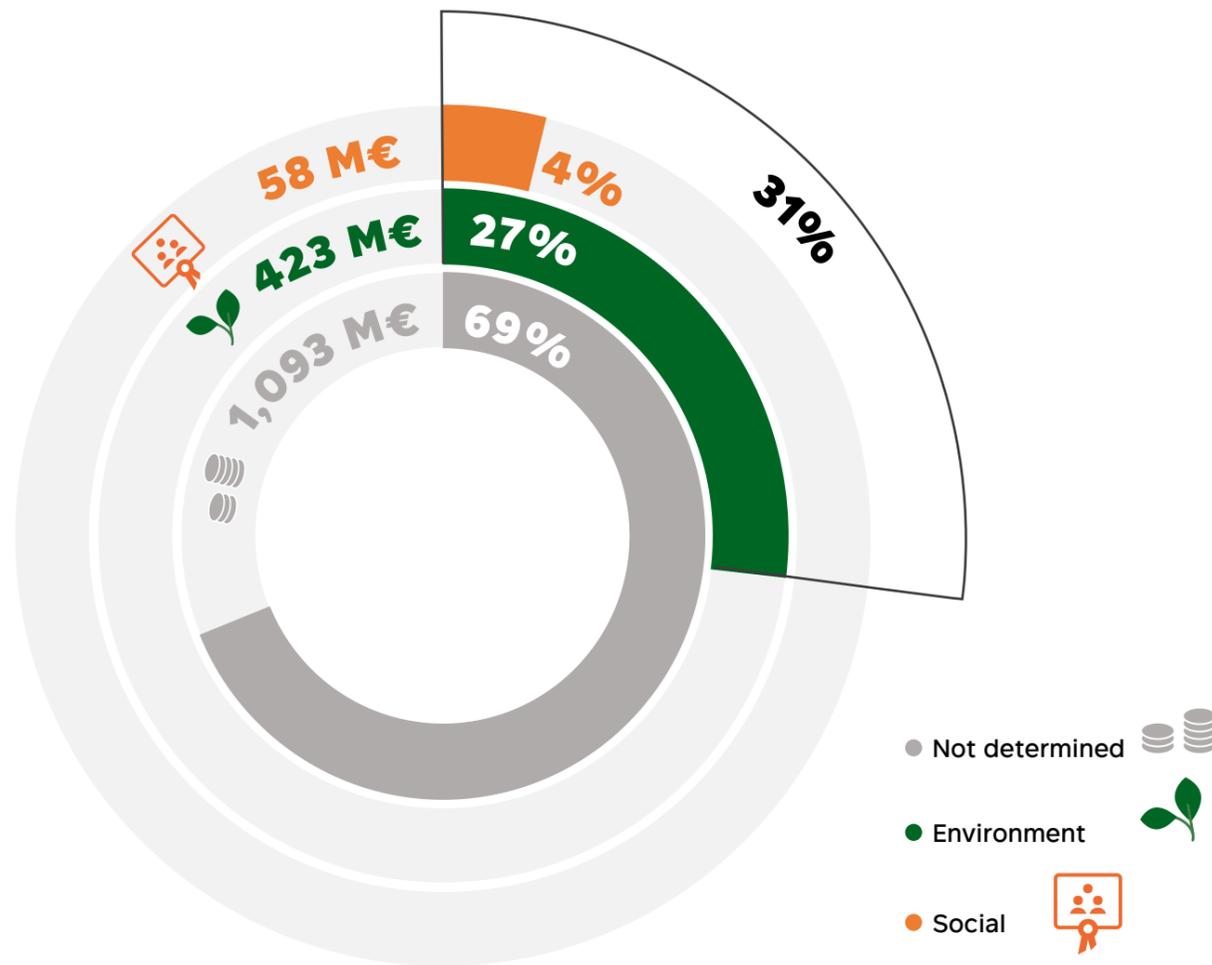
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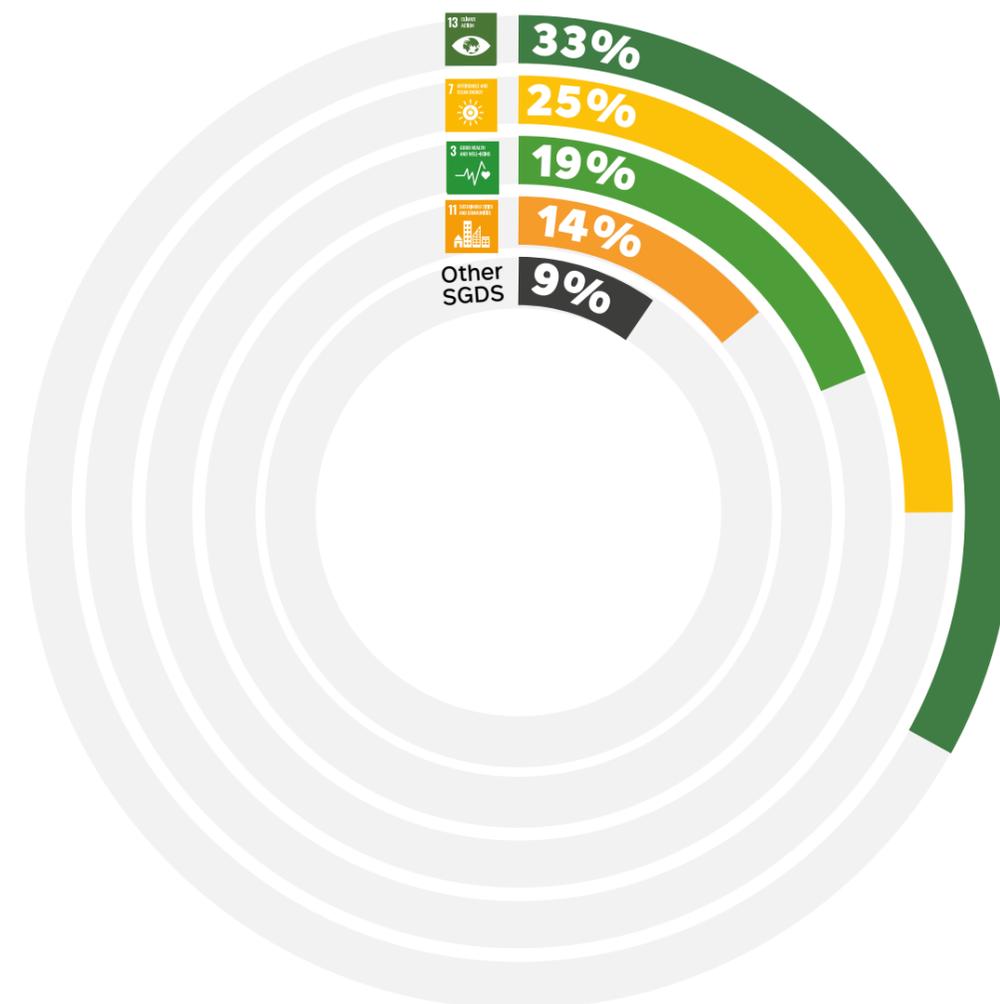
Mediation: International Channel

Cumulative disbursements



(Figures in Millions of €)

Distribution by SDGs



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4.3. Collaboration with associations in the field of sustainability

ICO is strongly committed to multilateral, European and national initiatives: UN Sustainable Development Goals and the UN Global Compact on Labour Rights. In the framework of the Paris Agreement on combating climate change, it also acts in coordination at EU level with other National Promotional and Development Banks, notably by participating in the Joint Initiative on Circular Economy (JICE), launched by the five largest European national promotional banks (German KfW, Italian CDP, French CDC, Polish BGK, ICO) together with the EIB, which aims to support the development and implementation of circular economy projects and programmes in the EU to the value of EUR 10 billion in the period 2019-2023. 10 billion in the period 2019-2023.

In the same line of action, ICO participates along with other European national promotional banks in the Clean Oceans Initiative, which aims to mitigate the effects of climate change and combat pollution in the oceans by financing projects that contribute to the efficient management of the production and recycling processes of plastic and solid waste for a value of 2,000 million euros in the period 2019-2023. In 2022 it is planned to extend its commitment to 4 billion euros and its time horizon to 2025.

Furthermore, since October 2016, ICO has adhered to the Ecuador Principles, systematically applying environmental and social risk assessment and management and biodiversity protection standards in its financing activity, which implies complying with the United Nations Principles on Business and Human Rights (UNGPs), and supporting the objectives of the 2015 Paris Agreement. In 2021, no operations financed by ICO have been registered in protected areas or with adverse impacts on biodiversity or the environment.



On the other hand, ICO's participation in the sustainable bond market is not only limited to that of issuer of this type of debt instruments, but also actively collaborates in the development and promotion of the sustainable bond market as an active member of the social bond working groups of the International Capital Market Association (ICMA). In 2021 ICO has again been selected as a member of the Advisory Council of the Green Bond Principles (GBP) and Social Bond Principles (SBP) Executive Committee of ICMA.



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ICO has also signed collaboration agreements with national and international institutions in the field of sustainability. Since 2005, ICO has been a member of the Spanish Network of the United Nations Global Compact, an organisation that aims to promote the development of a sustainable business fabric for SMEs. In addition, since COP 25 in Madrid in 2019, ICO has been part of the Collective Commitment for Climate Action, which reflects the joint commitment of the Spanish banking sector to reduce the carbon footprint of the credit portfolios of the signatory institutions.

ICO is also an active member of associations aimed at promoting sustainable finance. In 2021, the Institute joined the Spanish Sustainable Finance Observatory (OFISO), a forum for companies, financial institutions, public administrations, investors and other financial industry agents to meet, inform and debate, as well as a platform to give visibility and notoriety to their commitment to Sustainable Finance.

Specifically, it is part of FORETICA, from where ICO led the launch of the CSR Action Group in public companies to share knowledge and integrate the Sustainable Development Goals (SDGs) into the strategy of public companies, of SPAINSIF, whose mission is to promote the integration of ESG criteria among the investment community, and of FINRESP (Centre for Responsible and Sustainable Finance), which aims to address the difficulties and needs of the business community, particularly Spanish SMEs, to contribute positively to the commitments of the 2030 Agenda.

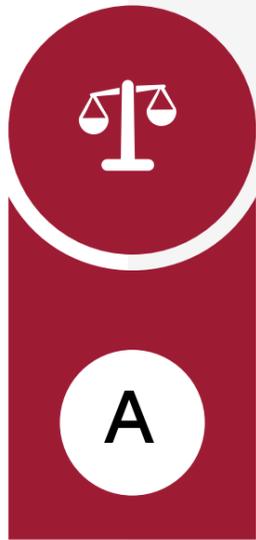
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4.4. Ethical and responsible management

The ICO Group has developed management and corporate governance tools that ensure the ethical behaviour, sustainability and transparency of ICO's activity in all its areas of activity and internal management.

At the ICO Group we adopt internal and external policies to promote transparency, respect for human rights and sustainable supply chain management. In order to face the challenges of the 21st century and build more peaceful and inclusive societies, it is necessary to establish efficient and transparent policies.





CODE OF CONDUCT AND ETHICS

The purpose of ICO's Code of Ethics and Conduct is to define and develop the basic foundations of behaviour and the necessary guidelines for action so that the Institute's principles are manifested in the individual actions of its employees, managers and directors, in internal and external relations with customers, suppliers and third parties, as well as in its actions in the markets.

Therefore, the Code of Ethics and Conduct applies to all ICO staff and directors of the General Board, as well as to interns undergoing training at the Institute. In the case of suppliers, the service provider will be required to comply with the code for those of its employees who provide services for ICO.

This section on the regulation of ethical conduct also includes internal policies relating, among other issues, to Social Responsibility, Corporate Gifts, Travel, Representation Expenses and Corporate Credit Cards.



ETHICAL CHANNEL

The Ethical Channel is a mechanism that allows employees to confidentially but not anonymously communicate any irregularities of potential importance regarding the Code of Conduct and Ethics. No complaints were filed through the Ethical Channel in 2021.



INTERNAL RULES OF CONDUCT IN THE SECURITIES MARKET AREA

This identifies units in the ICO Group that develop activities related to the securities market, and defines the separation that should be adopted to avoid potential conflicts of interest or the use of privileged information. The version in force at 31/12/2016 was approved by the General Board of the ICO Group at its meeting of 27 February 2012. No breaches of the code of conduct were recorded in 2021.



POLICY ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING (PBCYFT)

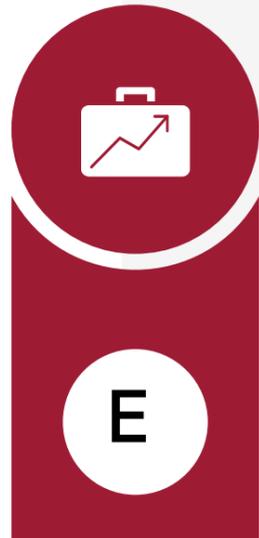
The ICO Group is aware of the important role that financial institutions play in prevention and therefore collaborates with the competent authorities and joins forces with the rest of the Spanish financial system in the fight against all forms of money laundering and terrorist financing. The policy, revised in May 2020 to adapt it to Royal Decree Law 11/2018 transposing the AML/CFT Directive 2015/849/EC, sets out the rules of action and control and communication systems to prevent access to the institution by undesirable persons or groups, and establishes the criteria for accepting clients.

In compliance with the Group's Training Policy and Plan, in 2021 two training actions were carried out on the prevention of money laundering in the Spanish financial system, one of which was given by the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences (SEPBLAC) and the other by Cecabank. A total of 132 people participated.

Of the 132 people who took part in the training actions, 95 were from ICO staff, 14 from AXIS and 9 from Fundación ICO. In addition, 14 interns (13 from ICO and 1 from AXIS) were trained.

In December 2021, the modification of the ICO's internal procedure regulating the prevention of money laundering and terrorist financing was approved in order to incorporate the latest regulatory developments in this area at national and European level.

In addition, following the recommendations of the External Expert on AML/CFT policies, a physical mailbox was installed at the ICO's headquarters, managed by the Regulatory Compliance area, to facilitate the anonymous submission of internal complaints and reports of irregularities.



MANAGEMENT BY OBJECTIVES (MbO)

Management model implemented to effectively direct and improve ICO's performance, establishing strategic and general objectives and helping to generate a culture of valuing the professional merits of employees. Management by objectives holds great value due to its uniqueness within the Administration; it allows the efforts of different areas to align with the road map, and improves the quality of work and professional performance, rewarding effort and achievement of objectives. The adoption of the strategic objectives proposed by the Management Committee are subject to the approval of the Ministry of Economic Affairs and Digital Transformation.

The Management by Objectives System, which allows variable remuneration to be linked to the achievement of objectives, also incorporates those directly related to sustainability and digitalisation, promoting their integration into the culture of the organisation. In 2021, within the framework of ICO's Strategic Reorientation 2019-2021, axis 4 related to sustainability in its Plan 20, it incorporated a sustainable direct activity objective that made it possible for 72% of new direct financing activity to be approved with sustainability criteria. Furthermore, 2 of the 5 cross-cutting plans of the Management by Objectives system were related to progress in sustainability and digitalisation (action plans 18 and 19 of the Strategic Reorientation 2019-2021), the sustainability objective reached 100% of the set target and the digitalisation objective 97%.



REGULATORY COMPLIANCE

The Regulatory Compliance Area was created to protect the Institute's reputation and integrity, to promote the applicable ethical standards and to strengthen accountability and transparency. It is also responsible for identifying and evaluating compliance with regulations related to the prevention of money laundering and the financing of terrorism, and for coordinating the internal policies and procedures implemented in this field. It is also involved in identifying, assessing and controlling risks that could affect the ICO Group's integrity and reputation arising as a consequence of the breach or failure to comply with the rules or measures recommended by policies or the ICO Group's internal regulations or external recommendations or standards that may apply.



IDENTIFICATION, CONTROL AND MANAGEMENT OF RISKS

The identification, management and control of risks is a priority task for ICO. This is done primarily in accordance with the Risk Policy Manual. The Manual compiles different methodologies, applicable regulations, procedures and an organisational structure. The ICO Group is exposed to financial risks (credit, liquidity and market) and operational risks. Three other typologies are also considered in "other risks": reputational risk, strategic risk, business risk, environmental risk and technology risk.



ENVIRONMENTAL PROTECTION

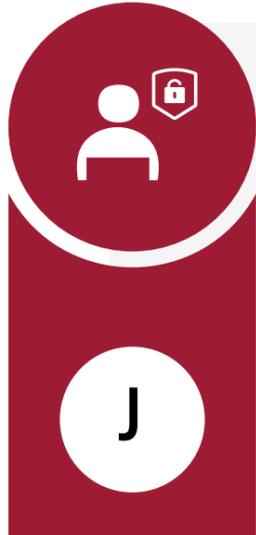
In order to guarantee a respectful and preventative approach towards the environment, the ICO Group has approved and documented an environmental policy that has been fully adapted to the requirements of the ISO 14001 Environmental Management Systems standard since 2020 and a code of good environmental practices.

In 2021, the Environmental Management System was certified by European Quality Assurance.



COMMITMENT TO SOCIAL SOCIAL RESPONSIBILITY

The ICO Group has approved and published a CSR policy with the aim of being a transparent and socially committed entity that incorporates ethical, social and environmental values and that applies the principles of good governance and thus is recognised for its activity and for its relationship with its stakeholders. To this end, the principles that govern its activity are established: good governance and transparency, respect for the environment and the 10 principles of the United Nations Global Compact.



PROTECTION OF PERSONAL DATA

The ICO Group has adopted a personal data protection policy adapted to EU Regulation 2016/679 and Spanish Law 3/2018, which is developed and implemented in internal processes and files through the security manual, which contains procedures adopted by the Operations Committee.



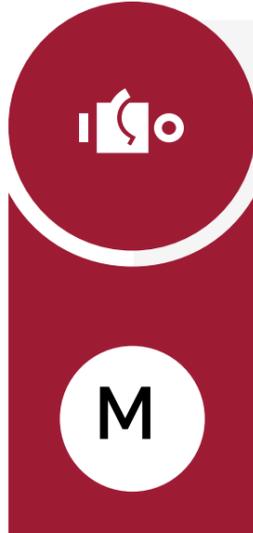
LABOUR RELATIONS

The staff policies applied in the ICO Group are based on respect for employees' human rights and industrial rights, and the implementation of actions to facilitate and enhance their ability and professional development. Equal opportunities, non-discrimination policies, diversity and work-life balance are fundamental principles in the development and implementation of industrial relations between ICO and its staff.



MEDIA

The Institute has a single headquarters and no branches, so it uses a network of private banks to distribute much of its financing. For this reason, it needs some channels and tools for effective internal and external communication to disseminate its lines of financing and activities and to meet the information needs of its stakeholders.



TRANSPARENCY

The ICO Group provides its stakeholders with all the relevant information relating to its organisational structure and activity. In addition, and in accordance with the provisions of the Transparency Law, ICO provides direct access to the Spanish Government's Transparency Portal, through a link at www.ico.es. In this way, it makes it easier for the user to consult all available data. Each year ICO prepares and publishes an Audit Report on the Consolidated Annual Accounts and Consolidated Management Report online, with all the economic information and information related to its activity as a financial institution. The annual accounts are audited by an independent expert. In addition, the Integrated Report, prepared in accordance with the GRI Standards and the requirements of Law 11/2018 on non-financial information and diversity, is published on the website and verified by an independent expert to increase stakeholders' confidence. In this spirit, the ICO Group has produced a Progress Report in relation to the United Nations' 10 Global Compact Principles.



INTERNAL AND EXTERNAL CONTROL SYSTEMS

Internal control in the ICO Group with regard to corporate governance is carried out by the internal operational bodies with competence in the regulatory area of the activities.

In accordance with the Audit Guidelines approved by the Operations Committee, the Internal Audit Department continuously audits operational and business procedures, risk management and the internal control system. Internal control carried out by the Internal Audit Department is reinforced by the activity of the Audit and Compliance Committee, whose functions include promoting measures for adopting audit recommendations. In order to comply with article 43.2 of Royal Decree 84/2015, of 13 February, which implements Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, the Internal Audit function reports periodically to the General Board of ICO on the verification work carried out by the Internal Audit function.



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Externally, the ICO Group periodically submits its actions to the control of external experts and different national bodies (IGAE, Inspectorate of the Services of the Ministry of Economic Affairs and Digital Transformation, Court of Auditors, Bank of Spain) and those EU bodies that are competent to do so. In 2021, 27 audit reports were issued, with no significant findings.



PROCESS MANAGEMENT. QUALITY MANAGEMENT SYSTEM

ICO has implemented a process management model and approved a Quality Policy. For 2021, ICO management approved, as a cross-cutting objective of its Management by Objectives system, the development and implementation of a quality management system based on the requirements of the ISO 9001 standard, which will be submitted for certification in January 2022 by European Quality Assurance.



HUMAN RIGHTS

ICO recognises respect for Human Rights and, therefore, the protection of people's dignity, well-being and development, as a basic and unavoidable pillar from which to build and manage all its activities.

In its internal management, ICO ensures the protection of Human Rights by integrating mechanisms for the Prevention of Money Laundering and Terrorist Financing, the Internal Code of Conduct in the Securities Market and the Group's Code of Ethics and Conduct, as well as multiple internal procedures to prevent any type of corruption or bribery.

ICO also integrates the protection of human rights by providing its staff with appropriate training, awareness-raising and initiatives. In this respect, ICO is especially and expressly committed to:

- **The Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.**
- **Freedom of association and effective recognition of the right to collective bargaining.**
- **Equal treatment and opportunities between men and women and the fight against all forms of discrimination.**
- **Reconciling work, family and personal life.**
- **Professional development and training.**
- **Workplace health and safety.**
- **Balancing professional activity with respect for the environment.**
- **The socio-occupational inclusion of groups with functional diversity.**
- **Corporate volunteering.**

In its role as a financier, ICO promotes development and social welfare by expressly prohibiting the financing of any activity that could have the effect of violating human rights. In addition, ICO, in its commitment to the United Nations Guiding Principles on Business and Human Rights, ensures that its financing incorporates the protection, respect and redress of potential harm that its financial activity may cause and will ensure that its borrowers or counterparties do not allocate funds received from ICO to activities that may be related to the violation of Human Rights.

As a signatory to the Ecuador Principles, it relies on due diligence processes to determine and avoid the impact of its major funding projects on Human Rights.



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In its relationship with suppliers and in compliance with the requirements of the Public Sector Contracts Law, ICO prohibits the contracting of individuals or legal entities convicted of crimes of terrorism, constitution or integration of a criminal organisation or group, illicit association, illegal financing of political parties, human trafficking, corruption in business, influence peddling, bribery, fraud, crimes against the Public Treasury and Social Security, crimes against workers' rights, prevarication, embezzlement, negotiations prohibited to civil servants or money laundering. Procurement systems ensure compliance with procurement conditions without the need to have a specific supplier monitoring and auditing system. No supply chain non-compliance has been detected in 2021.

In addition, social responsibility criteria are incorporated into contracting and tendering mechanisms to ensure that suppliers comply with human rights and labour standards.

Within the scope of its business relations and as a complement to its commitment to promote the SDGs and the 2030 Agenda, it also promotes the 10 Global Compact Principles which, in terms of Human Rights, determine that companies should support and respect the protection of fundamental Human Rights within their sphere of influence, and that companies should ensure that their employees are not complicit in violations of Human Rights.

With regard to its environment and society, ICO's own purpose and the performance of its professional activity promote the development of people and the positive impact on the sustainable progress of the economy, fighting against poverty and social differences and, therefore, collaborating in minimising Human Rights violations.

Specifically, ICO promotes social development and employment through its direct lending activity and second-floor facilities to support SMEs, entrepreneurs and the self-employed, by issuing social and green bonds or through the management of financing instruments in its role as the State Financial Agency.

Finally, ICO has a channel for external reports, complaints or suggestions, and a Customer Service area that manages, transfers and resolves, in internal coordination with the necessary departments, any communications received from third parties and the different stakeholders.

During 2021, no complaints were received in relation to human rights violations in the course of ICO's business, its business partners or its suppliers. However, a consultation was received and successfully handled on the ICO's mechanisms to ensure the protection of human rights in the selection process of companies for its alternative finance funds.

During the year 2021, in addition to the usual communication actions, efforts have been focused on:

4.5. Communication for sustainable growth

The ICO Group's strategy focuses on promoting activities that contribute to the transformation of the Spanish production model, fostering innovation and digital business transformation, internationalisation and environmental, social and governance sustainability.

For the ICO Group, it is a priority to contribute to a model of recovery and sustainable growth in all the actions it carries out, in line with the guidelines set by the Government in the Recovery, Transformation and Resilience Plan for the Spanish economy, which reflects the priorities established in the European Next Generation EU programme and the Multiannual Financial Framework 2021-2027.

These strategic objectives have been integrated as a priority focus in the Institute's current communication policy and are conveyed externally through the different channels we use.

1

Renewal of the ICO Group's websites (AXIS, Fundación ICO and ICO), to bring them into line with current standards of quality, transparency and sustainability criteria. Likewise, the new websites aim to improve accessibility to information from the various public sector websites and mobile applications.

2

Carrying out various communication actions to **commemorate ICO's 50th anniversary** and disseminate its activity among our stakeholders.

ICO Group communication actions



A



RENEWAL WEBSITE PAGES ICO GROUP

WWW.ICO.ES
WWW.FUNDACIONICO.ES
WWW.AXISPART.ES

In 2021, the design, architecture and content of the ICO Group's websites were revamped to align them with the Institute's strategic objectives and adapt them to the provisions of Royal Decree 1112/2018 of 7 September 2018 on accessibility of public sector websites and applications for mobile devices.

In 2021, there has been an increase in almost all metrics of behaviour and consumption of the ICO website compared to 2019, the year prior to the exceptional situation in 2020 when the ICO Guarantee Facilities were launched. Main indicators:

NUMBER OF WEB VISITS

942,264 + 70.02%

NUMBER OF PAGE VIEWS:

2,812,716 + 43.72%

The most visited page on www.ico.es in 2021 corresponds to the Línea ICO Empresas y Emprendedores (ICO Companies and Entrepreneurs Line), which accounted for 12.73% of total visits to the website.

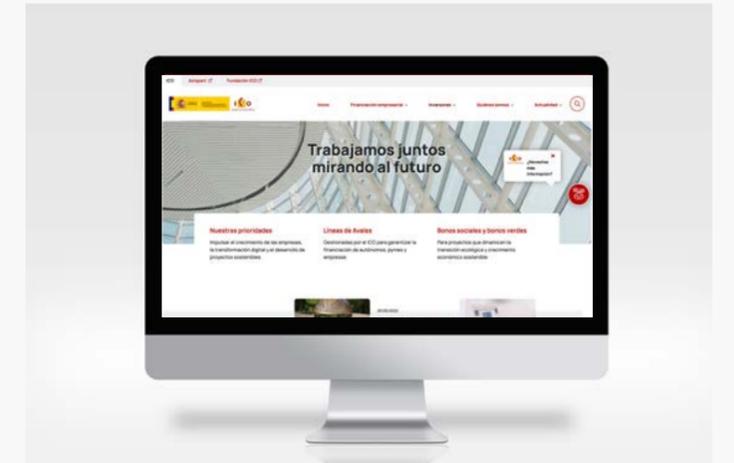
B



COMMUNICATION ACTIONS FOR THE ICO'S 50TH ANNIVERSARY

ICO has celebrated its 50th Anniversary in 2021. The following actions have been carried out to commemorate it and to highlight the Institute's activity in financing the Spanish business fabric over all these years:

- Creation of a **specific logo**, using the claim: “50 years. We work together looking to the future”, a message in line with the publicity campaign on the ICO Covid-19 Guarantee Facility developed during December 2020.
- Institutional commemorative event:** Organisation of a commemorative event with the participation of authorities, institutions, financial entities, collaborating agents and companies, structured around thematic round tables, held in November 2021 under the title: "The role of ICO as a driver of sustainable growth, recovery and economic transformation".
- Production and **publication of articles**, opinion pieces and interviews with the President of ICO in the national media to highlight the capacity and flexibility of ICO to adapt to the changing needs of SMEs, the self-employed and companies throughout its 50-year history.



- A special section of the **new ICO website has been dedicated to 50th anniversary information**, with material on the main milestones achieved by ICO throughout its history and the main statistics obtained ("50 years in figures").
- Production of two **corporate videos** to commemorate the 50th anniversary.
- Twitter:**
 - The image of the official ICO profile has been replaced by another with the 50th anniversary logo.
 - All the information generated in 2021 has been devoted to the 50th anniversary.
 - A specific hashtag has been used: **#50AniversarioICO** or **#50añosICO**.

C



OTHER COMMUNICATION ACTIONS CARRIED OUT IN 2021

ADVERTISING CAMPAIGNS

1. NACIONAL

"Self-employed, SMEs and companies: We believe in you. We grow with you".



The message focused on company growth and the recovery process, in order to identify the ICO and its financing offer as an option to accompany their growth and progress in this period of recovery.

The aim of this campaign was to launch a friendly and original message of recognition at a time when the business fabric has suffered a hard blow due to the pandemic caused by Covid-19.

The advertising agency and the media centre that carried out the campaign were selected through a public tender.

The campaign focused on a single round during the months of October and November 2021. The media in which ICO was present were press, radio, and internet.



PRESS
31%



RADIO
28%



DIGITAL
42%

Web metrics show a good performance of the advertising campaign on the online channel. Data for the fourth quarter, when the campaign was implemented, compared to the previous quarter are:



SESSIONS
+ 98.74%



PAGES SEEN
+ 34.95%

2. INTERNATIONAL

"ICO GREEN AND SOCIAL BONDS. Supporting Sustainable Growth in Spain"



In the international arena, ICO also runs an advertising campaign with the dual aim of supporting ICO's role as a benchmark issuer in the capital markets and reinforcing the Institute's identity as one of the leading issuers in sustainable financial markets through the issue of social bonds and green bonds.

The campaign focused on a single round during the months of October, November and December 2021. The campaign included on-line and off-line advertisements in economic magazines, magazines specialised in the financial sector - with special attention to issues dedicated to sustainable financing - and the on-line part was promoted with presence in specialised information terminals and international economic websites.

ONLINE COMMUNICATION CHANNELS

One of ICO's priority objectives in recent years has been to increase activity in the different online communication channels.

ICO NEWSLETTER

In the last three years, the use of the electronic newsletter has been strengthened as ICO's communication channel with the self-employed and SMEs to publicise the main products and financing programmes in force, as well as the success stories of our client companies.

Since 2019, the number of newsletters has increased from 4 in 2018, to 9 in 2019, 10 in 2020 and 11 in 2021, which were distributed by email to the ICO database (approximately 360,000 contacts), with an average open rate of around 39%.



On the web, the newsletters received

44,996

PRESS (20% more than in 2020).

NEWSLETTER FOR INVESTORS

Published quarterly, this newsletter provides up-to-date information and any information of interest to investors. The newsletter is published in English, posted on the ICO's website and sent by e-mail to the ICO's investor database.



more
1,500 (20% registers).

SOCIAL MEDIA

Twitter@ICOGob

Twitter has established itself as one of the main online channels for ICO to publicise its activity.

- In 2021, the number of **own tweets and retweets** published on the official Twitter profile @ICOGob amounted to 452, 8.92% more than in 2020.
- The number of **followers** of the ICO's Twitter profile rose to **7,600**, 3.35% more than the previous year.

- Of the total number of tweets published in 2021, **more than 80%** contained graphic and/or audiovisual material (photos, videos, own infographics).
- The **interaction rate** stood at **3%**, an increase of more than 57% over the previous year.

YOUTUBE CHANNEL

ICO's YouTube channel allows audiovisual content to be shared and disseminated on social networks. In 2021, in addition to the two corporate videos made to mark the 50th Anniversary, an informative video was also made on ICO's sustainable bonds and another on Sustainability in the ICO Group.

OFF-LINE COMMUNICATION CHANNELS

PRESS RELEASES

In 2021, the Communication Area prepared **34 press releases** that have generated a total of **778 media impacts**.



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5.3 ICO as an instrument of economic policy. Management of EU Funds

5.4 Operations managed on behalf of the State

5.5 Financing the internationalisation of companies

5.6 Resource acquisition

5

Description and evolution of the activity





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5.1. Economic context of the activity and trends that may affect its future development

In 2021 as a whole, the Spanish economy experienced strong economic growth after the decline recorded during 2020. In any case, the COVID-19 pandemic has continued to shape the performance of the Spanish economy during 2021 in line with the evolution of other EU countries. Thus, since the health situation made it necessary to adopt measures to contain the spread of the virus, the economy has been affected by the restrictions on activity determined by the health situation. In this context, the progressive generalisation of vaccines that took place during 2021 in Spain was key to explaining a gradual return to normality in terms of the economic activity and the intensification of the recovery throughout the year in most sectors. In 2022, the forecasts indicated that strong and sustained growth would continue, driven by the gradual return to normality in the health sector, the use of funds from European programs (mainly Next Generation EU) and the growth of international trade, although the uncertainty generated by the war in Ukraine makes it necessary to be more cautious in the forecasts.

From the first quarter of 2021, the economy begins an expansionary path based on the set of measures adopted to mitigate the social and economic effects of the health crisis, aimed at maintaining employment and the business fabric. Thus, in 2021 as a whole, the GDP grew by 5.0%, which was the highest growth rate in the last two decades, and made it possible to regain the growth path after the GDP fall of 2020. Growth in 2021 was based on the expansionary behaviour of both domestic demand, which made a positive contribution of 4.6 percentage points (pp), and the external sector, which contributed 0.4 pp. These figures contrast with what occurred in 2020, when both domestic demand and the external sector made negative contributions of 8.6 pp and 2.2 pp, respectively. Within domestic demand, in 2021 both consumption and investment components had an expansive behaviour, highlighting household consumption and investment in machinery and capital goods as the components with the greatest dynamism.

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With regard to the labour market, during 2021, the levels prior to the outbreak of the pandemic have recovered in general terms. According to data from the Labour Force Survey (EPA in Spanish), 840,700 jobs were created in 2021, equivalent to an increase in employment of 4.4%. The unemployment rate stood at 13.3% in the fourth quarter of 2021 compared to 13.8% in the fourth quarter of 2019. As a result, more jobs have been recovered in 2021 than those lost during 2020. In terms of the number of workers affiliated to Social Security, the data are equally positive, exceeding pre-pandemic levels since the middle of the year 2021.

The effectiveness of the support measures deployed in an agile manner to respond to the pandemic has allowed this recovery in economic activity and employment in most sectors and activities, highlighting the role played by the ERTES, which ended 2021 at very low levels, as well as the State guarantee facilities managed by ICO.

In the Euro Zone as a whole, growth was very similar to that of Spain, specifically 5.2% in 2021. This growth contrasts with the drop observed in 2020, which was 6.4%. As in Spain, growth in the Eurozone as a whole in 2021 was the highest in decades and was also based on a general growth by component, with a very notable rise in domestic demand (both consumption and investment) and an increase in both exports and imports.

In 2021, the upturn in inflation was noteworthy, which was observed virtually all over the world, particularly in the United States and the Eurozone. The causes of this upturn lie in the base effect when compared to very low or negative rates a year ago, and also in the effects of certain



supply bottlenecks in the international trade of some goods, whose demand has had difficulties to be satisfied, and especially due to the increase in the price of energy, particularly gas. In Spain, inflation averaged 3.1% in 2021, above the -0.3% in 2020. The overall CPI ended 2021 with a year-on-year rate of 6.5% in the month of December. Similarly, the core CPI (which excludes energy goods and unprocessed food as they are components with greater price variability) also showed an upward trend, but in this case price growth was lower, standing at 2.1% in December (0.6% in January). In the Euro Zone as a whole, the trend is

very similar to that of Spain, with an overall inflation rate of 5.0% in December 2021 (2.7% for core inflation).

In any case, both for Spain and for the Euro Zone as a whole, the forecasts of leading analysts and institutions such as the European Central Bank pointed to the transitory nature of price tensions and a moderation of inflation throughout 2022, as the temporary effects that caused its rise dissipate. However, these forecasts will have to be revised according to the evolution of events in Ukraine.

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THE ECB MAINTAINED ITS EXPANSIONARY POLICY, BUT PAVED THE WAY FOR NORMALISATION

In 2021, the European Central Bank (ECB) also left interest rates unchanged from their last change in September 2019. Thus, rates remained unchanged at 0.0% for the main financing operations, 0.25% for the marginal lending facility and -0.5% for the deposit facility. Likewise, the ECB did not make any substantial changes to the instruments it had announced in 2020. Thus, during 2021, the specific pandemic-related asset purchase program (PEPP - Pandemic Emergency Purchase Programme) remained in force, which has coexisted in 2021 with the expanded APP (Asset Purchase Programmes) previously in effect.

An important change in the ECB's strategy in July 2021 was the establishment of a symmetrical price growth target of 2% in the medium term. In this new context, it is possible that inflation could temporarily be moderately above this level. In December 2021, the ECB announced its intention to stop new purchases under the PEPP programme in March 2022 (the amount of maturing issues will continue to be reinvested until the end of 2024). The end of new purchases under the PEPP program will be accompanied by an increase in monthly purchases under the APP for 6 months, although as of October 2022 the APP will return to its previous amount. In addition, the ECB gave signs of stability



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regarding the evolution of interest rates and postponed its decisions in this regard to the completion of new asset purchases.

Anyway, any such movements would take place in a very cautious and gradual manner and according to the circumstances at any given time on the basis of the information that becomes available. On the other hand, outside the European Union, the Bank of England has already announced interest rate increases, while the Federal Reserve has signalled several rate increases in 2022.

At the institutional level, during 2021 began the management of the EU Multiannual Financial Framework

for the period 2021-2027 and the Next Generation EU (NGEU) instrument. This is an unprecedented mobilisation of resources that will boost economic growth. In relation to NGEU, Member States submitted their plans for using the resources made available to them and the first disbursements were made. In the specific case of Spain, the pre-financing linked to this instrument was received during 2021 and a first disbursement was received subject to the achievement of the reforms associated with the plan presented by the Spanish state. The Spanish proposal was among the first to be approved and Spain was among the first countries to receive pre-financing linked to the plan and was the first country to receive a disbursement linked to its implementation. The forecasts of the Government itself, of the European Commission and of the Bank of Spain anticipate that these funds will have an impact on Spanish GDP of close to 2 percentage points in both 2022 and 2023.

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BUSINESS INTEREST RATES FELL IN 2021

The incipient changes anticipated in the ECB's monetary policy towards a gradual reduction in asset purchases and, subsequently, to increases in the benchmark interest rates, were not yet reflected in 2021 in the interest rates applied to households and companies. In fact, interest rates decreased during 2021. Thus, the average interest rate applied to companies in transactions of less than 1 million euros, which can be taken as an approximation of the interest rate applied to SMEs, went from 1.78% in December 2020 to 1.59% in December 2021. Moreover, this interest rate remained for most of the year below the interest rate applied in Germany on these same transactions (the Spanish interest rate was higher only in January and April), with the Spanish rate being 30 basis points below the German rate in December 2021. In the comparison with the average for the Eurozone as a whole, the Spanish interest rate was much more even during 2021, with 6 months above and 6 months below (in December 2021 the Spanish interest rate was 10 basis points below the average).

Interest rates for smaller transactions (up to 250 thousand euros) also fell in Spain in 2021, from 1.87% in December 2020 to 1.69% in December 2021 and also remaining below the German interest rate for most of the year (in December the Spanish interest rate was around 40 basis points lower). Similarly, the Spanish interest rate was also lower than that of the Eurozone for most of the year, being 20 basis points lower in December.

In terms of the financial sector activity during 2021, there was a generalised decrease in the volume of new lending operations to companies compared to 2020, a year in which the boost of ICO Covid19 State-guaranteed operations was very relevant in the impulse of new credit and made it possible to preventively

cover future financial needs. Transactions of less than 250 thousand euros fell by 5.9% compared to the previous year, those of less than 1 million fell by 12.6% in 2021 and those of more than 1 million fell by 19.5%.

In any case, the outstanding amount of bank credit to companies grew during the year, reaching an annual change of 1.5% in December 2021. Similarly, total financing to companies grew at an annual rate of 2.9%, driven by the dynamism of debt issuance, which continued to grow at a higher rate than credit.

NPL RATIO CONTINUED A DOWNWARD TREND IN 2021

The NPL ratio of Spanish credit institutions continued to decline in 2021. In December 2021 it stood at 4.3% compared to 4.5% in December 2020. As a result, NPL ratio was at its lowest rate since March 2009. This positive development is explained by the decrease in the volume of loans classified as NPLs. This NPL ratio stood at 4.85% in relation to credit to productive activities (data as at September 2021).



5.2. ICO as a National Promotional Bank. Boosting business growth

Second-floor facilities distributed through the mediation system

During 2021, ICO has continued to develop its role as a National Promotional Bank for businesses in collaboration with private financial institutions, which intermediate in the arrangement of operations with companies and the self-employed to meet their financing needs.

Through the so-called ICO Second-Floor Facilities, the Institute offers a wide range of bank financing products to cover the liquidity and investment needs of Spanish companies, channelling its funds through the commercial network of financial institutions and defining the main characteristics, recipients, purposes and conditions of the products. The financial institutions are responsible for processing, studying and approving the operations, assuming the credit risk of the final recipient of the financing.

Thanks to their flexibility, ICO Facilities are available to all types of companies with varying degrees of maturity.

During the financial year 2021, a volume was disbursed through its mediation lines of:

1,035 
millions of euros

In **10,969** financing operations accessed by nearly **8,700** self-employed and companies. ICO Second-Floor Facilities fall into two main areas or strategic axes of activity: **Businesses and Entrepreneurship and Internationalisation.**

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Activity of ICO Mediation Lines in FY 2021

Breakdown by line of business (million euros and number of transactions)

	DRAWDOWNS	
	Amount	No. of Transactions
Business Area and Entrepreneurs >	651	9,621
International Area >	384	1,348
TOTAL >	1,035	10,969

BUSINESS AND ENTREPRENEURSHIP STRATEGIC AREA

The objective of these products is to facilitate bank financing for business activities and investment projects in Spain. In 2021, over 8,500 self-employed persons and companies took out and drew down 9,621 transactions amounting to over 652 million euros, through the following facilities:

ICO Second-floor facilities drawn down in 2021

Business and Entrepreneurship Area

(millions of euros and number of transactions)

	Amount	No. of Transactions
ICO Line Businesses and Entrepreneurs >	627	8,970
ICO Line Commercial Credit >	18	449
Others lines (*) >	7	202
TOTAL >	652	9,621

OTHER (*) Includes ICO Garantía SGR/SAECA and Línea ICO Red.es Acelera.

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1

ICO Line Companies and Entrepreneurs

Aimed at financing up to 100% of the investments and liquidity needs of the self-employed, SMEs and companies in Spain, as well as the financing of housing and building refurbishment projects carried out by homeowners' associations and private individuals.



3

ICO Line Guarantee FACILITY

Intended to finance companies that are endorsed by a Mutual Guarantee Association (SGR) or the Sociedad Anónima Estatal de Caución Agraria (National Agricultural Capital Indemnity Company - SAECA). ICO collaborates closely with the sector, simultaneously boosting different activities to increase awareness of ICO's products, as well as advantages for the SGR in financing the corporate network.

Provides liquidity to companies through the advance payment of invoices arising from their short-term commercial activity as well as the financing of the manufacturing stage of goods or services that can be sold in the national territory.



2

ICO Line Commercial Credit

The line encourages the development, promotion and adoption of new technologies. The following are eligible for this funding: companies, foundations, associations, professional associations, regional public administrations, public and private universities and their university institutes, as well as public and private centres and organisations linked to research and technological innovation.



4

ICO Line Red.es Acelera

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ICO Second-floor facilities drawn down in 2021

AREA OF INTERNATIONALISATION

(million euros and number of transactions).

	DISPOSITION	
	Amount	No. of Transactions
 ICO International Channel Line	255	6
 ICO Exporters Line	127	1,329
 ICO International Line	2	13
TOTAL INTERNATIONAL AREA	384	1,348

STRATEGIC AREA OF INTERNATIONALISATION

In recent years, the Institute has been developing a complete catalogue of products with the aim of covering all the financing needs of Spanish companies to operate in third markets. In 2021, companies have drawn down 1,348 operations for this purpose for a cumulative amount of 384 million euros. The table below shows the activity for the year on each of the facilities:

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1

ICO Line Exporters

Aimed at providing liquidity to exporting companies through the advance payment of short-term invoices for their commercial activity abroad, as well as covering their liquidity needs to finance the production costs of the goods to be exported.



3

International Channel Line

This facility has become increasingly important in the Institute's activities. In 2021 they have been disbursed:

153



million in 3 loans granted to 3 different entities.

This facility provides financing to Spanish companies for investments outside the national territory, to cover liquidity needs and to promote commercial activity abroad in the medium and long term.



2

International ICO Line

This product adds value to ICO's catalogue of products to boost the activity of Spanish companies in third markets. Based on a collaboration scheme with international financial institutions acting as intermediaries, this facility provides Spanish companies with access to financing for investment projects and liquidity needs abroad. In addition, this modality allows ICO to broaden the distribution of funds towards new counterparts operating in international markets where Spanish companies have a more active commercial or investment presence, thus favouring their internationalisation. Support in the local banking system, with a better knowledge of the market, makes it easier for companies to have specific solutions available for each country regarding currencies, terms and conditions.



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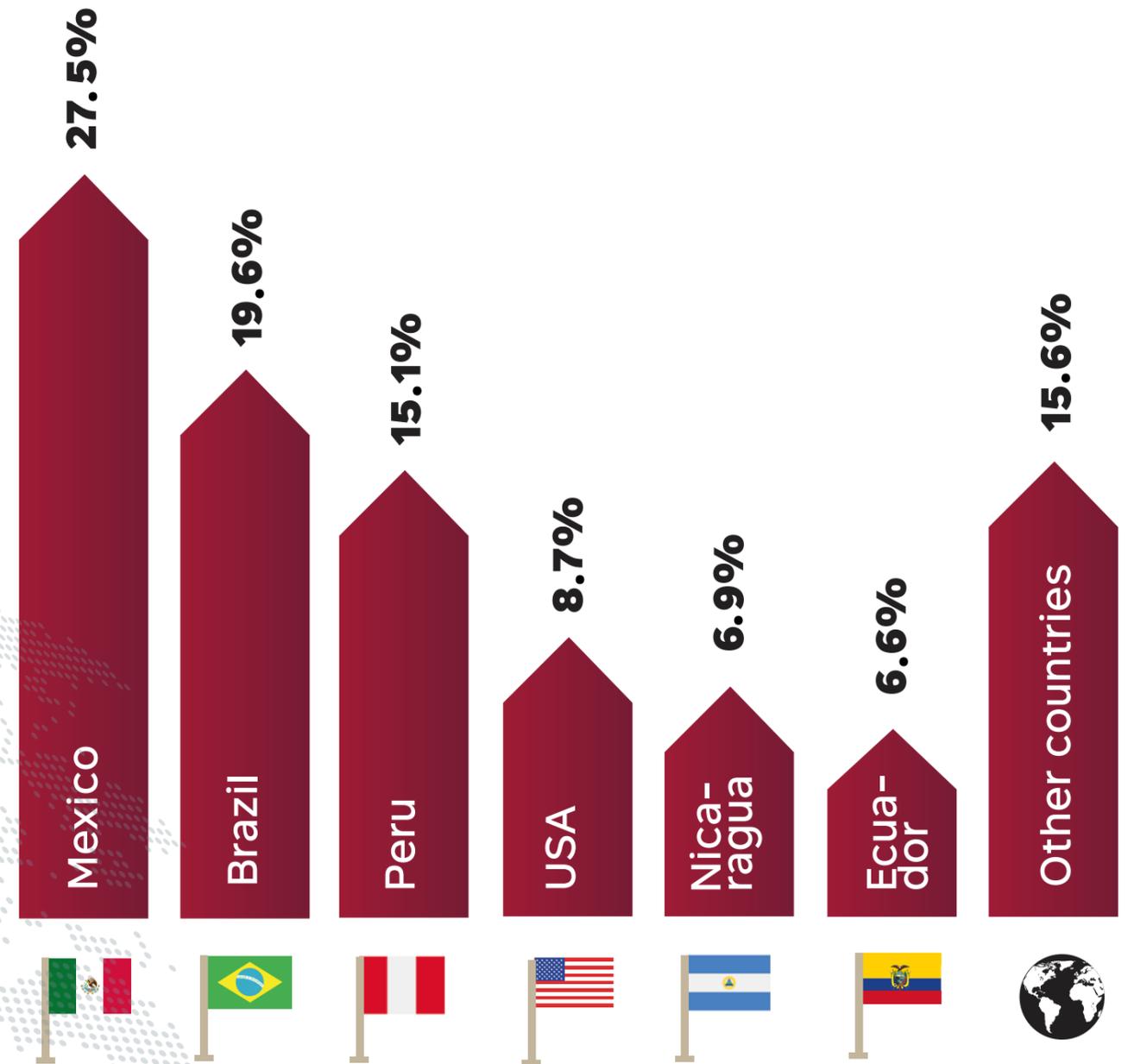
ICO International Channel Line. Cumulative historical activity 2021

(million euros and number of transactions).

The distribution by country of the projects funded up to 31 December 2021 is presented in the graph below:

	TOTAL ACTIVITY INTERNATIONAL CHANNEL	FORMALISATIONS		DRAWDOWNS	
		Amount	No of Operations	Amount	No of Operations
		2,523	25	1,486	19

According to the information provided by the recipient entities, the ICO funds disbursed up to 31 December 2021 have enabled the financing of 450 projects in 16 different countries in which 379 companies with Spanish interest have participated. By sector, projects associated with construction and infrastructure, capital goods, business, professional and administrative services, tourism, leisure and culture, and the environment stand out.



CAPILLARITY IN THE DISTRIBUTION OF ICO MEDIATION LINES

By size of company financed, the

74%

Of the operations made available in 2021 were aimed at micro-SMEs (between 1 and 9 employees), a percentage that rises to 96% if small companies (those with up to 49 employees) are included.

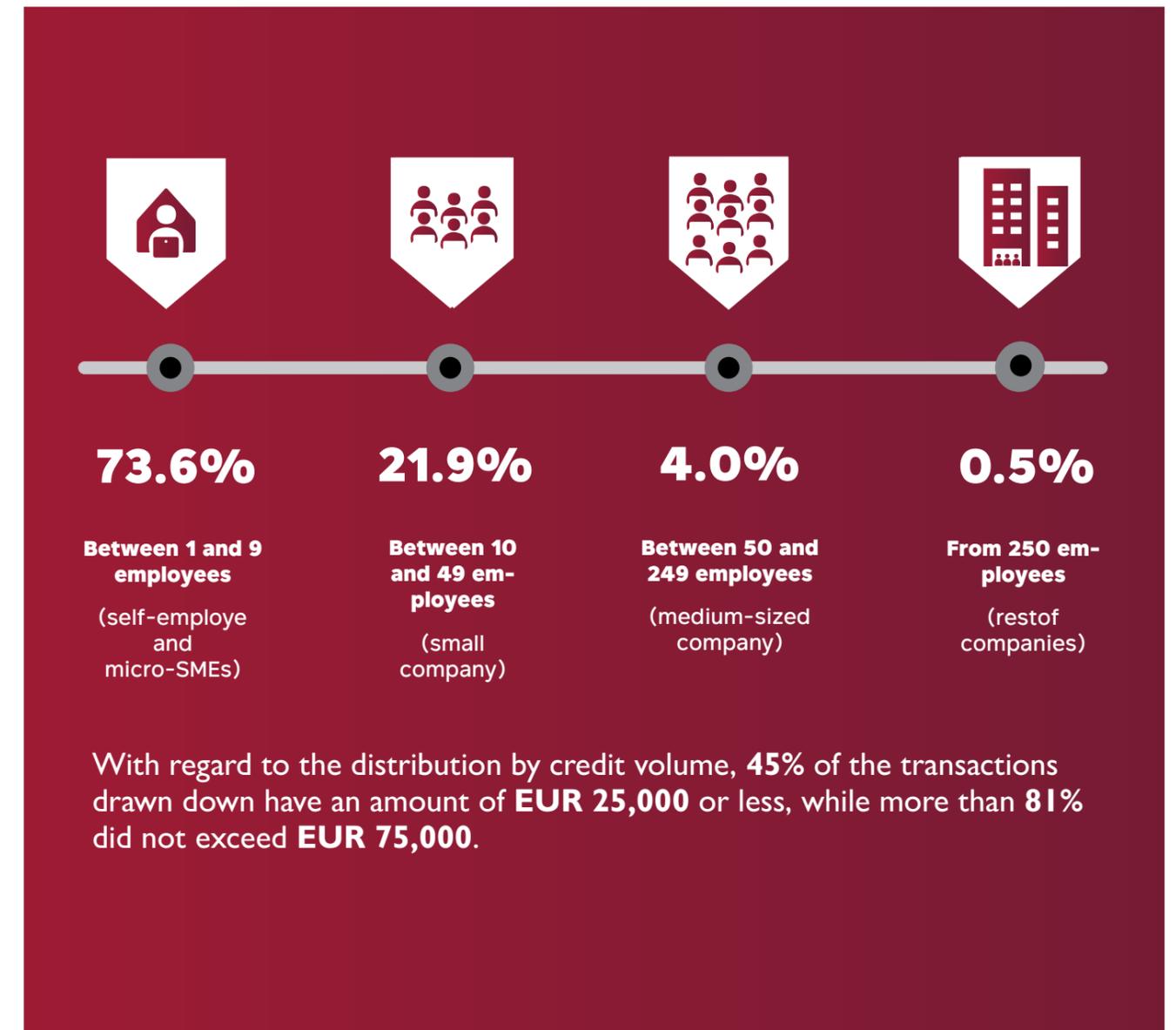
ICO Second-floor facilities drawn down in 2021.

Distribution of operations by size of final target company (According to number of employees)

	Amount Credit (Millions of euros)	%/Total Credit	No Operations	%/Total Operations
Between 1 and 9 employees (self-employed and micro-SMEs)	400	51.3%	8,070	73.6%
Between 10 and 49 employees (small-sized company)	202	25.9%	2,406	21.9%
Between 50 and 249 employees (medium-sized enterprise)	122	15.7%	436	4%
From 250 employees (all other companies)	55	7.1%	51	0.5%
TOTAL	780	100%	10,963	100%

Excluding provisions of ICO International Channel (€255 million).

ICO Second-floor facilities drawn down in 2021



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ICO Second-floor facilities drawn down in 2021

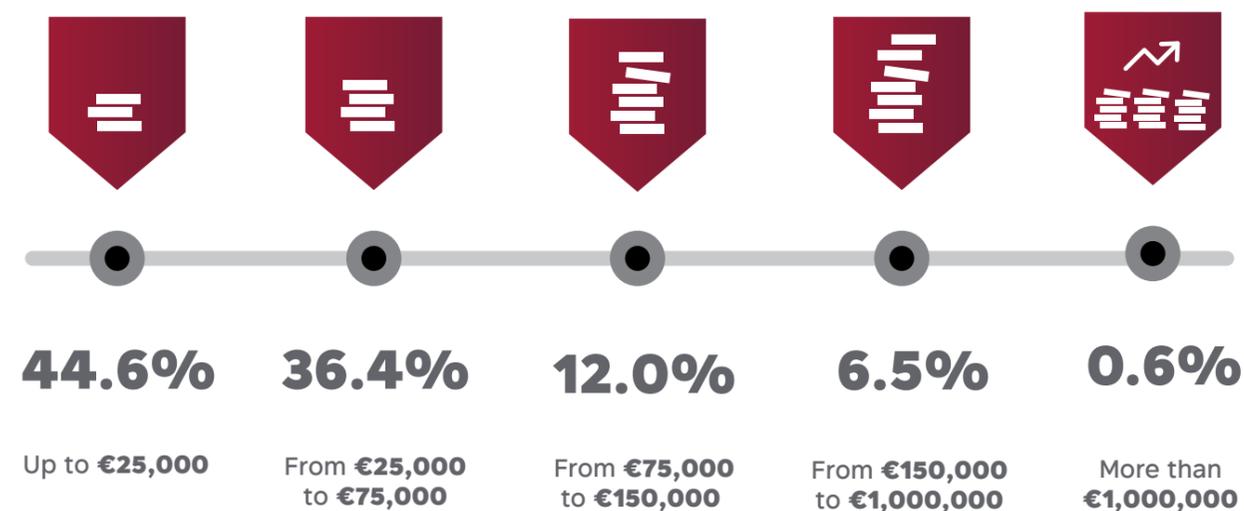
Distribution of operations by credit volume.

	Amount Credit (millions of euros)	%/Total Credit	No Operations	%/Total Operations
Up to €25,000	69	8.8%	4,891	44.6%
From €25,000 to €75,000	172	22.0%	3,986	36.4%
From €75,000 to €150,000	137	17.6%	1,311	12.0%
From 150,000 to €1,000,000	227	29.1%	710	6.5%
More than €1,000,000	175	22.4%	65	0.6%
TOTAL	780	100.0%	10,963	100%

Excluding provisions of ICO International Channel (€255 million).

ICO Second-floor facilities drawn down in 2021

Distribution of operations by credit volume.

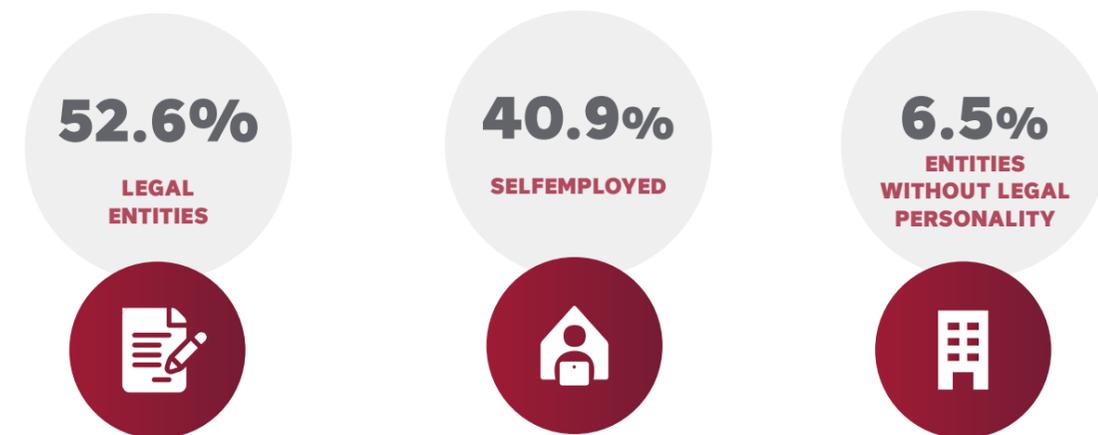


These indicators, relative to the size of the company and loan volumes, highlight the high degree of capillarity that characterises the distribution of ICO's Second-Floor Facilities; most of the financing is aimed at smaller transactions, to micro-SMEs and the self-employed.

By type of end recipient, 53% of transactions in 2021 correspond to legal entities (mostly limited liability companies), 41% to the self-employed and the rest to entities without legal personality (homeowners' associations, civil societies and communities of goods).

ICO mediation lines 2021

Number of operations by type of final recipient (%).



From the point of view of the contribution to economic development and cohesion between territories, it is particularly noteworthy that 76% of the volume channelled through the ICO Lines in 2021 went to companies located in Autonomous Communities with GDP per capita below the national average³. Of this volume, 42% was targeted at recipients located in regions with above-average unemployment rates⁴.

³Regions with GDP per capita 2020 below the national average (€23,693). INE Source

⁴Regions with average unemployment rate in 2021 higher than the national average (14.79%). INE Source

5.1 Economic context of the activity and trends that may affect its future development

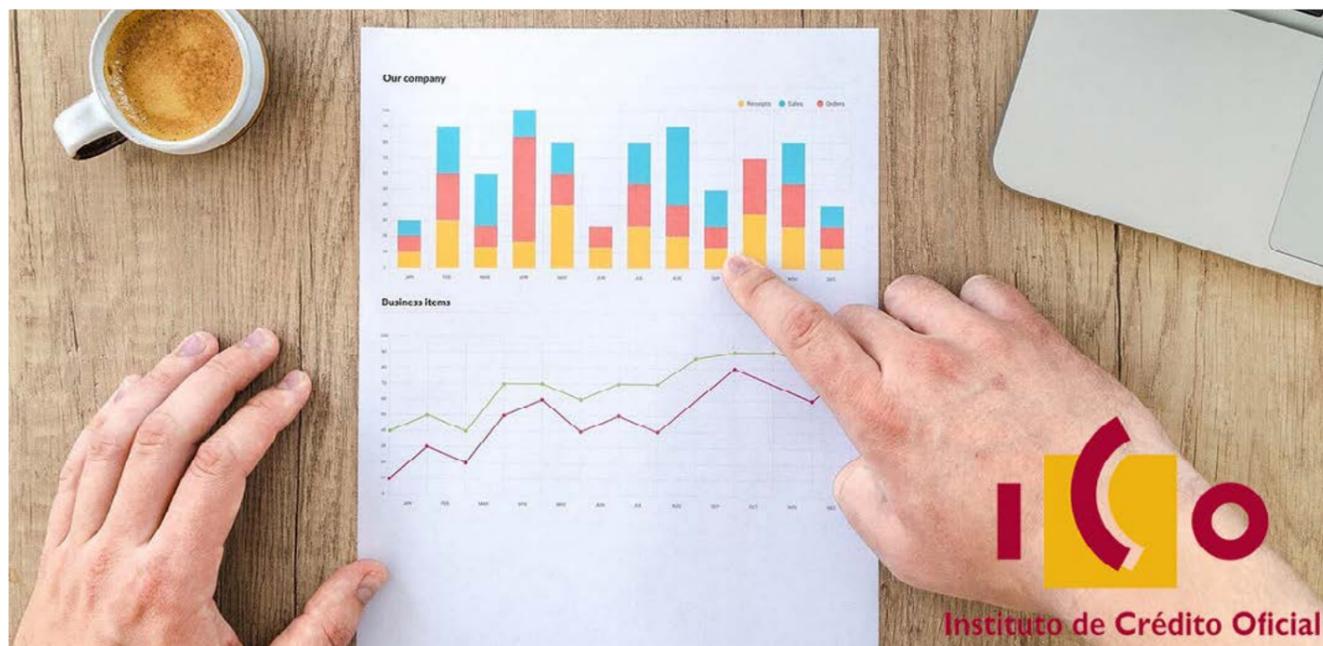
5.2 **ICO as a National Promotional Bank. Boosting business growth**

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ICO mediation lines made available in 2021

Distribution by sector of activity (amounts and % of total)

	Amount Mil €	%/Total
Commercial distribution of food and beverages	108	13.83%
Agriculture, livestock and fisheries	103	13.17%
Construction and infrastructure	82	10.54%
Transport and logistics	65	8.32%
Food and beverage industry	60	7.73%
Tourism, leisure and culture	52	6.60%
Health industry and services	44	5.64%
Capital goods and industrial products	39	4.98%
Consumer goods	38	4.81%
Real estate services	36	4.57%
Business, professional and administrative services	29	3.70%
Chemical industry	28	3.53%
Automotive and transport equipment	19	2.44%
Textile and fashion industry	17	2.13%
ICT	14	1.77%
Energy	10	1.32%
Environment	10	1.27%
Paper, wood and printing services industry	8	1.01%
Mining and quarrying	8	1.00%
Education	6	0.83%
Metallurgy and other materials	6	0.81%
TOTAL	780	100%

Excluding provisions of ICO International Channel (€255 million).

ICO Second-Floor Facilities 2021 Amounts available

Contribution to regional development (million euros and %)

	Amount	%/Total
To regions with lower GDP per capita than average	590	75.7%
To regions with a higher unemployment rate than average	327	41.9%

The funds lent through ICO Second-Floor Facilities in 2021 have had a broad sectoral distribution, highlighting the activity aimed at sectors linked to food and beverages, both industrial and commercial distribution, the agriculture, livestock and fisheries sectors, as well as construction and infrastructure, transport and tourism, leisure and culture activities.

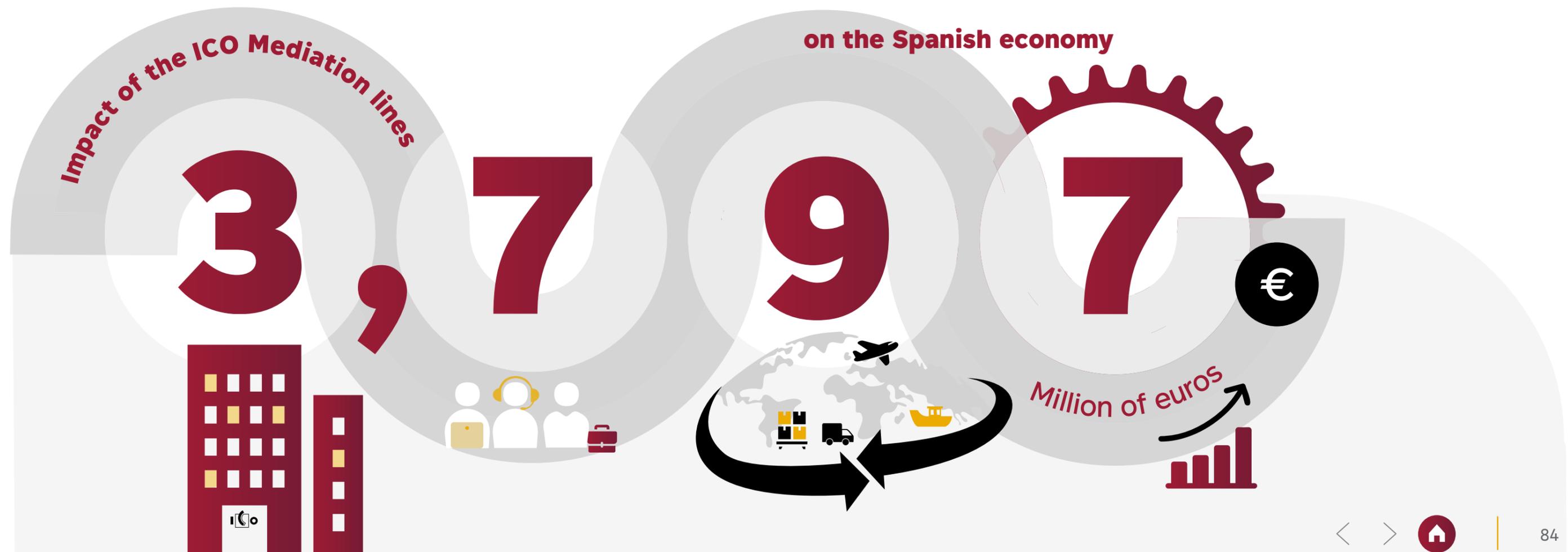
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Impact of the ICO Mediation lines on the Spanish economy

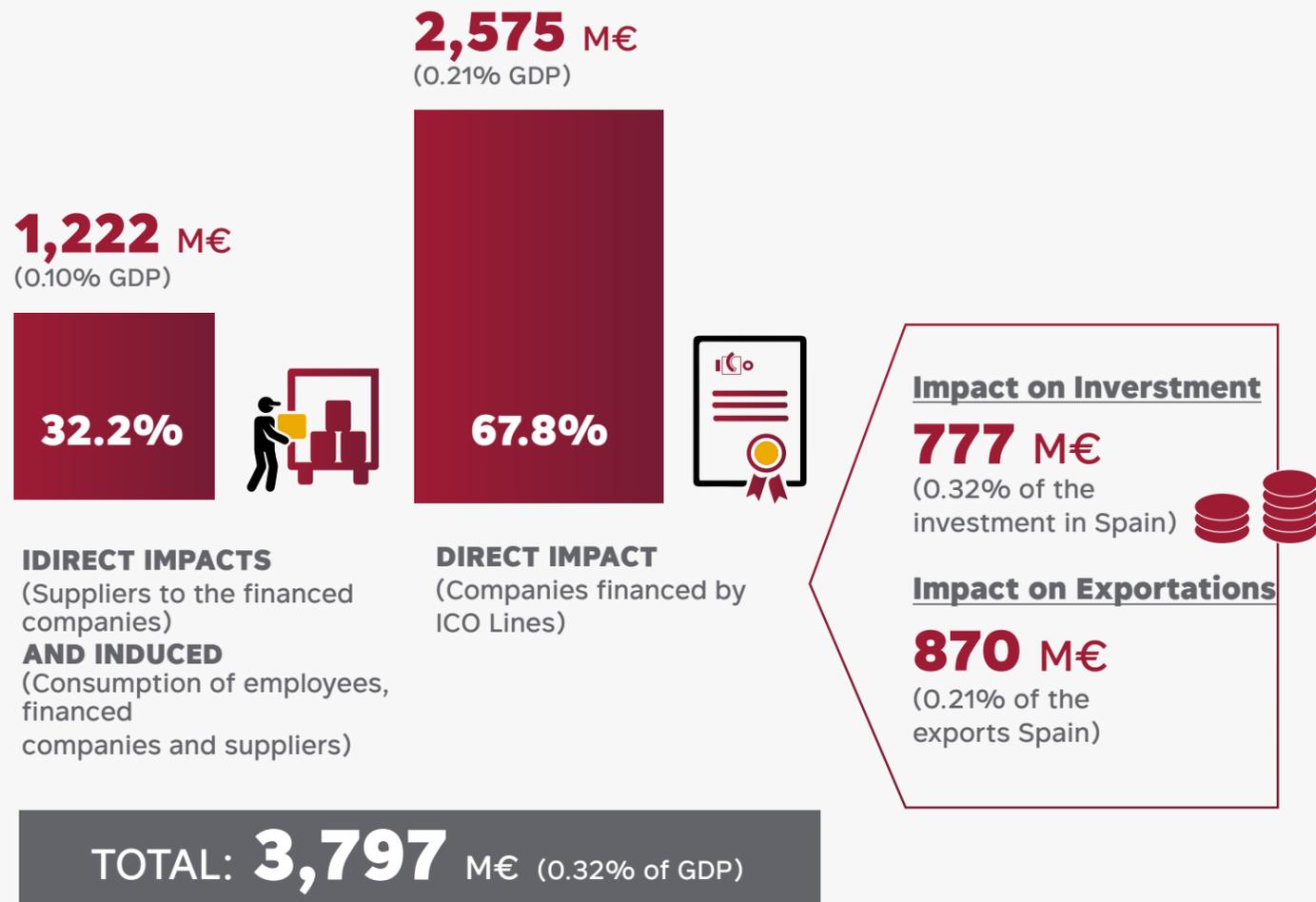
ICO has developed an analysis to quantify the macroeconomic impact of its financing activity. This analysis, based on a methodology that uses the National Accounts' Input-Output Tables combined with statistical and econometric techniques, shows that ICO's important role in the Spanish financial sector has a significant impact on the economy, generating a significant contribution to certain macroeconomic variables such as GDP, exports, investment or employment.

With regard to the impact on economic activity of the financing distributed by the ICO in 2021 through the Mediation lines, estimates place it at 3,797 million euros in terms of GDP, equivalent to 0.32% of GDP. In the same way, this financing activity led to 777 million euros in investment, representing 0.32% of the total gross fixed capital formation (GFCF) made in Spain in 2021.

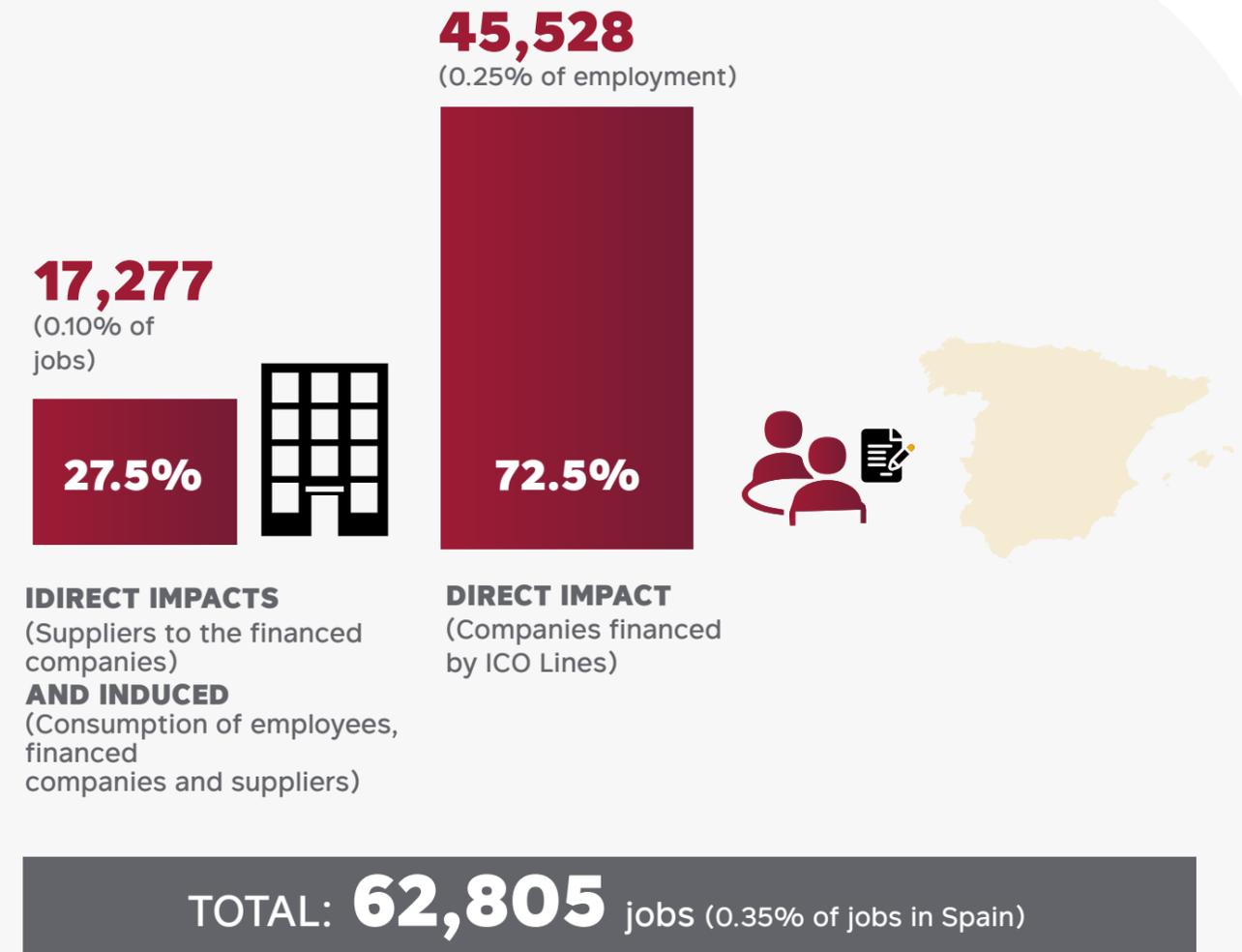
In relation to exports, the impact generated by ICO Mediation financing, estimated at 870 million euros, represented 0.21% of the total volume of Spanish exports.



ICO Mediation Lines 2021 Contribution to GDP: **3,797 M€** (0.32% of GDP)



ICO 2021 Mediation Lines Contribution to Employment: **62,805 jobs** maintained and/or created (0.35% employment Spain)¹



The impact on employment generated and/or maintained as a result of ICO activity in 2021 through Mediation lines is estimated at 62,805 jobs, representing 0.35% of the total volume of full-time equivalent employment.

¹ Full-time equivalent employment.

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Direct ICO activity

The Institute complements the lending activity it carries out through the mediation system, mainly oriented towards smaller companies, with the offer of a wide range of solutions in which ICO acts directly with companies. Through this modality, it offers both bank financing and the issuance of guarantees as well as complementary financing, the latter through corporate debt acquisitions. The objectives of the direct activity in which the Institute assumes the credit risk of the final recipient are manifold:

- Promote large investment projects in Spain.
- Promote, through the financing or granting of technical and financial guarantees for international awards and tenders, those projects of Spanish interest that are carried out abroad.
- Facilitate access to finance for companies to cover their short and medium-term liquidity needs.

ICO has extensive experience in direct operations, whether bilateral or through collaboration with private credit institutions in syndicated operations, acting in this case under the principles of complementarity and subsidiarity. While all sectors of activity are eligible for funding by the Institute, the priority sectors are: infrastructure, energy, engineering, environment and tourism. In addition, the operations funded must be aligned with the principles of sustainability, innovation and digitalisation, as well as promote activities that have a positive social impact.

ICO's involvement in these operations adds value, especially in obtaining longer-term financing tranches. In addition, it enables local currency financing for certain projects, which allows for the closing of certain transactions.

During 2021, the total volume made available to companies through the different financing and guarantee issuance modalities that make up the direct activity modality amounted to:

1,481 M€

for **193** transactions from **133** different customers as follows:

Direct activity

Drawdowns and issuance of guarantees (amounts in EUR million)

	2021		
	Amount	Operations	Clients
DIRECT BANKING ACTIVITY	1,067	116	106
Loans and credits	871	102	97
Issuance of guarantees	196	14	9
DIRECT ACTIVITY. SUPPLEMENTARY FUNDING	414	77	27
Corporate bonds	109	2	2
MARF bonds	27	7	7
MARF Promissory Notes	278	68	18
Total direct activity	1,481	193	133

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By 2021, an effective volume of corporate debt acquisitions has been achieved:



During 2021, ICO has continued to strengthen the financing models complementary to bank financing, offering different solutions linked to the acquisition of corporate debt:



CORPORATE BONDS

These are securities issued by Spanish companies that are preferably certified as responsible issuers or listed in sustainability indices. In this way, companies are provided with the necessary financing to undertake their medium- and long-term investment plans.



CORPORATE BONDS AND NOTES WITH ISSUANCE PROGRAMMES REGISTERED ON THE SPANISH ALTERNATIVE FIXED INCOME MARKET (MARF)

provide issuing companies (especially in the medium-sized corporate segment) with access to funding to cover their short- and medium-term liquidity needs.



PROJECT BONDS

as a financing instrument especially linked to large infrastructure financing operations.

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Direct activity in 2021 is aimed at sustainable projects and those that promote the internationalisation of Spanish companies



In lending transactions, ICO promotes and prioritises those business activities that promote a solid, competitive and sustainable business fabric, that have a positive impact on people, the climate and the environment.

The Institute's priorities include the long-term financing of large sustainable infrastructure projects and those that promote the internationalisation of Spanish companies, paying special attention to those that have a knock-on effect on the international expansion of SMEs that accompany large Spanish companies.

Of the total amount made available to companies in 2021 through its various direct activity products, **658 million euros** have been earmarked for the promotion of projects abroad:

Direct activity

Geographical distribution by destination of investment (million euros and number of operations)

	Amount drawn down	%/TOTAL
National investment	823	55.6%
International Investment	658	44.4%
Total	1,481	100.0%

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In terms of sectoral distribution, the funds made available through direct activity in 2021 show a wide diversity of economic activities. Companies operating in the energy, construction and infrastructure sectors, and those related to the environment, accumulate the highest percentages of the funds drawn down in 2021, accounting for more than 63% of the volume drawn down.

Direct activity 2021. Amount drawn down

Distribution by activity sector (amount and % total)

	Amount Mil €	%/Total
Energy	451	30.4%
Construction and infrastructure	257	17.4%
Environment	227	15.3%
Business, professional and administrative services	153	10.3%
Automotive and transport equipment	115	7.8%
Commercial distribution of food and beverages	64	4.3%
Metallurgy and other materials	50	3.4%
Tourism, leisure and culture	49	3.3%
Mining and quarrying	31	2.1%
ICT	30	2.0%
Transport and logistics	15	1.0%
Food and beverage industry	13	0.9%
Real estate services	8	0.5%
Education	7	0.5%
Capital goods and industrial products	5	0.3%
Consumer goods	3	0.2%
Chemical industry	1	0.1%
Health industry and services	1	0.1%
TOTAL	1,481	100.0%



PURCHASES OF ASSET-BACKED SECURITIES

The Institute started its activity as an investor in asset-backed securities in 2017, when a framework programme for investing in these assets was approved. This programme establishes the characteristics of the operations to be considered in terms of asset type, credit quality and maturity. In any case, ICO requires as a condition for its participation an explicit commitment from the originating institution to generate new financing for companies and the self-employed in Spain. In this way, it is ensured that the impact of the ICO's investment is reflected in new credit in general and credit directed at the productive fabric in particular.

In 2021, 4 investments in asset-backed securities have been approved for a maximum amount of **402 million euros**. Of particular note is the Institute's participation in the AQUISGRÁN fund, an entity founded on the initiative of the Mutual Guarantee Societies (SGR), in which the ICO will contribute a maximum of **150 million euros**. The listing of the bonds issued by AQUISGRÁN on the Alternative Fixed Income Market (MARF), will enable the financing of SMEs, the self-employed and entrepreneurs in Spain under very advantageous conditions, through loans guaranteed by the SGRs.

Since the launch of the programme and until the end of 2021, the Institute has made investment commitments of approximately: **1 billion euros** in **10 operations**.

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Impact of the ICO's direct financing on the Spanish economy

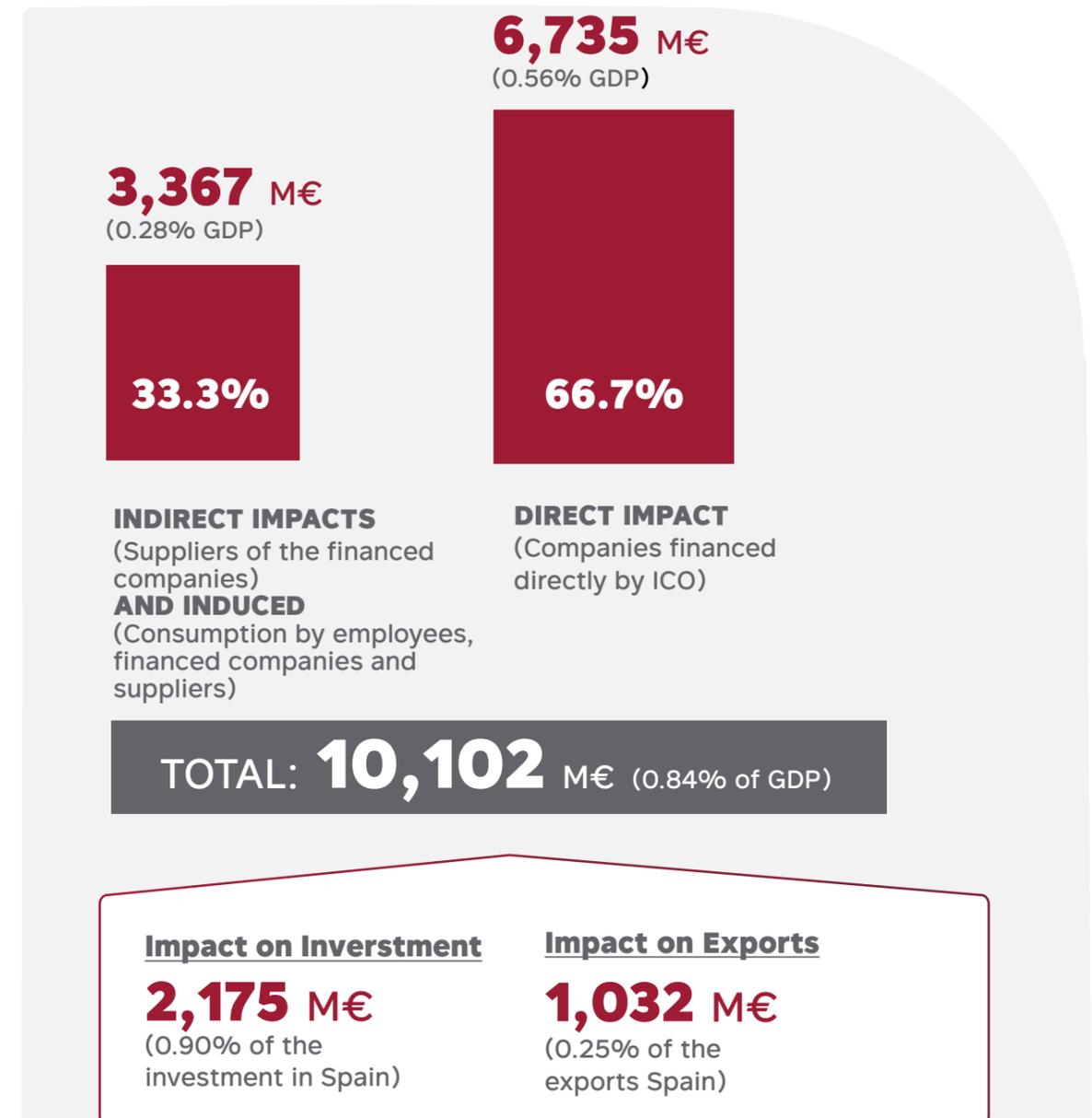
Using the same methodological procedure as that used to determine the impact of activity through the Mediation lines, the ICO has estimated in 2021 the impact on certain macroeconomic variables of its activity as a direct financier.

Estimates of the impact on economic activity generated by ICO direct financing operations formalised in 2021 are, in terms of GDP:



ICO Direct Financing 2021

Contribution to GDP: **10,102 M€** (0.84% of GDP)



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Similarly, these direct financing operations have also involved

2,175 million of €

in investment, representing **0.90%** of total gross fixed capital formation (GFCF) in Spain in 2021 and have generated an impact on exports, estimated at:

1,032 million of €

representing **0.25%** of the total volume of Spanish exports.

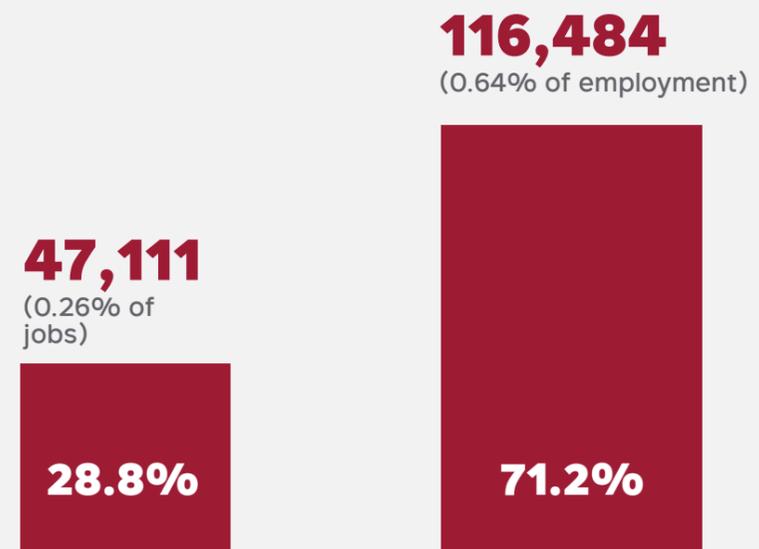
The quantification, in terms of employment generated and/or maintained as a result of these direct financing operations, amounts to more than:

163,500 job positions

representing **0.90%** of the total volume of full-time equivalent employment.

ICO Direct Financing 2021

Contribution to EMPLOYMENT: **163,594** jobs maintained and/or created (0.90% total employment Spain)¹



INDIRECT IMPACTS AND INDUCED
(Suppliers to the financed companies)
(Consumption of employees, financed companies and suppliers)

DIRECT IMPACT
(Companies financed directly by ICO)

TOTAL: 163,595 jobs (0.90% of employment)

¹ Full-time equivalent employment.

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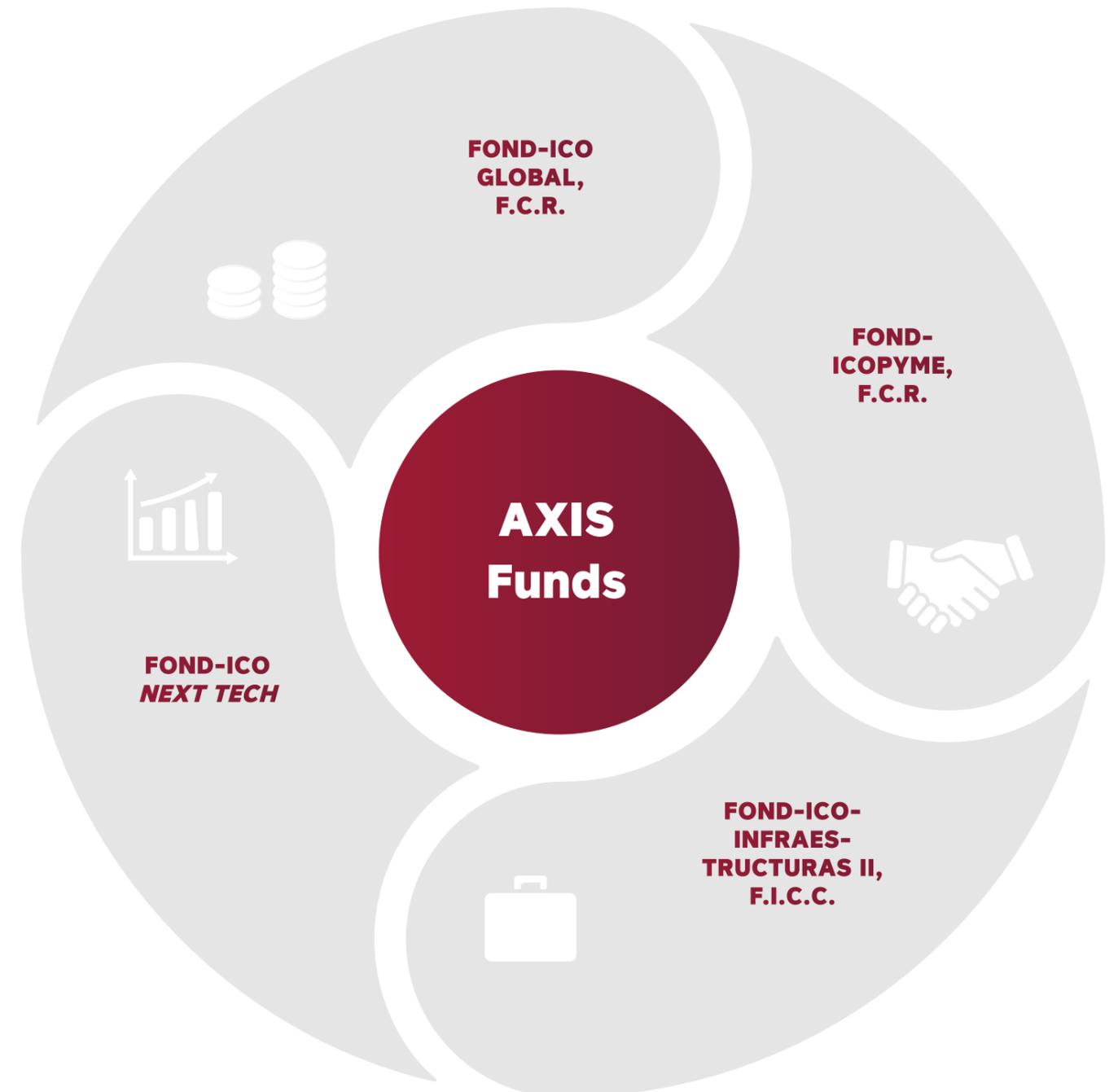
5.6 Resource acquisition

AXIS as a driver of alternative to bank financing

In 2021, the Institute has continued to promote, in public-private collaboration with the Spanish venture capital sector, alternative and complementary financing to that provided by banks to Spanish companies, through the activity of the venture capital funds it manages through its subsidiary AXIS, wholly owned by ICO.

The company AXIS Participaciones Empresariales, S.G.E.I.C., S.A., S.M.E was incorporated in 1986 and was the first venture capital manager registered with the National Securities Market Commission. Since its inception, AXIS has promoted venture capital as an alternative to bank financing for Spanish companies, improving their capitalisation and boosting innovation, entrepreneurship, internationalisation, sustainability and digitalisation. Its main objective is to maintain the financial equilibrium of the funds managed to ensure their continuity.

AXIS is one of the most active venture capital operators in Spain; it manages **EUR 7.15 billion** through four funds registered with the CNMV, whose sole participant is the ICO: Fond-ICO Global, Fond-ICO pyme, Fond-ICO Infraestructuras II y *Fond-ICO Next Tech*. These funds invest throughout all stages of the investment cycle of companies and/or projects.



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Fond-ICO Global, F.C.R.

The objective of Fond-ICO Global is to develop and diversify non-bank sources of financing, promoting the creation of privately managed venture capital funds that invest in Spanish companies in different sectors of activity. The fund is active at all stages of equity investment: technology transfer and seed capital, early stage and development capital to promote expansion and internationalisation.

It operates as a fund of funds, taking stakes in other venture capital entities authorised in Spain or who have residence in another OECD member state. In this way, the fund is the catalyst for the creation of new venture capital funds, managed by private operators with a presence in Spain. The venture capital funds that Fond-ICO Global invests in must have mostly private capital.

AXIS's fund selection process is expressed through its public bidding principles: publicity, concurrency, equality and transparency. To do this, public invitations to tender are carried out in which the funds concerned bid.

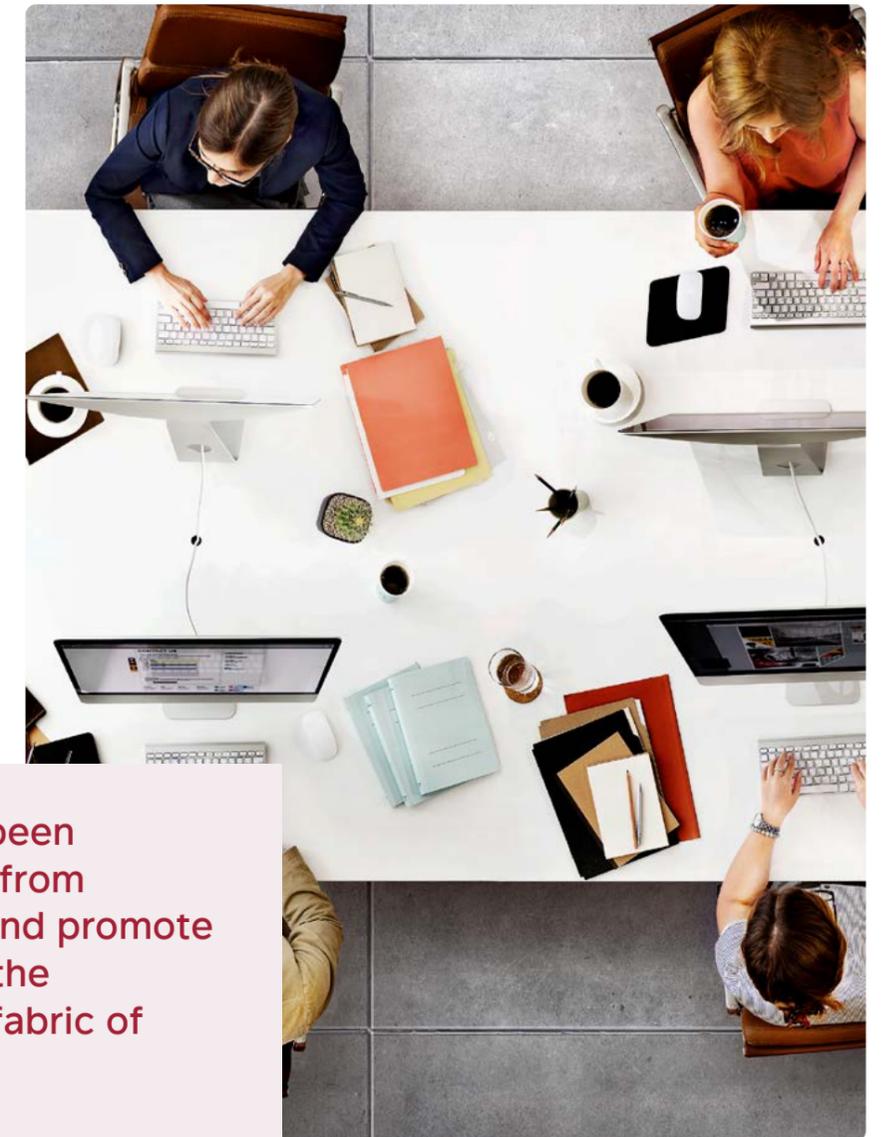
Throughout 2021, the fourteenth call was launched and resolved, in which a maximum Fond-ICO Global contribution of **750 million euros** was awarded to 15 funds, the largest volume of approved investment since its creation, which aims to mobilise at least **1,653 million euros** in Spanish companies. This call,

called "Consolida", aims to consolidate the growth of Spanish companies at all stages, helping to strengthen the economic recovery.

Fond-ICO Global was launched with an initial endowment of **1.2 billion euros** and the ICO has increased the assets committed on three occasions, the last in 2020 by **2.5 billion euros**, to **4.5 billion euros**. In addition, the fund's investment term was extended to 2026 and its duration to 2034.

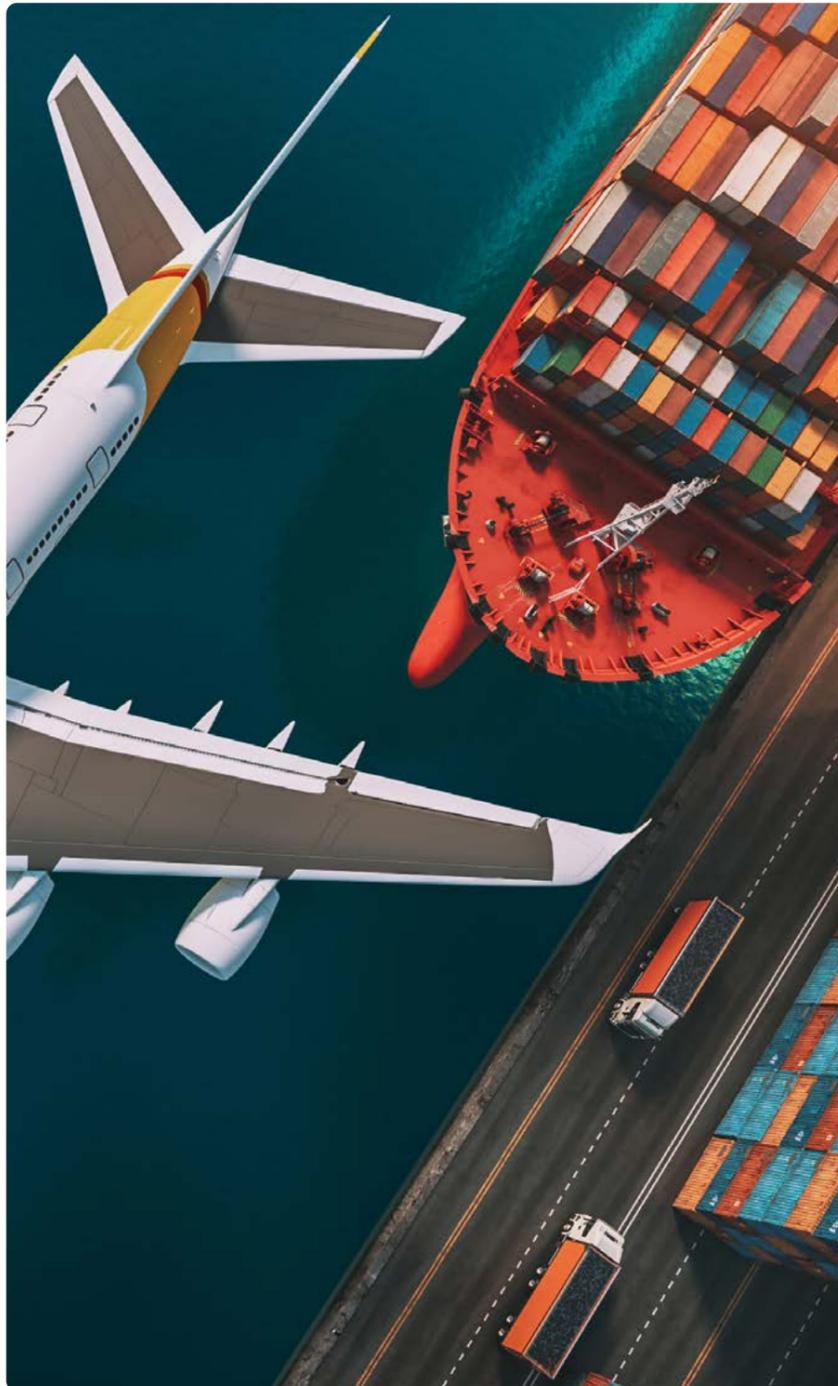
These decisions are part of the measures for financing startups and supporting the entrepreneurial ecosystem being developed by the Ministry of Economic Affairs and Digital Transformation.

In recent calls for proposals, new criteria have been incorporated into the assessment of proposals from participating funds to stimulate capitalisation and promote sustainability, internationalisation, growth and the digitalisation and innovation of the productive fabric of companies.





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Fond-ICO Global mobilises close to 10.6 billion euros to invest in companies in Spain.

In the fourteen calls for proposals, investments have been approved in 123 private funds with a maximum fund commitment of **3,016 million euros**.

This volume has a significant multiplier effect and can mobilise more than three times as much investment in Spanish companies, up to **10,545 million euros**. In other words, for every euro of public capital invested by Fond-ICO Global, the private funds undertake to invest a minimum of 3.5 euros in Spanish companies.

Of the private funds, 19% are international, which highlights the importance of this instrument in attracting foreign capital to Spain.

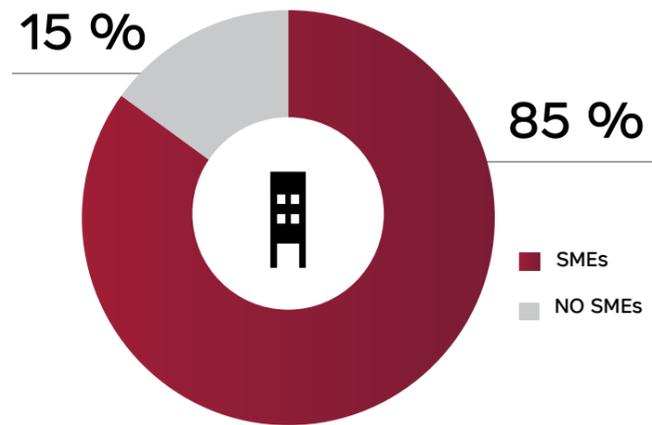
Fond-ICO Global's funds have invested in 930 Spanish companies (85% of which are SMEs) in various sectors and growth stages, employing more than 196,000 workers.

FOND-ICO Global (millions of euros)

Calls	Fund Objective	Volume objective investment in Spain	FOND-ICO Global Commitment
December 2013	685	660	189
May 2014	3,785	665	248
November 2014	4,125	668	194
March 2015	756	573	124
November 2015	671	606	121
June 2016	668	272	71
October 2016	727	659	157
May 2017	1,041	625	161
November 2017	7,594	818	159
July 2018	1,287	535	145
May 2019	830	676	166
February 2020	1,676	911	203
December 2020	3,400	1,224	329
December 2021	1,736	1,653	750
TOTAL	28,981	10,545	3,016

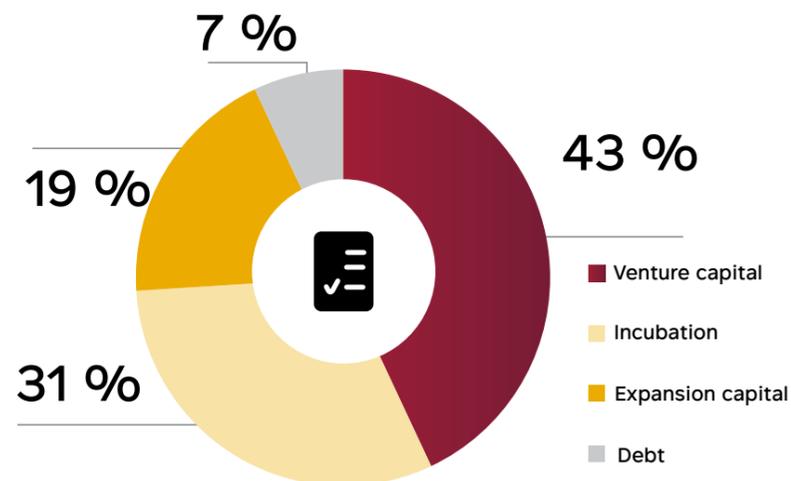
FOND-ICO Global

Diversification of investment by company size.



FOND-ICO Global

Diversification of operations by category.



Fond-ICOpyme, F.C.R.

Fond-ICOpyme has assets of **250 million euros**. It is currently focused on investing in funds that invest in strategic or innovative segments of activity such as sustainability and social impact or the entrepreneurial ecosystem, also promoting complementary financing to banking through business angels or diversified debt (crowdlending/crowdfunding). Specifically, it supports companies that, having reached a certain level of maturity, want to finance their expansion and/or growth process.

Since its launch, the fund has participated in the form of equity and participating loans in 115 funds and/or companies, amounting to nearly **300 million euros**.

Within the fund, a series of initiatives have been developed, detailed below, which promote alternative or complementary financing to bank financing:

BOOSTING THE DEVELOPMENT OF BUSINESS ANGELS.

Among the initiatives developed within the framework of Fond-ICOpyme, it is worth highlighting the launch, together with the European Investment Fund (EIF), of two funds aimed at promoting the development of *business angel* activity in Spain, focusing on investments in seed capital and early stages.

- The first fund launched under this initiative, endowed with **30 million euros**, also involved the Neotec fund. This first fund has participated together with 13 business angels in 147 co-investments for a total mobilised amount of **30.1 million euros**.

- The second co-investment fund, endowed with **40 million euros**, 50% provided by the EIF and ICO through Fond-ICOpyme, aims to finance Spanish technology companies with a high innovative component. This second fund has participated together with 2 business angels in 21 co-investments for a total amount mobilised of 1.01 million euros.

- **SUSTAINABILITY AND SOCIAL IMPACT INITIATIVE**, endowed with 50 million euros, in 2021, *Fond-ICOpyme's* shares in the *Bsocial Impact Fund* and the *Bolsa Social* were formalised with **5 million euros** each, in addition to its existing shares in *Creas Impacto FESE S.A.* and *Q-Impact*.

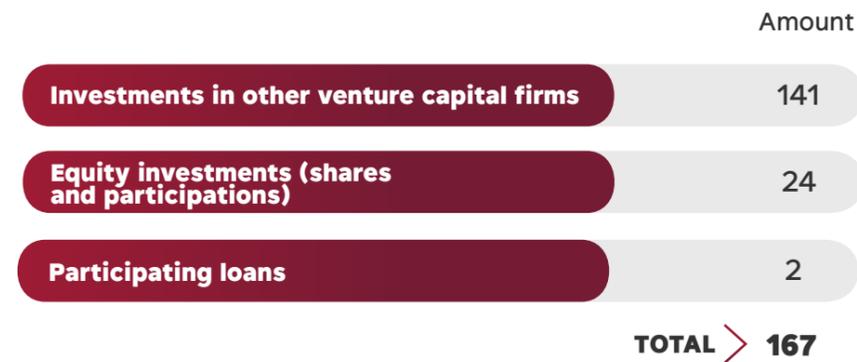
In this same area, *AXIS* joined the Impact Forum platform in June 2019, currently called *Spain NAB*, which allows Spain to be present in the *Global Steering Group on Impact Investment (GSG)*, an international organisation made up of 18 countries that promotes social impact investment. *AXIS* is a regular partner of this organisation to continue to promote impact investment.

- Meanwhile, as part of the **DIVERSIFIED DEBT INITIATIVE**, which has a forecast investment of **50 million euros**, Fond-ICOpyme is participating in *October SME IV*, making it the first *fintech* in which this Fund is investing. This initiative is aimed at venture capital entities that invest in a higher number of SMEs with debt instruments, either alone or in joint venture with other investors or platforms. It aims to promote complementary and innovative sources of financing for Spanish companies and support them in their digitisation process and allows the ICO to position itself on *crowdlending/crowdfunding*.
- In response to the health crisis generated by COVID19, AXIS approved in 2020 the **COVID-19 ENTREPRENEURIAL ECOSYSTEM INITIATIVE**, through Fond-ICOpyme, for an amount of **€50 million** (extendable up to **€100 million**). It promotes the creation of funds to finance the temporary liquidity needs of technology start-ups and SMEs with a high growth potential and highly innovative, with financing difficulties due to the economic impact of the COVID-19 crisis. Within this initiative, participation in the *Aldea Opportunity Fund* has been approved and formalised to date, for up to **24.5 million euros**, and in *The Extension Fund*, with up to **17.5 million euros**.

The balance of the investment portfolio of Fond-ICOpyme at the end of 2021 is as follows:

FOND-ICOpyme

Formalised investment portfolio. Balance as at December 2021 (EUR million)



Fond-ICOinfraestructuras II, F.I.C.C.

In December 2018, the fund called Fond-ICOinfraestructuras II, FICC was registered with the CNMV for **€400 million**, whose objective is to invest directly or through other investment funds, in sustainable infrastructure projects in Spain and abroad with Spanish companies. The fund's duration is 22 years, extendable for a period of 5 additional years by decision of the management company. The fund started its activity in 2019 and has as a condition a minority shareholding that, in any case, does not imply effective control of the company.

It is currently in the process of accreditation with the CNMV as an ESG fund, thereby making a public commitment that at least 50% of the investments made through this fund will promote environmental or social objectives. In 2021, the sectoral investment policy of this fund has been updated, deepening its sustainable profile and incorporating criteria aligned with those of ICO for valuation, measurement and reporting.

Through equity, subordinated debt and participating loans, the fund prioritises actions in strategic niches within the energy, mobility, environment and social infrastructure sectors, always seeking a clear positive impact for people, the climate and the environment. The fund provides added value as a flexible and stable long-term investor.

In 2021 Fond-ICOinfraestructuras II has carried out actions that contribute to the objectives for the ecological transition. The investment made for the construction, development and operation of a district heating network with generation from forest biomass or the investment in the Everwood Renewables Europe V FCR fund aimed at the development, construction and operation of a portfolio of new renewable projects, mainly photovoltaic plants, are examples of this.

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As at 31 December 2021, the balance of the investment portfolio of Fond-ICOinfraestructuras II, FICC is as follows:

FOND-ICOinfraestructuras

Formalised investment portfolio. Balance as at December 2021 (EUR million)

	Amount
Investments in other venture capital entities (subscribed)	126
Syndicated	36
Equity investments (shares and participations)	7
TOTAL >	169

Fond-ICO Next Tech

This new fund, launched in 2021, is a joint initiative of Instituto de Crédito Oficial and Axis with the Secretary of State for Digitalisation and Artificial Intelligence (SEDIA), included in the National Recovery, Transformation and Resilience Plan. This fund was created with the aim of promoting the development of innovative, high-impact digital projects and investment in growth companies (scale-ups) by strengthening public financing instruments, attracting international funds and boosting the venture capital sector.

4 billion euros in public-private partnerships with the Spanish venture capital sector, with an initial period of four years and a reference contribution of around **2 billion euros** over this period, depending on the capacity for absorption and annual materialisation of investments by the private sector. Participations will be taken and commitments will be made in companies or funds specialising primarily in the digital and artificial intelligence sectors.



PARTICIPATION IN OTHER FUNDS

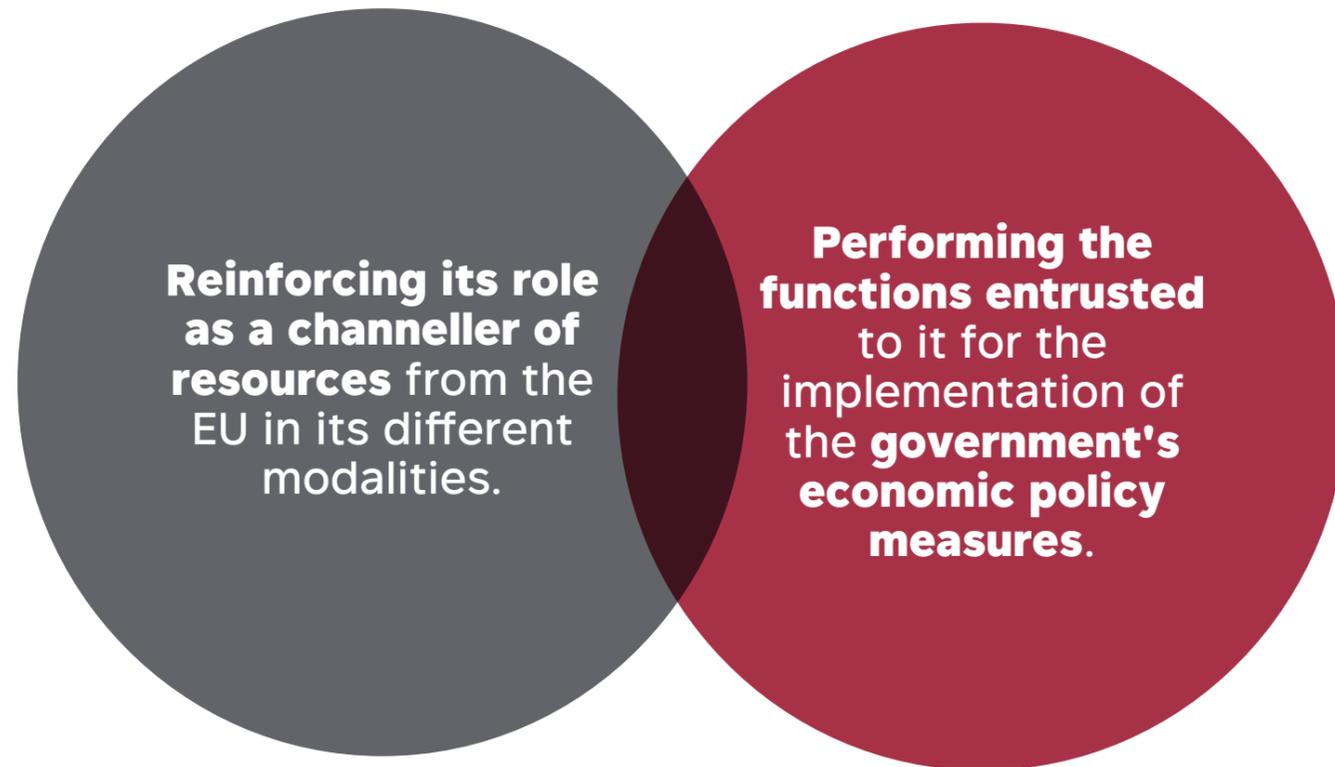
The Institute participates in other funds managed by different companies:

- **FONS MEDITERRÀNIA CAPITAL.** This is a venture capital fund created and designed in 2008 by ICO, along with the Institut Català de Finances (ICF - Catalan Finance Institute) and the EIB, for a total of 62.5 million euros. Its objective is to invest in companies developing projects in the Mediterranean area of the Maghreb (Morocco, Tunisia and Algeria). ICO's shareholding amounts to 24%. The fund is currently in the process of divestment and will cease operations in 2022.
- **MARGUERITE FUND.** This is a European capital fund designed by ICO together with other national promotional banks with the aim of investing in projects and companies in the transport, energy and renewable energy infrastructure sector that contribute to the objectives set by European Union policy. ICO holds 14.08% of the capital. It is currently in a divestment period.
- **FONDO DE APOYO A EMPRESAS (AFS FUND - FUND FOR SUPPORTING COMPANIES).** The fund's aim, constituted in 2013 for an unlimited amount of time, is to provide non-banking financing to companies through commercial invoice discounts guaranteed by Compañía Española de Créditos a la Exportación (CESCE - Spanish Export Credit Agency). ICO holds a 9.96% stake.

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5.3. ICO as an instrument of economic policy. Management of European Union Funds

ICO, as a financial instrument of Economic Policy, supports the Spanish economy in two ways:



Management of European Union Funds. The ICO as *Implementing Partner*

In 2020, ICO obtained accreditation as an *Implementing Partner* of the European Commission for the management of funds under the *InvestEU* programme, which also enables it to perform this function in other EU programmes within the Multiannual Financial Framework 2021-2027. This accreditation gives ICO the capacity, in line with its main EU counterparts, to implement EU budget funds through indirect or delegated management.

The accreditation complements the collaborative actions that the Institute has been developing in recent years with the European Investment Bank (EIB), the European Investment Fund (EIF) and other European institutions to channel funds from EU programmes to projects of Spanish companies.

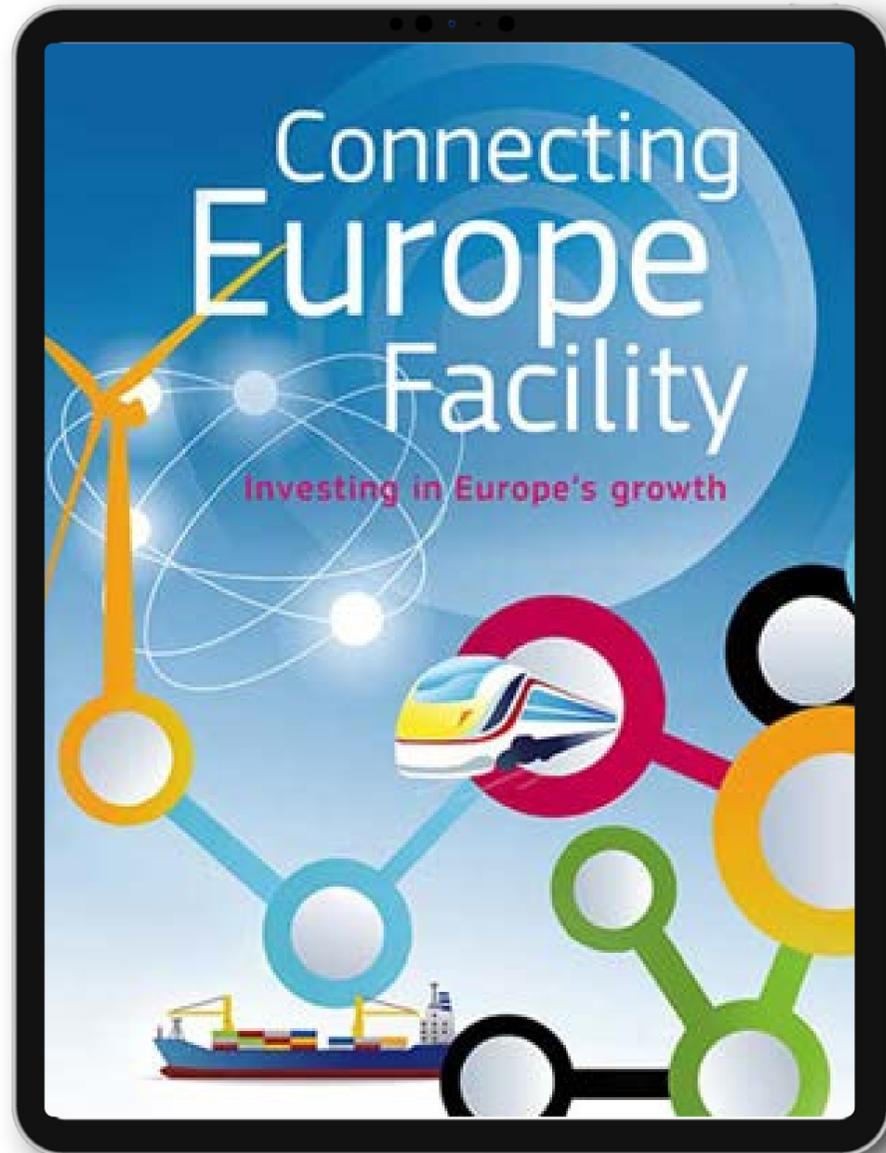
INVESTEU PROGRAMME

This programme provides guarantees through four axes: sustainable infrastructure; research, innovation and digitalisation; SMEs; and social investment and skills.

In 2021, the framework terms of ICO's participation in the *InvestEU* Programme were approved in line with other National Promotional Banks, who, together with the EIB, design debt, guarantee, and/or *equity* or *quasi-equity* financial proposals that cover market failures and involve additionality, so that they are eligible to benefit from the Programme's guarantee and maximise private investment as far as possible.

In June 2021, the ICO requested a first guarantee, for up to €125 million, to cover the risk assumed by the participation as an investor in Sustainable Infrastructure Venture Capital Funds, an initiative framed within the **InvestEU** sustainable infrastructure axis.

The product has been pre-approved by the Commission, pending the final terms and draft framework guarantee contract for negotiation and signature.



CONNECTING EUROPE FACILITY PROGRAMME (CEF-T)

The CEF-T Programme (*Connecting Europe Facility Transport*) promotes the participation of private sector investors and financial institutions in projects that contribute to the environmental sustainability and efficiency of the transport sector in Europe. This is a blending finance (funding plus grant) to promote alternative fuel supply infrastructures.

ICO, as an Implementing Partner of the European Commission, together with the Ministry of Transport, Mobility and Urban Agenda (MITMA), studies and contributes to the search for eligible projects, offering its own financing to ensure the closure of project financing and thus contributing to the blending operation with the long-term financing of the projects, through loans, capital or any form of repayable support.

This programme is implemented through different calls for proposals:

○ CEF TBF 2019 programme: this call for proposals was endowed with **298 million euros** to contribute with a grant or non-refundable financial support of between 10% and 20% of the total investment to projects related to a clean and digital transport system, in particular in the areas of alternative fuels and the European Rail Traffic Management System.

In 2020, ICO began submitting projects to the European Commission under the Programme in what was its first experience of managing EU funds once it had been accredited as an Implementing Partner. This initiative has been continued in 2021.

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By the end of the call for proposals in December 2021, the Institute has funded 10 projects from 7 companies operating in the vehicle power supply, maritime gas and hydrogen sectors. Following the approval of the funding, the Institute has processed the applications for grants under the CEF programme, all of which have been confirmed as approved.

The total volume of funding approved by the Institute for these projects amounts to **165 million euros**, which will allow the development of a total investment of **264 million euros**. The approved amount of the grants is **32 million euros**, which represents more than 10% of the funds allocated for the European Union as a whole.

○ **Alternative Fuel Infrastructure Facility (AFIF)** : This is a new blending finance instrument that became operational in September 2021. The total amount of this new facility has been increased with respect to the CEF TBF 2019, reaching **1,575 million euros** to be distributed until 2023. The objective of this instrument is to try to optimise the application of this aid to companies for the development of infrastructure projects for charging and supplying alternative fuels (mainly hydrogen and electricity) for transport, both in private vehicles and in public transport systems, ports and airports, which contribute to the decarbonisation of transport along the Trans-European Transport Network.



By supporting these projects, ICO contributes directly to SDG 7 by financing the use of clean and sustainable energy, as well as to SDG 11 to achieve sustainable cities and communities.

ICO joined this initiative through an Administrative Agreement signed in Brussels in November 2021.

○ **European Guarantee Fund (EGF), ICO**, the General Secretariat of the Treasury and International Finance (SGTFI), the EIB and the EIF have worked in 2021 on the possible implementation of a guarantee instrument from ICO to financial institutions for the financing of companies, with the counter-guarantee for ICO from the European Guarantee Fund (EGF) and the SGTFI. The target portfolio would be a volume of **5.35 billion euros** made up of loans to Spanish companies through financial institutions.

FINANCIAL INSTRUMENT OF ECONOMIC POLICY

In addition to the management of European funds, the ICO's role as an instrument of economic policy involves the Institute's collaboration with the various ministries and other public administrations for the implementation of financing products, as well as the management of aid under the Recovery, Transformation and Resilience Plan, all with the aim of boosting economic growth and job creation. Through these actions, it also promotes a process of structural transformation by boosting public and private investment and supporting the productive fabric, accelerating the double ecological and digital transition and strengthening and increasing resilience and economic, social and territorial cohesion within the framework of the European single market.

In this regard, during the past year 2021, various products and initiatives to be implemented by ICO with funds from the Recovery, Transformation and Resilience Plan have been advanced and are currently in the development phase:

○ **In collaboration with the Ministry of Transport, Mobility and Urban Agenda (MITMA):**

ICO-MITMA SUSTAINABLE MOBILITY Facility and Programme. An initiative endowed with **1.4 billion euros** for sustainable mobility projects in the public and private sector. The Institute provides funding with a grant from MITMA.

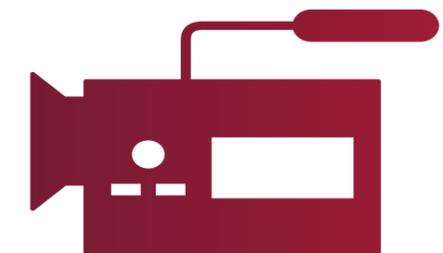
ICO-MITMA AVALES REHABILITACIÓN EDIFICATORIA RESIDENCIAL facility, with **1,100 million euros** for residential building refurbishment projects. The Institute provides funding through Second-Floor Facilities, with MITMA's guarantee and grants managed by the Autonomous Communities.

- **In collaboration with the Secretary of State for Digitalisation and Artificial Intelligence (SEDIA),** through the "Kit Digital" programme, endowed with **3 billion euros** to promote the digitalisation of Spanish SMEs through ICO financing and RED.ES grants.
- **In collaboration with the Secretariat of State for Tourism (SET)** to promote the digitalisation, innovation and modernisation of tourism companies, with ICO financing for companies in the sector and aid managed by the Autonomous Communities to carry out energy efficiency and circular economy projects.

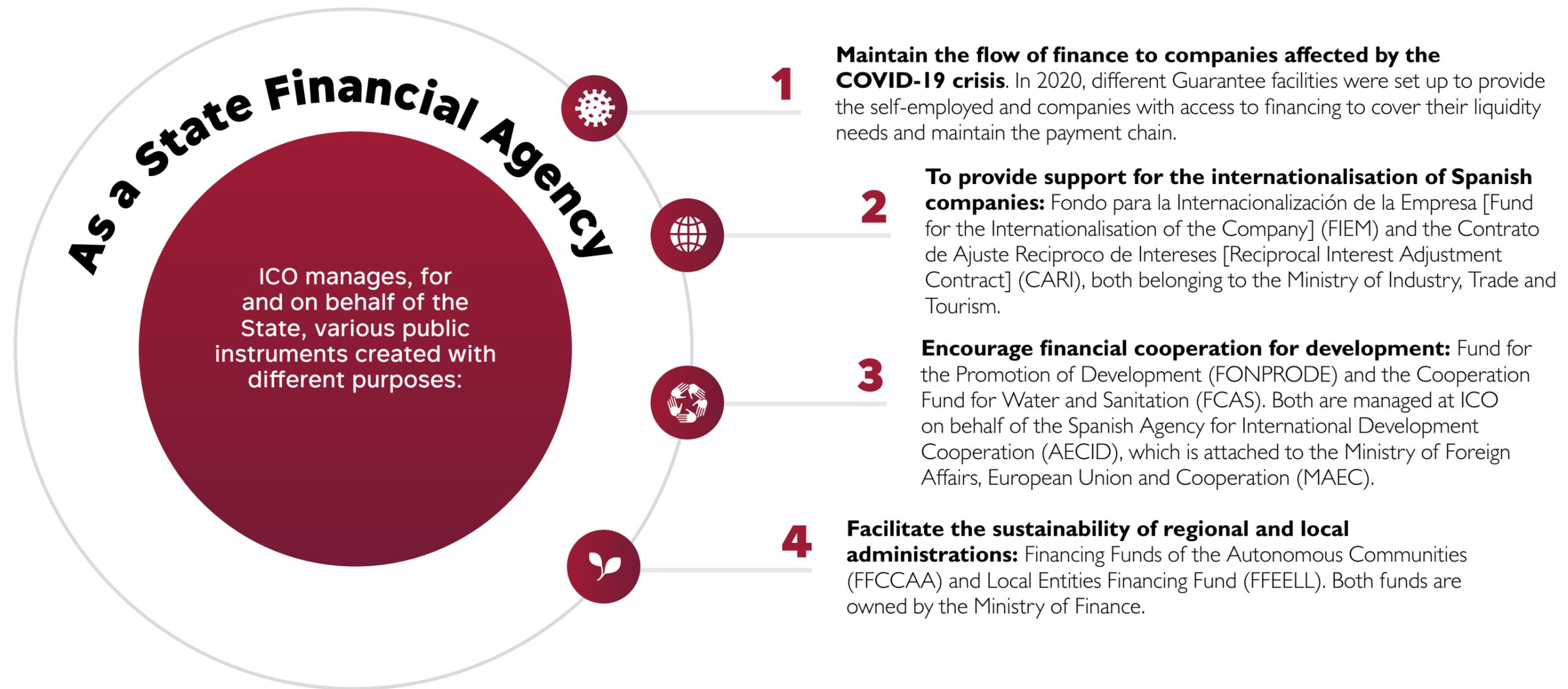
In 2021, an agreement was signed with the **Corporación de Radio Televisión Española [Spanish Radio and Television Corporation] (CRTVE, SA)** for the financing of audiovisual works:

100  **million euros**

which will enable the launch of a new funding programme to support new audiovisual productions.



5.4. Operations managed on behalf of the State



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The Institute's role as financial agent for all these instruments is to formalise, manage and administer their activity, acting in the name and on behalf of the State. The accounting record is done separately, so that their balances do not form part of ICO's financial statements.

At the year-end of 2021, the overall volume under management stood at **296,531 million euros**.

Balances managed on behalf of the State (millions of euros).

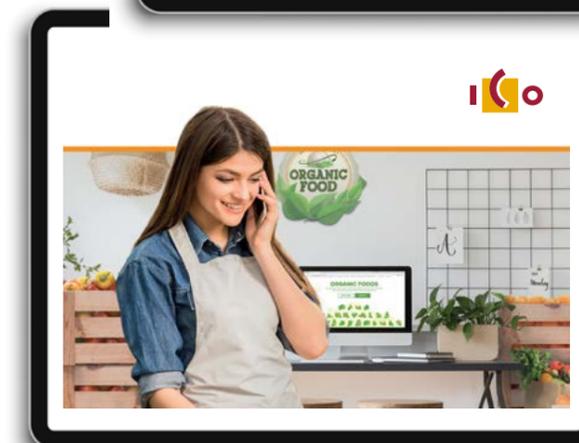
Data as of 31 December 2021

	2021
Fund for Financing Autonomous Communities	179,764
State COVID-19 Guarantee Lines (guaranteed volume)	103,755
Fondo para la Financiación de las Entidades Locales (FFEELL)	6,176
Fund for the Internationalisation of the Company (FIEM)	3,712
Reciprocal Interest Adjustment Contract (CARI)	2,713
Fund for the Promotion of Development (FONPRODE)	390
Cooperation Fund for Water and Sanitation (FCAS)	21
Total	296,531

Covid-19 Guarantee Scheme

Since March 2020, the government has adopted a set of urgent measures to respond to the economic impact of the COVID-19 health crisis. Among the measures approved is the implementation of different facilities for State guarantees, whose management was entrusted to the Institute through Royal Decree-Laws 8/2020 and 25/2020, approving public guarantees for an amount of up to 140,000 million euros. These facilities are providing the self-employed and companies with access to financing, mainly to cover their liquidity needs and to maintain the payment chain, mobilising resources on an unprecedented scale. The financing obtained has been key to maintaining liquidity and the flow of financing to companies, especially SMEs and the self-employed, in a way that has contributed to laying the foundations for economic recovery.

During 2021, new measures have been adopted in relation to guaranteed operations, in order to continue protecting the productive fabric and avoid a structural impact on the economy and employment. Among the set of measures enabled by Royal Decree-Law 5/2021 is the creation of a facility endowed with **3 billion euros** so that ICO can accompany financial institutions in the restructuring processes of financial debt that has a public guarantee. In order to establish a common framework for action in these processes and to encourage the involvement of entities, in May 2021 the



Council of Ministers approved a Code of Good Practices, the main features of which are as follows:

○ **Financial institutions may adhere to the Code on a voluntary basis.** To ensure transparency, the list of adhering and non-adhering entities will be made public.

○ **Public support measures for solvency:**

- Companies and the self-employed whose turnover has fallen by 30% and meet certain requirements may benefit from the extension of the maturity of the guaranteed operation, which will reach a maximum of 10 years. They may also extend the grace period.
- Maintenance of the public guarantee for loans that, by voluntary agreement between the financial institution and the company, are converted into participation loans.
- Finally, direct transfers to the self-employed and companies are envisaged for the reduction of the principal of the financing guaranteed through the facility for the restructuring of financial debt endowed with **3,000 million euros**.

This package of measures has been complemented by the adoption of different agreements that extend until 1 June 2022 the possibility for the self-employed and companies to apply for guarantee facilities and until 30 June 2022 the deadline for the Ministry of Economic Affairs and Digital Transformation to grant guarantees under the aforementioned Royal Decree-Laws 8/2020 and 25/2020.

Overall, up to 31 December 2021, **103.8 billion euros** have been guaranteed for more than 722,000 self-employed persons and companies.

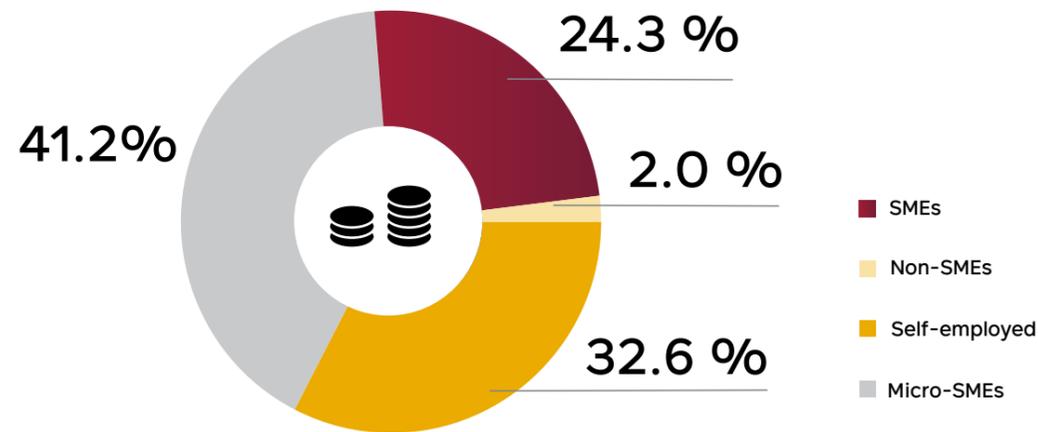
According to available data, the Guarantee Facilities managed by ICO are one of the most effective programmes in our neighbouring countries of the European Union in terms of their use and extension in the productive fabric.



The distribution of guaranteed operations according to the size of the applicant company is shown below. In total, 98% of the operations guaranteed have been subscribed by SMEs and the self-employed. 74% of the total number of operations guaranteed have been requested by companies with less than 10 employees (self-employed and micro-SMEs).

Guarantee Facilities under Royal Decree Laws 8/2020 and 25/2020

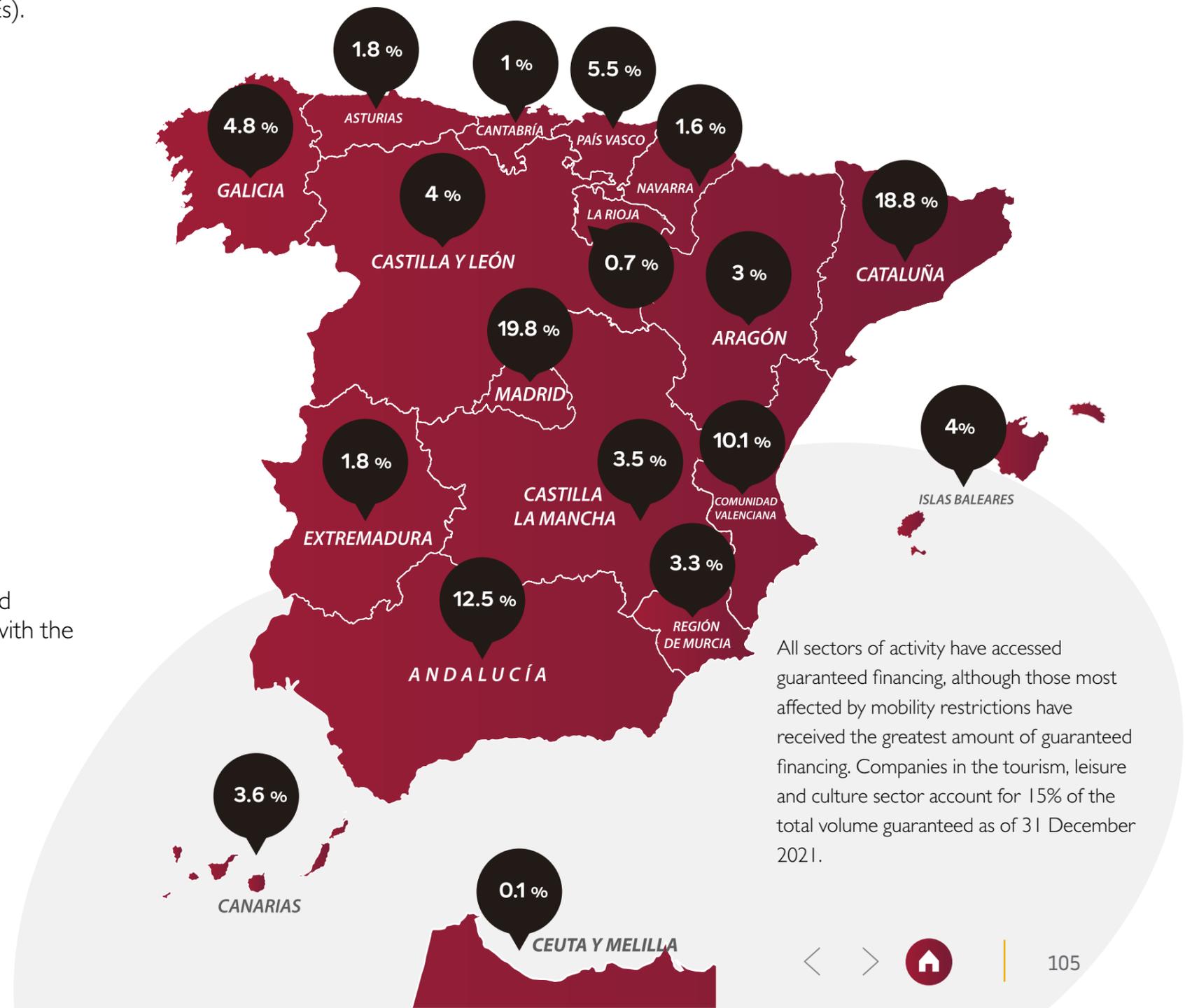
Distribution of number of guarantees by type of company



In terms of geographical distribution, all the Autonomous Communities have received financing guaranteed by the State. The distribution of amounts guaranteed is in line with the relative weight of the business fabric in each Community.

Guarantee Facilities under Royal Decree Laws 8/2020 and 25/2020

Distribution of the amount guaranteed by Autonomous Regions



All sectors of activity have accessed guaranteed financing, although those most affected by mobility restrictions have received the greatest amount of guaranteed financing. Companies in the tourism, leisure and culture sector account for 15% of the total volume guaranteed as of 31 December 2021.

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Financing Fund for Autonomous Communities (FFCCAA)

Via Royal Decree-Law 17/2014, on measures to ensure the financial sustainability of Autonomous Communities and Local Entities, the Fondo de Financiación de Comunidades Autónomas (FFCCAA) was created with the aim of providing liquidity to these administrations. In terms of rights and obligations, this fund succeeded the defunct Fondo de Liquidez Autonómico (FLA) and Financiación del Pago a Proveedores (FFPP) created in 2012, assuming their assets.



The Fund for Financing Autonomous Communities is structured in five compartments with their own characteristics and conditions: the first four: Financial Facility, Autonomous Community Liquidity Fund, Social Fund and Fund in liquidation for the Financing of Payments to Suppliers of Autonomous Communities, were established in accordance with the provisions of article 6 of Royal Decree-Law 17/2014 of 26 December. The fifth compartment, called the REACT-EU Liquidity Fund, was created by virtue of the twenty-ninth final provision of Law 11/2020 of 30 December on the General State Budget for 2021, which amended Royal Decree-Law 17/2014 of 26 December.

Among the functions of ICO as financial manager of the fund are the formalisation of financial operations with the Autonomous Communities and the provision of technical instrumentation, accounting, cash, paying agent and monitoring services.

The amount drawn down through the FFCCAA during the year 2021 amounted to **34,615 million euros**. The outstanding balance of the fund stood at **179,764 million euros** as at 31 December 2021.

Local authority financing fund (FFEELL)

The Royal Decree-Law 17/2014 also created the Fondo de Financiación a Entidades Locales (FFEELL) in order to provide liquidity and ensure the financial sustainability of municipalities by attending to their financial needs. The assets of the defunct FFPP were transferred to this new fund, in the part corresponding to these administrations. ICO was also designated as the fund's financial agent, with the same functions as it has for the FFCCAA.

The amount drawn down through the FFEELL during 2021 amounted to **526 million euros** and the outstanding amount at year-end was **6,176 million euros**.

Since their creation in 2012 and until the end of the financial year 2021, these two territorial financing instruments have injected more than **117,941 million euros** of direct liquidity into the economy. This has been possible thanks to the payment of over 14.4 million invoices, benefiting around 373,000 companies. In addition, the financial debt of the territorial administrations has been serviced for an amount of **202,478 million euros**.

Fund for the Internationalisation of the Company (FIEM)

The FIEM was created with Law 11/2010 of 28 June 2010 as an instrument for the financing of official support for the internationalisation of Spanish companies, with the aim of being a complementary instrument to the private market. Its purpose is to promote the commercial activity of companies abroad and Spanish direct investment abroad. To accomplish this, the Fund carries out repayable financing of projects, in concessional or market terms, linked to the acquisition of Spanish goods and services or the execution of Spanish investment projects or those that are in the national interest.

The fund is managed by the Secretary of State for Trade, reporting to the Ministry of Industry, Trade and Tourism, which is responsible for selecting projects to be financed, preparing profiles and feasibility studies that are needed for their analysis, evaluating financing proposals and monitoring the execution and assessment of these.

ICO acts as financial agent, formalising, in the name of and on behalf of the Spanish Government and on behalf of the State, the corresponding credit, loan or grant agreements linked to the FIEM. It also provides technical instrumentation, accounting, cashier, paying agent and control services, and, in general, all services of a financial nature relating to operations authorised under the FIEM. In addition, in certain aspects relating to the management of the fund, ICO advises the Ministry in the following international forums: The Paris Club, Exports Credit Group with official help from the European Council and the OECD Participant Group.

In 2021, FIEM operations amounting to **279 million euros** were approved and loans of **72 million euros** were formalised.

Balances managed on behalf of the State

Operations approved and formalised in the financial year (million euros)

2021

LOANS APPROVED



279

LOANS FORMALISED

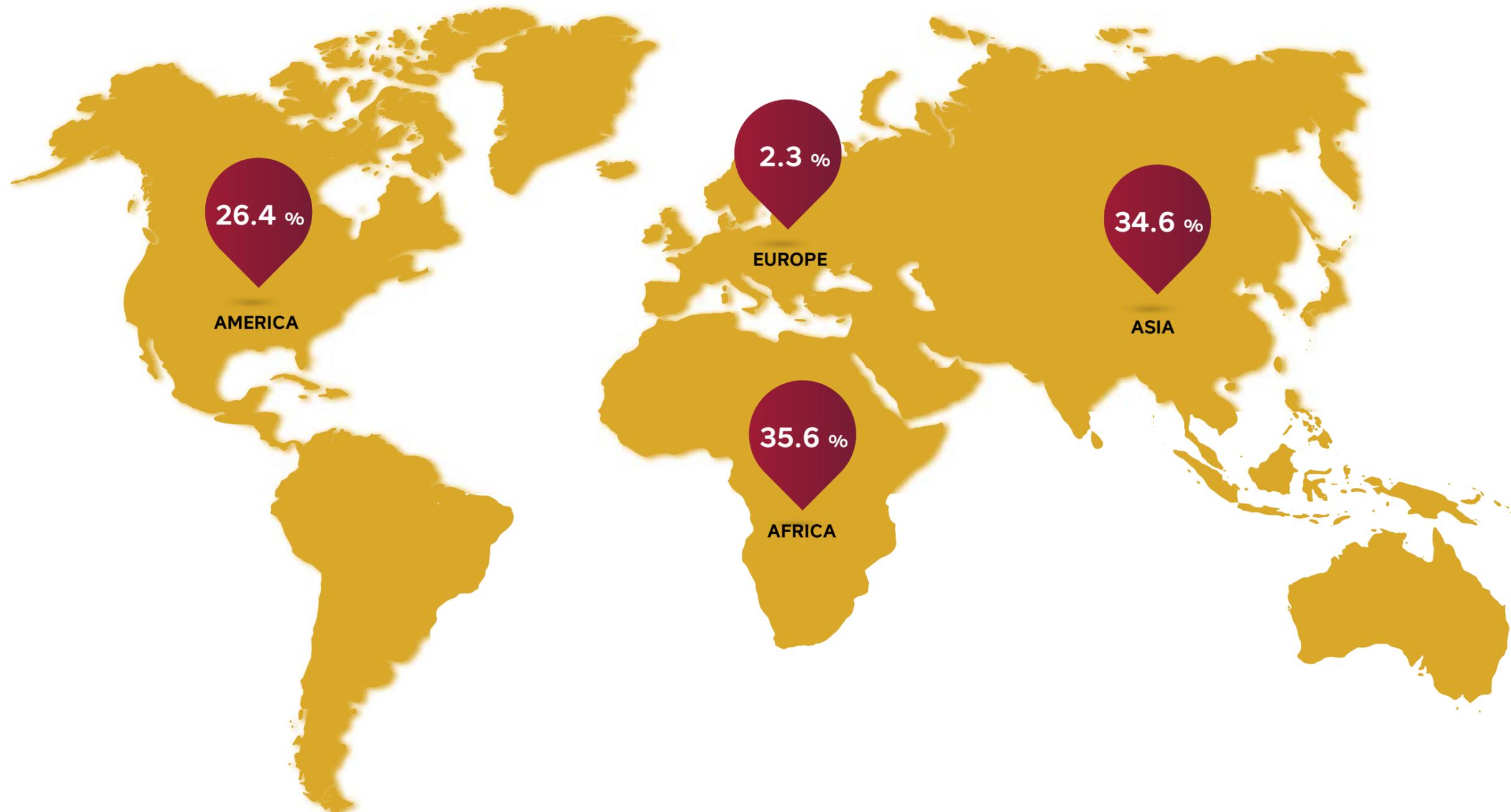


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The FIEM has consolidated itself as an important official instrument that supports the entry of Spanish companies into foreign markets. The outstanding loan portfolio balance at 31 December 2021 amounted to **3,712 million euros**, geographically distributed as follows:



Reciprocal Interest Adjustment Contract (CARI)

CARI is a financial instrument that is similar to an interest rate insurance, the aim of which is to promote the commercial activity of Spanish companies abroad by encouraging financial institutions to grant long-term loans at a fixed interest rate.

Interest adjustment contracts ensure that the lenders apply a particular financial margin on the outstanding amount of each loan collected through the system, eliminating risks arising from the difference between the fixed rate of the loan and the cost conventionally attributed to the resources that finance them. This financial instrument offers flexibility to banks and exporters to adapt to the construction period, the number of provisions and amortisation schedules, as well as having the coverage of the Compañía Española de Seguro de Crédito a la Exportación (CESCE - an Export Credit Agency). One of the necessary conditions in order to qualify for the system is that the interest rates established in the operations by lenders are those indicated in the agreement of the Organisation for Economic Co-operation and Development (OECD).

The activity of the CARI during the past year 2021 is summarised in the following table:

Reciprocal Interest Adjustment Contract (CARI).

Operations approved and formalised in the financial year (million euros)

2021

LOANS APPROVED



382

LOANS FORMALISED



623



CARI's outstanding loan portfolio balance to 31 December 2021 amounted to **2,713 million euros**, with the following geographical distribution:

Reciprocal Interest Adjustment Contract (CARI).

Geographical distribution of loan portfolio balance at 31.12.2021 (percentages of the total).

America	67%
Asia	14%
Africa	15%
Europe	4%
TOTAL	100%

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Fund for the Promotion of Development (FONPRODE)

FONPRODE is one of the main financial instruments of Spanish cooperation. It is owned by the Ministry of Foreign Affairs, European Union and Cooperation (MAEC), through the Spanish Agency for International Development Cooperation (AECID), the body in charge of administering the fund.

The Fund's main objective is to eradicate poverty, reduce social inequalities and inequities between people and communities, promote gender equality, and defend human rights and sustainable development in developing countries. It grants non-reimbursable operations (grants, contributions and contributions to multilateral organisations and international development finance institutions) and reimbursable operations (contributions to multilateral organisations, loans to local microfinance institutions and loans to states). The fund may also make capital contributions to investment funds.

ICO formalises, in the name of and on behalf of the Spanish government and on behalf of the State, the agreements to be signed with the beneficiaries. It also provides

technical instrumentation, accounting, cashier, paying agent and control services, and, in general, all services of a financial nature relating to transactions authorised under the Fund. In 2021, operations were formalised that amounted to **118 million euros**.

At year-end 2021, the outstanding amount is **390 million euros**, broken down as follows:

Fund for the Promotion of Development (FONPRODE).

Loan portfolio balance at 31.12.2021 (million euros and percentages).

	2021	%/Total Portfolio
Reimbursable contributions to Multilateral Bodies	258	66.1%
Micro-credit programmes	87	22.3%
Credits to States	45	11.6%
TOTAL Portfolio	390	100.0%

In addition to the loan portfolio, FONPRODE has a portfolio of capital contributions to funds with an outstanding balance of **150 million euros** as of **31 December 2021**.



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Cooperation Fund for Water and Sanitation (FCAS)

Law 51/2007, of 26 December, on the General State Budget for 2008, created the Cooperation Fund for Water and Sanitation (FCAS) as an instrument to finance actions, within the international development cooperation policy, aimed at providing access to water and sanitation for the citizens of Latin American countries.

The fund is attached to the Agencia Española de Cooperación para el Desarrollo (AECID), under the Ministry of Foreign Affairs, European Union and Cooperation.

The fund grants non-reimbursable aid and, where appropriate, loans under the co-financing regime with the national authorities of beneficiary countries, with supranational bodies or with private institutions. ICO formalises, in the name of and on behalf of the Spanish government and on behalf of the State, the corresponding FCAS financing agreements and provides all financial services relating to the authorised operations.

Since its creation in 2008, disbursements made from the fund amount to over **846 million euros**, which corresponds in its entirety to non-reimbursable programs.

5.5. Financing the internationalisation of companies

Boosting the international activity of Spanish companies and attracting foreign investment to our country is one of ICO's strategic priorities. To this end, in its role as National Promotional Bank, it makes available to companies a wide range of financing and guarantee instruments that have contributed to promoting investment and commercial activity abroad in a way that is increasingly diversified geographically and towards sectors with greater added value. ICO is part of and actively contributes to the Strategy for the Internationalisation of the Spanish Economy 2017-2027.

Among the financial instruments specialised in internationalisation, the ICO Second-Floor Facilities stand out, focusing both on SMEs (ICO Exporters and ICO Internationalisation) and on larger-scale projects through the ICO International Channel facility. Direct activity with companies through structuring, syndications, *Project Finance* and corporate debt acquisitions, together with the Institute's important role in granting guarantees in international bidding processes, also contributes to this objective.

In 2021, the total volume of financing and guarantees issued to promote the internationalisation of Spanish companies amounted to **1,042 million euros** (41% of the total volume of ICO financing to companies in the year).

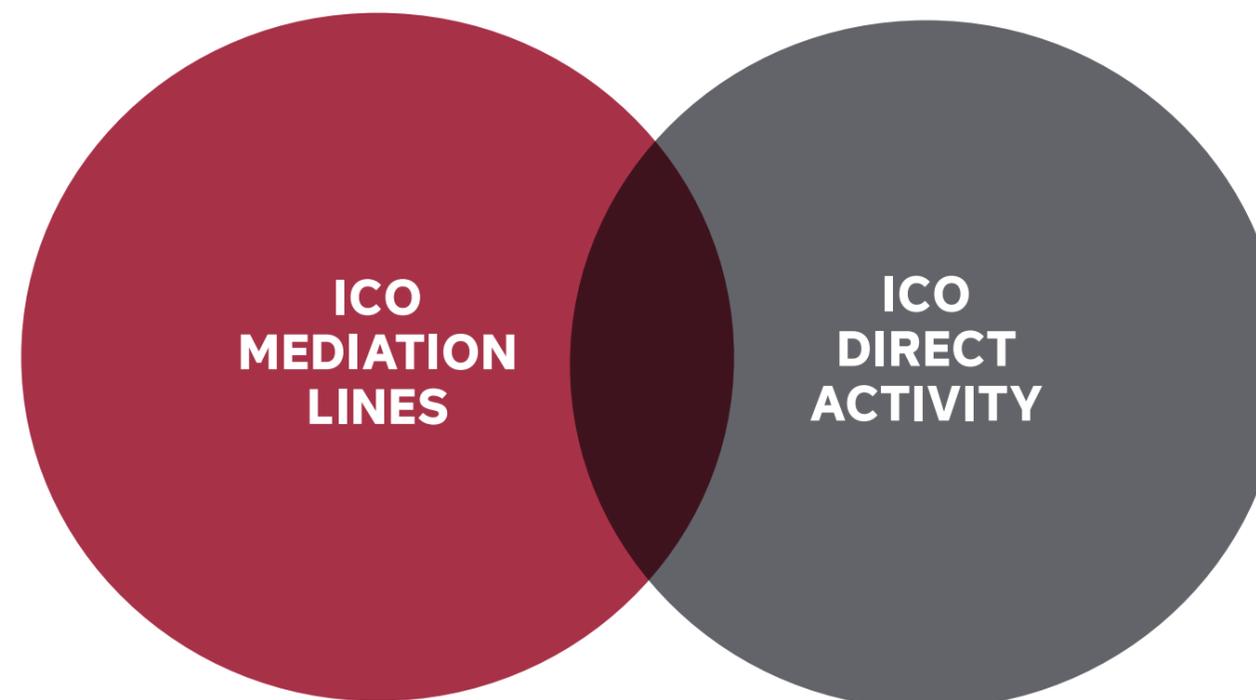
Business financing 2021.

INTERNATIONAL investment (million euros and number of operations).

	DRAWDOWNS 2021	
	Amount	No. of Operations
ICO Second-Floor Facilities	384	1,348
Direct activity	658	49
TOTAL	1,042	1,397

The international activity for each of the fund distribution modalities through which the ICO operates is detailed below:

Modalities of fund distribution



ICO MEDIATION LINES:

The total amount made available in 2021 through these lines to finance investments and commercial activity abroad by Spanish companies amounts to **384 million euros**, located in nearly 80 different countries. This financing has been granted through 1,348 operations from more than 200 customers.

One of the highlights of the 2021 activity of the ICO internationalisation mediation lines is the important contribution of the ICO International Channel line, with **255 million euros** available, whose scope of application is located in the LATAM and NAFTA (free trade area between Canada, the United States and Mexico) geographic areas. This product is distributed with the collaboration of international financial institutions that favour access to financing for Spanish companies in local markets.

ICO Second-Floor Facilities 2021 INTERNATIONAL INVESTMENT

Breakdown of investment by geographical areas (millions of euros)

	DRAWDOWNS 2021	
	Amount	%/Total
LATAM	151	39.3%
NAFTA	119	30.9%
EU	95	24.9%
REST OF EUROPE	10	2.7%
AFRICA	3	0.9%
ASIA AND OCEANIA	3	0.8%
MIDDLE EAST	-	0.0%
Total	384	100.0%

ICO DIRECT ACTIVITY

The total amount drawn down in 2021 through the different financing and guarantee products that the ICO offers Spanish companies to finance investments and boost commercial activity abroad amounts to **658 million euros**. The table below shows the distribution of the volume drawn down by geographical area:

Direct activity 2021. INTERNATIONAL INVESTMENT

Breakdown of investment by geographical area (millions of euros)

	DRAWDOWNS 2021	
	Amount	%/Total
EU	134	20.4%
LATAM	128	19.5%
AFRICA	110	16.7%
NAFTA	60	9.1%
ASIA AND OCEANIA	35	5.3%
MIDDLE EAST	24	3.7%
REST OF EUROPE	23	3.5%
MULTIPLE GEOGRAPHIC AREAS (**)	143	21.8%
Overall total	658	100.0%

(**) Included under this heading are transaction provisions granted to globally active companies whose investments span multiple geographic areas.

5.6. Resource acquisition

The Institute finances its medium and long-term activity mainly through debt issues in the capital markets and through bilateral loans from multilateral financial institutions. ICO is not financed through the General State Budgets, nor does it accept deposits from individuals. During 2021, ICO obtained medium- and long-term resources for **5,765 million euros**.

Third green bond issue

In June 2021, the Institute launched its third green bond issue for an amount of **€500 million**. The funds raised through this issue will support projects of Spanish companies in the field of renewable energy, energy efficiency, clean transport, pollution prevention and control and sustainable management of natural resources.

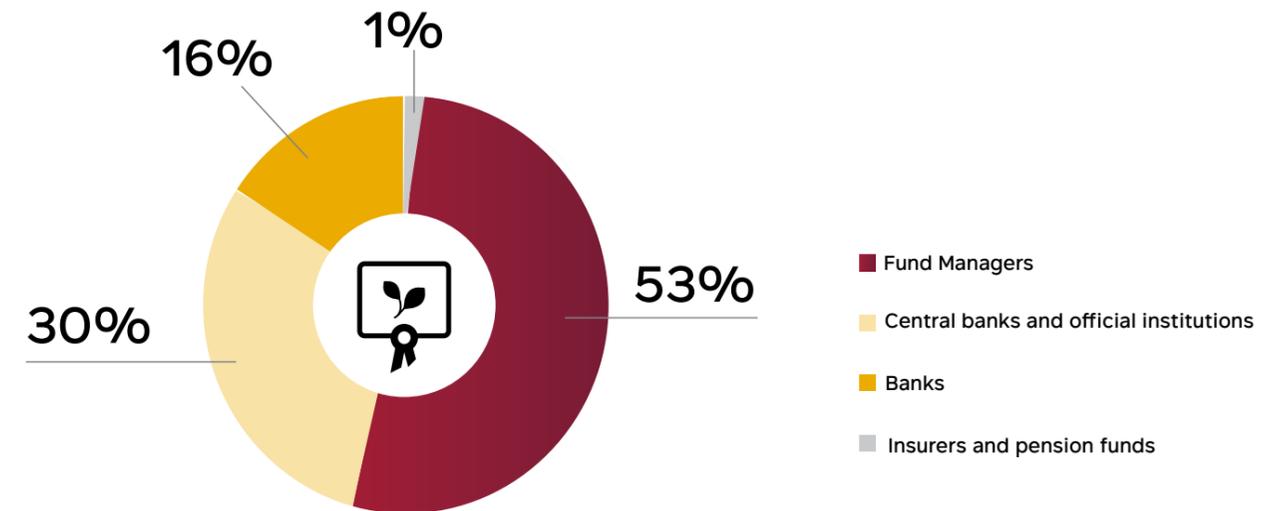
This issue is the first that ICO has made under the umbrella of the updated framework for green bond issuance, which includes new categories relevant to the transition to an emission-free economy, such as hydropower and green hydrogen.



Green issue in 2021. (500 million euros).

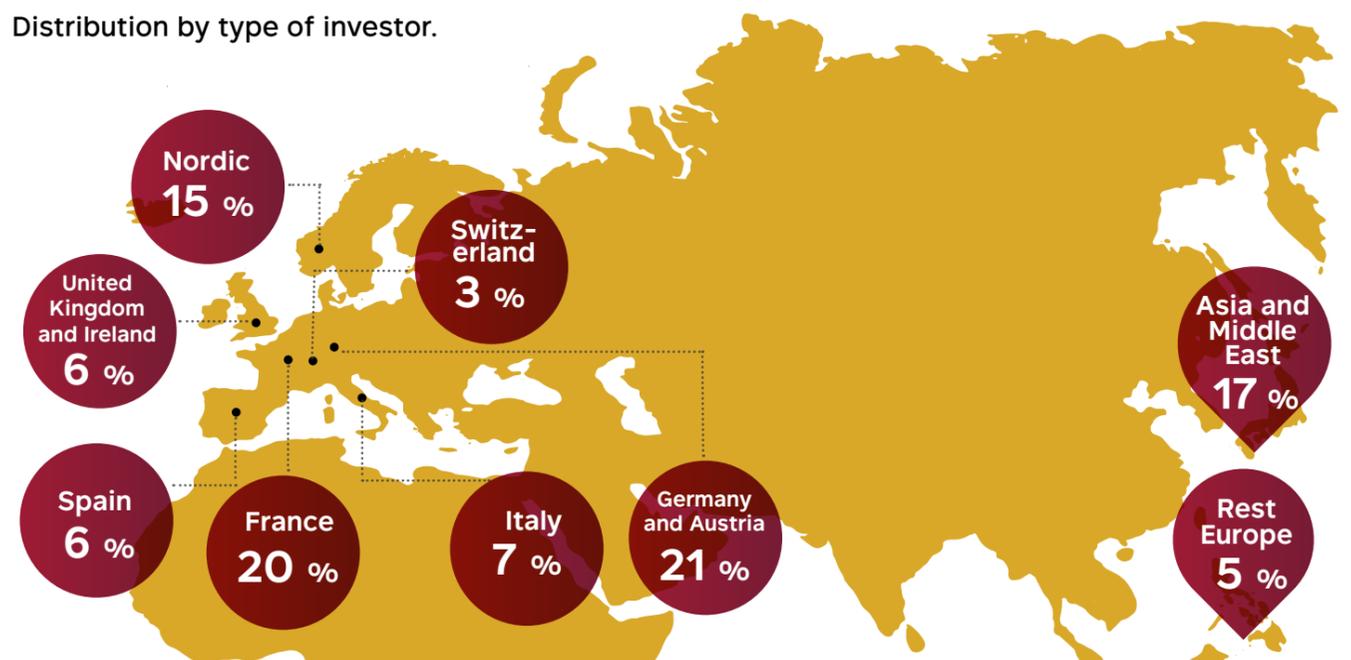
Distribution by type of investor.

The distribution of issuance, by type of investor and geography, was as follows:



Green bond issuance in 2021. (500 million euros).

Distribution by type of investor.



In 2021, the ICO has launched its eighth issue of social bonds.

In November 2021, the ICO launched a new issue of social bonds for an amount of **€500 million** to finance projects of the self-employed, SMEs and Spanish companies with a positive social impact and that contribute to boosting recovery and sustainable economic growth.

Our social bonds contribute to sustainable development, and help achieve SDG 8 on decent work and economic development.

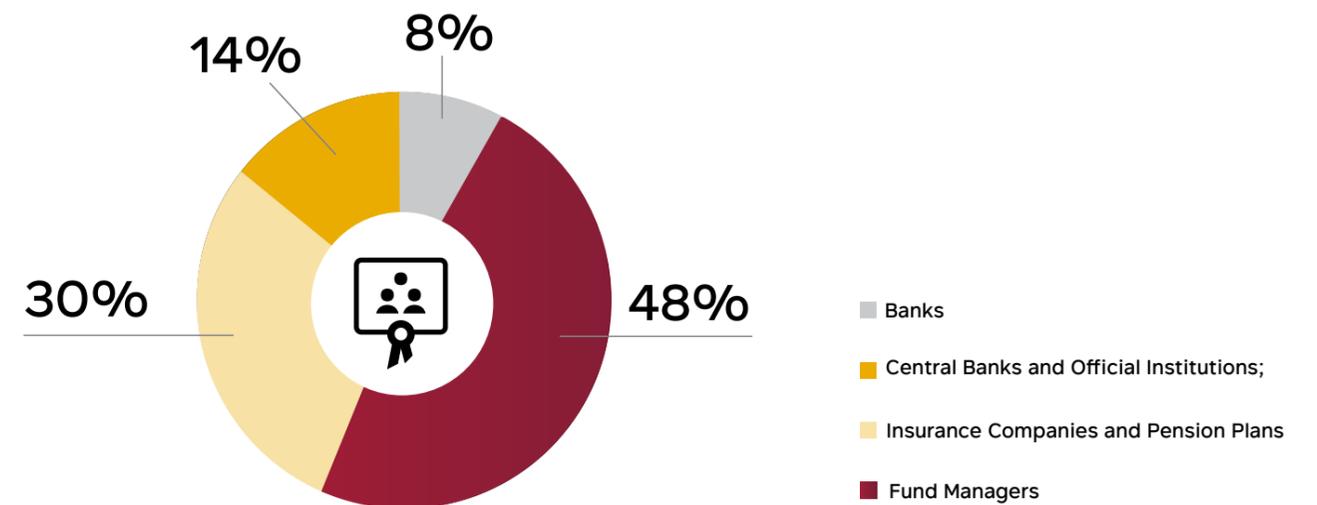
The issue was very well received by investors. Likewise, 70% of the issue was placed with socially responsible accounts (SRIs), the highest percentage ever recorded in ICO's social bond issuance, demonstrating investor confidence in the Institute as a sustainable debt issuer.

⁵ Banco de España. Report MARKETS, FINANCIAL INSTITUTIONS AND CENTRAL BANKS IN THE FACE OF CLIMATE CHANGE: CHALLENGES AND OPPORTUNITIES. August 2021.

The distribution, in terms of type of investor and geography, was as follows:

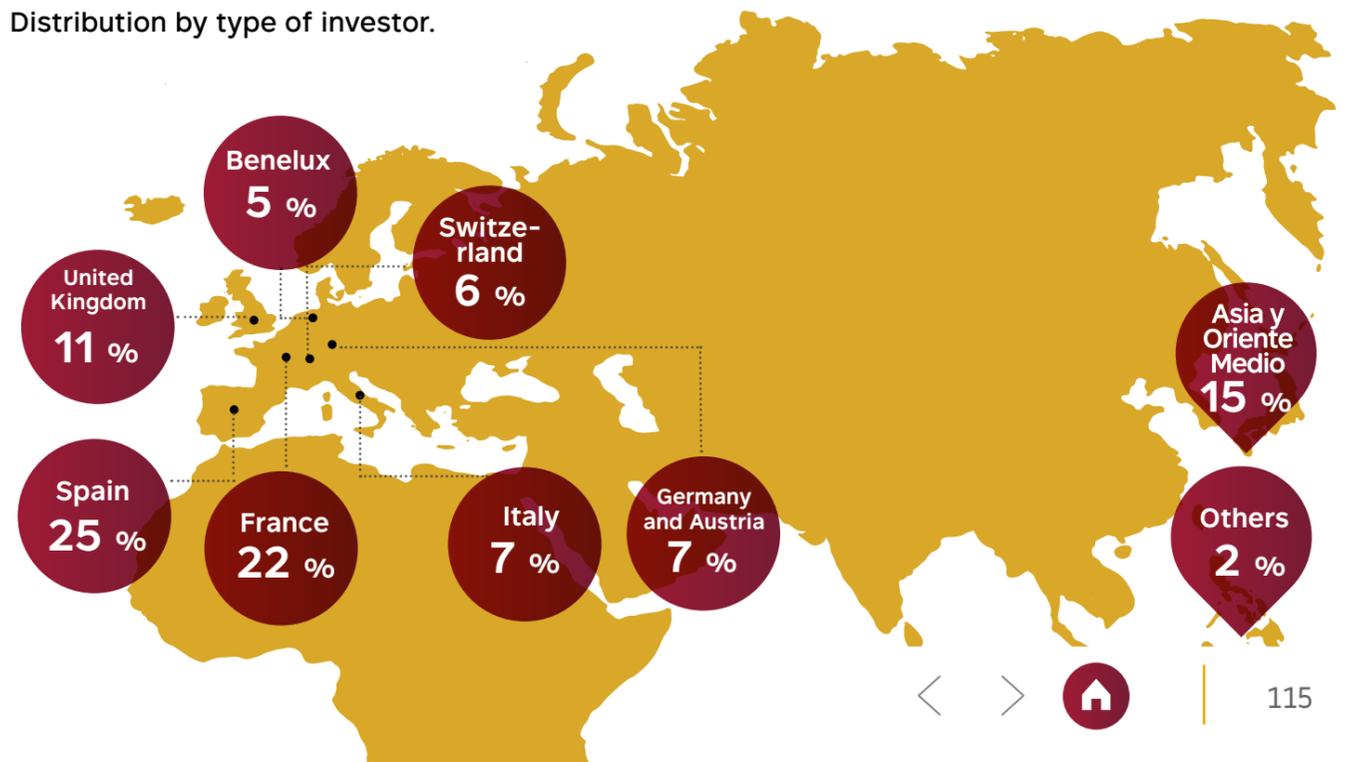
Social bond issue in 2021. (500 million euros).

Distribution by type of investor.



Social bond issue in 2021. (500 million euros).

Distribution by type of investor.



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ICO continues to consolidate its position in the sustainable bond market

With these two new issues in 2021, the Institute has issued 8 social bonds totalling **4,050 million euros** and 3 green bonds totalling **1,500 million euros**, thus consolidating the ICO's position as one of the benchmark issuers in this market at European level.

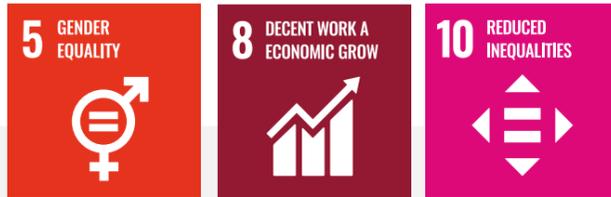
Transparency towards investors remains a cornerstone for ICO. In 2021, the impact reports for the COVID-19 social bond and the green bond issued in 2020 were published. Through these reports, ICO provides information to investors about the destination of the funds raised and the impact generated. The funds obtained through the social bonus financed 1,098 projects, of which 1,054 were SMEs, thus helping to alleviate the economic and social effects caused by the pandemic and enabling the creation or retention of 14,879 jobs. In addition, the green bond financed 13 projects in the categories of renewable energies and clean transport, which will help to avoid the emission of 263,030 tonnes of CO₂.



6

Staff and diversity management





ICO's most important asset is its human and intellectual capital, committed professionals who drive the organisation every day towards achieving its mission in an environment of collaboration and trust.

In its relationship with the professionals who make up the organisation, the ICO undertakes to:

THE UNIVERSAL DECLARATION OF HUMAN RIGHTS and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.



FREEDOM OF ASSOCIATION and effective recognition of the right to collective bargaining.



EQUAL treatment and opportunities for men and women and the fight against all forms of discrimination.



PROFESSIONAL DEVELOPMENT and training.



RECONCILING WORK AND family and personal life.



HEALTH AND SAFETY at work.



RECONCILING PROFESSIONAL activity with respect for the environment.



THE SOCIAL AND LABOUR INCLUSION of groups with functional diversity.



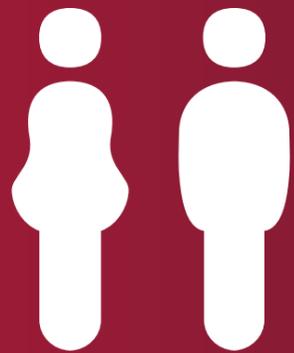
CORPORATE VOLUNTEERING, developed through collaboration agreements with social entities that allow us to get closer to the local reality and with the aim of generating a benefit for the local community.



ICO's commitments to its staff are set out in the Sustainability Policy approved in 2020, and are embodied in the personnel policies and procedures and in the actions carried out in each of its areas.

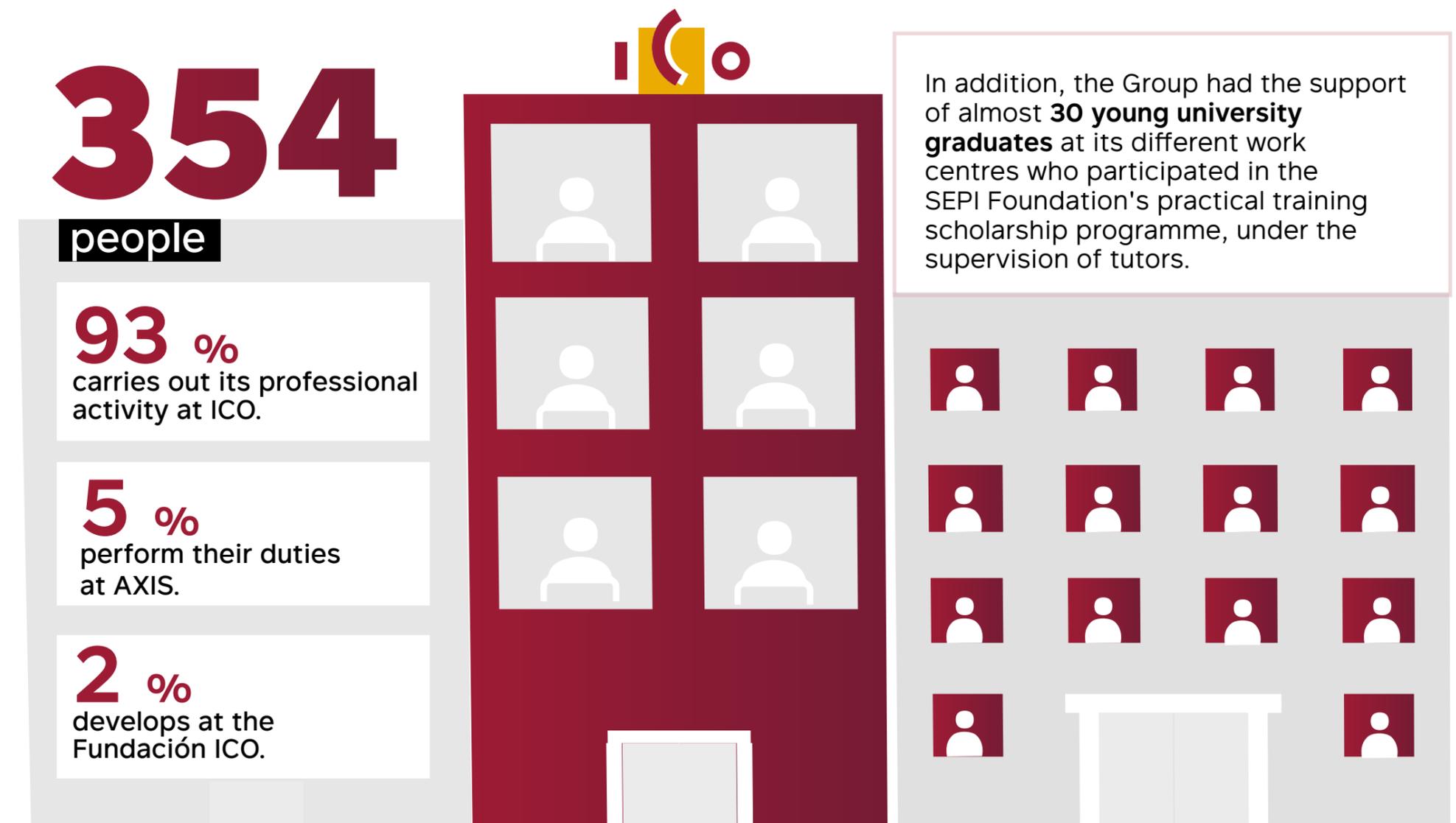
6.1. Staff data

A. Staff distribution



1) Distribution of ICO Group staff by age, gender and professional groups.

During 2021, the average headcount of the ICO Group amounted to:



Annual average - ICO Group

1) Distribution of ICO Group staff by age, gender and professional groups.

	AVERAGE STAFF	Less than 30 years of age	Between 30 and 50 years of age	Older than 50 years old
MANAGERS	18	-	5	13
Women	6	-	3	3
Men	12	-	2	10
MIDDLE MANAGERS	55	-	31	24
Women	31	-	21	9
Men	24	-	10	15
TECHNICIANS	224	9	111	104
Women	133	5	69	59
Men	91	4	42	45
ADMINISTRATIVE	57	-	13	45
Women	49	-	11	39
Men	8	-	2	6
TOTAL STAFF	354	9	160	185
Women	218	5	103	110
Men	136	4	56	75
GRANT HOLDER	30	30	-	-
Women	12	12	-	-
Men	18	18	-	-
TOTAL STAFF	384	39	160	185

During 2021, the average number of staff of the ICO Group was 354. Of these, 93% carry out their professional activity at ICO, while 5% work at AXIS and 2% at Fundación ICO.

In addition, the Group had the support of almost 30 young university graduates at its different work centres who participated in the SEPI Foundation's practical training internship programme, under the supervision of tutors.

In line with the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, as well as national and international regulations, the ICO Group does not employ any underage employees.

The high specialisation of the products and services offered by ICO Group entities is reflected in the distribution of staff by professional group. As a result, 63% of the workforce is in the professional group of Technicians.

In terms of the age distribution of the staff, the majority of the staff is in the 51-60 age group, with an average of 158.2 people in this age group (45% of the staff).

Given the nature of ICO as a national Public Business Entity, 100% of our staff carry out their professional activity in Spain.

2) Additions to and removals from the ICO Group's workforce

During the year 2021, the ICO Group's staff will have 29 new employees, distributed entirely within ICO between technical and administrative positions. 33 employees (45% women) left the company, the most common cause being leave of absence. No dismissals due to redundancy are recorded, so this information is not broken down by age.

Distribution of leaves

	Retirement	Leave of absence	Voluntary Resignation	Termination of Contract	Others Causes
Directives	-	-	1	-	-
Women	-	-	-	-	-
Men	-	-	1	-	-
Middle Management	1	1	-	-	-
Women	1	1	-	-	-
Men	-	-	-	-	-
Technicians	4	11	10	2	1
Women	1	6	5	-	-
Men	3	5	5	2	1
Administrative Staff	1	-	-	1	-
Women	-	-	-	1	-
Men	1	-	-	-	-
TOTAL STAFF	6	12	11	3	1
Women	2	7	5	1	-
Men	4	5	6	2	1

Note: All the deregistrations (33) in 2021 relate to the ICO. There were no leaves from AXIS or the Fundación ICO.

Note: In 2021, there were no departures due to termination, dismissal and permanent total disability.

3) Employees with disabilities

There are 4 people with a recognised disability (functional diversity/physical disability) on the staff, 75% of whom are women.

In addition, ICO has signed an agreement with the A LA PAR Foundation through which 2 people with disabilities completed their studies by doing internships at ICO during the year 2021.

ICO has justified the existence of exceptional reasons for which it has been authorised by the Madrid Regional Ministry of Economy, Finance and Employment to comply alternatively with the reserve quota in favour of people with disabilities. Through the adoption of these alternative measures, ICO employs 3 people with functional diversity through contracts with Special Employment Centres to provide certain services at ICO headquarters. The amount of these contracts is **€62,000** per year.

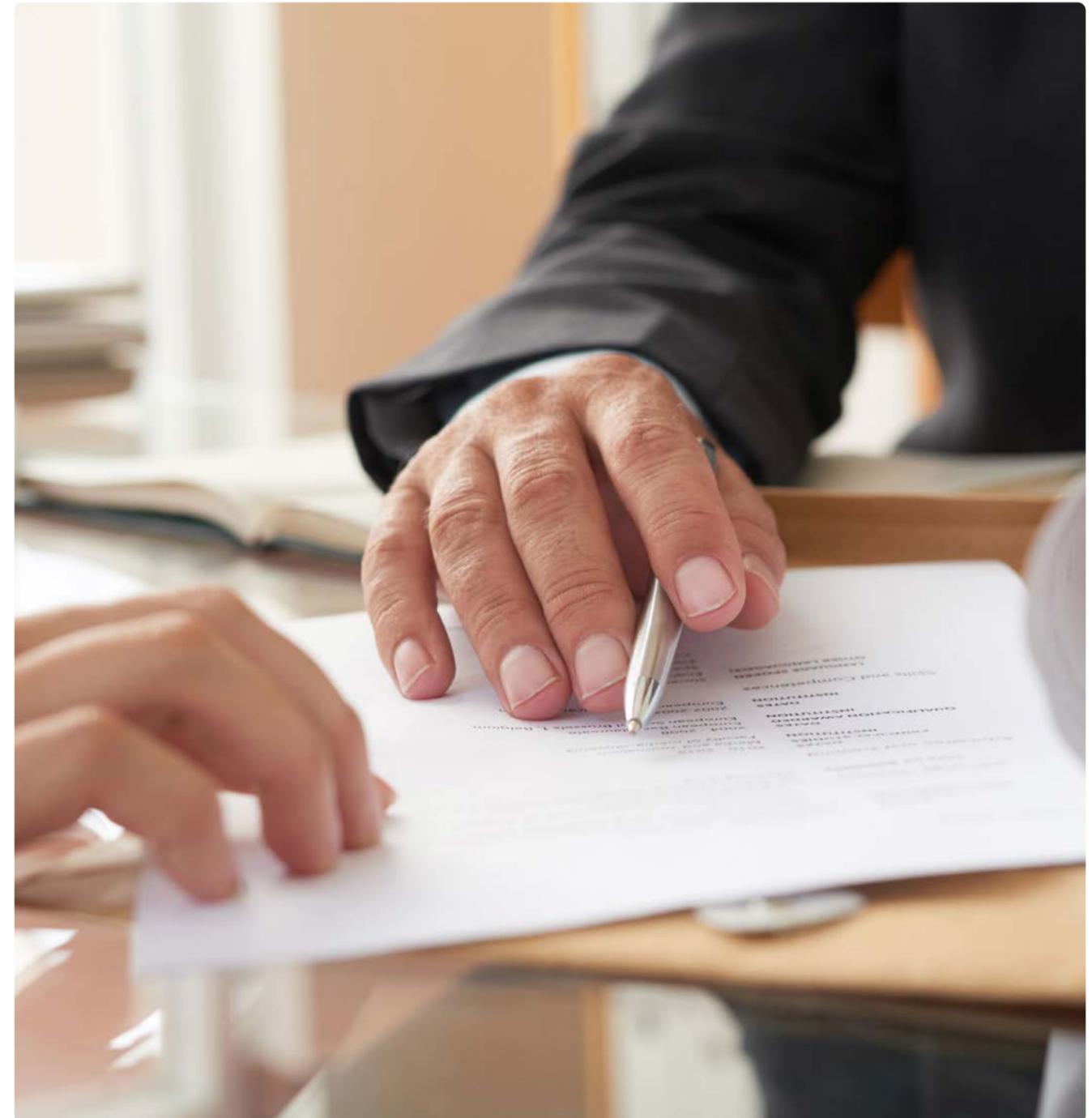


6.2. Types of contract

A) DISTRIBUTION OF CONTRACTS

1) Total number and distribution of types of employment contracts. Average annual number of permanent, temporary and part-time contracts by gender, age and occupational classification.

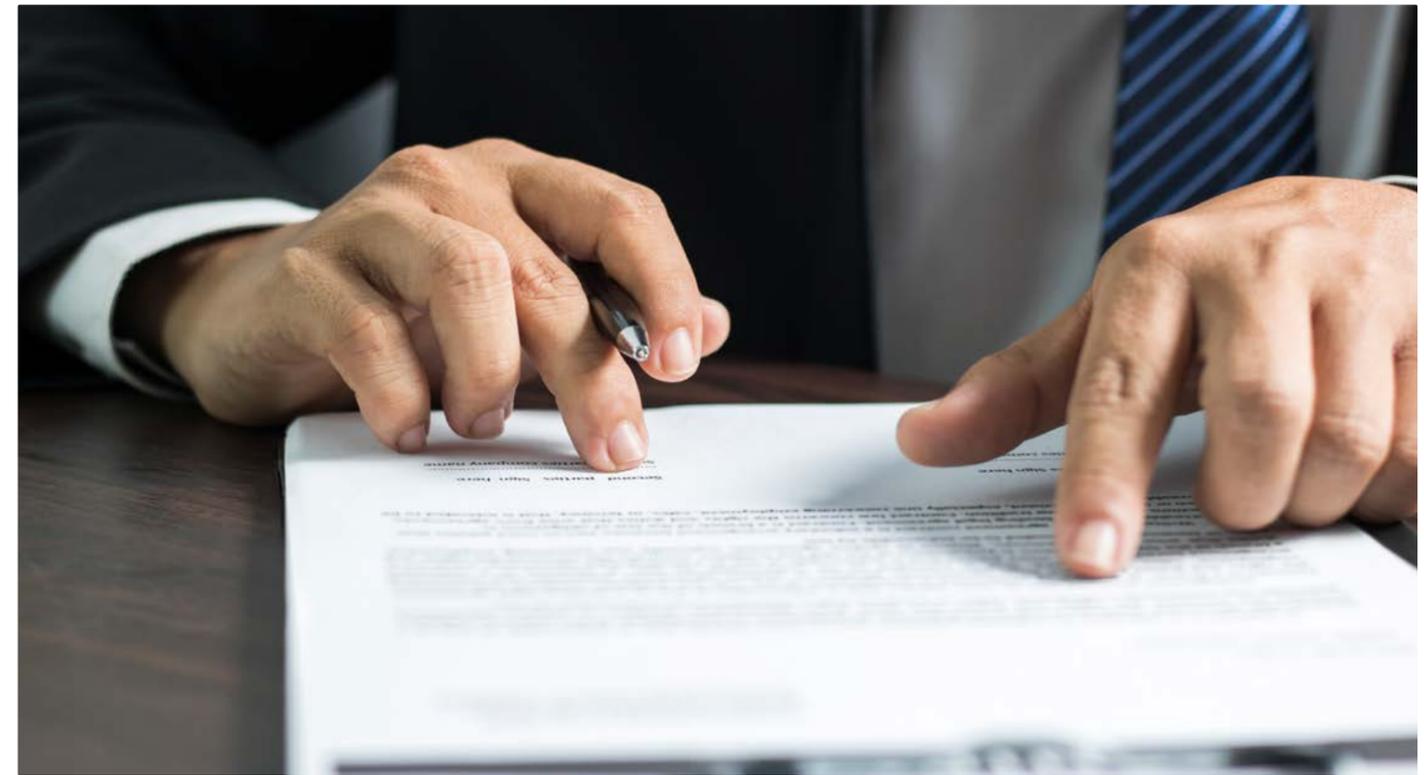
As at 31 December 2021, the average number of ICO Group staff working under permanent contracts was 334 (95% of the total). Staff working under temporary contracts accounted for 4% and those working part-time due to retirement for 2%.





Annual average ICO Group

PERMANENT		AVERAGE STAFF	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
	MANAGERS	18	-	5	13
	Women	6	-	3	3
	Men	12	-	2	10
	MIDDLE MANAGERS	55	-	31	24
	Women	30	-	21	9
	Men	25	-	10	15
	TECHNICIANS	211	9	104	98
	Women	127	5	64	58
	Men	84	4	40	40
ADMINISTRATIVE	50	-	10	40	
Women	44	-	8	36	
Men	6	-	2	4	
TOTAL	334	9	150	175	
Women	209	5	96	106	
Men	126	4	54	69	



PART TIME		AVERAGE STAFF	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
	TECHNICIANS	3	-	-	3
	Women	-	-	-	-
	Men	3	-	-	3
	ADMINISTRATIVE	3	-	-	3
	Women	1	-	-	1
	Men	2	-	-	2
	TOTAL	6	-	-	6
Women	1	-	-	1	
Men	5	-	-	5	

TEMPORARY		AVERAGE STAFF	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years of age
	TECHNICIANS	10	1	7	2
	Women	5	-	5	-
	Men	5	1	2	2
	ADMINISTRATIVE	4	-	2	2
	Women	4	-	2	2
	Men	-	-	-	-
	TOTAL	14	1	9	4
Women	9	-	7	2	
Men	5	1	2	2	

6.3. Average earnings and pay gap

A. AVERAGE EARNINGS

1) Average earnings and their evolution by gender, age and occupational classification. Remuneration of equal or average jobs in society.

In 2021, in compliance with the provisions of art. 28.2 of the Workers' Statute and Royal Decree 902/2020, of 13 October, on equal pay for men and women, and in line with the commitments made in the 2nd Equality Plan, ICO drew up a wage register at the end of the 2021 financial year. This wage register makes it possible to analyse the wage gap between women and men and thus determine whether there is a gender pay gap. These data include total remuneration, in cash and in kind, annualised to avoid deviations due to the date of incorporation, which have been paid in the financial year 2021, including variable remuneration regardless of its accrual, and are broken down by professional group, age and gender.

Average ICO remuneration

	2021	2020	Salary	Salary	Ratio (W/M)	Difference (W/M)
SALARY EXPENDITURE	16,382,466	16,104,431				
ICO AVERAGE SALARY	50,720	50,484				
MINIMUM INTERPROFESSIONAL	13,300	13,300				
WAGE	95,497	93,188	95,228	95,713	0.99	-486
AVERAGE SALARY FOR MIDDLE MANAGEMENT (DEPT. AND AREA HEADS)	70,565	69,202	69,354	71,725	0.97	-2,372
AVERAGE ICO SALARY TECHNICIANS	47,991	47,640	48,542	47,177	1.02	1,366
AVERAGE ICO SALARY ADMINISTRATIVE STAFF	36,748	36,487	36,873	35,749	1.03	1,123
ICO MINIMUM WAGE TECHNICIANS (ENTRY)	29,352	29,091	29,352	29,352	1	-
MINIMUM WAGE ICO ADMINISTRATIVE (ENTRY)	19,979	19,801	19,979	19,979	1	-

Note: For the calculation of the fields "Salary expenditure" and "Average ICO salary", the salary expenditure of the Chairman and Senior Management has not been taken into account in order to homogenise the sample. This information can be found in section 1.3. Governance and Management Structure.

Annual average - ICO salary (€)

	Average workforce	Under 30 years old	Between 30-50 years old	Older than 50 years old
MANAGERS	95,497	-	95,195	95,739
Women	95,228	-	94,794	95,662
Men	95,713	-	95,597	95,791
MIDDLE MANAGERS	70,565	-	69,322	71,977
Women	69,354	-	69,378	69,298
Men	71,725	-	69,221	73,228
TECHNICIANS	47,991	31,955	42,232	55,973
Women	48,542	32,389	42,304	57,894
Men	47,177	31,413	42,110	53,503
ADMINISTRATIVE	36,748	-	32,981	37,711
Women	36,873	-	33,532	37,752
Men	35,749	-	27,473	37,405
TOTAL STAFF	50,720	31,955	47,552	54,561

The average remuneration of the groups reflected in this table in 2021 was **50,720 euros**. Comparatively, 4 times higher than the Spanish Minimum Interprofessional Wage, which is **13,300 euros**.

The remuneration of the ICO Group's staff has been updated in accordance with the provisions of the budget regulations, which in 2021 authorised an increase of 0.9% compared to the remuneration in force on 31 December 2020.

Following the same criteria, the average salary at AXIS at the end of 2021 was **51,741 euros**, compared to 50,558 euros at the end of the previous year. On the other hand, the average salary of Fundación ICO at the end of the year was 44,928 euros, compared to 44,819 euros the previous year.

In both cases, given the small size of the staff, the average salary broken down by professional group and gender is not provided as such information would violate personal data protection legislation.



B. PAY GAP

The regulations governing the remuneration policy for management and middle management positions are set by the Ministry of Finance and Civil Service and guarantee equality between men and women in remuneration. Likewise, the collective agreement establishes pay levels for staff covered by the collective agreement (belonging to the professional groups of Technicians and Administrative staff) that guarantee equal salaries for people with the same pay level. Pay grade promotion is linked to performance appraisal. The data show that there are no significant wage differences between men and women within each group. The differences found range from 0.3% to 1.1% in favour of women among Technical and Administrative staff and from 0.3% to 1.7% in favour of men among Directors and Middle Management. In any case, these differences are not due to gender, but to personal circumstances that explain variations in the receipt of personal (seniority) and functional bonuses related to the post, as well as differences in remuneration in kind and variable remuneration associated with meeting targets.

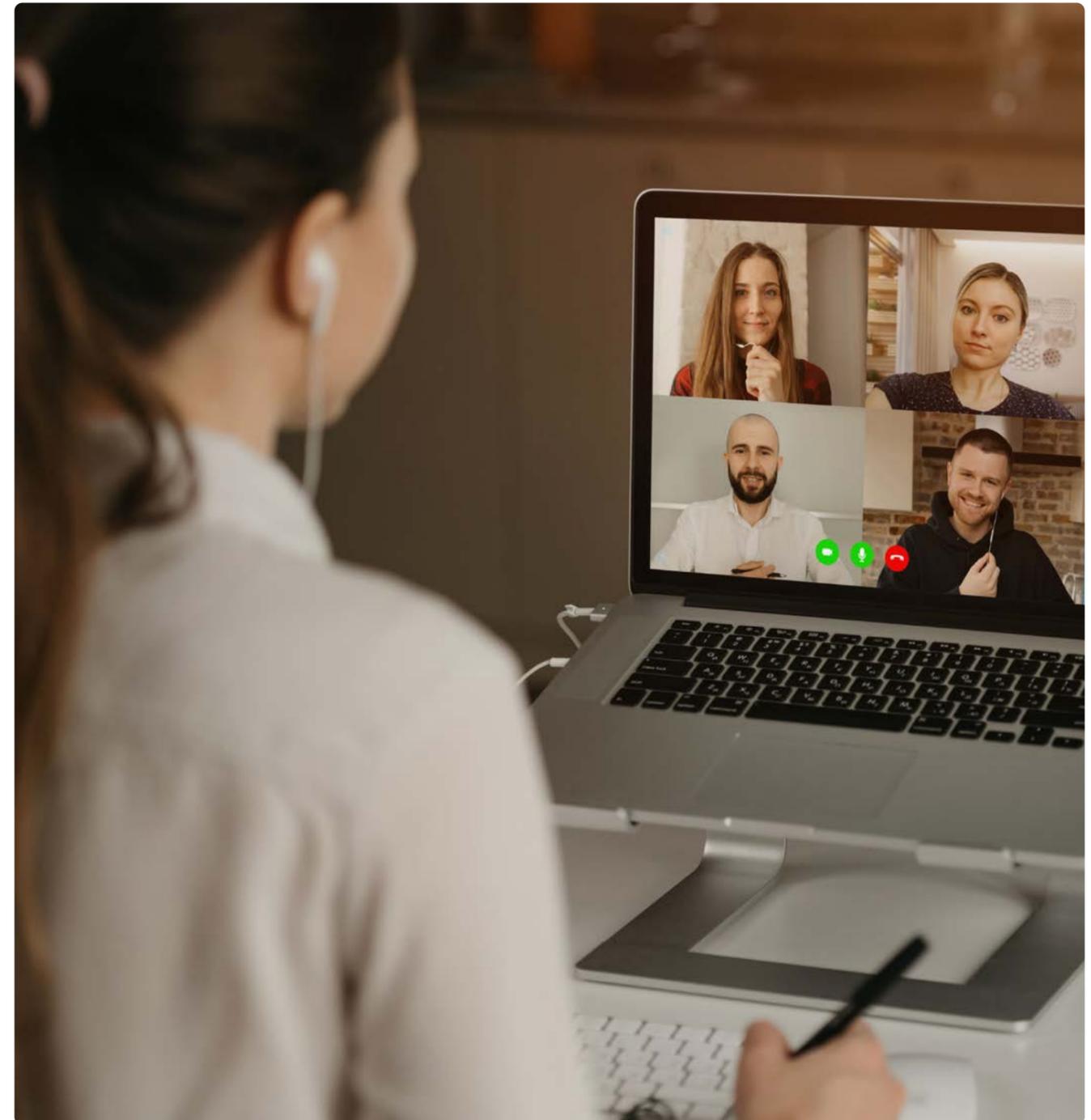


6.4. Work organisation

A. WORKING TIME ARRANGEMENTS

As at 31 December 2021, the average number of the ICO Group's staff working under the split working day regime amounted to 324 persons (92% of the total). Staff working a continuous working day accounted for 3.03% and those working a reduced working day due to reasons of conciliation, partial retirement, relief contract, care of ascendants or descendants for 5%.

Telework has proved, given the exceptional situations experienced by Covid 19, to be a key tool in the modernisation and flexibilisation of work management. For its effective functioning, the ICO Group is subject to the Royal Decrees that regulate it within the State Administration. Strictly in line with these guidelines, the ICO Group's staff has voluntarily alternated between on-site and online work.





A. WORKING TIME ARRANGEMENTS

	AVERAGE STAFF	Less than 30 years of age	Between 30 and 50 years of age	Older than 50 years old	
CONTINUOUS	MANAGERS	1	-	-	1
	Women	-	-	-	-
	Men	1	-	-	1
	MIDDLE MANAGERS	-	-	-	-
	Women	-	-	-	-
	Men	-	-	-	-
	TECHNICIANS	10	-	3	7
	Women	6	-	2	4
	Men	4	-	1	3
	ADMINISTRATIVE	-	-	-	-
	Women	-	-	-	-
	Men	-	-	-	-
	TOTAL	11	-	3	8
Women	6	-	2	4	
Men	5	-	1	4	
SPLIT	MANAGERS	18	-	5	13
	Women	6	-	3	3
	Men	12	-	2	10
	MIDDLE MANAGERS	55	-	31	24
	Women	31	-	21	9
	Men	24	-	10	15
	TECHNICIANS	201	9	98	93
	Women	117	5	58	54
	Men	84	4	40	39
	ADMINISTRATIVE	51	-	11	39
	Women	45	-	9	35
	Men	6	-	2	4
	TOTAL	324	9	145	169
Women	198	5	91	101	
Men	126	4	54	68	

	AVERAGE STAFF	Less than 30 years of age	Between 30 and 50 years of age	Older than 50 years old	
REDUCED	MANAGERS	-	-	-	-
	Women	-	-	-	-
	Men	-	-	-	-
	MIDDLE MANAGERS	-	-	-	-
	Women	-	-	-	-
	Men	-	-	-	-
	TECHNICIANS	13	-	10	3
	Women	9	-	9	-
	Men	4	-	1	3
	ADMINISTRATIVE	6	-	1	5
	Women	4	-	1	3
	Men	2	-	-	2
	TOTAL	19	-	11	8
Women	13	-	10	3	
Men	6	-	1	5	

B. ABSENTISM

The number of absence hours recorded in 2021 was 24,311, bringing the absence rate at ICO to 4%. This is a continuation of the downward trend of recent years, where it was 5% in 2020 and 7% in 2019.

6.5. Reconciliation

1) Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by parents

The Institute's commitment to conciliation reflects an effort to ensure the well-being of the people who make up ICO, our main source of value. Conciliation seeks to balance the pursuit of work and private life objectives through flexible arrangements that allow for the development and success of both. Therefore, it is not reduced to paid leave. It is a way of organising the work environment that makes it easier for men and women to carry out their work, personal and family responsibilities.



With our work-life balance measures we contribute directly to SDG 5 on Gender Equality.

In 2021, a communication was sent to all middle and senior management informing them of the publication of the follow-up report on the 2nd Equality Plan, which emphasises co-responsibility and the right of men and women to make use of leave and work-life balance measures without distinction.

Likewise, information on the increased importance men attach to co-responsibility was shared on the intranet along with a link to the Red Cross study on this subject in the 2021 financial year, referring to business and family co-responsibility in times of pandemics.

As a driver of well-being and in response to the commitment of the people in the organisation, ICO's management model aims to:



Contribute to eliminating barriers to the participation of women and men in their personal life and in the company's processes, through its policies.



Promote a work environment that is compatible with personal development, one that allows its professionals to balance the fulfilment of their job responsibilities in a public institution, such as ICO, with the needs of their personal and family life.

ICO has been certified as a Family-Responsible Company by Fundación Másfamilia since December 2014, in accordance with standard efr 1000-1.



This management and workorganisation model provides a simple and effective methodology for work-life balance and enables progress to be made in the implementation of a social, work and business culture based on flexibility, respect and mutual commitment. In order to effectively implement this model, ICO has an EFR Model Management Procedure for Reconciliation and Equality.

To guarantee and ensure proper compliance with the values and principles underlying ICO's commitment to reconciliation, an external communication channel has been set up so that ICO staff, as an entity certified under the EFR model, can express their complaints and claims regarding reconciliation directly to Fundación Másfamilia. It guarantees the absolute confidentiality of the information received through this channel. During 2021, Fundación Másfamilia has not received any claim or complaint through the channel provided.

ICO also provides its employees with an ethical channel for reporting breaches of its code of conduct and a Compliance Committee that keeps a record of all complaints received through the ethical channel or any other means that the complainant considers using.

The Compliance Committee guarantees the confidentiality of the complaints received. No complaints were received in 2021.

2) Implementation of work disengagement policies

ICO is in the process of developing its specific right to disconnect from work policy. However, various agreements with the Workers' Committee and the Joint Committee remain in force that promote the disconnection from work through flexible working hours in the provision of services in ICO. In this way, we have a pool of recoverable hours of up to 5% of the annual working day that staff can use for reasons of work-life balance, as well as the possibility of having one afternoon off per week.

Reconciliation measures (annual average)

Staff with reduced working hours due to childcare	10	1
Staff with reduced working hours to care for relatives in the ascending line	1	-
Staff with reduced working hours for other reasons	1	-
Staff with reduced working hours partial retirement	1	5

6.6. Health and safety at work

The ICO Group considers it essential to strengthen and control the occupational health and safety of its staff.

Health and safety management in the workplace is carried out by Grupo MPE Prevención de Riesgos Laborales, an accredited external prevention service, which also holds ISO 9001 and ISO 14001 certifications for its quality and environmental management system.

In 2021, and following an exhaustive audit process, the ICO Group obtained AENOR certification for its COVID-19 protocols. This certification covers all the Group's activities and facilities, explicitly including ICO, AXIS, FUNDACIÓN ICO and MUSEO ICO.

The AENOR certificate is a formally recognised external endorsement of the effectiveness of the measures applied by the Group, providing assurance that appropriate and recognised protocols are being applied and also demonstrating to employees, customers and the general public its commitment to preventing the spread of Covid19. In particular, it certifies compliance with the guidelines laid down by the Ministry of Health and the Community of Madrid, both at the workplace where the offices are located and at the Museo ICO facilities, thus guaranteeing the safety of the staff working at the facilities and of visitors.



In short, the AENOR certification endorses all the measures implemented by the ICO Group since March 2020, under appropriate and effective risk management, which allows the Group to continue its activity in the current pandemic under the best health and safety conditions for people accessing the facilities.

Composition of the Health and Safety Committee:

Representing the Company:
three persons, 2 men and 1 woman =

Representing the Committee:
three persons, 2 men and 1 woman =

No. of meetings in 2021: 4 ordinary and 1 extraordinary.

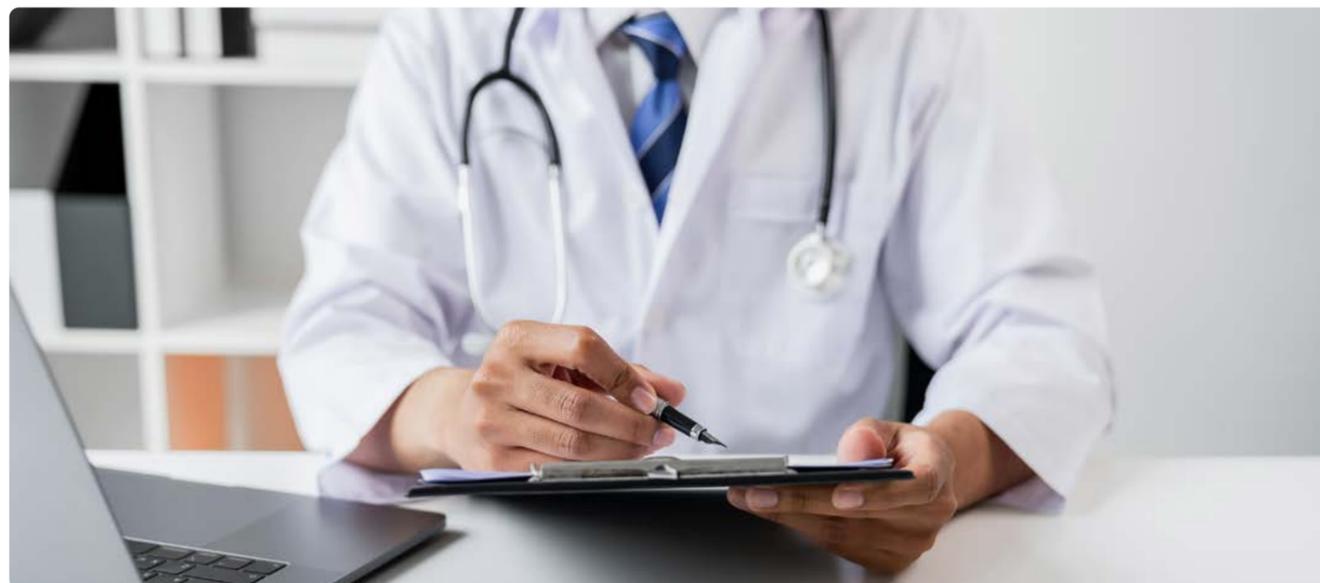
The main issues addressed in 2021 were related to the follow-up of COVID cases and the measures put in place to support de-escalation in the COVID-19 context.



It should also be noted that the AENOR certification process requires the ICO Group to undergo periodic audits in which the correct application, maintenance and updating of the existing protocols are verified, which further reinforces the ICO Group's commitment to complying with its high standards of safety and prevention. This certification has made it possible to guarantee optimum safety conditions at work in the de-escalation process, which was carried out in two phases, in July and October, on the basis of guidelines discussed with the Workers' Committee and always respecting health guidelines and the resolutions of the competent authorities.

On the other hand, there were 3,768 days of sick leave for common illness and maternity or paternity leave and there was 1 minor occupational accident involving a woman, with a frequency and severity index of 0 in 2021. Due to the nature of the activities carried out in the ICO Group, there is no record of any occupational illness affecting the staff, and therefore no information broken down by gender is provided.

In 2021, 108 medical examinations were carried out.



On the other hand, the ICO Group has a medical service available to all its employees at the workplace during working hours. In 2021, a simplified open procedure was carried out for the contracting of the medical service, which has allowed us to extend the service hours by 6.5 hours per week and to have a physiotherapy service 10 hours per week. Within the framework of the new contract, health information campaigns will also be carried out on issues such as first aid, healthy eating, stress management, smoking cessation and cardiovascular risk prevention. In addition, the medical service is key in the follow-up and assessment of confirmed cases and close contacts of Covid-19.

The health service for the medical care of the staff at ICO is **authorised by the Consejería de Sanidad de la Comunidad de Madrid.**

This measure promotes health care, conciliation, flexibility and the reduction of absenteeism, flexibility and the reduction of absenteeism by facilitating medical consultation and assistance for ICO staff at its own headquarters from Monday to Friday in the mornings.

From June 2021, with the renewal of the service until the end of the financial year, a total of:

999 assistances were provided, 35% to men and 65% to women.

Of these assistances, 87% were due to common illnesses and the remaining 13% to the **seasonal flu campaign launched** in November 2021 for the entire staff, from which 125 professionals benefited.



6.7. Social dialogue

A. ORGANISATION OF THE SOCIAL DIALOGUE

At ICO, the Works Council acts as a collegiate body representing the workers and interacts with the company through its autonomous operation, and through its participation in various committees (Joint Committee, Health and Safety Committee, Vocational Training and Promotion Committee, and Social Affairs Committee), in addition to the specific working groups and negotiating committees that may be set up to deal with specific issues that require it.

For the development of its functions, ICO has provided the Works Council with its own physical space to meet and keep documentation, as well as its own e-mail to receive queries and a space on the intranet to publish its information.

In line with Principle 3 of the Global Compact, ICO respects its staff's right to join trade unions according to their needs and to form their Works Council.





B. PROCEDURES FOR INFORMING, CONSULTING AND NEGOTIATE WITH STAFF

With regard to the existing means of informing staff, the ICO, in addition to sending general and personalised communications by e-mail, has a channel for announcements, new developments and news items related to the institution's activities on its intranet. It also encourages the participation of all employees in the evolution of the organisation, either by providing comments on the news published or through the suggestions channel, Aporta Tu Idea (Contribute Your Idea).

1) Percentage of employees covered by collective bargaining agreements by country.

At present, the VI Collective Bargaining Agreement remains in force, published in the BOCM on 11 January 2014 (http://w3.bocm.es/boletin/CM_Orden_BOCM/2014/01/11/BOCM-20140111-3.PDF), which applies to ICO staff only. 

The Agreement applies to 81% of ICO's staff, excluding the President, the management team and the professional group of middle management.

2) Review of collective agreements, particularly in the field of occupational health and safety.

The ICO Works Council has 13 members, representing 3 different trade unions. 46% of the Works Committee are women.

During the 2021 financial year, 13 meetings were held, documented in the minutes of the Joint Committee, the Health and Safety Committee, the Training and Professional Promotion Committee, the Teleworking Committee and the Specific Negotiating Committees, through which 4 agreements were reached.

6.8. Training

A. POLICIES IMPLEMENTED IN THE FIELD OF TRAINING

Training and empowering staff is key to contributing to the goal of decent work and economic growth. The ICO Group encourages the improvement of the knowledge, skills and abilities of its staff and, at the same time, in accordance with its objective of promoting the growth and development of the country, it responds to the training needs of other groups, such as young people and people with intellectual disabilities.

The ICO Group's commitment to professional development and continuous training is included in the Sustainability Policy, and is embodied annually in the preparation and development of a Training Plan and unplanned training actions that address needs identified during the year.

In 2021, although the development of the Training Plan was again conditioned by the health situation and restrictions applied by the authorities, which forced the ICO to keep face-to-face training activities on the back burner,

the Institute has made a firm commitment to staff training, seeking new alternatives in the market that have allowed it to increase staff training hours by 82%.

from 10,195 hours of training in 2020 to 18,508 hours in 2021 between ICO and AXIS. This substantial increase in training activity only required a 10% increase in investment in training compared to the previous year. This commitment to the professional development

of ICO's human and intellectual capital is reflected in the fact that investment in training will account for 1% of salary expenditure in 2021. The same can be seen in the average number of hours per employee, which rises to 52 hours in 2021.

The ICO Group promotes the learning and improvement of languages as a key to meeting the international challenges of ICO's activity, which are determined by the unification and internationalisation of the financial sector and markets. 47.77% of the investment made is devoted to this training area. Similarly, training actions for adaptation to the workplace have become particularly important in 2021, accounting for 47.56% of the investment. The rest of the investment was devoted to training in new technologies, skills training and academic training, postgraduate courses and certifications.





Distribution of training hours by professional groups - ICO and AXIS

	2021	2020			%
MANAGERS	431	305	180	250	42%
MIDDLE MANAGERS	2,379	2,875	1,604	775	67%
TECHNICIANS	12,964	6,232	7,826	5,138	60%
ADMINISTRATIVE	2,387	774	2,303	84	96%
GRANT HOLDER	347	8	168	179	48%
TOTAL	18,508	10,195	12,081	6,426	65%

Note: The training hours data refer to ICO and AXIS. The Fundación ICO records attendance at 16 training activities spread throughout its staff.

Distribution of investment in training by type of course - ICO

	2021	2020	Increment		
LANGUAGES	74,334	93,206	-20%	52,046	22,289
TRAINING FOR JOB POSITION	74,001	42,181	75%	44,606	29,395
NEW TECHNOLOGIES	1,200	4,541	-74%	-	1,200
SKILL TRAINING	791	1,802	-56%	791	-
EDUCATIONAL BACKGROUND, POSTGRADUATE STUDIES AND CERTIFICATIONS	5,266	-	-	1,800	3,466
TOTAL	155,591	141,730	10%	99,242	56,349

Note: The data on investment in training correspond to ICO.



The **2021-2023 Training Plan** has sustainability training as one of its first goals. In this sense, the Plan's objective is to promote knowledge of sustainable, environmental, social, human rights and climate change development, and especially those aspects related to the ICO's activity.

- **Technical and sustainability training**, conducted by EQA, was attended by 15 ICO employees from the Spanish Government Delegations of Finance and Strategy and Business.

With a study load of 12 hours, this training action aimed to provide a training and technical training service in sustainable finance under the procedure established in the Guide to cost-benefit analysis of projects, within the Connecting Europe Facility Framework of the European Commission. The action was motivated by the ICO's need to meet the technical training needs of its teams for the 2021 financial year, as it intends to finance projects in the eligible sustainable

investment categories of the clean transport sector.

- **The Training in Sustainable Finance** for Sustainable Financial Institutions, delivered by SOCIAL GOB, was attended by 14 participants from ICO and 3 participants from AXIS. In the last quarter of 2020, the Sustainability Task Force was set up and the training was motivated by the need to provide technical training for the members of the Sustainability Task Force, and to address, from the perspective of a financial institution, how to integrate sustainability into the policies and processes of a financial institution and adapt to the new regulations derived from the Sustainable Finance Action Plan. The aim of the training was: to acquire the knowledge and skills necessary to adapt to the obligations arising from the regulatory changes brought about by the European Union's Sustainable Finance Action Plan, as well as to integrate sustainability approaches into corporate policies and processes in a bank or financial

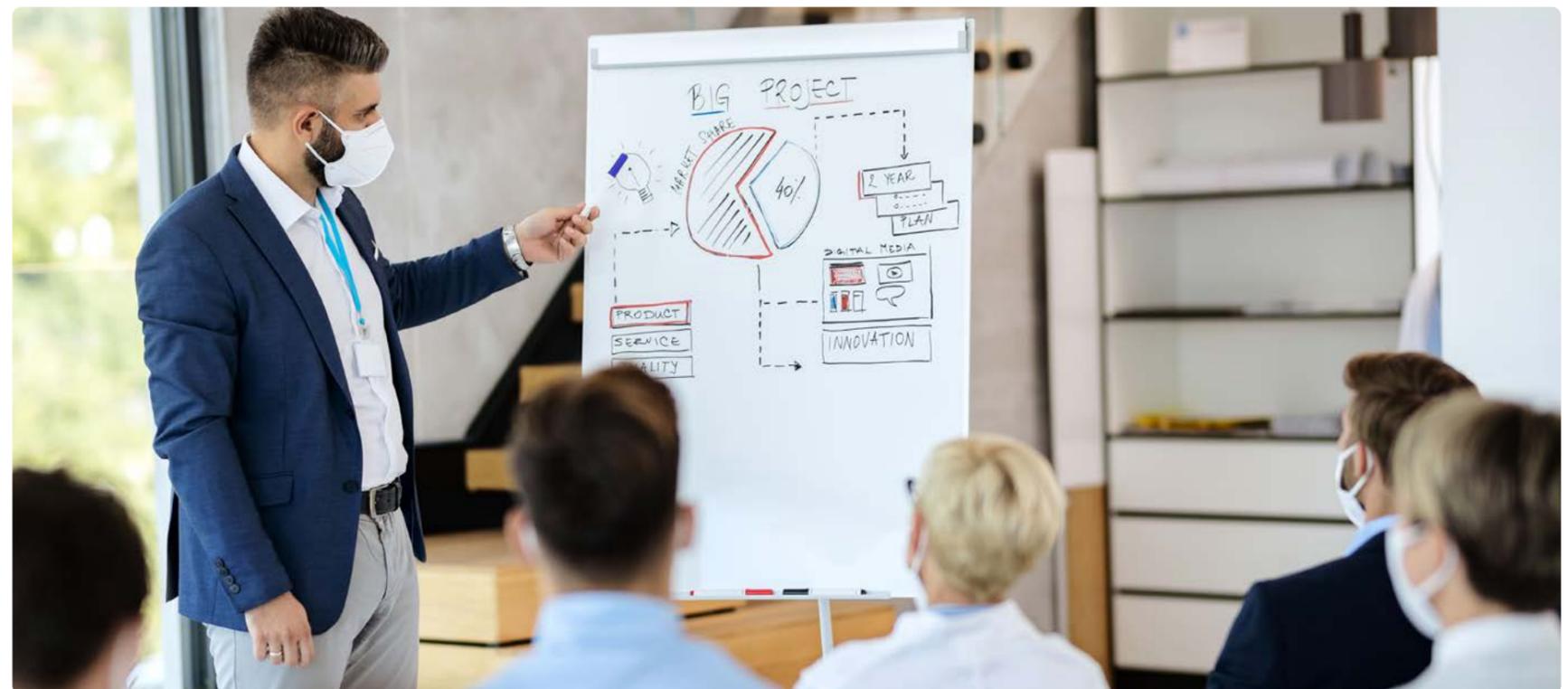
institution, preparing individuals for the specialisation in Integrating Sustainability in Financial Institutions. It was carried out with a study load of 30 hours of training and lasted approximately 3 months.

- Likewise, ICO's strong drive and effort in **Sustainability and Sustainable Finance Training**, is evident, including within the framework of Management by Objectives 2021 the planning and implementation of Masterclasses in Sustainable Finance for the entire organisation and given by AFI.

With the participation of 301 ICO employees and 16 people from both the Fundación ICO and AXIS, the need to promote and transfer the main concepts of sustainable finance across the entire organisation was met by means of informative conferences that familiarised the entire staff with the new paradigms of sustainable development, with a focus on the six basic subjects covered in the conferences. This training was attended by 80% of the workforce, thus transferring the sustainable financial culture to the whole organisation.

Course Title

	No of hours	Participants
Sustainable finance	420	14
Masterclasses sustainable finance	1,806	301
Technical training and training in sustainability	12	15



6.9. Accessibility and integration of people with disabilities

A. ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The ICO Group has facilities, tools and workstations adapted to allow accessibility for people with reduced mobility or other types of functional disability who carry out their professional activity at ICO or who visit the facilities. Thus, the staff includes 4 people with recognised disabilities (functional diversity/physical disability), 75% of whom are women.



The ICO's corporate portal is designed to comply with **Royal Decree 1112/2018**,  of 7 September, on Accessibility of Public

Sector Websites and Applications for Mobile Devices. Thus, a practical and accessible corporate portal is made available to society, guaranteeing access to the information and services on its pages to all users without any limitation or restriction on the basis of disability, medium or context through which this portal is accessed.

At the same time, the www.ico.es portal aims to adapt to the standards and regulations in force in relation to accessibility, complying with the double A (AA) verification points defined in the Web Content Accessibility Guidelines specification (WCAG 2.1) belonging to the W3C.

The Fundación ICO holds the Accessible Tourism badge awarded to the ICO Museum for incorporating universal accessibility measures into its establishment and for its commitment to welcoming and caring for people with disabilities and with accessibility needs in general, developed through the provision of adapted, easy-to-read material on the Museum's exhibitions and the organisation of activities with a sign language interpreter.



B. INTEGRATION OF PERSONS WITH DISABILITIES

Since 2016, ICO has been hosting several students from the ALAPAR Foundation who are part of the CAMPVS educational project aimed at young people with functional diversity who, after completing their formal education, wish to access higher education in order to develop a higher degree of personal, social and professional competence.

With this programme, these young people learn to specialise in the administrative branch, acquiring general knowledge of business, information technology, economics, law, financial culture and English, as well as working on personal autonomy and socio-labour skills. The studies last three years and end with a six-month internship in a company, a stage in which ICO helps them to complement their training with practical experience and acquire the knowledge and skills they need to be at ease in the working environment.

In 2021, 2 students from the CAMPVS programme have been tutored. Since the beginning of the collaboration with the ALAPAR Foundation, ICO has hosted a total of 11 students, of which 5 have found employment, 1 of them is preparing for competitive examinations and the rest of the students continue training to improve their employability.

6.10. Equality and diversity

A. EQUALITY

One of the guiding principles on which the responsible management of the ICO Group is based is equal opportunities, in a broad sense, which is evident both in the public job offer processes and in the tenders for the purchase of goods or the contracting of services.

The above sections show the breakdown of the workforce by gender, and how women have a higher participation in almost all professional groups.

In terms of female representation on governing bodies, it is worth noting the parity achieved on the General Council of ICO (46% women and 54% men), on the Board of Directors of AXIS (50% women and 50% men), and on the Board of Trustees of the Fundación ICO (33% women and 67% men).



B. MANAGING DIVERSITY AND COMBATING INEQUALITIES AND DISCRIMINATION

1) Measures for the empowerment of women

In the second year of the Second Equality Plan, approved at the end of 2019, actions were carried out in the seven axes that structure the Plan. Of the 45 measures, action has been taken on 35, carrying out a total of 84 actions, which means that 78% of the measures of the II Equality Plan have been implemented.



Furthermore, in 2020, ICO joined the Where Are They? Manifesto, an initiative launched by the European Parliament to promote and strengthen the presence of women in discussion forums and conferences. During 2021, ICO participated in 142 conferences as a speaker (both in person and online), organised in collaboration with various institutions, sectoral associations and collaborating agents, covering the entire country. Of the total number of conferences, the President of the ICO participated as a speaker in 48 of them. In the remaining 94 days, 51 women representing the ICO (54%) took part.



2) Protocols against sexual and gender-based harassment

With regard to the prevention of sexual and gender-based harassment, the ICO's 2nd Equality Plan has a procedure against harassment in the workplace available to all employees that specifically incorporates the prevention of sexual and gender-based harassment. To date, it has not been activated at any time.

Furthermore, within the framework of the commitments assumed in the Equality Plan, ICO has joined the Ministry of Equality's Red de Puntos Violeta initiative to combat gender violence and massively disseminate the information necessary to know how to act in the event of violence against women.

3) Measures taken to promote employment

ICO, as a Public Sector entity and in accordance with the dictates of the Basic Statute of the Public Employee, promotes access to employment under the principles of equality, merit and ability through periodic competitive examination procedures with public notice, reserving a quota of no less than 5% of vacancies to be filled by people with disabilities.

Internally, ICO encourages professional development and internal job mobility among its employees through the system of promotion by filling vacancies established in the institution's Collective Bargaining Agreement.

In addition, the Instituto de Crédito Oficial has signed a collaboration agreement with the SEPI Foundation, the aim of which is to organise and develop a programme of practical training scholarships in the work centres of the ICO Group, under the supervision of suitable tutors, aimed at young people with recent university degrees to facilitate and prepare their access to the world of work, enabling them to acquire practical knowledge, maturity, employability, status and vision of the business world. The ICO Group currently hosts 45 scholarship holders from the SEPI Foundation, whose scholarships have a maximum duration of 18 months.

At the end of the scholarship, the ICO conducts a survey to find out the degree of satisfaction. In 2021, the degree of satisfaction with the scholarship was 81%, highlighting the success of the programme. Another of the data to be highlighted is that many of them, once the scholarship is over, participate in the selection processes organised to hire permanent staff. In fact, in the last two ICO Job Offers, 9 of the selected candidates were previously SEPI Foundation Fellows at ICO.

Collaterally, other advantages are obtained by extending the framework of participation in the company by involving the professionals in the successful implementation of the Fellowship Programme. Although some act as mentors and others take on the role of trainers, all may have the opportunity to participate in the orientation and integration of the fellows. In addition to practical training, they are offered the possibility of attending training actions that are tailor-made for ICO staff, subject to availability of places.

All this results in a better social reputation for ICO, which offers real opportunities for employment by increasing the employability of young people.



| 7.1 Sustainable use of natural resources

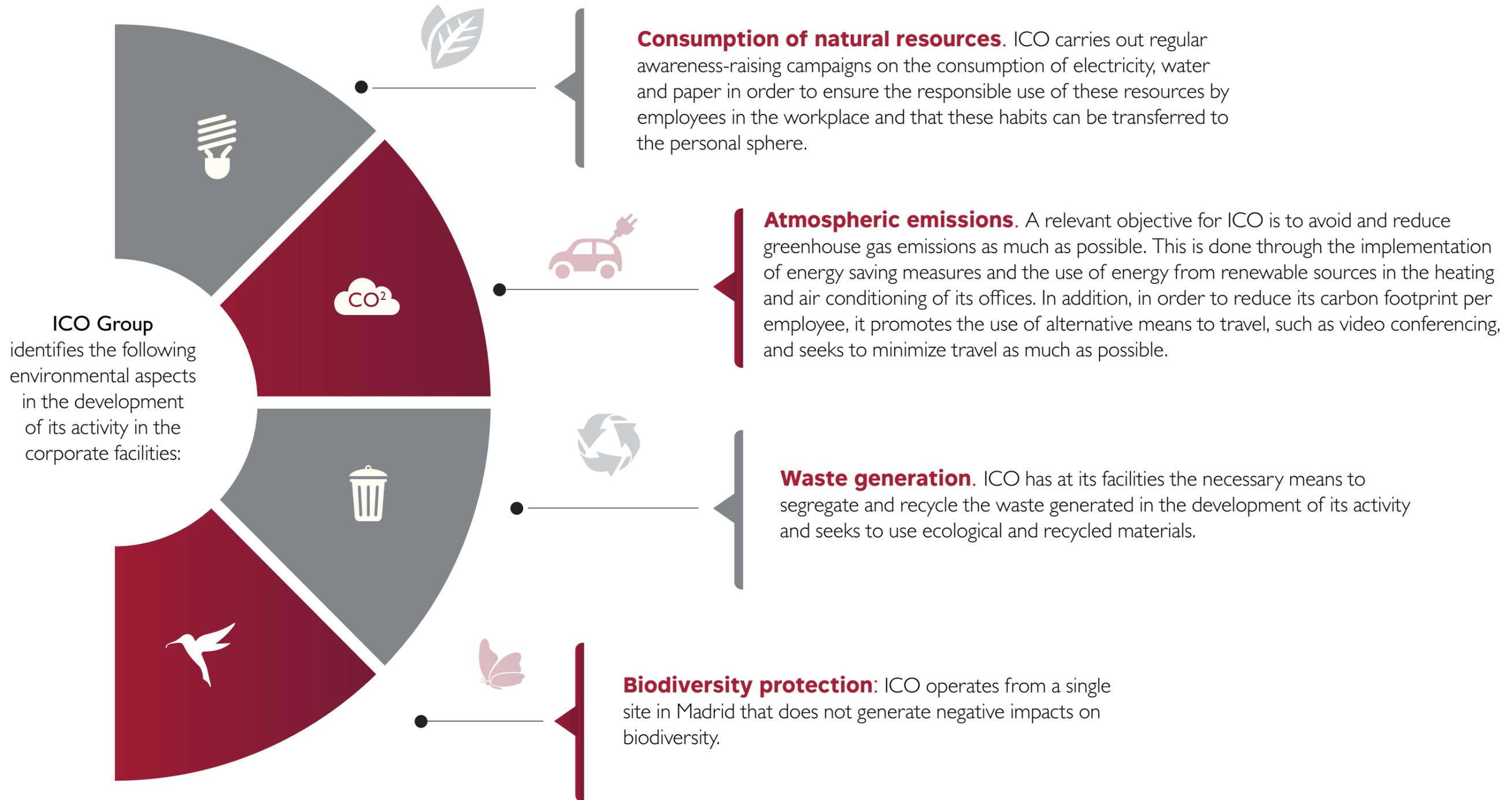
| 7.2 Circular Economy and waste management

| 7.3 Pollution Emissions

7

Internal environmental management



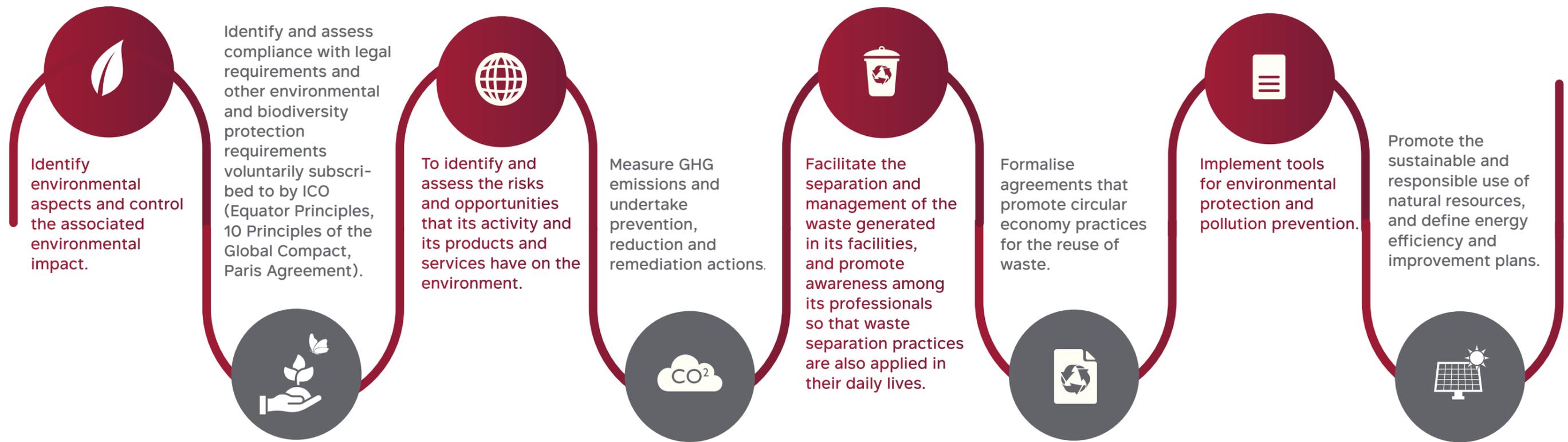


Our Environmental Management System contributes directly to the fight against climate change and the efficient management of resources, supporting the achievement of SDG 13 on Climate Action.

In 2021, ICO has certified its Environmental Management System in accordance with the requirements of ISO 14001.

Precautionary principle: ICO has implemented an environmental management system that meets the requirements of ISO 14001. This management system is certified by European Quality Assurance (EQA). The control and monitoring of the management system is the responsibility of the social responsibility unit, which is equipped with the necessary resources to carry out this function. As the environmental impact is insignificant, there is no specific provision or guarantee in the income and expenditure budget to cover environmental damage.

This System develops the Environmental Policy, which includes, among others, the following commitments:

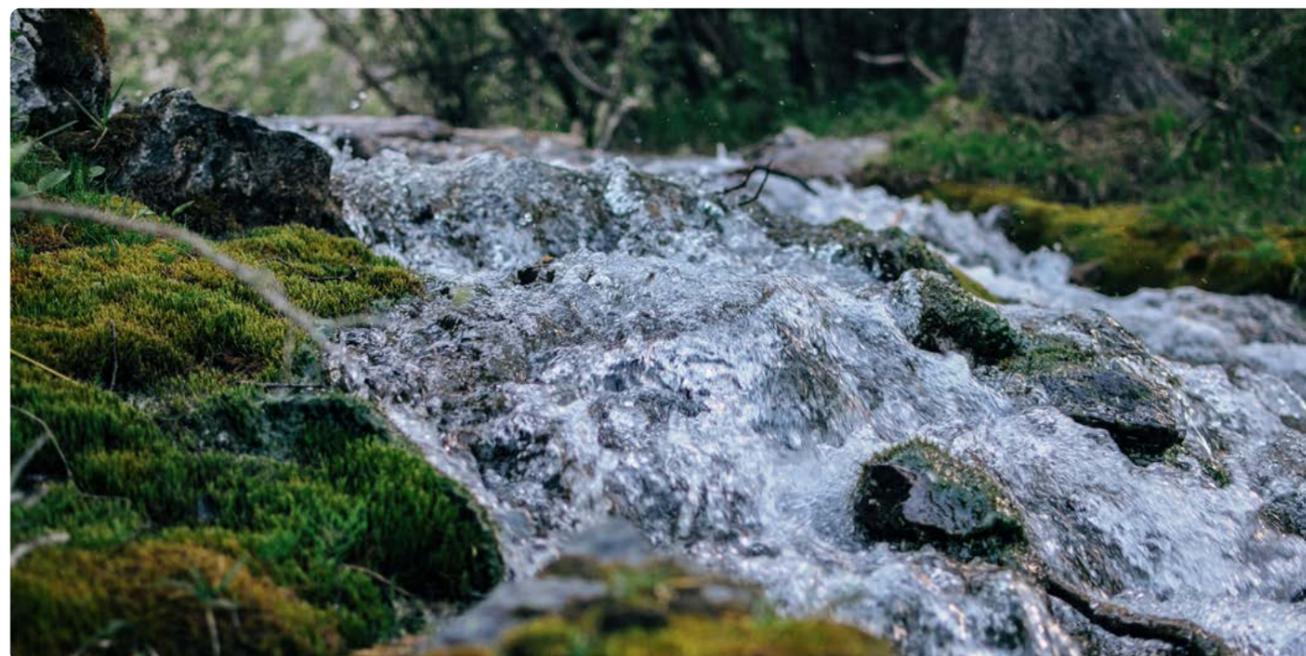


7.1. Sustainable use of natural resources

The ICO Group does not have a significant impact on the consumption of natural resources, which is the norm for companies in its sector. However, an annual consumption measurement is carried out in order to analyse the impact of the measures implemented.

The return of employees to the on-site working day led to an increase in electricity consumption in 2021, which was somewhat higher than in 2019.

However, water consumption was even lower than in 2020, due to actions taken to improve efficiency in distribution channels.



Natural resource

	ELECTRICITY	
	kWh	kWh/employee
	2021: 2,204,474	5,741
	2020: 1,892,489	5,087
	2019: 2,103,706	5,610
	WATER	
	m ³	m ³ /employee
	2021: 1,352	4
	2020: 1,461	4
	2019: 2,607	7
	PAPER	
	kg	kg/employee
	2021: 5,612	15
	2020: 7,200	19
	2019: 12,723	34

Paper consumption has been reduced after the Covid-19 pandemic.

In 2021, an adjustment was made to the water pressure regulation, which has led to a more efficient consumption.

7.2. Circular economy and waste management

One of the objectives defined within the environmental management system is the segregation of waste at the plant. In 2021, *environmental islands* were created, equipped with containers for waste segregation. These areas are installed on the office floors. In each of them there are 3 islands that allow the proper segregation of the waste generated in the workplace. These areas are completed with containers for the collection of Covid-19 related waste (masks, gloves, etc.) installed in 2020. Although ICO's activity does not generate food waste, in 2021, due to the pandemic situation, employees were given the opportunity to make their working day more flexible by teleworking in the evenings, which indirectly also helped to combat food waste.

Saving measures for the consumption of paper, toner and other materials include the following:

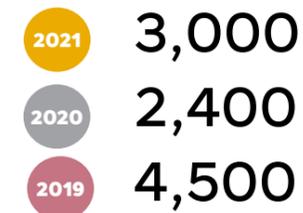
- The digitalisation of signatures in daily operations.
- The allocation of laptops to all staff, allowing double monitors at workstations, reducing the need for paper documents.
- Programming printers to print double-sided by default, and restricting colour printers to centralised services.
- Use of recycled paper in all printers available on each floor.
- In 2021, in addition, the printer equipment was renewed to incorporate energy saving systems when idle, allowing for greater energy efficiency.

Waste managed



PAPER AND CARDBOARD

Estimated Kgs



PLASTIC AND PACKAGING

m³ (estimate)



TONER AND INK CARTRIDGES

Units



FLUORESCENT TUBES

Number



BATTERIES

Number



BATTERIES

Number



7.3. Pollution

EMISSIONS

The products and services offered by the ICO Group do not themselves generate greenhouse gas emissions that seriously affect the environment. In other words, the carbon footprint is that which comes from developing the activity of each of these companies (carbon footprint inherent to an organisation).

ICO Group only identifies indirect greenhouse gas emissions. It does not have its own cars. However, in order to promote sustainable mobility through the use of electric vehicles instead of fossil fuels, **in 2021, 4 new electric vehicle charging points were installed in the parking spaces available to employees, increasing from 4 to 8, which can service 19 vehicles in a shift system.**



Emissions



DIRECT GHG EMISSIONS (SCOPE 1) TONS OF CO₂

2021	NA
2020	NA
2019	NA

INDIRECT GHG EMISSIONS FROM ELECTRICITY CONSUMPTION (SCOPE 2) TONS OF CO₂/ EMPLOYEE

2021	771.67	2.0
2020	662.37	1.8
2019	763.3	2.0

INDIRECT GHG EMISSIONS FROM EMPLOYEE TRAVEL (SCOPE 3)

	TONS OF CO ₂	TONS OF CO ₂ / EMPLOYEE
2021	3.7	0.01
2020	8.09	0.02
2019	116.9	0.31

Note: Calculation made through <http://calcarbono.servicios4.aragon.es/index.html>



FROM NOISE

The products and services offered by the ICO Group do not generate noise pollution that could seriously affect the environment.

FROM LIGHT

The products and services offered by the ICO Group do not generate light pollution that could seriously affect the environment.



8

Commitment to society





Through different initiatives and projects, the ICO Group contributes directly to the development and prosperity of communities in a sustainable way, not only economically but also socially and culturally. There are many challenges in maintaining cities so that they continue to generate jobs and be prosperous without putting pressure on land and resources. The future we seek includes cities of opportunity, with access to basic services, culture, finance, education and energy, housing and transport.



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8.1. Fundación ICO

A. ART AREA

ICO COLLECTIONS

The ICO Collections represent the most important artistic contributions of the 20th century in Spain. It continued to loan its works to national and international cultural institutions in 2021 to further consolidate the dissemination of this exceptional collection. We also undertook a comprehensive review of the ICO Collections and implemented the usual preventive conservation actions.

Collaboration agreement with the Reina Sofía National Art Museum

Within the framework of the collaboration agreement signed by the Fundación ICO and the Reina Sofía National Museum and Art Centre (MNCARS) on 30 August 2012, which has been extended twice, seven works from the ICO Collections have been on deposit at the MNCARS since 9 July 2013.

Temporary loans

During 2021, 2 requests for temporary loans from the ICO Collections were dealt with.

ICO Collections in the cer.es network

Since 2016, the ICO Collections have been part of the Digital Network of Spanish Museum Collections (CER.ES). This is a network managed by the Ministry of Education, Culture and Sport, which allows the online dissemination of the collections belonging to the ICO Collections.

(<http://ceres.mcu.es>). 



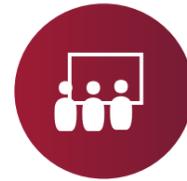
Red Digital de **Colecciones**
de Museos de España



ICO MUSEUM EXHIBITIONS

The Fundación ICO, in addition to being entrusted by ICO with the management of its art collections, is in charge of the temporary exhibition programme of the Museo ICO which, since October 2012, has specialised in the research and dissemination of Architecture as an artistic and cultural discipline.

Throughout 2021, with the corresponding capacity adaptations and restrictions imposed by the Covid19 pandemic in the field of cultural events, the exhibition activity offered to the public at the ICO Museum was as follows:



visited by
11,356
PEOPLE



6,654
PEOPLE VISITED THIS
EXHIBITION PRODUCED BY
THE FUNDACIÓN ICO.



visited by
16,350
PEOPLE

CARME PINÓS. ESCENARIOS PARA LA VIDA (STAGES FOR LIFE)

From 10 February to 9 May 2021. Curated by Luis Fernández-Galiano, Professor of Projects at the Madrid School of Architecture, the exhibition was the first retrospective of the architect's professional career through a selection of eight projects carried out during her time with Enric Miralles and eighty developed by Estudio Carme Pinós from its opening in 1991 to the present day.

IN SPAIN. PHOTOGRAPHY, COMMISSIONS, TERRITORIES, 1983-2009

From 2 June to 12 September 2021. Curated by Ramón Esparza, Jorge Ribalta and Cristina Zelich, it was conceived as a continuation of the research begun with "Paisajes enmarcados. Misiones fotográficas europeas, 1984-2019" (Framed Landscapes. European photographic missions, 1984-2019)(Museo ICO, 2019). Organised around three moments between the 1980s and the first decade of the 21st century, the exhibition presented the work of 70 photographers structured around 11 surveys or photographic commissions.

LACATON & VASSAL. OPEN SPACE, TRANSFORMATION, HABITER

From 06 October 2021 to 16 January 2022 A look at the career of French architects Anne Lacaton and Jean-Philippe Vassal, winners of the Pritzker Prize 2021. The exhibition brought together their extensive career and their conception of architecture through three fundamental concepts always present in their work: free space (conceived in terms of generosity of space, efficiency and comfort); transformation (never demolish, always add, transform, expand) and inhabit.

COMPLEMENTARY ACTIVITIES

In 2021, the Fundación ICO recovered its educational and mediation service at the Museo ICO, with the necessary adaptations to comply with COVID-19 regulations.



GUIDED TOURS AND CULTURAL MEDIATION

Throughout the year, the ICO Museum continued to offer guided tours for groups and mediation for individual visitors, a free service offered by the ICO Museum.

5,784
PEOPLE



WORKSHOPS FOR PEOPLE WITH COGNITIVE FUNCTIONAL DIVERSITY

The offer for occupational centres and associations of people with cognitive diversity was activated at the beginning of 2021 and was very well received by the interested entities. An activity in collaboration with the organisation Plena Inclusión (PIM).



WORKSHOPS FOR SCHOOLS, FAMILIES AND YOUNG AUDIENCES



900
ATTENDEES

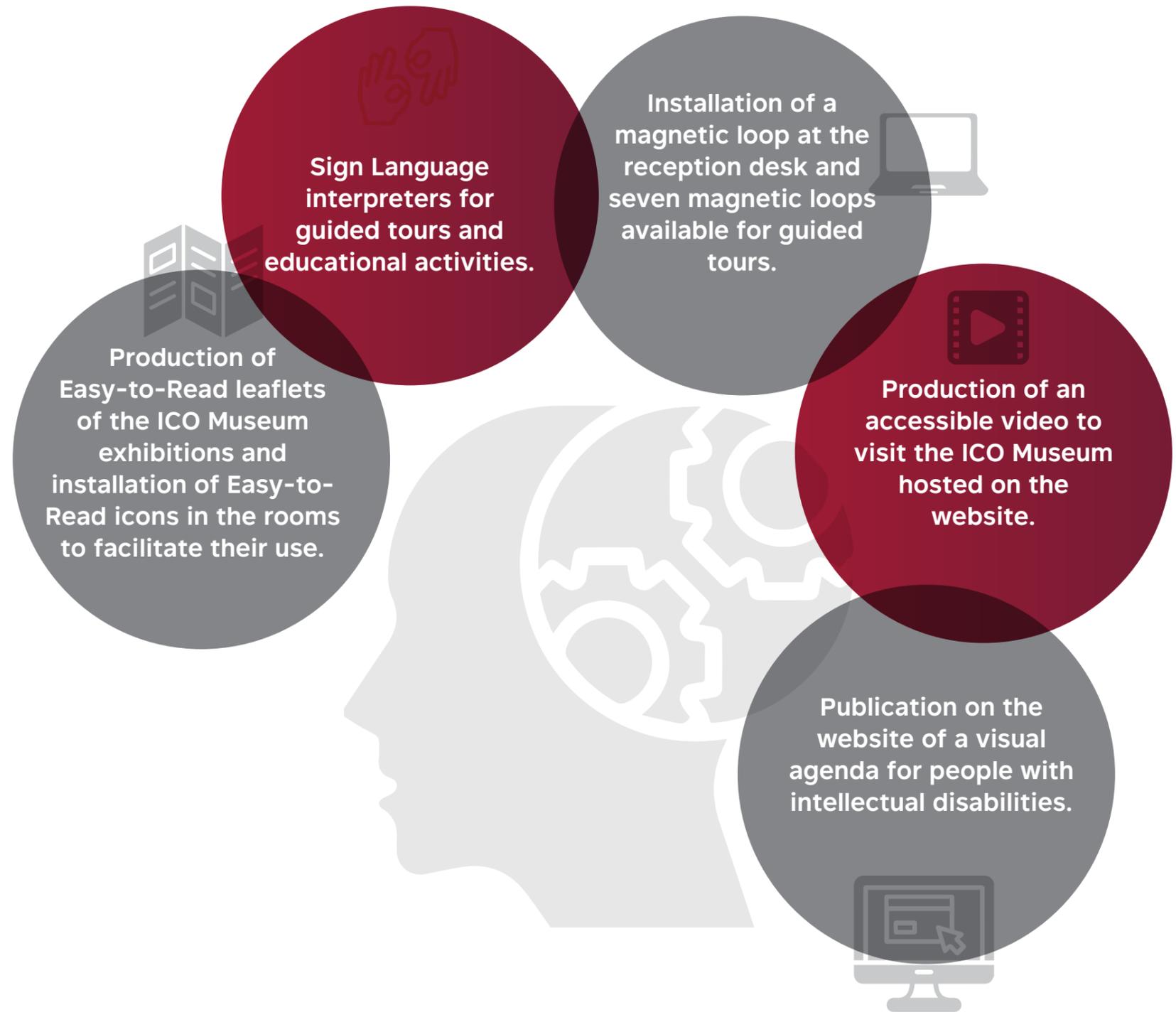
In the first half of 2021, the materials for classroom use in schools started in the previous year were finalised for the infant, primary, secondary and baccalaureate stages. From October onwards, schools began to book workshop sessions in the museum's rooms.

Throughout the year, we resumed face-to-face activities for families, workshops for young people and the summer school.

INCLUSION AND ACCESSIBILITY

During 2021, the ICO Museum has promoted the creation of an informal collaboration group to improve the Museum's accessibility in two areas: cognitive functional diversity and hearing impairment. The members of this group are: the Spanish National Confederation of Deaf People (CNSE), the Spanish Confederation of Families of Deaf People (FIAPAS), Plena Inclusión Madrid (PIM), the Empower Parents Association (AEP) and the Fundación ICO, represented by technical staff from the Art area.

Thanks to the advice and proposals that have emerged from this group, new initiatives have been carried out to make the ICO Museum more accessible to the general public.





EMPOWER PARENTS. COMMON SPACES 2021

During 2021, the programme aimed at families with children with Autism Spectrum Disorder was reactivated through a new stage with the Empower Parents Association (AEP) which, composed of veteran families of the programme since 2013, assumes the implementation of the three areas of action: Experience, Transfer and Learning:



EXPERIENCE

Programme for families at the ICO Museum with the same methodology used from 2013 to 2019. Different sessions were held with 9 families selected on the basis of a new call for applications.

18
SESSIONS



LEARNING

Formation of a research group on inclusive practices. Members: ICO Museum, MNCN, RJB, FT, Empower Association, Autonomous University of Madrid and Plena Inclusión Madrid.



TRANSFERENCE

Empower Parents Network: the Fundación ICO, through a collaboration agreement, promoted a programme to transfer the programme's methodology to the National Museum of Natural Sciences (MNCN), the Royal Botanical Garden (RJB) and Fundación Telefónica (FT).



B. AREA OF ECONOMICS

The Economics Area promotes activities aimed at generating and disseminating knowledge in economic and financial matters, mainly through shared reflection and debate among experts and agents in these fields.

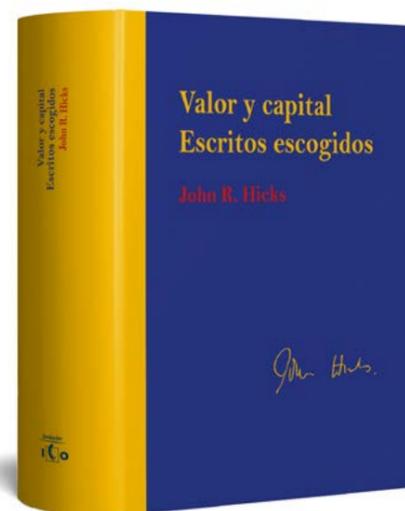
PUBLICATIONS

○ FUNDACIÓN ICO COLLECTION - INTERNATIONAL ECONOMICS

This year's edition is dedicated to the economist John Hicks and in particular to his work "Value and Capital" and three articles that stand out among his entire output:

- The training of an economist
- Keynes and the neoclassicals, a possible interpretation
- The foundations of welfare economics

The introductory study is by Josep María Vegara, Emeritus Professor at the Autonomous University of Barcelona, and the translation is by Estrella Trincado, lecturer at the Complutense University of Madrid.



The publication and distribution of the work is carried out by the publishing house Thomson Reuters.

○ CLASSICS OF SPANISH ECONOMIC THOUGHT

This collection is the largest and most important collection of writings on the history of Spanish economic thought, revised and updated with introductory studies by experts. In 2021 the book "En busca de la estabilidad monetaria. Prolegómenos de una reforma exitosa 1668-1686). Selección de arbitrios" (Monetary Doctrines in Castile during the reign of Charles II) by Cecilia Font, Professor at the University of Francisco de Vitoria, was published.

On 21 October 2021, the presentation of the book "En torno al Memorial del Contador Luis Ortiz a Felipe II" (On the Memorial of the Accountant Luis Ortiz to Philip II), in memory of Ernest Lluch, took place in the Assembly Hall of the National Library. This was one of the last works he published shortly before he was assassinated, so this edition, published the previous year, aims to pay tribute to him.

○ EURO YEARBOOK 2021

Published under the title "MOVING FORWARD: Monetary Union after Covid19. A Yearbook on the Euro 2021" entirely in English (both digital and printed edition) with the executive summary also in Spanish (digital edition).

On 12 March, a hybrid presentation was held, with the participation of Jorge Yzaguirre, President of IEAF ETF; Lucinio Muñoz, Director of Fundación ICO; Fernando Fernández, Director of the Yearbook; Antonio Roldán, Director of ESADE Economic Policy and María Demertzis, Deputy Director of Bruegel. The debate was moderated by Fiona Maharg Bravo, economic journalist. <https://www.fundacionico.es/economia/anuarios/anuario-del-euro>



C. TRAINING

FUNDACIÓN ICO PROGRAMME - CHINA SCHOLARSHIPS



During the second semester of the academic year 2020-21, 15 scholarship holders continued the programme. Entry into universities from February onwards was not possible as the schools for foreign students remained closed. The scholarship holders

who continued their studies considered that the courses offered by the universities were of high quality and improved their language level, although the impossibility of enjoying immersion in Chinese society, as well as the lack of face-to-face classes, had an important impact on the Programme. The Foundation tried to alleviate, as far as possible, the situation by taking on the cost of special conversation classes with Chinese students of the Master's degree in teaching Chinese as a foreign language at BNU or additional HSK preparation courses at UIBE.

Call 2021-2022

This call was published in the BOE on 18 January 2021 and the deadline for applications was 8 February. A total of 145 applications were submitted, 61% more than the previous year. The selection and enrolment process of the scholarship holders for this call took place during the first part of the year and classes started in September 2021.

In June, the universities informed us that during the autumn semester, classes would be held at the foreign students' schools by distance learning. The Foundation in turn communicated this change of conditions to the scholarship holders, giving them various options to enable them to make the choices best suited to their respective personal situations. Fifteen scholarship holders decided to follow the online classes and six preferred to wait until the second semester, with the idea of joining in case the classes were held in person.

The Foundation arranged additional classes for the scholarship holders in both oral Chinese and HSK preparation, and resumed meetings with representatives of institutions and companies, having held between September and December 2021 two meetings with the Ambassador and the Economic Counsellor of the Spanish Embassy in Beijing.

Call 2022-23

Throughout 2021, work was carried out on the preparation of the new call for applications for the 2022-23 academic year, which will be managed through the ICO's new electronic office. Work was carried out in conjunction with the ICO's IT department to adapt the e-office to the needs of the scholarship call. Work was also done on the image and publicity for the new edition of the Programme, which opened to the public in January 2022.



E-FP PROGRAMME

As established in the Action Plan for 2021, the Foundation maintained its collaboration with the e-FP Programme of the Créate Foundation and the Spanish Chamber of Commerce this year, through the contracting

of Programme Coordination services. In April, the first edition of an e-Challenge took place in which several companies presented challenges to selected students from the Programme so that, over the course of a day, they could solve them and propose their solutions. The director of the Foundation was part of the jury for this activity. On 10 June, the final of the 2nd Edition of the e-FP Programme took place, in which Fundación ICO also participated, together with other entities such as the BBVA Foundation, the Bankia Foundation, the Telefónica Foundation, the Spanish Chamber of Commerce, CESCE, Eulen and Iberdrola.

The 2021-22 course considerably increased its number, following the success of the previous edition: it reached a volume of 2,500 students enrolled, from 140 centres. It has also increased its geographical scope, with the participation of centres from all the Autonomous Communities except Navarra, La Rioja and Extremadura (as well as Ceuta and Melilla).

FINANCIAL EDUCATION PLAN

The Foundation participated in the celebration of Financial Literacy Day with the organisation of an on-line seminar entitled "The Entrepreneurship Journey: Finance as a key element of sustainability".



The event was aimed at VT students and, in general, anyone with an interest in the role of finance in the entrepreneurial process. The emphasis of the seminar was on the

importance of the economic and financial sustainability of the projects as a sine qua non condition for their success; therefore, sources of financing, costs, balance sheets and results, among other aspects, were discussed.

The event was held on 7 October, in the form of a guided conversation, with the participation of two VT students with experience in the challenge of finding viable business formulas. The video is available on YouTube and on the e-FP platform, so

that it can also be used by e-FP participants in the future.

126 people registered and there were 119 live connections.

FINANCIAL LITERACY IN START-UPS

Fundación ICO supported the project "Financial and Circular Economy Literacy in Start-ups", a research on the role of financial and circular economy literacy in obtaining better financing for start-ups. The project, developed by Istituto Europeo di Design S.L. (IED), was awarded a grant from "BBVA EduFin Research Grants 2020".

The first phase of the project concluded without being able to empirically prove the existence of a positive relationship between financial literacy / circular economy knowledge and success in accessing finance by the start-ups in the sample. For this reason, a full report on the research, methodology, sample and actions undertaken was prepared and it was decided to end the collaboration at this point.



MOOC ON CIRCULAR ECONOMY FOR SMES

During the second half of the year, the final works of the MOOC on circular economy developed by the UNED in collaboration with Fundación ICO were carried out: Pymes ante la Economía Circular. Herramientas clave para su transición (SMEs facing the Circular Economy. Key tools for their transition) (1 ed. 2022).

The course is delivered online and the main delivery channel for the content is short videos complemented by external material and links that allow you to delve deeper into the concepts covered throughout the course.

Teachers, entrepreneurs and representatives of public institutions collaborated in the implementation and delivery of the contents of this course.

Contents of the mooc on circular economy for SMEs

Module 0. Presentation of the course - course objectives, methodology and use of the platform.

Module 1. What is the circular economy? - introduction to the concept of c.e., main associated concepts, implications. Growing importance in European policies and initiatives (Green Pact, NextGenerationEU funds).

Module 2. SMEs facing the circular economy - implications of c.e. for SMEs, reasons for their transition to c.e., practical examples of motivations

associated with: (i) legislative requirements; (ii) lower costs; (iii) business opportunities; (iv) increasing customer and consumer demand.

Module 3. Tools for the transition of SMEs to the circular economy - main tools with a focus on: (i) life cycle analysis; (ii) eco-design; (iii) eco-labels and environmental footprint; (iv) specific measurement tools.

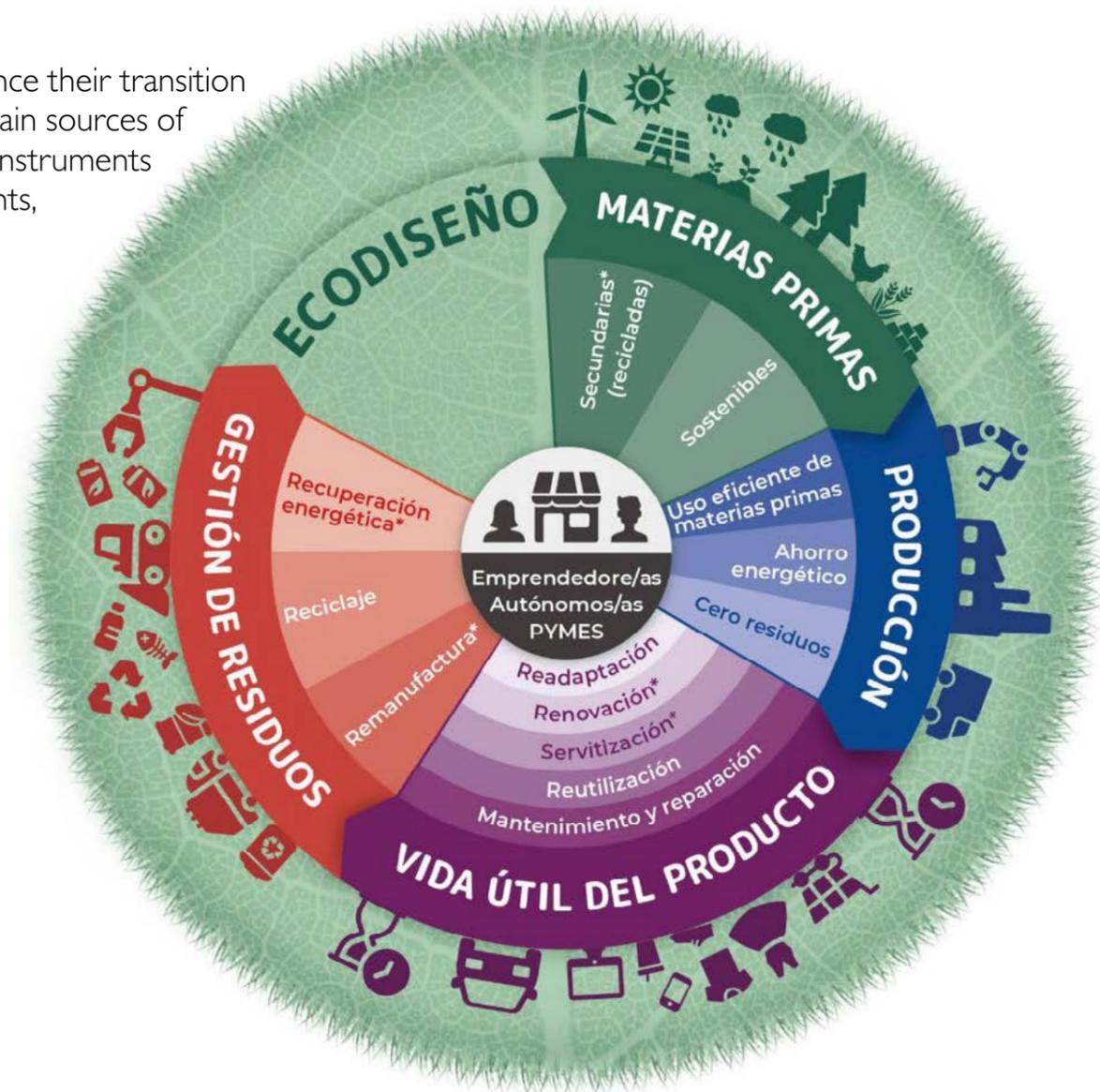
Module 4. How do SMEs finance their transition to the circular economy? (I) - main sources of financing, first block of specific instruments (NextGenerationUE, CDTI grants, impact venture capital funds).

Module 5. How do SMEs finance their transition to the circular economy? (II) –second block of instruments: ENISA equity loans, JICE funds, other financing offered by financial institutions and investment crowdfunding.

At the end of each module there is a multiple-choice test to assess the level of achievement and knowledge acquired by the student. All students who pass the course receive free accreditation of completion. Those who wish a higher level of accreditation can opt for a certificate issued by the UNED in which 1 ECTS credit

is recognised, for which only the administration costs are paid.

<https://www.fundacionico.es/economia-circular>



TECHNICAL AND VOCATIONAL EDUCATION IN IBEROAMERICA POST-COVID19

This report was presented on 9 April at the headquarters of the Ibero-American General Secretariat in Madrid. Corresponding to the 2020 financial year, the research was conducted by Germán Ríos and Victoria Galán-Muros in the framework of a collaboration between Fundación ICO and the Ibero-American Business Foundation. The event was honoured with speeches by the authors, the then Ibero-American Secretary General Rebeca Grynspan, the President of the Ibero-American Business Foundation Josep Piqué, and the Director of Fundación ICO Lucinio Muñoz. The study makes a diagnosis of the state of vocational education in Ibero-America and the impact of Covid-19 on it, and analyses the main current challenges at this level of education. It is a study with a practical approach that aims to provide a series of recommendations to policy makers, companies and the education sector.



INTERNATIONAL SEMINAR: "RELAUNCHING RELATIONS BETWEEN LATIN AMERICA AND THE EUROPEAN UNION: STRATEGIC AUTONOMY, ADVANCED COOPERATION AND DIGITAL, GREEN AND SOCIAL RECOVERY".

On 30 November and 1 December, the International Seminar "Relaunching relations between Latin America and the European Union: strategic autonomy, advanced cooperation and digital, green and social recovery" took place. The event was held at Casa de América and was inaugurated by the Secretaries of State for International Cooperation and for Ibero-America and the Caribbean and the Presidents of the two host institutions, Fundación Carolina and Fundación ICO. The EU High Representative for Foreign Affairs also sent words of welcome in digital format.

The programme focused on the debate on the renewal of dialogue and cooperation between LATAM and the EU, analysing the elements of the post-pandemic scenario that challenge both



regions: renewal of political dialogue and cooperation strategies. The sessions were attended by an average of 50 guests and followed online by some 1200 people. As part of the agreement, a compilation volume of the seminar papers will be published in the near future.

MUSEOGRAPHY SCHOLARSHIP

In July 2021, the current beneficiary of this grant applied for renewal for a further year. In accordance with Order ECE/1104/2019, of 25 October, approving the regulatory bases for the awarding of grants for internships at the ICO Museum and, in particular, in accordance with Article 14 thereof, and following an evaluation of the grant holder's performance and attitude during the previous months, the President of the Foundation agreed to this renewal. Therefore, in 2021, this call was not announced.

PLATFORMS FOR DISCUSSION

Fundación ICO promotes and collaborates in platforms for debate that encourage reflection and analysis by experts through the creation of work forums and the exchange of experiences and knowledge on highly specialised subjects, most of which are complementary to the activities carried out by ICO, thus enhancing the Institute's image.

○ 47TH EIBA ANNUAL CONFERENCE.

The annual meeting of the European International Business Academy (EIBA), organised by the Complutense Institute of International Studies (ICEI) together with the Faculty of Economics and Business Studies of the Complutense University of Madrid (UCM), was sponsored by Fundación ICO.

It was held from 10 to 12 December 2021, under the title "Companies, innovation and localisation. Rethinking international business for sustainable development in the post-pandemic period", addressing the link between international companies and innovation and local contexts in the face of the challenges of the Sustainable Development Goals (SDGs).

○ BRUEGEL MEMBERSHIP

Bruegel, as an international non-profit organisation, established in Brussels in 2004, has as its mission to contribute to improving the quality of economic policies through research, analysis and open debates, which are of interest to Fundación ICO and in line with its action plan.



OTHER PARTNERSHIPS

○ XII SPANISH ECONOMICS OLYMPIAD.

Organised by the Faculty of Economics, Business and Tourism of the University of Alcalá, it was sponsored by Fundación ICO and took place on 21, 22 and 23 June 2021.

This academic and educational competition aims to stimulate the study of economics and business economics among young people, to reward effort and academic excellence, and to establish stable links between university education and other educational levels.

Javier Arribas Cámara

Economía y sostenibilidad: El debate de la gestión en la historia del pensamiento económico



○ XVIII EDITION OF THE FVT AWARDS 2021

These awards were organised by the Victims of Terrorism Foundation and sponsored by Fundación ICO, and were presented on 15 December 2021 in Madrid.

These awards aim to raise awareness and recognition of all victims of terrorism; the promotion of democratic values, the defence of human rights, plurality and the freedom of all citizens.

○ ECONOMICS AND SUSTAINABILITY: THE MANAGEMENT DEBATE IN THE HISTORY OF ECONOMIC THOUGHT

Sponsorship for the publication of the book, "Economía y sostenibilidad: El debate de la gestión en la historia del pensamiento económico" (Economics and sustainability: The debate on management in the history of economic thought), by Professor D. Javier de Arribas Cámara, due to the interest of Fundación ICO in the promotion and dissemination of economic thought and its different schools; support for economic and financial education, as well as providing the possibility of disseminating the work of Fundación ICO among a diverse university audience.

8.2 Suppliers

The ICO Group is governed by Law 9/2017, of 8 November, on Public Sector Contracts, although to a different extent depending on the legal nature of each of the entities that form part of the ICO Group. Thus, Instituto de Crédito Oficial and Fundación ICO have the status of contracting authority and do not have the status of public administration. Therefore, the procurement of both entities is to a large extent governed by the aforementioned law in the terms established for entities with this status in accordance with the provisions of articles 316 et seq. of the aforementioned law.

Furthermore, ICO, as a Corporate State-Owned Entity, is subject to centralised procurement rules, which means that a series of goods and services have been declared centralised by Ministerial Order EHA/1049/2008, of 10 April, and must be procured through the Directorate General for the Streamlining and Centralisation of Procurement.

For its part, AXIS does not have the status of contracting authority, and is governed by the provisions of Articles 321 and 322 of the aforementioned Law. In compliance with this, it has approved the Internal Contracting Instructions that regulate procurement procedures, guaranteeing the application of the principles of publicity, competition, transparency, confidentiality, equality and non-discrimination.

In accordance with the provisions of Law 9/2017, of 8 November, on Public Sector Contracts, the ICO Group analyses the possible incorporation of environmental and social requirements in accordance with the object of the contract.

In 2021, 55 tendering processes were launched for the procurement of goods and services for a total amount of 26.39 million euros, of which 24.40 million euros corresponded to the 25 tendering processes subject to harmonised regulation.

During the financial year 2021, payments to suppliers were made in the amount of 16.17 million euros.



Our procurement practices are aligned with SDG 12 on Responsible Consumption and Production.

8.3 Clients

MEASURES FOR THE HEALTH AND SAFETY OF CONSUMERS

The ICO Group, through its Data Protection Policy updated in 2020, guarantees the protection of all natural persons with whom it may have a relationship due to its activity with regard to the processing of personal data and the free movement of such data. With regard to its direct and indirect clients, the Institute, guided by the principles of lawfulness, transparency and purpose limitation, establishes their right of access, rectification, erasure, restriction and portability of their data, as well as their right to object to the processing of their data and to request not to be subject to a decision based solely on automated processing.

Throughout 2021, given the nature of the ICO Group's activity, there were no significant impacts on the health and safety of customers through any of the categories of products and services offered. Therefore, there were no incidents or cases of non-compliance in this area either.

CLAIMS SYSTEMS, COMPLAINTS RECEIVED AND THEIR RESOLUTION

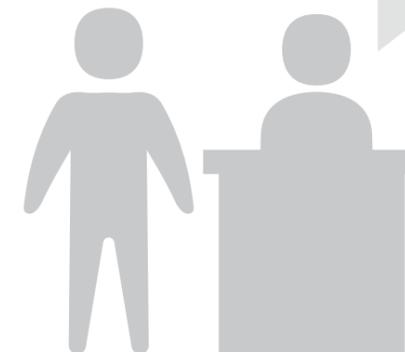
Communication with our stakeholders and, in particular, with our customers, is considered by the ICO Group to be one of the main tools for continuous improvement and for gathering information to define our future lines of action.

The ICO Group, through the centralised action of its Customer Service area, has three channels for communication with its customers:

Written customer service is provided through the corporate website (<https://www.ico.es/web/ico/contacto>), where customers can request further information about the products or express their complaints or suggestions. This tool also allows us to ascertain the actions and information that the institutions' offices have on the ICO Group's facilities. This tool also enables clients to learn about other ICO Group activities not necessarily related to financing products.

The ICO Group has implemented face-to-face customer service to assist all clients who decide to request information or make their complaints and suggestions directly at the Institute's premises.

There is a call centre, managed by the firm Konecta, chosen by public tender, which communicates with customers through telephone calls, the Click to Call application, and through Web Chat, a customer communication channel implemented in 2020.





During the financial year 2021 there has been a general decrease in the activity of the ICO customer service channel compared to 2020 (61% lower) as a result of the lower need for guaranteed financing by companies and, likewise, due to the end of the application period for the Avales Arrendamientos facility in August 2021. However, the demand for information from citizens has remained high and the use of tools such as Web Chat and the Click to Call application has increased significantly.

Support channel

	2021	2020	VARIATION (%)
COMPLAINTS	537	1,493	-64%
INFORMATION REQUESTS	5,231	12,402	-58%
SUGGESTIONS	7	32	-78%
FACE-TO-FACE SUPPORT	157	152	3%
TELEPHONE SUPPORT	15,485	48,087	-68%
CLICK TO CALL	905	105	762%
WEB CHAT	2,235	92	2,329%
TOTAL	24,400	62,211	-61%

The following conclusions can be drawn from the analysis of customer information:

Customer complaints are mainly focused on the rejection of applications for financing underwritten by the institution's risk policy.

In relation to the management of financial institutions, mainly in the first months of the year, customer complaints focused on the Guarantee Facilities and the extension of their terms, with the common reasons for complaints being processing problems, rejection of applications and disagreement with conditions.

In relation to the management of the ICO Group, 5 complaints were received during the year, none of which resulted in a serious impact on the management of ICO. Two of them referred to the Guarantee Facility and the extension, two to different aspects of the lending activity and one to the processing of personal data.

On the other hand, the requests for information received from customers focused on the Guarantee Lines, the main reasons for enquiries being the conditions of the product, the cost of the guarantee or the possibility of amortising other operations.

The average response time amounted to 4.4 days for complaints, as they required third party checks, and decreased to 1.75 days for requests for information.

By the end of 2021, almost all complaints and requests for information received had been answered.

8.4. Corporate volunteering

Corporate volunteering enables the ICO Group, through the solidarity, dedication and vocation of its staff, to contribute directly to the maintenance of social cohesion and development of the local community, through local social entities.

Through its Corporate Social Responsibility (CSR) policy, ICO is committed to contributing to the social purpose of third sector entities by signing alliances and collaboration agreements. This commitment is materialised in the annual preparation and development of a corporate volunteering plan in which actions are carried out to support the activities of third sector organisations and training actions in which ICO employees contribute their experience and knowledge to entrepreneurs and groups at risk of social and employment exclusion.



Throughout 2021, this commitment materialised in a series of activities carried out in collaboration with the following entities:

- **Fundación Leucemia y Linfoma (Leukaemia and Lymphoma Foundation):** collaboration in the 12th edition of the Fundación Leucemia y Linfoma Basketball Tournament and the Regalos con Corazón (Gifts with Heart) campaign, both organised to raise awareness in society of the need to take an active role against leukaemia, lymphoma and myeloma by donating bone marrow. A total contribution of **€2,500** was made.
- **Gmp Foundation:** participation in the 21st Solidarity Paddle Tennis Tournament for Companies, which raised funds for the care of 20 children with severe brain damage and families with limited economic resources in rehabilitation centres. A contribution of **€1,750** was made.
- **Madrid Golf Federation:** participation in the 2021 edition of the Adapted Golf Tournament to promote awareness and participation in support activities that favour the social integration of people with intellectual disabilities and disadvantaged groups. A contribution of **€1,000** was made.
- **Rafael del Pino Foundation:** workshops given by ICO employees in schools in the Community of Madrid to raise awareness of the 10 Global Compact Principles and the SDGs among high school students. No monetary contribution was made.



9

Tax and subsidy information





Profit before tax in 2021 (consolidated data for ICO and AXIS):

194.67 million €

profits obtained in Spain.

Corporate income tax accounted for amounted to:

54.81 million €

The Fundación ICO prepares accounts separately from the other entities of the ICO Group, Profit before tax in 2021 was of: **€ 339,769.28**

The Foundation is not taxed on the profits arising from its foundational activities, by virtue of the provisions of Law 49/2002, of 23 December, on the Tax Regime for Non-Profit Entities and Tax Incentives for Patronage.

In 2021 the Fundación ICO received a grant of **60,000 euros** from the Ministry of Transport,

Mobility and Urban Agenda under the General State Budget Law for 2021, within the budget application 17.10.26 IO. 78714 "Capital transfers to Families and Non-Profit Institutions". ICO and AXIS do not receive public grants.



10

About the report



This report has been prepared in accordance with the Global Reporting Initiative (GRI) standard for sustainability reporting, as well as taking into account our contribution to the Sustainable Development Goals and the targets set by the UN for 2030.

As with other editions, internal organisation documents such as the Strategic Plan, the Corporate Manual and other sources of information considered relevant in painting a realistic picture of the company's fulfilment of social sustainability and responsibility have been used to draft this report.

Scope

The information in this report relates to the ESG performance of the ICO Group between 1 January and 31 December 2021. Wherever possible, data has been provided on a consolidated level. Where the information does not refer to all the companies included in the scope, this is expressly stated.

Contact

If you have any questions regarding the content of this report, please contact: rse@ico.es.

Principles for the preparation of the report

In accordance with the guidelines of the European Commission (2017/C 215/01), the following principles have been observed in the preparation of this Integrated Report:

1 MATERIALITY AND STAKEHOLDERS

The content of this Report has been defined taking into account the stakeholders and material aspects identified.

2 LEADERSHIP

The Annual Report is approved by the Operations Committee, the highest governing and management body of the ICO Group, and endorsed by the General Council in its capacity as the Institute's highest governing body. The ICO Group's management approves the allocation of resources necessary for the preparation and verification of the report.

3 COMPARABILITY

To provide information on the ICO Group's progress in the subjects included in the scope, the Report includes data not only for the financial year 2021, but also sometimes for the previous year.

4 BALANCE

The Report presents the actual information for the period, regardless of whether or not the objectives have been achieved, and whether or not a figure is more or less favourable than that obtained in previous periods.

5 PUNCTUALITY AND REGULARITY

The ICO Group prepares annual economic-financial, social responsibility and corporate governance reports. The information covered refers to the calendar year. The ICO Group prepares and presents the above information in an integrated manner.

6 CLARITY, ACCURACY AND RELIABILITY

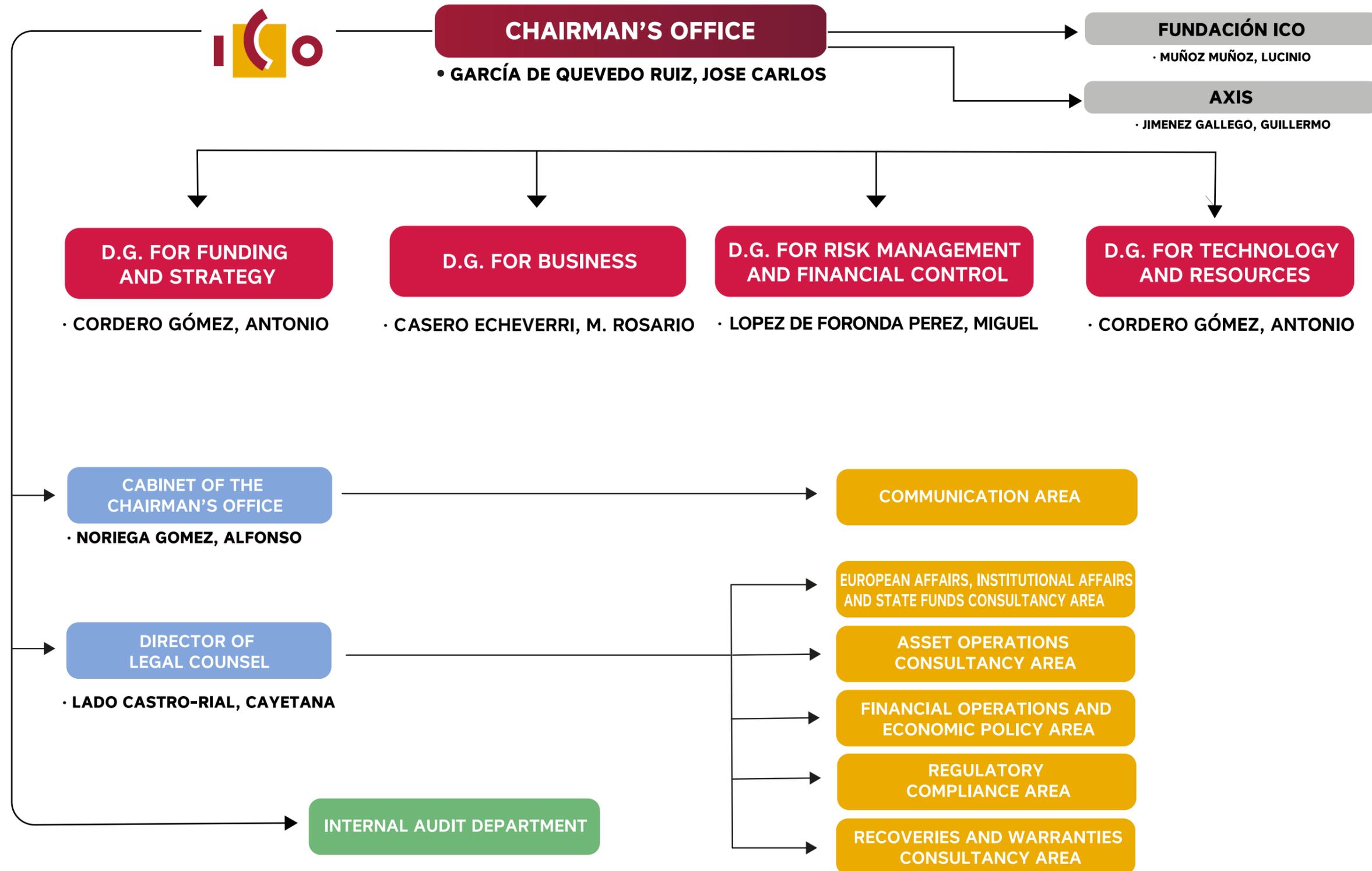
The ICO Group has submitted the contents of the Annual Report for verification by independent experts. With regard to the annual accounts and financial information, the verification has been carried out by the Intervención General de la Administración del Estado (IGAE), and by Mazars Auditores, S.L. In relation to the GRI standard for the preparation of social responsibility reports, the verification has been carried out by CAVALA Gabinete de Asesoría Empresarial, S.L. During the verification process, it has been verified that the structure of the document allows for an agile and clear reading of the information. In addition, the accuracy of the information and reliability of the sources used was verified.

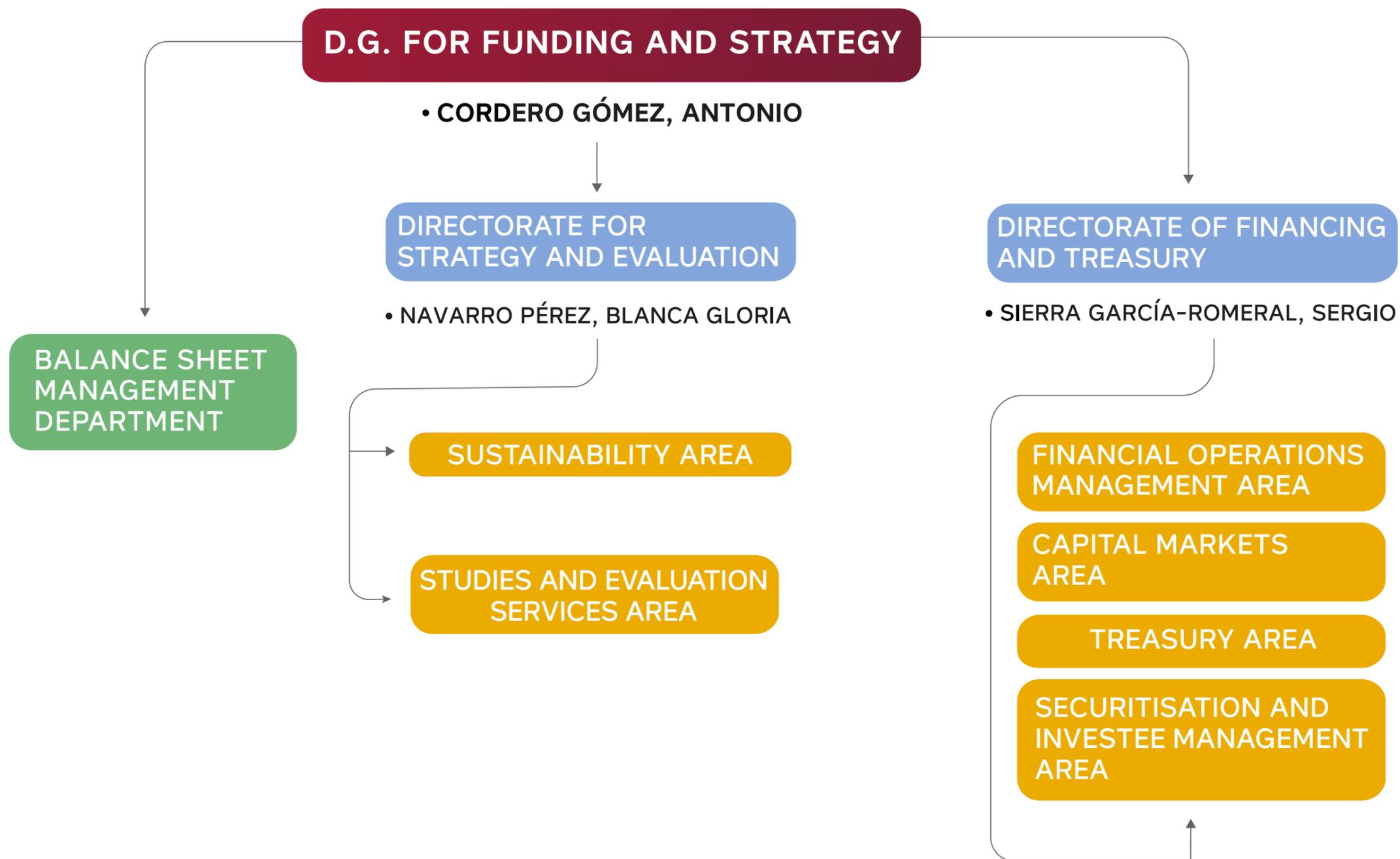


Organisation chart of ICO Group entities



11. Organisation chart of ICO Group entities at 31.12.2021







D.G. FOR BUSINESS

• CASERO ECHEVERRI, M. ROSARIO

DIRECTORATE FOR INTERNATIONAL FUNDING

• DÍEZ BARROSO, SILVIA

DIRECTORATE OF CORPORATE AND INSTITUTIONAL FUNDING

• BLANCO BENEIT, ENRIQUE MANUEL

DIRECTORATE OF MEDIATION AND SMES

• ARANDA GARCÍA, M. ELENA

DEPARTMENT OF PRODUCT DEVELOPMENT

DEPARTMENT OF INTERNATIONAL FINANCING AND EUROPEAN UNION AFFAIRS

INTERNATIONAL FINANCING AND GUARANTEES AREA

OPERATIONS RESTRUCTURING AREA

E.I.F. MANAGEMENT AREA

E.I.F. ADMINISTRATION AREA

CORPORATE FINANCING AREA

TERRITORIAL STATE FUNDS AREA

DEPARTMENT OF SMES FINANCING AND GUARANTEES

GUARANTEED FACILITIES MANAGEMENT AREA

AREA OF MEDIATION WITH FINANCIAL INSTITUTIONS

CUSTOMER SERVICE AREA



D.G. FOR RISK MANAGEMENT AND FINANCIAL CONTROL

• LOPEZ DE FORONDA PEREZ, MIGUEL

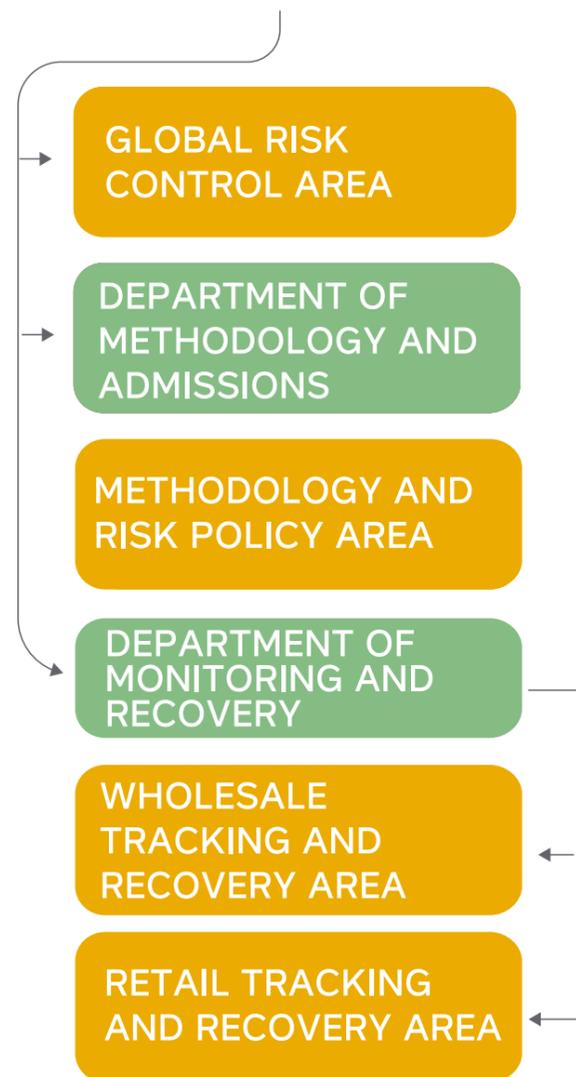
RISK DEPARTMENT

• MOLINA FONCEA, JOSÉ MIGUEL

DIRECTORATE FOR BUDGET AND FINANCIAL CONTROL

• MORALES FERNÁNDEZ, LUIS JAVIER

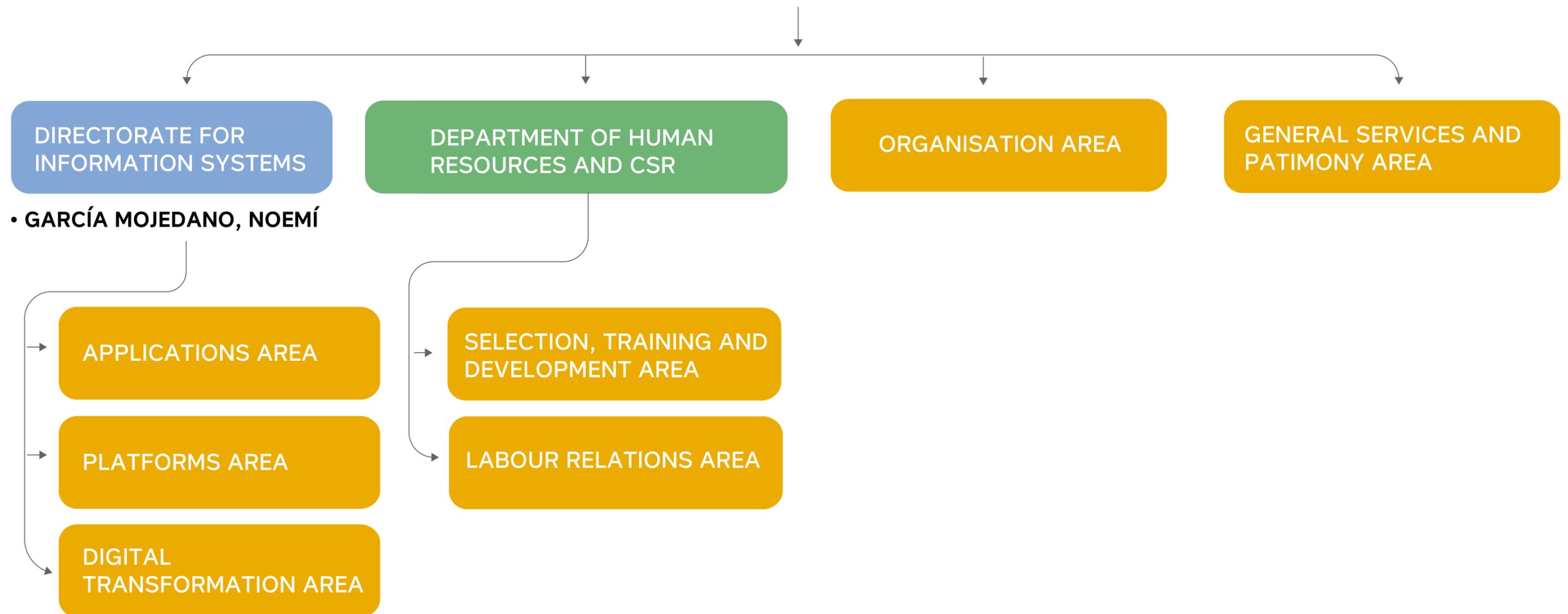
OPERATIONS MANAGEMENT DEPARTMENT





D.G. FOR TECHNOLOGY AND RESOURCES

• PACHO SÁNCHEZ, JOSÉ MANUEL





CHAIRMAN

• GARCÍA DE QUEVEDO, JOSÉ CARLOS

GENERAL DIRECTOR

• JIMÉNEZ GALLEGO, GUILLERMO

PORTFOLIO MANAGEMENT AREA

FINANCIAL AREA

LEGAL ADVISORY AREA

INTERNATIONAL RELATIONS AREA





12

Table of Contents





12.1. GRI table of contents

GRI MATERIAL ASPECTS

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	MATERIAL TOPIC	PAGE AND CHAPTER Link Omissions
102 - 39 to 102 - 16 103 - 3 to 102 - 45	2016	General Information Principle 10	1, 4, 5, 8, 12, 13, 14, 15 and 16	1. Corporate governance, sustainability, CSR and transparency	3. The ICO Group and our business model 4. Social responsibility at ICO
201-1 201-4	2016	General Information	2, 5, 7, 8 and 9	2. Sources of finance and financial equilibrium	3. The ICO Group and our business model 5. Description and development of the activity
-	2016	General Information	1, 2, 6, 11, 13 and 17	3. Boosting development and improving the distribution of wealth. Digitalisation and adaptation to new environments	5. Description and development of the activity
300, "ENVIRONMENTAL" 400, "SOCIAL"	2016	Principles 5, 6, 7, 8 and 9	3, 5, 6, 7, 8, 10, 12, 13, 14, 15 and 16	4. Employment and sustainable economic growth. Environment, climate and human rights	6. Staff and diversity management 7. Internal environmental management
404-1 to 404-3 405-1 to 405-2 406-1	2016	Principles 3, 4, 5 and 6	3, 5, 8, 10 and 16	5. People	6. Staff and diversity management
102-12 102-13	2016	General Information	17	6. Partnerships	3. The ICO Group and our business model 3.9 Partnerships - public-private partnerships
102 - 9 308 - 1 to 308 - 1 411 to 419	2016	Principles 1 and 2	3, 4, 8, 11, 12 and 16	7. Community service	8. Commitment to society



GRI table

STANDARD GRI		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 101. FUNDAMENTALS (2016)	GRI 101	Basics	General Information		1. Letter of the Chairman 10. About the report
ORGANISATION PROFILE					
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 1	Name of the organisation	General Information		3. The ICO Group and our business model. 3.1 Composition
	GRI 102 - 2	Activities, brands, products and services	General Information		3. The ICO Group and our business model. 3.7 Our business model
	GRI 102 - 3	Location of our headquarters	General Information		3. The ICO Group and our business model. 3.2 Nature and functions
	GRI 102 - 4	Location of operations	General Information		The ICO only operates in Spain
	GRI 102 - 5	Ownership and legal form	General Information		3. The ICO Group and our business model. 3.2 Nature and functions
	GRI 102 - 6	Markets served	General Information		5. Description and development of the activity
	GRI 102 - 7	Size of the organisation	General Information		5. Description and development of the activity 6. Staff and diversity management 6.1 Staff data GRI 201-1
	GRI 102 - 8	Information on employees and other staff	General Information Principle No. 6	8	6. Staff and diversity management
	GRI 102 - 9	Supply Chain	General Information		8. Commitment to society 8.2. Suppliers
	GRI 102 - 10	Significant changes in the organisation and its supply chain	General Information		There have been no significant changes
	GRI 102 - 11	Precautionary principle or approach	General Information		7. Internal environmental management



STANDARD GRI	DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
ORGANISATION PROFILE				
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 12	External initiatives	General Information	3. The ICO Group and our business model. 3.9 Partnerships - public-private partnerships 4. Social responsibility at ICO 4.2. Collaboration with sustainability partnerships
	GRI 102 - 13	Membership of associations	General Information	4. Social responsibility at ICO 4.2. Collaboration with sustainability partnerships
STRATEGY				
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 14	Declaration of senior executives responsible for decision-making	Declaration of senior executives responsible for decision-making	1. Letter of the Chairman
	GRI 102 - 15	Main impacts, risks and opportunities	Main impacts, risks and opportunities	3. The ICO Group and our business model. 3.6 Risks and opportunities 5. Description and development of the activity Note: For strategic reasons, detailed information on risks and opportunities is not published.
ETHICS AND INTEGRITY				
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 16	Values, principles, standards and norms of conduct	Principle No. 10	16 4. Social responsibility at ICO 4.3 Ethical and responsible management
	GRI 102 - 17	Advisory and ethical concern mechanisms	Principle No. 10	16 4. Social responsibility at ICO 4.3 Ethical and responsible management The ICO Group has no ethical channels for external use.
GOVERNANCE				
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 18	Governance structure	General Information	3. The ICO Group and our business model. 3.3 Governance and management structure
	GRI 102 - 19	Delegation of capacities	General Information	3. The ICO Group and our business model. 3.3 Governance and management structure



STANDARD GRI	DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS	
GOVERNANCE					
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 19	Delegation of capacities	General Information	3. The ICO Group and our business model. 3.3 Governance and management structure The delegated functions of the ICO President are set out in the statutes, approved by Royal Decree 706/1999.	
	GRI 102 - 20	Executive responsibility for economic, environmental and social issues	General Information	Director General of Technical Issues and Resources	
	GRI 102 - 21	Stakeholder consultation on economic, environmental and social issues	General Information	16	4. Social responsibility at ICO
	GRI 102 - 22	Composition of the most senior governing body and its committees	General Information	5, 16	3. The ICO Group and our business model. 3.3 Governance and management structure
	GRI 102 - 23	President of the most senior governing body	General Information	16	3. The ICO Group and our business model. 3.3 Governance and management structure. The President of ICO is the chief executive of the entity.
	GRI 102 - 24	Nomination and selection of the highest governance body	General Information	5, 16	3. The ICO Group and our business model. 3.3 Governance and management structure
	GRI 102 - 25	Conflict of interest	General Information	16	3. The ICO Group and our business model. 3.3 Governance and management structure
	GRI 102 - 26	Role of the most senior governing body in establishing objectives, values and strategy	General Information		3. The ICO Group and our business model. 3.3 Governance and management structure
	GRI 102 - 27	Collective knowledge of the most senior governing body	General Information	4	3. The ICO Group and our business model. 3.3 Governance and management structure
	GRI 102 - 28	Evaluation of the performance of the most senior governing body	General Information		3. The ICO Group and our business model. 3.3 Governance and management structure
GRI 102 - 29	Identification and management of economic, environmental and social impacts	General Information	16	4. Social responsibility at ICO	



STANDARD GRI	DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GOVERNANCE				
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 30	Effectiveness of risk management processes	General Information	3. The ICO Group and our business model. 3.6 Risks and opportunities
	GRI 102 - 31	Evaluation of economic, environmental and social issues	General Information	4. Social responsibility at ICO
	GRI 102 - 32	Role of the most senior governing body in sustainability reporting	General Information	The ICO Group's Integrated Annual Report is approved by the highest management body and submitted to the General Council for information purposes.
	GRI 102 - 33	Communication of critical concerns	General Information	4. Social responsibility at ICO 4.3 Ethical and responsible management
	GRI 102 - 34	Nature and total number of critical concerns	General Information	4. Social responsibility at ICO 4.3 Ethical and responsible management
	GRI 102 - 35	Remuneration policies	General Information	3. The ICO Group and our business model. 3.3 Governance and management structure 6. Staff and diversity management 6.3 Average wage and pay gap
	GRI 102 - 36	Process to determine remuneration	General Information	3. The ICO Group and our business model. 3.3 Governance and management structure 6. Staff and diversity management 6.3 Average wage and pay gap
	GRI 102 - 37	Stakeholder engagement in remuneration	General Information	16 4. Social responsibility at ICO Only the interest group "Public Administrations" is involved in the definition of the remuneration for attendance at the ICO General Council, which is defined in a Royal Decree.
	GRI 102 - 38	Total annual compensation ratio	General Information	The salary of the President is 2.77 times the average salary of ICO employees and 3.83 times the salary of ICO Administrative employees, the lowest paid category.
	GRI 102 - 39	Ratio of percentage increase of total annual compensation	General Information	The increase in the Chairman's remuneration in 2021 was 0.33% higher than the evolution of the median remuneration of the staff.



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
PARTICIPATION OF STAKEHOLDERS					
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 40	List of stakeholders	General Information		3. The ICO Group and our business model. 3.4 Stakeholders
	GRI 102 - 41	Collective bargaining agreements	General Information	8	6. Staff and diversity management 6.7 Social dialogue
	GRI 102 - 42	Identification and selection of stakeholder	General Information		3. The ICO Group and our business model. 3.4 Stakeholders Stakeholders are identified transversally by all ICO directorates. In 2021, this process has been incorporated into the ISO 9001 quality management system methodology.
	GRI 102 - 43	Stakeholder engagement approach	General Information		The ICO does not carry out surveys to ascertain the opinion and satisfaction of its customers. This information is collected directly by staff in the relations that internal units maintain with the various stakeholders.
	GRI 102 - 44	Key issues and concerns mentioned	General Information		The ICO does not conduct surveys to ascertain the needs, expectations and concerns of stakeholders. This information is collected directly by staff in the relations that internal units maintain with the various stakeholders.
PRACTICES FOR THE PREPARATION OF REPORTS					
GRI 102. GENERAL CONTENT (2016)	GRI 102 - 45	Entities included in the consolidated financial statements	General Information		10. About the report 10.1 Scope
	GRI 102 - 46	Definition of the contents of the reports and coverage of the topic	General Information		The contents of the Annual Report are defined by ICO Group Management.
	GRI 102 - 47	List of material issues	General Information		3. The ICO Group and our business model. 3.5 Issues relevant to materiality



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
PRACTICES FOR THE PREPARATION OF REPORTS					
GRI 102. GENERAL CONTENTS (2016)	GRI 102 - 48	Re expression of information			It has not been carried out
	GRI 102 - 49	Changes in the preparation of reports	General Information		This report complies with the requirements of Law 11.2018, in addition to the GRI standards.
	GRI 102 - 50	Reporting period	General Information		10. About the report 10.1 Scope
	GRI 102 - 51	Date of the last report	General Information		31.12.2021
	GRI 102 - 52	Reporting cycle	General Information		Annually
	GRI 102 - 53	Point of contact for questions about the report	General Information		rse@ico.es
	GRI 102 - 54	Declaration of the preparation of the report in accordance with the GRI Standards	General Information		This report has been prepared in accordance with the Comprehensive option of the GRI Standards.
	GRI 102 - 55	GRI Table of Contents	General Information		12. Table of Contents
	GRI 102 - 56	External verification	General Information		10. About the report 10.2 Principles for the preparation of the report
MANAGEMENT APPROACH					
GRI 103. MANAGEMENT APPROACH (2016)	GRI 103 - 1	Explanation of the material aspect and its Coverage	General Information	12, 13, 14, 15	3.5 Issues relevant to materiality
	GRI 103 - 2	Management approach and its components.	General Information	12, 13, 14, 15	4. Social responsibility at ICO
	GRI 103 - 3	Evaluation of the management approach.	General Information	1, 5, 8, 12, 13, 14, 15, 16	4. Social responsibility at ICO



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 200. ECONOMIC					
GRI 201. ECONOMIC PERFORMANCE (2016)	GRI 201 - 1	Direct economic value generated and distributed	General Information	2, 5, 7, 8, 9	Value generated: €207 million Value distributed: €43 million
	GRI 201 - 2	Financial implications and other risks and opportunities arising from climate change	General Information	13	5. Description and development of the activity
	GRI 201 - 3	Obligations of the established benefit plan and other retirement plans	General Information		There are no contracted obligations
	GRI 201 - 4	Financial assistance received from the Government	General Information		ICO does not receive subsidies or financial aid from the Government
GRI 202. PRESENCE IN THE MARKET (2016)	GRI 202 - 1	Ratio of entry level salary by sex compared to local minimum wage	General Information	1, 5, 8	6. Staff and diversity management 6.3 Average wage and pay gap
	GRI 202 - 2	Proportion of senior executives recruited from the local community	General Information	8	100%
GRI 203. INDIRECT ECONOMIC IMPACTS (2016)	GRI 203 - 1	Investments in infrastructure and provided services	General Information	2, 5, 7, 9, 11	5. Description and development of the activity
	GRI 203 - 2	Significant indirect economic impacts	General Information	1, 2, 3, 8, 10, 17	5. Description and development of the activity
GRI 204. PROCUREMENT PRACTICES (2016)	GRI 204 - 1	Proportion of expenditure on local suppliers		12	100%



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 205. ANTI-CORRUPTION (2016)	GRI 205 - 1	Operations evaluated for risks related to corruption		16	All credit operations studied directly by the ICO Group assess the risk of corruption.
	GRI 205 - 2	Communication and training on anti-corruption policies and procedures	Principle No. 10	16	4. Social responsibility at ICO 4.3 Ethical and responsible management
	GRI 205 - 3	Confirmed cases of corruption and measures taken	Principle No. 10	16	0
GRI 206. UNFAIR COMPETITION (2016)	GRI 206 - 1	Legal actions related to unfair competition and monopolistic practices and those against free competition		16	0
GRI 207. TAXATION (2019)	GRI 207-1	Tax approach		16	With regard to state taxation, ICO is subject to direct corporate income taxation as a credit institution, taxed at a rate of 30%, and without any special rules other than the general tax regime. It is also a taxable entity subject to VAT, under the general regime, with no specific advantages or exemptions. In terms of local taxation, the Institute is also a taxpayer of the different taxes in force (tax on asset transfers, property tax, etc.), with no exemptions other than those expressly provided for in the regulations of each tax for public law entities.
	GRI 207-2	Fiscal governance, control and risk management		16	The management and control of taxation at ICO is the responsibility of the Directorate General of Risk and Financial Control, through the Accounting Department.
	GRI 207-3	Stakeholder engagement and management of tax concerns		16	3. The ICO Group and our business model. 3.4 Stakeholders
	GRI 207-4	Country-by-country reporting		16	ICO only pays taxes in Spain. Information on taxes paid can be found in the Audited Accounts Report.



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 300. ENVIRONMENTAL ISSUES					
GRI 301. MATERIALS (2016)	GRI 301 - 1	Materials used by weight or volume	Principles No. 7,8,9	8, 12	7. Internal environmental management 7.1 Sustainable use of natural resources
	GRI 301 - 2	Recycled supplies	Principles No. 7,8,9	8, 12	7.1 In-house environmental management 7.2 Circular Economy and waste management
	GRI 301 - 3	Reused products and packaging materials	Principles No. 7,8,9	8, 12	7.1 In-house environmental management 7.2 Circular Economy and waste management
GRI 302. ENERGY (2016)	GRI 302 - 1	Energy consumption within the organisation	Principles No. 7,8,9	7, 8, 12, 13	7. Internal environmental management 7.1 Sustainable use of natural resources
	GRI 302 - 2	Energy consumption outside of the organisation	Principles No. 7,8,9	7, 8, 12, 13	7. Internal environmental management 7.1 Sustainable use of natural resources
	GRI 302 - 3	Energy intensity	Principles No. 7,8,9	7, 8, 12, 13	7. Internal environmental management 7.1 Sustainable use of natural resources
	GRI 302 - 4	Reduction of energy consumption	Principles No. 7,8,9	7, 8, 12, 13	No measurement of the possible reduction in energy consumption is carried out, except in the case of significant projects, such as changing the lighting of the entire building to LED. ICO follows a policy of continuous improvement in energy efficiency.
	GRI 302 - 5	Reduction of products and services' energy requirements	Principles No. 7,8,9	7, 8, 12, 13	Due to our financial activity, not applicable.



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 303. WATER (2018)	GRI 303 - 1	Interaction with water as a shared resource	Principles No. 7,8,9	6	The ICO Group only consumes water from the local water supply. No water is reused or regenerated.
	GRI 303 - 2	Management of the impacts related to water discharges	Principles No. 7,8,9	6	Due to its activity, ICO Group does not generate impacts related to the discharge of water. Wastewater is discharged into municipal systems.
	GRI 303 - 3	Water abstraction	Principles No. 7,8,9	6	The ICO Group only consumes water from the local water supply. No water is reused or regenerated.
	GRI 303 - 4	Water discharge	Principles No. 7,8,9	6	ICO Group does not measure water discharge. Wastewater is discharged into municipal systems.
	GRI 303 - 5	Water consumption	Principles No. 7,8,9	6	7. Internal environmental management 7.1 Sustainable use of natural resources
GRI 304. BIODIVERISTY (2016)	GRI 304 - 1	Operations centres owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity outside of protected areas	Principles No. 7,8,9	6, 14, 15	Does not apply. The ICO Group does not have any facilities in protected natural areas.
	GRI 304 - 2	Significant impacts of activities, products and services on biodiversity	Principles No. 7,8,9	6, 14, 15	Does not apply. The ICO Group has no impact on biodiversity.
	GRI 304 - 3	Protected or restored habitats	Principles No. 7,8,9	6, 14, 15	Does not apply. The ICO Group does not impact protected habitats due to its activity.
	GRI 304 - 4	Species that appear on the IUCN Red List and on national conservation lists whose habitats are in areas affected by operations	Principles No. 7,8,9	6, 14, 15	Does not apply. The ICO Group does not impact habitats of species in danger of extinction through its activities.
GRI 305. EMISSIONS (2016)	GRI 305 - 1	Direct greenhouse gas (GHG) emissions (scope 1)	Principles No. 7,8,9	3, 12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions
	GRI 305 - 2	Indirect GHG emissions by generating energy (scope 2)	Principles No. 7,8,9	3, 12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions
	GRI 305 - 3	Other indirect GHG emissions (scope 3)	Principles No. 7,8,9	3, 12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 305. EMISSIONS (2016)	GRI 305 - 4	Intensity of GHG emissions	Principles No. 7,8,9	12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions
	GRI 305 - 5	Reduction of GHG emissions	Principles No. 7,8,9	12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions
	GRI 305 - 6	Emissions of ozone-depleting substances (ODS)	Principles No. 7,8,9	3, 12, 13, 14, 15	The ICO Group does not emit ozone-depleting substances through its activities.
	GRI 305 - 7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Principles No. 7,8,9	3, 12, 13, 14, 15	The ICO Group does not emit substances with a significant impact on the air through its activities
GRI 306. WASTE (2020)	GRI 306 - 1	Waste generation and significant impacts related to waste	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions
	GRI 306 - 2	Management of significant waste-related impacts	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions
	GRI 306 - 3	Waste generated	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions
	GRI 306 - 4	Wastes not destined for disposal	Principles No. 7,8,9	6, 12, 13, 14, 15	7. In-house environmental management 7.3 Pollution. Emissions
	GRI 306 - 5	Wastes destined for disposal	Principles No. 7,8,9	12, 13, 14, 15, 16	7. In-house environmental management 7.3 Pollution. Emissions
GRI 307. ENVIRONMENTAL COMPLIANCE (2016)	GRI 307 - 1	Failure to comply with environmental legislation and regulations	Principles No. 7,8,9	12, 13, 14, 15, 16	0



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 308. ENVIRONMENTAL ASSESSMENT OF SUPPLIERS (2016)	GRI 308 - 1	New suppliers that have passed assessment and selection filters according to environmental criteria			Restaurant Vouchers
	GRI 308 - 2	Negative environmental impacts in the supply chain and measures taken			8. Commitment to the Company 8.2 Suppliers
GRI 400. SOCIAL					
GRI 401. EMPLOYMENT (2016)	GRI 401 - 1	New appointments of employees and staff rotation	Principle No. 3, 4, 5 and 6	5, 8	6. Staff and diversity management 6.1 Staff data
	GRI 401 - 2	Benefits for full-time employees that are not provided to part-time or temporary employees.	Principle No. 3, 4, 5 and 6	8	Restaurant Vouchers
	GRI 401 - 3	Parental leave	Principle No. 3, 4, 5 and 6	5, 8	6. Staff and diversity management 6.5 Reconciliation
GRI 402. EMPLOYEE-COMPANY RELATIONS (2016)	GRI 402 - 1	Minimum notice periods for operational changes		8	Those established by the legislation in force
GRI 403. HEALTH AND SAFETY AT WORK (2018)	GRI 403 - 1	Occupational health and safety management system	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
	GRI 403 - 2	Hazard identification, risk assessment and incident investigation	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
	GRI 403 - 3	Occupational health services	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 403. HEALTH AND SAFETY AT WORK (2018)	GRI 403 - 4	Worker participation, consultation and communication on occupational health and safety	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
	GRI 403 - 5	Worker training on occupational health and safety	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
	GRI 403 - 6	Promotion of worker health	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
	GRI 403 - 7	Prevention and mitigation of impacts on the health and safety of workers directly linked through business relationships	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
	GRI 403 - 8	Workers covered by an occupational health and safety management system	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
	GRI 403 - 9	Occupational injuries	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
	GRI 403 - 10	Occupational diseases and illnesses	Principle No. 3, 4, 5 and 6	3, 8	6. Staff and diversity management 6.6 Health and safety at work
GRI 404. TRAINING AND TEACHING (2016)	GRI 404 - 1	Average hours of training per year per employee	Principle No. 3, 4, 5 and 6	4, 5, 8	6. Staff and diversity management 6.8 Training
	GRI 404 - 2	Programmes to improve employees' skills and programmes to assist transition	Principle No. 3, 4, 5 and 6	8	6. Staff and diversity management 6.8 Training
	GRI 404 - 3	Percentage of employees receiving regular assessments of their professional performance and development	Principle No. 3, 4, 5 and 6	5, 8	100%



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 405. DIVERSITY AND EQUAL OPPORTUNITIES (2016)	GRI 405 - 1	Diversity in governing bodies and amongst employees	Principle No. 3, 4, 5 and 6	5, 8	3. The ICO Group and our business model. 3.3 Governance and management structure 6. Staff and diversity management 6.1 Staff data 6.10 Equality and diversity
	GRI 405 - 2	Base salary ration and remuneration of women compared to men	Principle No. 3, 4, 5 and 6	5, 8, 10	6. Staff and diversity management 6.3 Average wage and pay gap
GRI 406. NO DISCRIMINATION (2016)	GRI 406 - 1	Cases of discrimination and corrective action taken	Principle No. 3, 4, 5 and 6	5, 8, 16	0
GRI 407. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (2016)	GRI 407 - 1	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	Principle No. 3, 4, 5 and 6	8	No data
GRI 408. CHILD LABOUR (2018)	GRI 408 - 1	Operations and suppliers with a significant risk of child labour	Principle No. 3, 4, 5 and 6	8, 16	0
GRI 409. FORCED OR COMPULSORY LABOUR (2016)	GRI 409 - 1	Operations and suppliers with significant risk of cases of forced or compulsory labour	Principle No. 3, 4, 5 and 6	8	0
GRI 410. SECURITY SECURITY ISSUES (2016)	GRI 410- 1	Operations and suppliers with significant risk of cases of forced or compulsory labour	Principle No. 3, 4, 5 and 6	8	0
GRI 411. INDIGENOUS PEOPLES' RIGHTS (2016)	GRI 411 - 1	Cases of violations of indigenous people's rights	Principle No. 1 and 2	2	0
GRI 412. ASSESSMENT OF HUMAN RIGHTS (2016)	GRI 412 - 1	Operations subject to human rights revisions or impact assessments	Principle No. 1 and 2		0



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 412. ASSESSMENT OF HUMAN RIGHTS (2016)	GRI 412 - 2	Employee training on human rights policies or procedures	Principle No. 1 and 2		1,806 hours 301 participants
	GRI 412 - 3	Significant investment agreements and contracts with human rights clauses or subjected to an assessment of human rights	Principle No. 1 and 2		All framework contracts governing ICO lines include clauses stating that activities that contravene human rights are not admissible.
GRI 413. LOCAL COMMUNITIES (2016)	GRI 413 - 1	Operations with the participation of the local community, impact evaluations and development programmes	Principle No. 1 and 2		0
	GRI 413 - 2	Operations with significant real and potential negative impacts on local communities	Principle No. 1 and 2	1, 2	Does not apply
GRI 414. SOCIAL ASSESSMENT OF SUPPLIERS (2016)	GRI 414 - 1	New suppliers that have passed selection filters according to social criteria		5, 8, 16	8. Commitment to the Company 8.2 Suppliers
	GRI 414 - 2	Negative social impacts in the supply chain and measures taken		5, 8, 16	The Group does not measure the social impact of the supply chain
GRI 415. PUBLIC POLICY (2016)	GRI 415 - 1	Contributions to political parties and/or representatives		16	The ICO Group does not make contributions to political parties or representatives.
GRI 416 CLIENT HEALTH AND SAFETY (2016)	GRI 416 - 1	Assessment of health and safety impacts of product or service categories			ICO Group products and services have no impact on the health and safety of customers.
	GRI 416 - 2	Cases of non-compliance concerning to health and safety impacts of categories of products and services of products and services		16	Does not apply



		DESCRIPTION	REFERENCE PROGRESS REPORT OF THE GLOBAL COMPACT	REF. SDG	CHAPTER LINK OMISSIONS
GRI 417. MARKETING AND LABELLING (2016)	GRI 417 - 1	Requirements for information and labelling of products and services		12, 16	Does not apply
	GRI 417 - 2	Cases of non-compliance related to products and services information and labelling		16	Does not apply
	GRI 417 - 3	Cases of non-compliance related to marketing communications			Does not apply
GRI 418. CUSTOMER PRIVACY (2016)	GRI 418 - 1	Justified complaints concerning violations of customer privacy and loss of customer data		16	0
GRI 419. SOCIO-ECONOMIC COMPLIANCE (2016)	GRI 419 - 1	Non-compliance with social and economic laws and regulations		16	0



12.2. Contents Law 11.2018

Status of Non-Financial Information and Diversity

	DESCRIPTION LAW 11/201811/2018	GRI REFERENCE	PAGE / NO APPLICATION
GENERAL ASPECTS	Business model Brief description of the group's business model - Business environment - Organisation and structure - Markets in which it operates - Objectives and strategies - Factors and trends likely to affect its future development	'102-2; 102-3; 102-4;102-6; 102-7;102-14;102-15	3. The ICO Group and our business model. Pages 15 to 33
	Policies Applied - Policies applied by the group on non-financial aspects, due diligence procedures applied and actions taken - Results of these policies accompanied by non-financial KPIs	103	4. Sustainability and social responsibility at ICO. Pages 47 to 69
	Main risks - Main risks related to non-financial aspects linked to the group's activities - Procedures used to identify, assess and manage these risks - Impacts identified on the main risks in the short, medium and long-term	102-15	4. Sustainability and social responsibility at ICO. Pages 47 to 69
	Non-Financial KPIs Non-financial key performance indicators that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability.	102-15; 102-29; 103	5. Description and evolution of the activity. Pages 71 to 116 6. Staff and diversity management. Pages 118 to 144 7. In-house environmental management. Pages 146 to 150 9. Tax and subsidy information. Page 170
ENVIRONMENTAL ISSUES	Environmental Management - Current and foreseeable environmental, health and safety impacts of the company's operations - Environmental assessment or certification procedures - Resources dedicated to environmental risk prevention - Application of the precautionary principle - Amount of provisions and safeguards for environmental risks	102-11; 102-15; 102-29; 102-30; 102-31; 103; 307-1	7. In-house environmental management. Pages 145 to 150
	Circular Economy and Waste Prevention and Management Pollution - Measures for prevention, recycling, reuse or other forms of recovery and disposal of waste - Actions to combat food waste	103; 301-2; 301-3; 306-1; 306-2; 306-3; 306-4; 306-5	7.2 Circular economy and waste management. Page 149
	Sustainable Use of Resources - Water consumption and water supply in accordance with local constraints - Consumption of raw materials and measures taken to improve the efficiency of their use - Direct and indirect energy consumption - Measures taken to improve energy efficiency - Use of renewable energy	103; 301-1; 302-1; 302-2; 302-3; 302-4; 302-5; 303-1; 303-2; 303-3; 303-4; 303-5	7.2 Circular economy and waste management. Page 149



		DESCRIPTION LAW 11/201811/2018	GRI REFERENCE	PAGE / NO APPLICATION
	Climate Change	<ul style="list-style-type: none"> - Significant elements of GHG emissions generated as a result of the company's activities, including the use of the goods and services it produces - Measures taken to adapt to the consequences of climate change - Voluntary medium- and long-term reduction targets set to reduce GHG emissions - Means implemented to reduce GHG emissions - Markets in which it operates - Objectives and strategies - Factors and trends that may affect its future development 	103; 201-2; 305-1; 305-2; 305-3; 305-4; 305-5	7. In-house environmental management. Pages 146 and 147 7.3 Contamination. Page 150
	Protection of Biodiversity	Measures taken to conserve or restore biodiversity	103; 304-1; 304-2; 304-3	7. In-house environmental management. Page 146
SOCIAL AND PERSONNEL MATTERS	Employment	<ul style="list-style-type: none"> - Total number and distribution of employees by gender, age, country and occupational classification. - Total number and distribution of types of employment contracts, average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and occupational classification - Number of dismissals by gender, age and occupational classification - Average pay and its evolution disaggregated by gender, age and occupational classification or equal value - Pay gap, the remuneration of equal or average jobs in the company - Average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments disaggregated by gender. - Implementation of policies of disconnection from work - Employees with disabilities 	102-8; 102-35; 102-36; 102-37; 102-38; 103; 202-1; 401-2; 405-1; 405-2	6.1 Staff data. Pages 119 to 122 6.2 Types of contract. Pages 123 and 124 6.3. Average remuneration and pay gap. Pages 125 to 127 6.9 Universal accessibility for people with disabilities. Page 140
	Work organisation	<ul style="list-style-type: none"> - Organisation of working time - Number of hours of absenteeism - Measures aimed at facilitating the enjoyment of work-life balance and encouraging co-responsibility on the part of both parents. 	103; 401-3; 402-1; 403-9	6.4 Work organisation. Page 129 6.5 Reconciliation 131 and 132
	Health and Safety	<ul style="list-style-type: none"> - Health and safety at work conditions - Occupational accidents (frequency and severity) and occupational diseases, disaggregated by gender 	103; 403-1; 403-2; 403-3; 403-4; 403-5, 403-6; 403-7; 403-8; 403-9; 403-10	6.6. Health and safety Pages 132 and 133
	Social Relations	<ul style="list-style-type: none"> - Organisation of social dialogue, including procedures for informing and consulting with staff and negotiating with them. - Percentage of employees covered by collective agreements by country - Balance of collective agreements, particularly in the field of occupational health and safety at work 	102-41; 103; 403-4	6.7 Social Dialogue. Pages 134 and 135



	DESCRIPTION LAW 11/201811/2018	GRI REFERENCE	PAGE / NO APPLICATION
SOCIAL AND PERSONNEL ISSUES	Training <ul style="list-style-type: none"> - Policies implemented in the field of training - Total number of training hours per professional category - Markets in which it operates - Objectives and strategies - Factors and trends likely to affect its future development 	103; 404-1; 404-2	6.8 Training. Pages 136 to 139
	Universal Accessibility for Persons with Disabilities <p>Measures implemented by the organisation to facilitate accessibility (physical and digital) for persons with disabilities</p>	103	6.9 Universal accessibility for people with disabilities. Pages 140 and 141
	Equality <ul style="list-style-type: none"> - Measures taken to promote equal treatment and equal opportunities for women and men - Equality plans - Measures taken to promote employment - Protocols against sexual and gender-based harassment - Integration and universal accessibility for people with disabilities - Anti-discrimination policy and diversity management policy 	103; 406-1	6.10 Equality and diversity. Pages 142 to 144
HUMAN RIGHTS	Respect for Human Rights <ul style="list-style-type: none"> - Implementation of human rights due diligence procedures - Prevention of risks of human rights abuses and measures to mitigate, manage and remedy potential abuses committed - Reporting of human rights abuses - Promotion and enforcement of the provisions of the International Labour Organisation's core conventions related to respect for freedom of association and the right to collective bargaining - Elimination of discrimination in respect of employment and occupation - Elimination of forced or compulsory labour - Effective abolition of child labour 	102-16; 102-17; 103; 406-1; 407-1; 408-1; 409-1; 412-1; 412-2; 412-3	4.4 Ethical and Responsible Management Pages 64 and 65
CORRUPTION AND BRIBERY	Fight against Corruption and Bribery <ul style="list-style-type: none"> - Measures taken to prevent corruption and bribery - Measures taken to combat money laundering - Contributions to foundations and non-profit organisations 	102-16; 102-17; 103; 205-1; 205-2; 205-3	4.4 Ethical and responsible management. Pages 57 and 58



	DESCRIPTION LAW 11/201811/2018	GRI REFERENCE	PAGE / NO APPLICATION
INFORMATION ABOUT THE COMPANY	<p>Company Commitment to Sustainable Development</p> <ul style="list-style-type: none"> - Impact of the company's activity on local employment and development - Impact of the company's activity on local populations and the territory - Relations maintained with local community actors and the modalities of dialogue with them - Partnership or sponsorship actions - Markets in which it operates - Objectives and strategies - Factors and trends likely to affect its future development 	102-43; 103; 201-1; 203-2; 204-1; 413-1; 413-2	5.2 The ICO as a national development bank. Boosting business growth. Pages 84, 85, 90 and 91
	<p>Subcontracting and Suppliers</p> <ul style="list-style-type: none"> - Inclusion of social, gender equality and environmental issues in the procurement policy - Consideration in relations with suppliers and sub-contractors of their social and environmental responsibility - Monitoring and auditing systems and audit results 	102-9; 103; 308-1; 308-2; 414-1; 414-2	8.2 Suppliers. Page 165
	<p>Consumers</p> <ul style="list-style-type: none"> - Measures for consumer health and safety - Complaint systems, complaints received and resolution of complaints 	103; 416-1; 416-2; 418-1	8.3 Clients. Pages 166 and 167
	<p>Tax information and information on subsidies</p> <ul style="list-style-type: none"> - Profits earned on a country-by-country basis - Profit taxes paid - Government grants received 	103; 201-1; 201-4; 207-4	9. Tax and subsidy information. Page 170



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