



## BANCO SABADELL GROUP SUSTAINABILITY POLICY

This document is a translation of a Spanish language document which was approved by the Board of Directors of Banco de Sabadell, S.A. on 28/04/2025. The Spanish version of this document will prevail in the event of any discrepancy or dispute.

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## 1. Introduction

This document defines the SUSTAINABILITY POLICY OF BANCO SABADELL GROUP (hereinafter, “the Group”), which has become part of its business purpose and strategy. The transformation process carried out in recent years, based on digitalisation and new information technology, has incorporated the changes required to transition towards a sustainable economy and sustainable development.

### 1.1. Definition

Sustainability means developing in a way that meets current needs without compromising the ability of future generations to meet their own needs, ensuring a balance between economic growth, care for the environment and social welfare. For Banco Sabadell Group, which has been building on its commitment to society since its inception, sustainability has become part of the business strategy and its transformation process, and with this, it aims to contribute to that balance, working to overcome the consequences of climate change, generating long-term economic, environmental and social value.

The BANCO SABADELL GROUP SUSTAINABILITY POLICY (hereinafter, the Policy) is aimed at framing the Group’s activity and organisation within Environmental, Social and Governance (ESG) parameters which, like the BANCO SABADELL ENVIRONMENTAL RISK POLICY, incorporate environmental, social and governance factors into decision-making and at the same time use those parameters to address the needs and concerns of all its stakeholders.

To that end, Banco Sabadell Group, in addition to the commitments undertaken at the national and international levels, as detailed in section 1.4 of this Policy, bases its commitment to society, the environment and the fight against climate change on the Sustainable Development Goals (SDGs), the United Nations Principles for Responsible Banking (of which it is a founding signatory), the 2015 Paris Agreement, the Net-Zero Banking Alliance (NZBA), as well as the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Banco Sabadell Group is developing various tools and initiatives in relation to sustainability, mainly through its Sustainable Finance Plan, in order to complete the four courses of action set out in its Commitment to Sustainability (published in the first quarter of 2022):

- Support customers in the transition to a sustainable economy
- Make it easier for investors to contribute to sustainability
- Adapt the organisation to the new paradigm
- Contribute to the transition towards a sustainable society

### 1.2. Purpose and unit responsible

The purpose of this Policy is to set out the core principles on which the Group bases its approach to tackling the challenges of sustainability and to define the corresponding management parameters, as well as the organisation and governance structure required for their optimal implementation.

Responsibility for this policy lies with Corporate Sustainability.

### 1.3. Scope of application

This Policy applies to Banco Sabadell Group.

### 1.4. Regulatory framework

The following regulatory framework will be used as a reference by the Group as a whole, with the exception of any matters for which specific legislation exists given the nature of the activities carried out or the region in which they are conducted.

#### 1.4.1. Regulatory and supervisory guidelines

Banco Sabadell Group, given the activities that it performs, is subject to the regulatory and supervisory guidelines on sustainability matters currently in effect both nationally and internationally. At the time of this Policy’s approval, these are:

## General framework

- Law 2/2011 of 4 March on sustainable economy.
- Law 7/2021 of 20 May on climate change and energy transition.
- Royal Legislative Decree 1/2013 of 29 November approving the revised text of the General Law on rights of people with disabilities and their social inclusion.
- The EC Sustainable Finance Action Plan (SFAP) of 2018 and its subsequent review in 2021, named the Renewed Sustainable Finance Strategy, which guides the financial sector's contribution to the objective of achieving a more sustainable global economy, and which establishes ten actions or objectives for which various regulatory initiatives are being developed and implemented:
  - i. Establish an EU classification system for sustainable activities (Taxonomy);
  - ii. Create standards and labels for green financial products;
  - iii. Foster investment in sustainable projects;
  - iv. Incorporate sustainability in financial advice;
  - v. Develop sustainability benchmarks;
  - vi. Better integrate sustainability in credit ratings and market research;
  - vii. Clarify the duties of institutional investors and asset managers;
  - viii. Incorporate sustainability into prudential requirements;
  - ix. Strengthen sustainability disclosure and develop accounting standards;
  - x. Foster sustainable corporate governance and attenuate short-termism in capital markets.
- The EC European Green Deal (2019), which sets out a roadmap with actions to promote efficient use of resources by moving towards a clean and circular economy, as well as restoring biodiversity, reducing pollution and undertaking a just transition.
- Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999. Known as the European Climate Law, it establishes the objective of achieving climate neutrality by 2050 and of reducing greenhouse gas emissions by at least 55% by 2030 (compared to 1990 levels).
- The “Fit for 55” package to adapt European legislation to the climate objectives proposed by the EC in 2021.

## Taxonomy (SFAP action 1)

- EU Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.
- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Environmental Taxonomy Regulation), supplementing Regulation (EU) 2020/852 by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and

restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

#### **European green bond (SFAP action 2)**

- Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds.

#### **Product governance and structure requirements in the area of savings and investment (SFAP action 4)**

- The revisions of the delegated acts of directives: (i) MiFID II (Delegated Directive (EU) 2021/1269 and Delegated Regulation (EU) 2021/1253), (ii) IDD (Delegated Regulation (EU) 2021/1257), (iii) Solvency II (Delegated Regulation (EU) 2021/1256), (iv) UCITS (Delegated Directive (EU) 2021/1270), and (v) AIFMS (Delegated Regulation (EU) 2021/1255).

#### **Disclosures in the area of savings and investment (SFAP action 7)**

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
- Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

#### **Prudential regulation and supervision in ESG matters (SFAP action 8)**

- ECB "Guide on climate-related and environmental risks" (November 2020).
- EBA "Guidelines on the management of environmental, social and governance (ESG) risks (EBA/GL/2025/01" of 8 January 2025.
- Report on good practices identified by the ECB for climate risk management and control, published in 2021.
- Reports on good practices identified by the ECB in the Thematic Review on Climate and Environmental Risks and in the Climate Risk Stress Test, both published in 2022.
- Reports and guides published by the EBA in order to comply with the Basel regulatory frameworks (Pillars I, II and III), based on its Sustainable Finance Action Plan of December 2019 (revised in December 2022) and its new Work Programme published in 2023. Noteworthy documents include:
  - Guidelines on loan origination and monitoring (2020).
  - Report on management and supervision of ESG risks for credit institutions and investment firms (2021).
  - Report on standards for Pillar III disclosures on ESG (2022).
- Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks.
- Reports and guides published by the ESMA within its sustainable finance strategy, updated every year since 2020.
- Report published by the EBA on the role of environmental and social risks in the prudential framework (2023).

#### **Non-financial and sustainability disclosures (SFAP action 9)**

- Law 11/2018 of 28 December amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on Auditing of Accounts in relation to non-financial and diversity disclosures (hereinafter, Law 11/2018 on non-financial and diversity disclosures), which transposes Directive 2014/95/EU of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings.
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.
- Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

### Long-term vision and sustainable corporate governance (SFAP action 10)

- Good Governance Code of Listed Companies of the Spanish National Securities Market Commission (CNMV), revised on 26 June 2020 (in particular as regards Recommendation 55).
- Law 5/2021 of 12 April amending the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies.

#### 1.4.2. National and international initiatives and commitments

Banco Sabadell Group's commitment to sustainability also takes the form of its voluntary adherence to various national and international initiatives and commitments:

- United Nations Global Compact on human rights, labour, the environment and anti-corruption (signed in 2005).
- UNEP FI Principles for Responsible Banking (founding member since 2019).
- UNEP FI Net-Zero Banking Alliance (member since 2021).
- United Nations Principles for Responsible Investment, individually signed by various investees and subsidiaries of the Bank: BanSabadell Pensiones E.G.F.P., S.A. (in 2012), Aurica Capital (in 2016), BanSabadell Pentapension Empresa FP (in 2020), Fondo de Pensiones de los Empleados de Banco Sabadell MF2000 (in 2020), Fondo de Pensiones de los Empleados de Banco Sabadell GM (in 2020).
- Equator Principles (signed in 2011).
- Carbon Disclosure Project (CDP) (signed in 2012).
- Collective Commitment to Climate Action, promoted by AEB, CECA and ICO (undertaken in 2019)
- "CEO por la diversidad" (CEOs supporting diversity) initiative promoted by the Adecco Foundation and CEOE (signed in 2019).
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (followed since November 2020).
- IOSCO Recommendations related to sustainable finance (June 2019).
- Adherence, through the Spanish Banking Association (AEB), to the Protocol to strengthen the social and sustainable commitments of banks, signed by all banking employers' associations in July 2021 and updated to focus on the financial inclusion of rural areas in October 2022.
- Adherence, since October 2022, to the Protocol signed by banking employers' associations with Correos (the Spanish postal service) to provide cash withdrawal and deposit services at all Correos service points (protocol signed in July 2022).

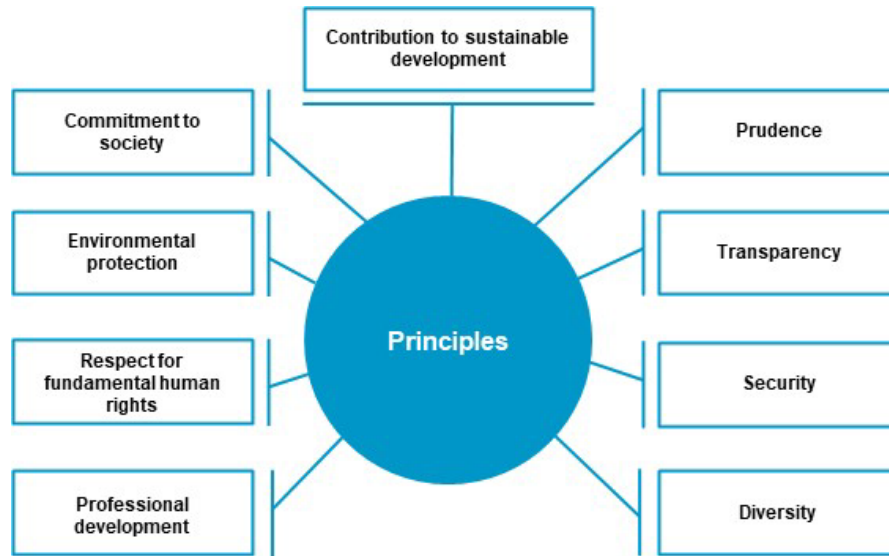
## 2. Principles and management parameters

### 2.1. Principles

Through this Policy, Banco Sabadell Group establishes a series of principles to adapt the organisation to the challenges and opportunities arising from sustainability.

These principles should be understood according to the double materiality perspective of the environment's impact on the Group and the Group's impact on stakeholders, in line with the guidelines of the main bodies, both local and international, that regulate in this regard.

Figure 1: Principles



- Contribution to sustainable development

The Group determines the material sustainability topics for the performance of its activities according to the double materiality perspective of the environment’s impact on the Group and of the Group’s impact on stakeholders, aligning itself with the Sustainable Development Goals (SDGs), to that end selecting certain priority and relevant SDGs.

Figure 2. Commitment to SDGs



- Prudence

Banco Sabadell Group, in keeping with the principle of prudence that governs its activities, takes into consideration the risks and opportunities in the area of sustainability in the various processes it carries out.

- Transparency

Management of this topic reduces future exposure to risks and possible economic sanctions related to transparency and data management. In addition, the Group promotes transparent information and responsible, straightforward and close communication with all its stakeholders aiming, in particular, to:

- Promote clear, balanced, objective and transparent communication regarding its financial products and services.
- Ensure utmost transparency in the supplier tender process, guaranteeing that the supplier tender processes are aligned with the values of the GROUP’S CODE OF CONDUCT, available on the corporate website.
- Offer complete, clear and truthful information to all analysts, investors and shareholders through the different communication channels made available to them by the Group, which are published in the POLICY ON COMMUNICATION AND CONTACT WITH SHAREHOLDERS, INVESTORS AND PROXY ADVISORS, available on the corporate website.

- Relevant tax information is transmitted directly, clearly and transparently to the various stakeholders through the different documents available on the corporate website, as well as within the scope of the collaborative relationship maintained with Spain's State Tax Administration Agency, in line with the action principles established in the Group's TAX STRATEGY.

- Security

The Group promotes the well-being of its staff by fostering a healthy and sustainable working environment.

Furthermore, the correct management of technological security allows it to meet its business objectives, maintain its position in terms of solvency, liquidity, profitability and asset quality, and to generate trust among regulators, investors, customers and society. In this respect, the Group maintains the highest standards of IT security and, to this end, it promotes practices that maximise the security of its products and services as defined in the BANCO SABADELL GROUP INFORMATION SYSTEMS SECURITY POLICY.

- Diversity

The Group promotes diversity, equal opportunities and non-discrimination at the workplace on grounds of gender, race, age, ethnic origin, religion or any other circumstance within the Board of Directors of its parent company, Banco de Sabadell, S.A. (hereinafter, Banco Sabadell or the Bank) and within its subsidiaries, as well as among its employees.

Moreover, the Group promotes the labour integration of people with disabilities, either by hiring them directly or by partnering up with leading institutions specialising in the field of integration.

The achievement of diversity targets has a positive impact when it comes to attracting and retaining human and intellectual capital, generating value within the Institution and improving productivity.

- Professional development

The Group promotes the professional development of all its employees based on meritocratic criteria in internal selection processes, and favours the attraction and retention of talent by offering training to cover the various profiles and groups.

Ensuring high-quality employment makes it possible to attract and retain human capital, improve employee productivity and, in addition, allows the Institution to better align employees' capabilities with its objectives and strategies.

- Respect for fundamental human rights

The Group supports, respects and protects internationally recognised fundamental human rights in all the regions in which it operates, in accordance with the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and other internationally recognised codes, as envisaged in the BANCO SABADELL GROUP HUMAN RIGHTS POLICY.

In particular, the Group identifies, prevents and mitigates the negative impacts on human rights of its activities and processes, especially in connection with its granting of loans to companies, its human resources management model, its supplier engagement processes and its partnerships with organisations and institutions.

Proper management of this topic makes it possible to identify new investment opportunities to meet the needs of vulnerable groups. It is also a way of standing out from its retail banking competitors through financial inclusion. It makes it possible to ensure alignment with international conventions on the protection of human rights.

- Environmental protection

The Group seeks to prevent and mitigate the possible negative environmental and social impacts derived from its activities. To that end, it promotes management systems based on internationally accepted standards and on a philosophy of continuous improvement.

The reduction of the internal environmental footprint through appropriate management and control reduces future exposure to risks related to GHG emissions caps, and improves energy efficiency by reducing the associated resources.

In addition, the correct management of this topic allows the Group to reduce its future exposure to climate-related and environmental risks, improving the Group's reputation and its relationship with stakeholders, and allowing it to remain aligned with regulatory requirements in this regard.

In relation to internal environmental management, the following commitments are undertaken:

- Comply with legal and other requirements applicable to activities, products and services in the various geographies in which the Group operates.
  - Promote the continuous improvement of the management system to improve environmental performance.
  - Establish work guidelines and control mechanisms to ensure environmental protection and to prevent pollution at facilities and in internal operations.
  - Share these principles with employees and Group companies, and establish fluid communication channels with the various stakeholders on environmental matters.
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- Commitment to society

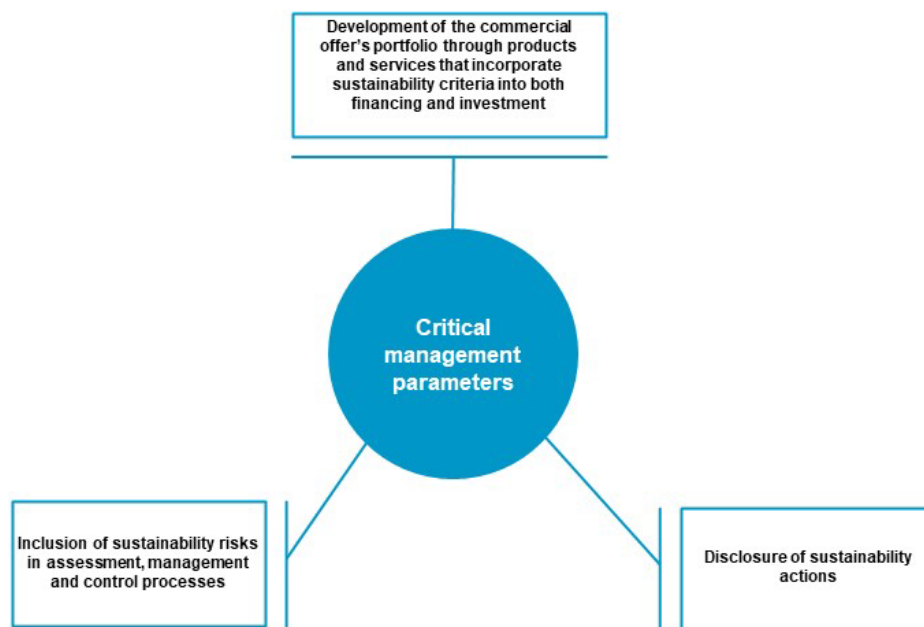
The Group fosters projects that contribute to a sustainable society, in particular through:

- The financing of renewable energies and social housing management.
- Financial education initiatives to teach children how to make financial decisions and to provide customers and consumers with the knowledge that they need to make informed decisions.
- Corporate volunteer programmes and charitable initiatives.

## 2.2. Management parameters

The critical management parameters derived from the incorporation of sustainability into the activities and the business are set out below.

*Figure 3. Management parameters*



**2.2.1. Inclusion of sustainability risks in assessment, management and control processes.**

The Group takes sustainability risks into account during its assessment, management and control processes through the activities being carried out to achieve, as a matter of priority, the objectives defined in the Sustainability Plan. Aspects related to Environmental, Social and Governance (ESG) risks shall be taken into consideration, as established in the GLOBAL RISK FRAMEWORK POLICY, with social risk embedded within reputational risk and conduct risk, and with governance risk embedded within reputational risk and compliance risk.

**2.2.2. Development of the commercial offer’s portfolio through products and services that incorporate sustainability criteria into both financing and investment.**

The Group promotes sustainable finance and investment to maximise the creation of value for society, supporting its customers as they transition towards more sustainable business models and paying particular attention to the most vulnerable groups, so that they are not discriminated by the commercial offer.

In its desire to contribute to sustainability, the Group promotes the design and/or distribution of products and services of an environmental and/or social nature to foster social and financial inclusion, contribute to environmental conservation and mitigate climate change. To guide customers in the transition towards a sustainable economy, the Bank makes progress in setting decarbonisation pathways and establishes sectoral rules that restrict controversial activities and/or activities with a negative impact on social and environmental development.

In order to ensure responsible lending and as a protection mechanism for users of financial services, the Group strengthens its information procedures on the products and services it offers, as well as on the assessment of the creditworthiness of borrowers.

**2.2.3. Disclosure of sustainability actions.**

Internally, the Group promotes plans for communication and internal training to share the key principles and initiatives in the area of sustainability with its employees.

The Group fosters transparency in the disclosure of information, at all times adopting responsible communication practices that prevent the manipulation of information and protect the company’s integrity and honour, in accordance with the recommendations of the Good Governance Code of Listed Companies published by the Spanish National Securities Market Commission (CNMV).

The Board of Directors of Banco Sabadell has adopted the recommendations of the TCFD model for the reporting and disclosure of its activities in terms of their climate change-related impacts, making this information public where appropriate.

Banco Sabadell communicates all actions taken in relation to ESG at the consolidated group level in the relevant reports. For instance, in the consolidated annual financial report and accounts, in relation to risk management and environmental risks in particular, and in the consolidated Non-Financial Disclosures Report, which complies with the general provisions published in Law 11/2018 on non-financial and diversity disclosures, which is submitted each year to shareholders for approval at the Annual General Meeting. Furthermore, the Pillar III Disclosures report must include a specific chapter on ESG matters in compliance with Part Eight of CRR II.

In addition, Banco Sabadell's Commitment to Sustainability was published in the first quarter of 2022. It embeds environmental, social and governance commitments, aligns business objectives with the Sustainable Development Goals, and establishes action levers for transformation and promotion actions. To that end, all of the Institution's bodies have been involved, and the following four courses of action have been established:

- Progress as a sustainable institution.
- Support our customers in the transition towards a sustainable economy.
- Offer investment opportunities that contribute to sustainability.
- Work together for a sustainable and cohesive society.

### 3. Tools

The Group has a set of instruments to control the operating procedures derived from this Policy:

- The Dashboard, which contains the indicators that make up the synthetic sustainability indicator, which is submitted to the Sustainability Committee on a regular basis.
- The Eligibility Guide, which draws on the EU Taxonomy criteria and the International Capital Markets Association (ICMA) green and social bond principles to define its sustainable portfolio.
- IT systems, which will allow the eligibility label to be included, as well as the databases and supporting documentation for the various users and platforms.
- The ESG database, which contains indicators compliant with Law 11/2018 on non-financial and diversity disclosures and Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.
- The internal and external communication channels that enable the necessary dialogue to capture the needs and expectations of the various stakeholders: climate surveys, focus groups, annual reports, etc.

In addition, the Bank's operating manual 7651 – Banco Sabadell Environmental Management System describes the responsibilities, obligations, organisational structure and scope of the system itself. In addition, it describes all of the general and specific resources and methods, knowledge, procedures or any other document that outlines the system's requirements or that is necessary for it to work as intended.

## 4. Document governance

### 4.1. Document approval

The BANCO SABADELL GROUP SUSTAINABILITY POLICY is approved by the Board of Directors of Banco Sabadell.

This Policy shall be available to all employees through CanalBS or through any other channel deemed appropriate by the Group at all times.

