

# Sustainability



# '22

SUSTAINABILITY REPORT  
AND NON-FINANCIAL  
INFORMATION STATEMENT

LABORAL Kutxa declares that this Report has been prepared in accordance with the GRI standards, and complies with the requirements of Law 11/2018, of 28 December, on non-financial information and diversity, according to the external verification carried out by AENOR.



**LABORAL**  
kutxa

## CONTENTS

<b>0. Letter</b> .....	<b>4</b>
<b>1. About us</b> .....	<b>7</b>
1.1 Group Presentation.....	8
1.2. Operating structure.....	9
1.3. Cooperativism.....	10
1.4. Values, principles, standards and rules of conduct .....	11
1.5. Geographic distribution of offices .....	12
1.6. The Group's main figures .....	13
1.7. Risk management and strategy .....	15
1.8. Principles and governance.....	17
1.9. Development of the governing bodies.....	23
1.10. Remuneration of the governing bodies .....	23
1.11. Corruption and bribery.....	24
1.12. Money laundering .....	26
1.13. Regulatory Compliance .....	26
<b>2. Responsible management</b> .....	<b>27</b>
2.1. Management approach .....	28
2.2. Commitments and achievements .....	29
2.3. Materiality analysis.....	32
2.4. Sustainability roadmap-Prioritisation of material issues.....	34
2.5. LABORAL Kutxa's CSR Scorecard .....	35
2.6. United Nations Principles for Responsible Banking and Sustainable Development Goals (SDGs) .....	36
<b>3. Management of stakeholders</b> .....	<b>38</b>
3.1. Our relationship with clients .....	39
3.1.1 Management Approach.....	39
3.1.2. Main figures of the customer .....	39
3.1.3. Dialogue with the customer .....	39
3.1.4. Responsible management with customers and excellence in quality of service .....	41
3.1.5. Protection of privacy and the security of data and operations.....	45
3.1.6. Responsible products and services .....	47
3.2. Our relationship with the workforce .....	55
3.2.1. Management approach .....	55
3.2.2. Main figures of the workforce .....	55
3.2.3. Dialogue with the workforce .....	56
3.2.4. Staff development.....	57
3.2.5. Diversity and equal opportunities .....	61
3.2.6. Conciliation .....	63
3.2.7. Remuneration management.....	63
3.2.8. Occupational health & safety .....	65
3.2.9. Social benefits package.....	67

<b>3.3. Our relationship with society .....</b>	<b>69</b>
3.3.1. Management approach .....	69
3.3.2. Main figures: Profit sharing in society .....	72
3.3.3. Dialogue with society .....	73
3.3.4. Initiatives endorsed by LABORAL Kutxa .....	73
<b>3.4. Our relationship with the environment .....</b>	<b>76</b>
3.4.1. Management approach .....	76
3.4.2. Main figures and initiatives developed .....	78
<b>3.5. Our relationship with supplier companies .....</b>	<b>84</b>
3.5.1. Management approach .....	84
3.5.2. Main figures .....	85
3.5.3. Dialogue with suppliers .....	85
3.5.4. Initiatives developed during the year for responsible supplier management .....	87
<b>4. Other figures .....</b>	<b>88</b>
4.1. Customers .....	89
4.2. People .....	92
4.3. Environment .....	99
<b>5. Information on the Report .....</b>	<b>100</b>
<b>6. Annexes .....</b>	<b>103</b>
6.1. GRI content Index .....	104
6.2. Reporting level of the Report .....	113
6.3. Disclosure of sustainability information. Taxonomy .....	113
6.4. AENOR verification .....	117



Letter

I would like to start this statement on LABORAL Kutxa's sustainable development strategy with a quote from José María Ormaetxea. The first general manager of the cooperative used to say that Caja Laboral came into being with the promise of ***being a company born with a firm commitment to promote the development and wellbeing of the inhabitants of its locations, to work to improve the equality of the communities and make them more united.***

This promise still shapes the credit cooperative's vision today. Thus, in the strategic deliberations we made in 2022 for the 2023-24 period, sustainability is one of the programmes that was catalogued as strategic. Society and the regulators are demanding a rethink of traditional banking, adapting it to a new context. This new scenario, in which the financial sector becomes a tool for the transformation of the current economic model to a more sustainable and resilient one, will require hard work from the entire cooperative in the coming years.

In parallel, at LABORAL Kutxa we want to update our identifying traits, our purpose, to bring them in line with today's challenges. To do so, we have begun deliberations whose goal is to define the identifying traits with which we would like to identify ourselves as an organisation, establishing the desired principles and behaviours for the company, both internally and with respect to the customers and society. We have called this process 'Zentua', "meaning" in Euskera.

The strategic priorities for contributing to sustainable development are encompassed in four main lines of work. Firstly, we must meet the different expectations and regulations in terms of ESG, particularly by assimilating the environmental and climate risks. In addition, we would like to develop a full range of green, social services and products for our customers. Thirdly, we will focus on the training of our staff, while seeking to reduce the direct impact of our activities to a minimum. Finally, the implementation of the Group's sustainability strategy will be strengthened.

2022 was a financial year in which we achieved the main economic and financial goals we had set ourselves. It was also a year of intense activity in terms of sustainability. The approval and implementation of the governance of sustainability in the LABORAL Kutxa Group established the foundations on which to deploy and coordinate the planned roadmap. The Sustainability Committee was established, which the entire board of directors forms a part of, as well as the rest of the structure, which includes regular statements in the Governing Board and the creation of the Sustainability Office.

In line with the demands of the regulators, we have progressed with the assimilation of sustainability and climate change risks with the analysis of the Risks Division. However, the complexity of incorporating criteria which are still under development and the limited availability of data slow down this assimilation.

The broad schedule of projects included in the sustainability management plan also includes some projects that I would like to elaborate on. On the product side, we have launched a credit for neighbourhood communities which is aimed at the restoration of buildings with criteria for sustainability. At the same time, we have begun the transformation of the entire range of investment funds, with greater integration of the ESG aspects. Aware of the need to reduce the direct impact of our activity, we have carried out an analysis of comprehensive

accessibility that will produce an improvement plan in 2023, and the restoration of the last of our central-services buildings requiring an energy upgrade has begun. Lastly, in terms of the data on and assimilation of risks, a second report has been drawn up on following the guidelines of the TCFD, and progress has been made on the definition of ASG criteria in the classification of mercantile operations, applying EU taxonomy.

The strategic plan for the coming years establishes projects and both quantitative and qualitative goals. For example, we have proposed a 50% reduction in the quantity of paper consumed. In any case, looking further forward, after concluding the Zentua deliberations, we will design a Sustainability Director Plan for the medium term which establishes the priorities and lines of work to be developed. This plan will serve to align our credit cooperative with what our society needs and expects from us.

To conclude, I would like to reiterate our commitment to the Principles of the United Nations Global Compact in order to continue advancing with respect to Human, Employment and Environmental Rights and the Fight against Corruption. We also maintain our support for the Sustainable Development Goals (SDGs) of the 2030 Agenda.

A handwritten signature in dark ink, appearing to read 'Txomin García Hernández', written over a horizontal line.

Txomin García Hernández

Chairman of LABORAL Kutxa



About us

LABORAL &  
kubra

## 1.1. Group Presentation

Caja Laboral Popular Coop. de Crédito, with the trade name LABORAL Kutxa and headquarters at José M<sup>a</sup> Arizmendiarieta s/n. 20500 Arrasate - Mondragón (Gipuzkoa), is shown on its corporate website as **a solid and responsible model of cooperative and participative banking**. *“LABORAL Kutxa represents a different way of banking, based on cooperation and commitment to our society. Our main objective is the satisfaction of each client and the generation of wealth and employment in our environment. We are a Cooperative Bank, guided by values and a philosophy that lead us to prioritise the common interest over the individual, to make decisions in a participative and responsible way and to reinvest our profits in society.”*

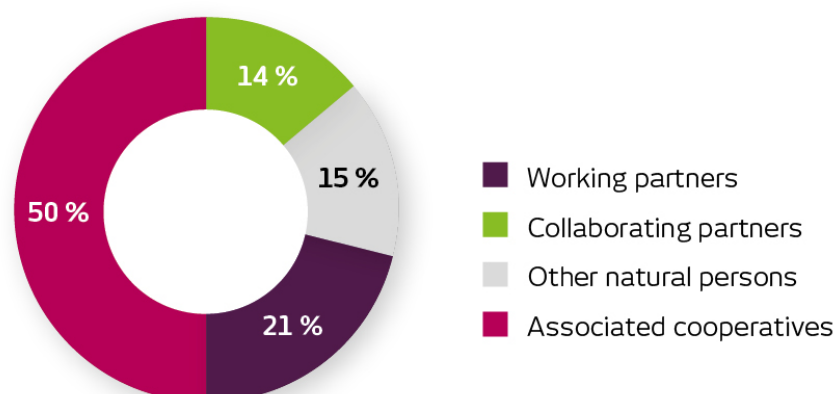
It is a credit cooperative in which the majority of the capital is held by the cooperatives of the MONDRAGÓN group and by working or retired members (collaborative partners).

The consolidated LABORAL Kutxa Group includes banking and insurance businesses. The Retail Banking business offers both investment and savings products. In investment, the main areas of activity are the marketing of mortgage products, consumer credit, working capital and corporate finance. As regards savings, the main products are deposits (on demand and term deposits), bank guarantees, means of payment services (credit and debit cards), investment funds, pension funds and EPSVs. This business is mainly carried out by Caja Laboral Popular Coop. de Crédito (hereinafter LABORAL Kutxa and with headquarters in Mondragón, Paseo JM Arizmendiarieta s/n 20500 Gipuzkoa), through its network of branches, or by certain companies that are 100% dependent on it, which are considered a direct extension of the business carried out by the Parent Company. Strategic, management and operational decision-making is focused on the Governing Board of Caja Laboral Popular Coop. de Crédito.

The Insurance Business includes the activity carried out by the Group through Seguros Lagun-Aro Vida, S.A. and Seguros Lagun-Aro, S.A. The Group is engaged in life insurance business, marketing life insurance, life savings policies and unit-linked policies. In addition, it is active in non-life insurance, mainly in car insurance, civil liability and in multi-risk sectors, mainly for homes. Strategic, management and operational decision-making is focused on the Boards of Directors of both companies.

**Seguros Lagun Aro Vida and Seguros Lagun Aro (hereinafter Seguros Lagun Aro)** are two public companies, 100% owned by LABORAL Kutxa. Thus, even when the employees do not own the company, they participate in the management and business results.



**SHARE CAPITAL AS AT 31/12/2021****797.9 M EUROS**

The investee companies that make up the LABORAL Kutxa Group:

Dependent Entities	Activity	% Owned	Headquarters
Seguros Lagun Aro Vida, S.A.	Insurance	100%	Calle Capuchinos de Basurto nº 6, 2º, 48013 Bilbao (Bizkaia)
Seguros Lagun Aro, S.A.	Insurance	100%	
Seg. Lagun Aro 2003, IEA	Insurance	100%	
Caja Laboral Gestión, SGILC, S.A.*	Investment fund manager	100%	Paseo José María Arizmendiarieta 5, 1ª Arrasate-Mondragon 20500 Gipuzkoa
Caja LABORAL Pensiones GFP, S.A.*	Pension fund manager	100%	Paseo José María Arizmendiarieta SN Edificio 5 1ª Arrasate-Mondragon 20500 Gipuzkoa
ISGA Inmuebles, S.A.*	Real Estate Developer	100%	Paseo José María Arizmendiarieta 4 Arrasate-Mondragón 20500 Gipuzkoa
Caja Laboral Euskadiko Kutxa Cartera, S.L.U.*	Holding company	100%	
Caja Laboral Bancaseguros (CLBS) O.B.S.V., S.L.U.	Banking Insurance Operator	100%	Calle Gran Vía Diego Lopez de Haro, 2 - PISO 1, Bilbao, 48001 , Bizkaia
Associated Entities			
ATEGI GREEN POWER, S.L.*	Photovoltaic installations	28.57%	Calle Goiru (ed b), 1 – Piso 3, Arrasate/Mondragón, 20500, Gipuzkoa

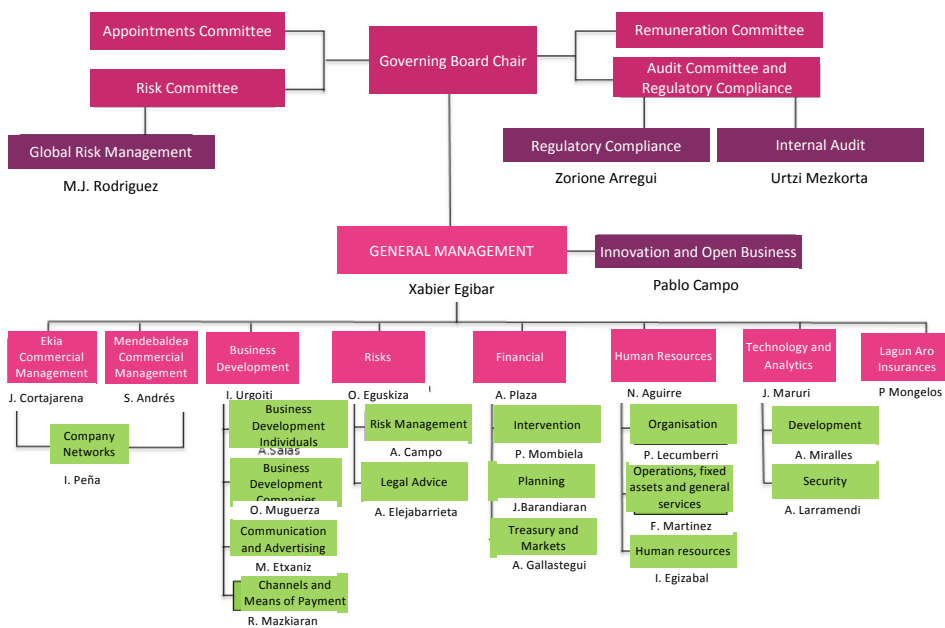
\*Companies with no employees

There are no differences between the financial statements and the non-financial statements.

Throughout this report, the information is mainly presented differentiating between Laboral Kutxa, CLBS and Seguros Lagun Aro (the 3 companies as a group). In cases where they are not differentiated, the information will be consolidated.

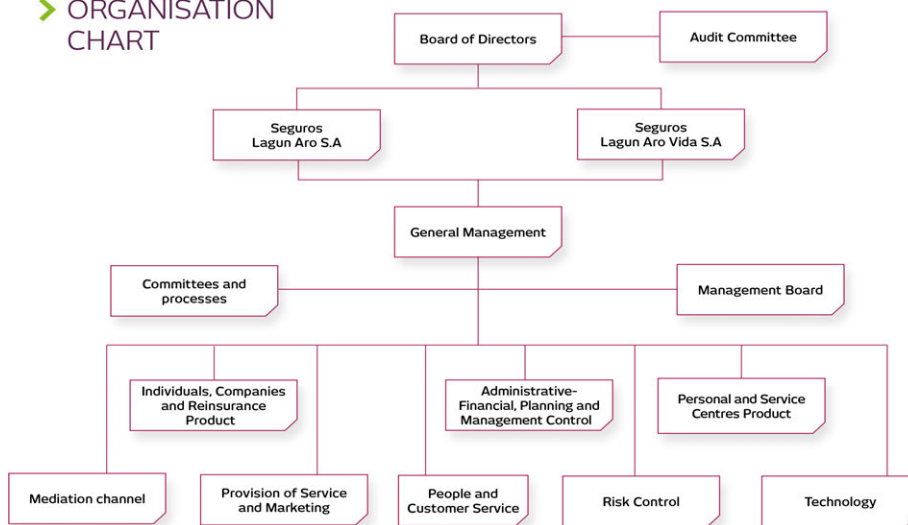
## 1.2. Operating structure

The structure as at 31/12 is organised into functional Divisions, which in turn are divided into the various Departments, Sections, Areas and Network of offices.



Lagun Aro Insurance

> ORGANISATION CHART



1.3. Cooperativism

WHAT DIFFERENTIATES US FROM OTHER BANKS AND SAVINGS BANKS?

WE ARE A COOPERATIVE CREDIT UNION	The people who serve you at LABORAL Kutxa are members of the organisation, we are committed to the project and believe in it, so we are dedicated to giving each person the best service. Customer satisfaction is the best guarantee for our business plans.
GIVING BACK TO SOCIETY. USEFUL BANKING, COMMITTED TO OUR SOCIETY	Our dividend is what we give back to society: 25% of our distributable surpluses are used to finance projects of economic and social interest, training and job creation. The rest we reinvest in the entity to strengthen its solvency and its future development.

**WE ARE WORKERS,  
PARTNERS AND  
STAKEHOLDERS**

LABORAL Kutxa is not listed on the stock exchange, it is not subject to speculative pressure from the financial markets. All partners participate in the capital and in the decisions of the organisation, with responsibility, assuming the consequences of our management.

The key decisions are validated at the General Meeting with the participation of all partners, guaranteeing an efficient and responsible management that allows us to obtain profits and reinvest them in our society.

**MISSION**

**A Credit Cooperative whose purpose is to meet the financial needs of its members and customers,**

particularly individuals and companies, and who considers the quality of management and service to be a competitive advantage that allows it to achieve a very strong position in Efficiency and Profitability and to provide satisfaction to its customers and members.

The entity is part of the MONDRAGON Corporation. Channelling its commitment to social progress by providing special support for the activities of corporate institutions.

It also extends its social commitment to the economic and socio-cultural development of the society in which it works, paying special attention to the Basque language and culture, in the specific case of the Basque Country. In order to grow, the company is firmly committed to the professional development of its staff and to creating a climate of trust that encourages innovation, teamwork, commitment and active participation.

**VISION**

**The Entity is committed to being a leader in Quality and Service through local and personalised advice,**

with products specific to the identified business segments, without losing sight of costs, where it aspires to maintain its current outstanding position, and to innovation which will be decisively pursued.

**VALUES**

**Values are how we are and how we act, and they are expressed in the behaviour of all the people who make up the Entity,**

towards our stakeholders, because ethical behaviour among people is the basis for a sustainable balance in the company's decisions.



**1.4. Values, principles, standards and rules of conduct**

LABORAL Kutxa regulates individuals' activities on the basis of certain rules of conduct. In the area of the securities market, these rules or guidelines of conduct are essentially included in an "Internal Code of Conduct specific to the securities market", which applies to the people who make up the Governing Board, the Board of Directors and those involved in this area of activity.

In the area of ethics and integrity, the entity's rules are set out in the "Code of Ethics and Professional Conduct" and in the "Guide to Good Practices and Professional Secrecy". Both documents are published on the intranet and are updated and reviewed by the Regulatory Compliance Department and the Internal Audit Department. Modifications to the Code of Ethics and Professional Conduct require the approval of the Governing Board.

As a continuation of the Code of Ethics, in the field of prevention and response to possible criminal behaviour applicable to the entity, the internal regulations are included in the "Crime Prevention and Response Manual" and in the "Criminal Compliance Policy".

Likewise, the Entity has a Gifts and Entertainment Policy and a Protocol for combatting sexual harassment and gender-based harassment.

There is a "Complaints Channel" that allows people to report, guaranteeing the protection of the complainant, irregularities of potential importance linked to the Code of Ethics and the Criminal Compliance Policy and the "Ethics Committee" acts as a supervisory body for these regulations, which is chaired by the People and Media Management Department and also includes, among other things, Regulatory Compliance, Legal Advice and Internal Auditing. This body, in addition to monitoring, grants authorisations or exceptions and deals with the complaints received through the Complaints Channel, ensuring the appropriate action.

In 2021 there was one consultation and no complaints and in 2022 there were no consultations or complaints.

The Group's insurance companies, Seguros Lagun Aro and Seguros Lagun Aro Vida, although for legal reasons having a legal status as a joint-stock company and not as a cooperative company, share the cooperative values and the various management practices and policies.

Seguros Lagun Aro is part of the *European mutual and cooperative insurance association - EURESA*, and shares the values of mutuality and cooperation that this Association defends and is, therefore, committed to:

- putting its guiding principles into practice at all levels of its activities,
- designing products and services that meet the real needs of consumers,
- ensuring that policyholders and stakeholders are actively involved in the life of the company, either directly or through their representatives,
- combining the balance between financial aspects with ethical conduct, and
- ensuring that its activities are undertaken in the context of a people-centred economy geared towards sustainable and socially responsible development.

The contracts entered into by the **real estate asset management companies** with third parties in the course of their business, ensure that they comply with (and enforce their suppliers to comply with) the regulations related to occupational health and safety, respect for the environment and human rights, establishing specific obligations, their express acceptance by third parties, and serious penalties for non-compliance.

### 1.5. Geographic distribution of offices

LABORAL Kutxa incorporates the insurance activity within a strategy of Banking and Insurance, so that the Group companies (Seguros Lagun Aro SA in the Non-Life areas and Seguros Lagun Aro Vida) market their products for the most part through the offices and the website of LABORAL Kutxa. Seguros Lagun Aro complements these banking channels with a network of selected brokers.

LABORAL Kutxa and CLBS staff work in the Private Individual offices. There is also a specialised network of companies (to which must be added the Cooperatives and Large Companies office and the Public Sector office).

Distribution of offices as at 1/1/23			
Provinces	Individuals	Companies	Mediation
Bizkaia	80	1	1
Gipuzkoa	62	1	1
Navarra	36	1	1
Araba	28	1	1
Zaragoza	16	1	1
Valladolid	12	1	1
Madrid	10	1	-
Asturias	8	-	1
Burgos	6	-	-
Salamanca	6	-	-
La Rioja	4	-	1
Cantabria	4	-	-
Leon	3	-	-
Palencia	2	-	-
Barcelona	1	-	1
Huesca	1	-	-
Zamora	1	-	-
Valencia	-	-	1
<b>Total no. of offices</b>	<b>280</b>	<b>7</b>	<b>9</b>

## 1.6. The Group's main figures

Item	2021	2022
Total assets (MII)	28,563	27,755
Own Funds (MII)	1,916	2,007
Customer deposits (MII)	23,500	23,183
Credit to customers (MII)	15,158	15,200
Offices	280	280
ATMs	523	529
Interest Margin (MII)	239.7	280.8
Gross Margin (MII)	457.8	496.5
Administration Costs (MII)	223.7	240.8
Profit after tax (MII)	101.4	139.1

The distribution of wealth generated by LABORAL Kutxa is shown in the following table:

Item (thousands of €).	2021	2022
<b>1. Directly generated financial value</b>	<b>518,362</b>	<b>520,327</b>
Gross Margin (before other operating charges)	457,781	496,525
Profits on Sale of Material and Awarded Assets	60,581	23,802
<b>2. Distributed financial value</b>	<b>340,896</b>	<b>372,189</b>
Payment to supplier companies (Operating costs)	137,170	149,821
- other general administrative costs.	89,903	101,539
- other operating charges	47,267	48,281
Staff costs	133,830	139,291
Income tax	19,886	18,391
Interest on capital	31,640	36,064
Investment / Donations to the community	18,640	28,623
Development and Education Fund (FEP)	7,348	11,449
Intercooperative Social Fund (FSI)	11,022	17,174
<b>3. Financial value retained (1-2)</b>	<b>177,465</b>	<b>148,138</b>

Regarding the **real estate-asset management companies**, LABORAL Kutxa is the owner (sole partner) of ISGA, S.A. The company registered a profit, included in the Group's consolidated results, of - €19.76M.

Item (thousands of €). Management of real estate assets	2021	2022
Revenue (Sales)	168,980	70,528
Operating costs	4,369	3,534
Staff costs	0	0
Financial costs for interest and dividends	413	154
Gross tax	2,072	1,863

Regarding **CLBS**, the key financial figures, included in the consolidated results, are:

Item (thousands of €). CLBS	2021	2022
Turnover (commissions)	44,392	43,084
Staff Costs	10,233	7,389
Total Costs	42,071	40,584
Pre-tax profit	2,321	2,499

The objective of the **real estate asset management companies** in 2022 has been the purchase or award of real estate assets from third party developers in payment of debt to LABORAL Kutxa and the divestment of all the assets owned, both finished product (homes, garages, premises, etc.) and through the completion of the works in progress for the sale of the final

product and the sale of the land or its management for its transformation into housing, through the undertaking of self-development and building.

In 2022, via the ISGA company, work was carried out on 9 real estate projects involving the construction of 404 homes, of which 4 projects have been completed, bringing the total number of completed homes to 151.

None of the land, developments in progress or completed housing is adjacent to or located within protected natural areas or unprotected areas of high biodiversity.

The activity of these **real estate asset management companies** implies a minimum participation in the Spanish real estate sector. Its indirect effect is related to the contracting out to third parties of the activities necessary for its execution.

### Taxation

LABORAL Kutxa exercises its tax obligations in the territories in which it carries out its activity, specifically in the four foral territories and in common territory, thus contributing to the support of public services and the progress of Society.

The company's tax strategy is consistent with the long-standing principle of prudence applied in all areas of management.

As part of its Financial Information Internal Control System, Laboral Kutxa has a Tax and Legal Management Procedure. This internal document, approved by the Governing Board, defines the areas of the organisation responsible for the management of the different taxes, the different actions to be undertaken by each of them in this respect, as well as the controls defined to ensure the correct execution of the procedure. This procedure is periodically reviewed by Internal Audit.

The tax information is reported in the annual accounts in an explanatory note containing the reconciliation between the accounting result and the tax base for corporate income tax purposes. This information, together with the other financial information, is subject to an annual external audit.

<b>Taxes and duties (thousands of €) LABORAL Kutxa</b>	<b>2021</b>	<b>2022</b>
Taxes (property tax, tax on professional and commercial activities, etc.)	1,602	1,786
V.A.T.	19,698	10,414
Tax on deposits	6,844	7,045
DTAs equity benefit	2,051	1,812
<b>LK Total</b>	<b>30,195</b>	<b>21,057</b>
<b>CLBS tax on profits</b>	<b>557</b>	<b>600</b>
<b>Taxes and duties (thousands of €) Lagun Aro</b>	<b>2021</b>	<b>2022</b>
Corporate income tax	2,932	2,704
Taxes (property tax, tax on professional and commercial activities, etc.)	85	88
<b>Lagun Aro Total</b>	<b>3,017</b>	<b>2,794</b>

In 2021, LK's accrued corporate income tax amounted to 14,975 thousand euros and 15,792 thousand euros in 2022.

The Public Administration does not form part of the capital nor does it have any representation on the governing bodies. The financial support received from it is as follows:

<b>Item (thousands of euros)</b>	<b>2021</b>	<b>2022</b>
Subsidies (aid for employment, training and energy investments)	31	38
<b>Item (thousands of euros)</b>	<b>2021</b>	<b>2022</b>
Subsidies Lagun Aro (Euskera)	0	0

## 1.7. Strategy and risk management

During 2022, strategic deliberations were carried out that have led to the drafting of a Strategic Plan for the years 2023-2024. The strategic deliberations at LABORAL Kutxa follow a management process that systematises competitive surveillance in the various markets and the review of business models and strategic commitments, which are then developed in each Management Plan.

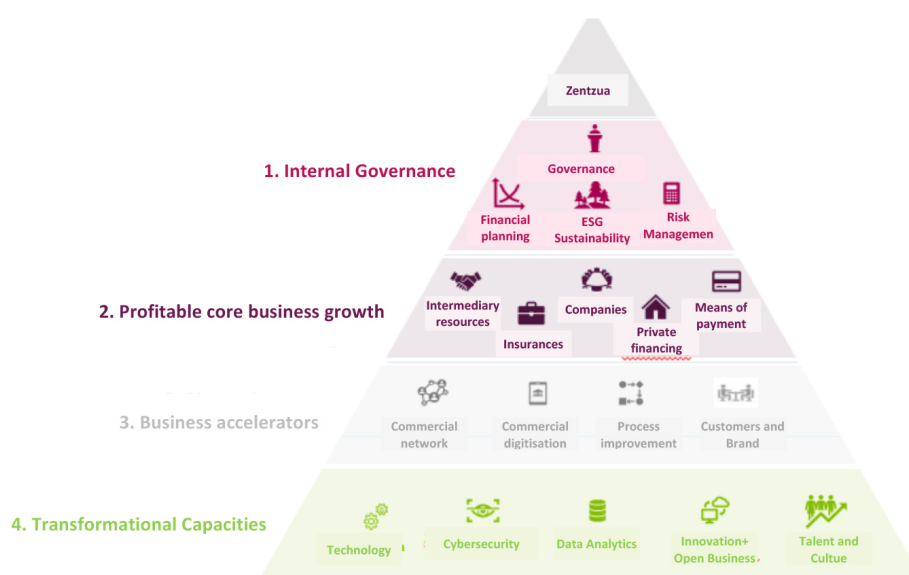
An analysis was made of the environmental situation, with particular attention paid to:

- Economic uncertainty, exacerbated by supply problems and the war in Ukraine.
- Increased inflation and the resulting increase in interest rates.

The basic outline from the previous strategic plan remains the same, defining the following goal:

- **To grow in value in the entity's main businesses:** Mortgages, Commercial, Insurance and Off-Balance.
- **Driving the entity's transformation:** digitalisation, technology, cyber-security, data analytics, supervisory demands, talent.

The programmes are layered in four large sections (Internal Governance, Profitable Growth of the Core Business, Business Accelerators and Transformational Capacity).



One addition to this plan is the disaggregation of Governance and Sustainability, which in the previous plan formed part of one sole, transversal programme. The main lines of action of the Sustainability programme are:

- Aligning the sustainability strategy with Zentua.
- Adaptation of the product catalogue in all lines of business.
- Transversal integration of environmental and climate-change risks, training.
- Reducing the activity's direct impact: consumption and work centres, accessibility of facilities, carbon footprint.
- Positioning and Communication of the product.
- Sustainability scorecard: KPIs and monitoring, including RAS.
- Promotion of efficient housing (A, B).

## Main challenges

Implement the Sustainability strategy, based on the conclusions of the deliberations on the Purpose of the entity (Zentzua), the corporate values, the commitments as a signatory of the Principles of Responsible Banking and the SDGs of the 2030 Agenda. The initiatives and projects will be monitored from a *greenwashing* perspective, including the second and third lines of defence. The entity will also adapt to the regulatory ESG expectations, adapting the catalogue of green products, applying sustainability principles to measures and people (including Accessibility) and reducing the direct impact of the activity.

Risk management is a vital part of a financial entity. In 2022, progress was made in the integration of the risks of sustainability and climate change alongside the other risks previously managed. It is worth mentioning the following main milestones, which are described in greater detail throughout this report:

- The governance of sustainability has been defined, approved and implemented for the LABORAL Kutxa Group. This governance includes the approval of the Policy, the creation of structures, and the establishment of responsibilities, including those for sustainability risks.
- A second report has been drafted following the guidelines of the TCFD. The report goes into greater detail and depth than that published in 2021.
- Work has been done on various risk integration projects, the highlight of which is a heat map that measures the exposure to the sustainability risks of the real-estate portfolio and the commercial portfolio based on the sectors of activity.

## Zentzua

LABORAL Kutxa culminated the design of its Strategic Plan in 2019, with a pure business focus, as that was the priority at that time.

However, the team of directors was aware of the importance of including a deliberation on how the Entity deals with dilemmas, challenges and the concerns of people and society, and how it assimilates and projects its commitment to those things.

It is in this context that in 2022 a deliberation began to project the “sense and purpose” of LK going forward.

More specifically, it seeks to:

1. **Update LK's historic identifying traits** so that they may continue to guide the future of the entity.
2. **Incorporate new trends in that guide** that typify the concerns and future of people and society, in order to give them our response as an organisation, such that they complement the original traits.
3. **Define the identifying traits by which we would like to be identified as an organisation**, establishing the company's desired principles and behaviours, both those that affect the **individual** and those that guide **internal relations** within the organisation, which our **customer relations** will establish, such as those that will unite Elk's value proposal with **society**.
4. Develop the entity, incorporating **improvement challenges that establish the organisation's evolutionary path**



ZENTZUA is intended to be a commitment from the organisation (both internal and with the various stakeholders), and therefore the designed process seeks to involve different internal and external agents, recurrently and progressively over time.

Section 2.2 Commitments and achievements provides an overview of the status of the objectives established in the previous Strategic Plan at the end of 2022.

In addition, each year **Seguros Lagun Aro** draws up its Management Plan, which establishes objectives and action plans, in accordance with the balance of quantitative indicators in its management *scorecard* as well as the qualitative conclusions.

## 1.8. Principles and governance

### Corporate governance

LABORAL Kutxa has not established any formal policy for hiring senior managers native to the geographical areas where it carries out its work, as the business is carried out at a national level and the criteria followed are those based on appropriate professional skills. All management staff (members of the Board of Directors) are natives of the areas where the Entity operates.

In terms of corporate Governance, the progress made in 2022 was as follows:

- As every year, a report was drawn up on the evaluation of the structure, size, composition and performance of the Governing Board in the last year.
- On the occasion of the renewal of the Governing Board, reports have been prepared on the profiles needed to fill the vacant positions on the Governing Board.
- The policy for the selection, appointment, reappointment and diversity of candidates for governing directors was updated. The balance of knowledge, skills, diversity and experience of the Governing Board has also been assessed.
- The annual assessment of the suitability of both the members of the Governing Board and the key office-holders has been carried out.

In April 2022, the General Meeting approved some statutory amendments to attendance and telematic voting in the General Meeting and on aspects related to the Governing Board, such as its composition, inadequacies and inconsistencies, attendance and telematic voting, and the remuneration of the board members.

The Entity meets the requirements regarding *diversity* policies in compliance with the guidelines and regulations on the assessment of the suitability of the members of the governing body and the holders of key functions, considering aspects such as academic profile, professional profile, gender and age in the Policy for the Selection of Candidates for the Governing Board and in the assessment and suitability processes.

As of 31 December 2022, gender parity has been restored on the Governing Board, which had been maintained since 2017 and only ended as a result of having an odd number of members on the Governing Board.

Furthermore, in terms of selection and appointments and renewal of Senior Management members, LABORAL Kutxa has a Succession Plan for key positions, which identifies the critical positions and the professional paths and profiles of origin for their replacement, establishing professional development plans for the people identified and succession plans for each of the positions. The identification of the key positions eligible for a succession plan, as well as of the people capable of becoming the future replacements for the current occupants of such positions, takes into account variables such as training, experience and knowledge, management track record, performance history, personal skills and abilities, commitment to the Entity, potential, etc.

In 2022 an in-depth review was made of the people that form the Identified Collective and as many 21 new people were recognised as members of that group.

**Lagun Aro's** Board of Directors in January 2019, in accordance with article 18 of Royal Decree 1060/2015, of 20 November, on the management, supervision and solvency of insurance and reinsurance entities (“RDOSEAR” by its Spanish initials), placed on record in its compliance agreement the requirements for the aptitude and honourability of each and every member of the Company’s Board of Directors. Subsequently, in July 2022, on the occasion of the appointment of an Independent Advisor to the Board of Directors, the corresponding process for the approval of the aptitude and honourability of said Advisor was carried out, informing the Insurance General Directorate of such.

Governing Body	Between 30 and 50 years				Over 50			
	2021		2022		2021		2022	
	M	W	M	W	M	W	M	W
Governing Board*	3	5	2	5	5	2	5	2
Auditors	0	1	0	1	1	1	1	1
Operations Committee	0	3	0	2	2	0	2	0
Audit Committee	0	1	0	1	2	1	3	0
Appointments Committee	1	1	1	0	2	1	1	1
Social Council	8	6	8	4	3	3	3	5
Board of Directors	2	1	1	1	7	1	6	1
Risks Committee	0	3	1	2	2	1	1	0
Remuneration Committee	1	1	0	3	2	1	0	0
Board of Directors –Lagun Aro Insurance	2	1	1	1	2	0	4	0
Board of Directors – Seguros Lagun Aro	0	1	0	2	4	1	4	1

All information regarding corporate governance is available on the LABORAL Kutxa corporate website. <https://corporativa.laboralkutxa.com/informes/>

The supervisory bodies of LABORAL Kutxa are:

Committee/Organisation	Duties	Year of est.
<b>Structure of the administrative body</b>		
Governing Board	Senior management, supervision of Management, representation of the Company. Analyses annually the aspects related to CSR and the impacts, risks and economic and social opportunities on a continuous basis. It is not of an executive nature.	1960
Resources Committee	Statutory body responsible for resolving appeals against certain decisions of the Governing Board. Elected at the General Meeting	1993
Audit Committee	Supervises internal audit services, knows the financial reporting process and internal control systems, supervises compliance with codes of conduct and corporate governance rules	2004
Appointments Committee	Identifies candidates for the Governing Board, evaluates the suitability of its members and the balance of knowledge, skills, diversity and experience of the group. Pursues an objective of representation of the underrepresented sex.	2012
Risks Committee	Advises the Governing Board on the management and supervision of all significant risks and on the monitoring of the application of the global propensity for risk appropriate to the Company's strategy.	2015
Remuneration Committee	Proposes to the GB the general remuneration policy, ensuring an independent annual evaluation of its application and informing it of the remuneration policy of the executives included in the "identified group".	2016
<b>Supervisory and advisory bodies</b>		
Social Council	Employment system, advice to the Governing Board and General Management	1960
Customer Service	Management of customer queries, complaints and claims.	1994
Health and Safety Com.	Consultative body on Occupational Risk Prevention.	1996
Hizkuntza Batzordea	Committee for linguistic standardisation.	2000
Environmental Committee	Environmental System Management.	2001
Committee for the Prevention of Money Laundering	Control and communication body for the Prevention of Money Laundering.	2003
Global Risk Control and ALCO	Control of liquidity, interest rate, credit, market and operational risk. The ALCO is the Assets and Liabilities Committee.	2008
Equality Committee - Berdintasuna	Promotes and guarantees equality between women and men and monitors the current Equality Plan.	2009
Ethics Committee	Ensure the application of the principles and values that govern the business, primarily those included in its <i>Code of Ethics and Professional Conduct</i>	2015
Products Committee	In applying MiFID, it evaluates and approves the risks of each product offered to the clients.	2015
Integrated Security Committee	Ensures a comprehensive security strategy for the Entity, both physical and logistical.	2015
Projects Committee	Orders and prioritises the priority interdepartmental projects to ensure their success	2017
Data Protection Committee	Supervises and promotes policies and procedures regarding data protection.	2019
Data Committee	Sets the Entity's Data Strategy and performs the CDO functions and sets the strategic lines to be followed in data analytics.	2020
Innovation Committee	Determines the strategic lines in innovation and monitors their progress	2021
Operational Risk Committee	Contributes to minimising reputational risk, driving measures to improve the resilience of the Entity in the face of events with a reputational risk	2022
Sustainability Committee	Monitors operational actions and applies any measures necessary for adapting the entity to the sustainable-finance position established in the Strategy.	2022

In order to avoid conflicts of interest between the Company and the members of the Governing Board, in addition to the rules on incapacities and incompatibilities established in the Articles of Association and the Internal Code of Conduct for the Securities Market, there is a specific provision in the Governing Board's Regulations concerning the voting system for adopting resolutions in which such conflicts may arise.

These procedures, which have been included in previous Reports, consider:

- Incapacities and incompatibilities of the members of the Governing Board.
- Code of Conduct for the Securities Market.
- Regulation of the Governing Board's Regulations to avoid conflicts of interest.

The **Ethics Committee's** mission is to promote the ethical behaviour of LABORAL Kutxa in all its activities. It is an autonomous body reporting to the Governing Board that is established as a channel for the *Complaints Management System* regarding breaches of the Code of Ethics and professional conduct, as well as in criminal matters and as a manager in disciplinary proceedings. The Governing Body annually submits a Criminal Prevention Report that includes an *Evaluation Report* from the corresponding financial year. The Committee is made up of 5 people, currently 3 men and 2 women.

Each year the **Appointments Committee** performs a continuous assessment of the individual suitability of the members of the Governing Board (their integrity, knowledge, experience and willingness to exercise good governance) and of the balance of knowledge, ability, diversity and experience of the Board as a whole. Also, the evaluation report on the structure, size, composition and performance of the Governing Board is presented in the same Committee on an annual basis.

With respect to the **Risk Committee**, the Company conducts an annual review, based on its strategy and the level of health of its financial situation, of risk tolerance levels in what is known as the *Risk Appetite Framework*, tolerance levels that refer to capital, liquidity and profitability, and the monitoring of which is carried out with a series of indicators that are reported to the banking regulator. From the end of 2021, this Committee will specifically include the monitoring of sustainability and climate change risks among its functions. In addition, the Governing Board annually approves the *Credit Risk Policy Manual*, which includes risk policies, procedures and criteria.

The specific aspects concerning the sustainability and climate-change risks, their integration and analysis, are among the roles of the Risk Committee. The sustainability risks, as well as being a recent area of activity, have some distinguishing characteristics that make them especially complex to evaluate. The Group's ambition is to progressively advance its knowledge of them and their suitable integration.

As regards risk management, a detailed description of the different basic risks can be found in the annual ***Information of Prudential Relevance***, which details the trends and impact on the business of the most important risks: credit, market, operational, interest rate, as well as the risk profile and management mechanisms applied.

The **Sustainability Committee** was created in 2022. The Committee is responsible for guaranteeing the execution of the Strategy and the management plans established by the Governing Body. To do so, it will monitor the operational activities and apply any measures necessary for adapting the entity to the sustainable-finance position established in the

Strategy. The composition of this Committee includes all the members of the Board of Directors, as well as the Sustainability Office. In addition, any members of the Entity implicated in the direct management of the various aspects related to sustainability that may arise at any time shall be invited to said Committee.

At **Seguros Lagun Aro**, in July 2022, the Board reviewed the “Adequacy of key positions” policy, drawing up an Aptitude and Honourability Policy, as well as a Suitability Manual on the suitability of those who form part of the Organisation’s Governance system. It was a comprehensive review of the policy with significant changes.

Law 20/2015, of 14 July 2015, on the management, supervision and solvency of insurance and reinsurance entities (LOSSEAR by its Spanish initials), states in article 38 that insurance and reinsurance entities and dominant entities in groups of insurance entities shall guarantee that all persons who carry out the effective management, under whatever title, and those who carry out the roles that make up the governance system, meet the requirements for aptitude and honourability at all times.

In turn, article 42 of Directive 2009/138/EC of the European Parliament, of 25 November 2009, on life insurance and the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) and article 273 of the Commission Delegated Regulation, of 10 October 2014, which supplements it, decree that insurance and reinsurance undertakings shall establish, implement and maintain documented policies and adequate procedures to ensure that all persons who effectively run the undertaking or have other key functions are at all times in compliance with the demands for aptitude and honourability.

Likewise, Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (IDD) and Royal Decree-Law 3/2020 on urgent measures which includes the new regulations on the subject of Insurance Distribution, which transposes the aforementioned Directive, require that persons operating in the role of Head of Distribution, are familiar with their duty and comply with it, exercising their roles in accordance with the principles of aptitude and honourability.

The aforementioned Policy applies to the effective Management (members of the Board of Directors, General Management), the holders of Key Functions (actuarial functions, internal audit functions, risk management functions and regulatory compliance functions, as well as Executives and Heads of Distribution).

Also, in March 2022, the Lagun Aro Insurance Code of Ethics was approved. This document establishes the general principles and guidelines that should govern the conduct of Lagun Aro Insurance, and all of its employees, developing the bases of ethical behaviour that Lagun Aro Insurance understands should be applied to its businesses and activities, wherever they may be carried out. The same document establishes Lagun Aro Insurance's commitment to act in accordance with a set of values that ensure responsible behaviour, and with complete respect for the current laws, in all relationships with their employees, customers, suppliers, etc. This regulation, together with other regulations and public information (The Articles of Association of the Board, the Regulatory Compliance Policy, the Criminal Prevention Model, among others) highlight Lagun Aro Insurance’s interest in maintaining ethical, integral and honest behaviour through sound corporate governance, transparency and social responsibility. The risk management system at Seguros Lagun Aro is a comprehensive system comprising the

strategies, processes and information procedures necessary to identify, measure, monitor, manage and continuously report the risks to which the Entity is exposed, and thus minimise the possible negative impacts, making optimum use of the economic-financial resources available, adapting the whole system to the risk profile established by the Board of Directors.

In order to simplify the application of the risk management system, Seguros Lagun Aro has set up an independent risk function whose tasks include leading the internal assessment of the Entity's risks and solvency, a fundamental process of the Entity's risk system. There is also a "Risk Management Policy" in force, approved by the Board of Directors, which defines the scope and objectives of the risk management system, identifying those risks that are covered by it. The risk categorisation carried out by Seguros Lagun Aro is based on the best practices of the insurance sector in line with the requirements and recommendations established by the regulatory standards.

The "Risk Management Policy" specifies, among others, the main tasks and functions of the risk management division as well as those ultimately responsible for this system. It should be noted that at Seguros Lagun Aro the risk management system is integrated into the organisational structure of the company and in the Entity's decision-making process, taking due account of the people who manage it and exercise the main functions of the governance system. Under the principle of segregation of duties, responsibility for the risk management system lies with the risk management unit, technical product management, investment management and the reinsurance division, with the internal audit division being responsible for its independent review. Senior management, represented by the Board of Directors and the Management Committee, is ultimately responsible for the system.

The entity has different functions:

#### Risk management function

- ✓ Defining the methodologies and indicators to be used for the measurement and evaluation of risks and assisting in their implementation.
- ✓ Working with the technical divisions in the identification and categorisation of risks and preparing the Company's risk matrix.
- ✓ Carrying out periodic evaluations on the impact that future scenarios and stress situations would have on the level and solvency of the Company.
- ✓ Assisting the technical departments in applying the methodology and the underwriting risk measurement and evaluation models.
- ✓ Evaluating the structural mismatch between assets and liabilities
- ✓ Evaluating the adequacy and integrity of the information used to quantify risk
- ✓ Actively participating in the new product approval process
- ✓ Leading the process of internal evaluation of risks and solvency of the Company, being responsible for preparing the appropriate report.

#### Regulatory compliance function

- ✓ Determining and assessing the risk of regulatory non-compliance and keeping the regulatory risk map up to date
- ✓ Advising on new products, services and markets from a regulatory point of view
- ✓ Verifying the preparation, coordination and execution of the Compliance Plan
- ✓ Continuous staff training on regulatory compliance

**Internal Audit function:** Check the adequacy and effectiveness of the internal control system and the various elements of the Governance System

#### Actuarial function

- ✓ Coordinating and reviewing the calculation of Technical Provisions
- ✓ Expressing an opinion on the underwriting strategy of each Company
- ✓ Expressing an opinion on reinsurance agreements and retention strategy
- ✓ Contributing to the effective implementation of the risk management system

For each of the above-mentioned functions, there are written policies approved by the management and governing body of the Company which define, among other things, the tasks and responsibilities with a suitable distribution and a clear separation of functions in accordance with the current Solvency II regulations on independence.

### 1.9. Development of the governing bodies

During 2022, the members of the governing body of Laboral Kutxa, the Governing Board and the Board of Directors, took part in a Knowledge Update training programme, in which the following aspects were covered over 4 sessions with a total duration of 32 hours:

- Corporate Governance and Regulatory Compliance
- The Fundamentals of Economics and Finance
- Risk Management and Control
- Prudential Regulation and Solvency Management

As regards Sustainability, the Governing Body participated in a 5-hour training session on Sustainability focused on risks, and the Board of Directors took part in a 6-hour training session on Financial Sustainability.

### 1.10. Remuneration of the governing bodies

Up to 2022, the people who formed part of the Governing Board of LABORAL Kutxa and the Board of Directors of Lagun Aro did not receive remuneration for their governing functions and, therefore, there was no link between their remuneration and the performance of the Company. However, in 2022, the concept of the payment of allowances and other expenses was introduced for LABORAL Kutxa's Governing Board.

The following table shows the remuneration of the members of the Board of Directors, the Chairman of the Governing Board and the Directors who, as working partners, have formed part of the Governing Board in the years indicated (14 people in 2022 and 17 in 2021).

LK Item (thousands of euros)	2021	2022
Total pay for their work	1,976	1,831
Capitalised cooperative returns + Contribution interest	217	226
Total	2,193	2,057
Average pay per person	129	146.9
Governing Board Allowances (13 people)	-	67

Lagun Aro Item (thousands of euros)	2021	2022
Total pay for their work	482	571
Capitalised cooperative returns + Contribution interest	6.1	6.8
Total	488.1	577.8
Average pay per person *	97.62	115.56

\* 5 men and 2 women in 2020 and 2021.

### 1.11. Corruption and bribery

LABORAL Kutxa has a *Criminal Compliance Policy*, with several Regulations and Codes of Conduct including, among others:

- Code of Ethics and Professional Conduct.
- Guide of Good Practices and Professional Secrecy.
- Gifts and Entertainment Policy.
- Internal Rules of Conduct specific to the stock market.

Organisationally, it has also set up an *Ethics Committee*, an *Internal Audit* department and a *Regulatory Compliance* department to prevent irregularities and monitor compliance with rules and procedures.

#### Regulations and codes of conduct

LABORAL Kutxa regulates individuals' activities on the basis of certain rules of conduct. In the area of the securities market, these rules or guidelines of conduct are essentially included in an "Internal Code of Conduct specific to the securities market", which applies to the people who make up the Governing Board, the Board of Directors and those involved in this area of activity.

In the area of ethics and integrity, the Entity's rules are set out in the "Code of Ethics and Professional Conduct" and in the "Guide to Good Practices and Professional Secrecy". Both documents are published on the intranet and are updated and reviewed by the Regulatory Compliance Department and the Internal Audit Department, respectively.

As a continuation of the Code of Ethics, in the field of prevention and response to possible criminal behaviour applicable to the Entity, the internal regulations are included in the "Crime Prevention and Response Manual" and in the "Criminal Compliance Policy".

There is a "Complaints Channel" that allows people to report irregularities of potential importance linked to the Code of Ethics and the Criminal Compliance Policy. There is also an "Ethics Committee" as a body for criminal prevention, with the mission of promoting ethical behaviour in the Entity, resolving queries on the subject and dealing with complaints received in the Complaints Channel.

#### Business units analysed

Below are the business units of LABORAL Kutxa that have been analysed with respect to risks related to corruption:

	2021		2021	
	Actual	Target	Actual	Target
Total no. of offices analysed	91	96	74	65
% Offices analysed	32%	33%	26%	23%

It should be noted that the controls and remote audit analyses implemented have an effect on 100% of the branches of the Organisation.

With regard to the measures taken in response to **incidents of corruption**, a disciplinary file has been opened for an alleged incident in 2022.



In 2022, LABORAL Kutxa updated the evaluation of criminal risks due to the inclusion in Organic Law 10/2022 of two new criminal offences that generate criminal responsibility for legal persons (the crime against moral integrity and the crime of sexual harassment). Therefore, a new version of LABORAL Kutxa's Criminal Compliance Policy was approved, including the expected behaviour in relation to the aforementioned new criminal offences.

In 2022, in the execution of the Director Plan of improvements to the prevention of money laundering system at LABORAL Kutxa, the following improvement initiatives were implemented:

Actions taken in 2022
A new customer scoring model was defined based on both static and dynamic characteristics.
A new customer admission policy and Procedures for Due Diligence Measures were approved.
A Remediation Plan was drawn up with details of the plan so that all customers can review it and complete the new KYC Form and provide the corresponding documentation.
A new special monitoring and examination system for suspect operations was created and a new AML/CFT Manual, which includes, among other annexes, the new Corporate Policy on AML/CFT.
The technical and human resource requirements of the AML/CFT Unit were reviewed.

The Money Laundering Prevention Unit has sent 144 reports of transactions suspected of money laundering to the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences.

At **Lagun Aro Insurance**, Internal Auditing is defined as an independent and objective assurance and consultancy activity, conceived to add value to and improve the organisation's operations. The objective of the Internal Audit Function is to help the organisation comply with its objectives by providing a systemic and disciplined perspective to assess and improve the efficiency of risk management, control and governance processes. Its activities are carried out according to an Annual Audit Plan based on a risk analysis approved by the Audit Committee. The annual plan combines continuous audits with monographic audits carried out during a specific period and it seeks to cover Lagun Aro Insurance's underwriting risks, the implementation of the governance system required by the regulations, the operation of the system for the prevention of money laundering and, in general, the main risks the Entity is subject to.

With regard to Lagun Aro:

- **VOLUNTARY ADHERENCE TO SELF-REGULATORY INDUSTRY GUIDELINES:** committed to business excellence and best corporate practices, we comply with the following guidelines promoted by UNESPA, whose recommendations we follow:
- guide to good corporate governance practices
  - guide to good internal control practices
  - guide to good commercialisation practice
  - guide to good complaint handling practices

The company also adheres to the Code of Good Practice for Claims Management initiated by ADECOSE.

### 1.12. Money laundering

The management policies of LABORAL Kutxa identify the greatest risks in the areas of corruption and bribery *with the fight against money laundering and the financing of terrorism*. In this regard, it undertakes to establish the necessary bodies and procedures in accordance with current regulations and international standards. For this reason,

- Within the organisational structure of the Entity, a Group level Internal Control Body (ICB) has been created with specific functions in the field of prevention.
- Precise rules and procedures have also been established, which are contained in a “*Money Laundering and Financing of Terrorism Prevention Manual*”, the latest version of which was approved on 04/01/2023.

The Corporate Policy for Money Laundering and Financing of Terrorism Prevention affects the entire LABORAL Kutxa Group, including its subsidiary companies.

The objectives of these rules and procedures, which must be complied with, are:

- To strictly comply with the regulations in force at all times, as well as the recommendations issued by national and international bodies and authorities.
- To introduce rules for action and appropriate control and communication systems to prevent funds of a criminal origin from being channelled through the LABORAL Kutxa Group and to impede access to certain persons.
- To establish customer admission policies.
- To ensure that working partners and other employees adhere to the "know your customer" procedures.

These policies and procedures are primarily preventive in nature. In addition, internal control procedures are subject to an annual review by an external expert so that a rationale for continuous improvement in reducing exposure to these money laundering and financing of terrorism risks can be applied.

### 1.13. Regulatory Compliance

The Regulatory Compliance Department includes, within its management scope, the detection of transactions suspected of market abuse. LABORAL Kutxa has an alert system, which throughout 2022 recorded 4,561 alarms, not having made any communication with the CNMV due to possible suspect operations or market abuse.



## 2.1. Management approach

The relationship with our main stakeholders is based on the following basic lines.

As the banking activity is basically aimed at the service of and relationship with **customers**, *the responsible management of customers is a priority*, especially with regard to the sale of complex savings products, and *excellence in service quality* as well as *contact with the clients* are aspects identified as being of the highest importance in our outward-looking matrix. In all of the above, our objective is for these to be areas in which LABORAL Kutxa maintains sustainable advantages over our competitors.

Specifically, the comparative data with competing entities show positive differentiations in general, but they are particularly significant in important aspects such as the *transparency and clarity* of information, the *trust* we generate among our customers and, in general, the *commitment* that our Entity takes on with society as a whole.

Section **3.1 Our relationship with customers** details our achievements in these areas, including an effort at transparency in relation to the solution of problematic situations with a significant social impact, such as the *over-indebtedness* of customers for the purchase of housing or the demands for the invalidity of *floor clauses* applied to interest on mortgage loans.

In relation to **people**, LABORAL Kutxa is a Cooperative Credit Union in which working people are members and owners of the company with full rights and responsibilities, both in carrying out their professional duties and in the right to participate in management through the relevant bodies and in the profits from the business. This difference compared to other companies defines the approach to the relationships within the company, meaning that workers are involved in all three of the possible areas: ownership, results and also management methods, because our aim is to make our management democratic and responsible. Specifically, the key decisions are validated at the General Meeting with the participation of all partners, guaranteeing an efficient and responsible management that allows us to obtain profits and reinvest them in our society.

The *Cooperative Education* training programmes reinforce the cooperative identity of the members, and encourage the integration and socio-entrepreneurial involvement of new members.

In point **3.2 Our relationship with the workforce** these and other initiatives are developed further.

Another significant distinguishing feature of LABORAL Kutxa is its commitment to **society** due to its legal status as a Credit Cooperative. As a result, by law, 10% of the distributable annual profit of credit cooperatives is directly allocated to society. In the case of our Company, this percentage is substantially higher, 25% to be precise.

LABORAL Kutxa was founded in the Basque Country as part of a Business Group with a strong commitment to serve society, whose mission includes the creation of associated and participatory cooperative work as an essential way to create wealth and well-being, both among its direct social partners and in the society in which it is immersed.

Due to its legal nature and its cooperative vocation, LABORAL Kutxa directs a significant part of its charitable contributions to the promotion of the cooperative world, but it also reserves specific provisions for local initiatives in the areas where its offices are located, and particularly

for specific activities such as the promotion of *self-employment and entrepreneurship* (in this case through a specific Foundation, *Gaztenpresa*) and support for *Euskera (the Basque language)* and the promotion of Basque culture.

These mechanisms are described in point **3.3 Our relationship with society**.

In order to optimise its relationship with the **environment**, since 2001, LABORAL Kutxa has been implementing an *Environmental Management System* in accordance with the ISO 14001 Standard, for all its activities in the three Headquarters buildings. Although it is not part of the certified system, LABORAL Kutxa transfers the majority of its environmental activities from central services to the other work centres. This certification was renewed in 2019.

The Environmental Management System is the responsibility of an Environmental Committee made up of members of the Legal Department, Internal Audit, Risks, Fixed Assets, Security and General Services and Management Planning and Control, with the latter acting as the Coordinator. In accordance with the precautionary principle of the *Rio Declaration*, it addresses the possible impacts of the activity with a view to preventing environmental damage.

In 2019 LABORAL Kutxa was one of the founding signatories of the United Nations Principles for Responsible Banking. Although these Principles refer to the entire area of sustainability, given the emergency situation of the climate crisis, they emphasise the impact of our activity (credit and investment) on the environment.

Point **3.4 Our relationship with the environment**, describes these mechanisms.

With respect to the management of **suppliers**, it is important to remember the value of adequate management of the *supply chain* in order to achieve the objectives of responsible activity. The financial activity that we carry out, as well as the local presence in a very specific geographical area, means that the management risks of these companies are not excessively important. Nevertheless, as will be seen later on, LABORAL Kutxa has several initiatives under way with regard to suppliers.

A special mention within the suppliers is that of Lagun Aro's brokers, which reaches the level of significant stakeholder within the insurance activity. At the Group level, it is considered a supplier with differentiated characteristics.

Point **3.5 Our relationship with supplier companies**, describes these mechanisms.

## **2.2. Commitments and achievements**

Below are the main sustainability actions carried out during 2022, in accordance with the commitments made by LABORAL Kutxa in its previous CSR reports, as well as with the objectives for 2023. These actions are segmented according to the **Interest groups (in addition to the environment)** defined by the Entity: **People-Workforce (P), Customers ©, Society (S) and Supplier Companies (Sup)**.

Actions in the field of sustainability	Status of the action/objective	Governance mechanisms in place and execution time	Materiality and stakeholders affected
<b>Basic projects and actions in 2022 and pending from previous years</b>			
Strengthen solvency and liquidity	<b>Ongoing</b>	Strategic priority	Medium-high P and C
Continuous improvement of cyber security	<b>Ongoing</b>	Security	High C
Using digitalisation to reduce paper consumption and boost the multi-channel relationship	<b>Partially Completed.</b>	Digitalisation strategic focus	Medium-high S and M
Conduct an impact analysis of the direct and transitional risks of climate change.	<b>Completed</b>	Sustainability Committee	Medium-high S and M
Maintain positions of excellence in the management of customer relations	<b>Ongoing</b>	Integrated Quality Process	Medium-high C
Support for creating and consolidating companies through MONDRAGON	<b>Ongoing</b>	Funds through FSI and FEP 2021	Medium S and C
Green MiFID	<b>Completed</b>	Management plan	Medium C and M
Apply the new psychosocial RA methodology.	<b>Started, ends in 2023</b>	Health and Safety Committee	Medium P
Implementation of the governance and sustainability framework:	<b>Completed</b>	Sustainability Committee and Office	High S, P, C and M
Launch of the comprehensive energy refurbishment of the LK3 building at CS	<b>Started</b>	Fixed assets	Medium M
Generation and integration of climate risk databases	<b>Underway</b>	Risks	Medium C and M
Development of a sustainable product offer	<b>First products launched.</b>	Business development	Medium C and M
Designing a mobility/work transport plan	<b>Completed</b>	Sustainability Office	Medium M and P
Analysis of sustainability training needs	<b>Completed</b>	Social Management	Medium P
New sustainable office model	<b>Pending</b>	Fixed assets	Medium S, C and M
<b>Status of the 2020-2022 strategic objectives</b>			
Incorporate sustainability objectives in the entity's strategy	<b>Completed</b>	Management Committee	Medium S, C, M and P
By the end of the period, women will occupy at least one third of LK's management positions	<b>Fulfilled, 35.8%</b>	Equality Committee	Medium P and S
The difference between the average employment rate of men and women, including seniority, shall be less than 10%, starting at 13.2%	<b>Not fulfilled, 12.2% in 2022</b>	Equality Committee	Medium P and S

Reduce CO2 emissions into the atmosphere by 75% for LABORAL Kutxa as a whole, thus minimising the Carbon Footprint	<b>Fulfilled, 77.10%</b>	Environment Committee	Medium M
Apply Socially Responsible Investment (SRI) criteria to 100% of the assets managed by the Management Company, Treasury and in the granting of risks	<b>Underway</b>	Business development Treasury Manager Risks	Medium-high C, S and M
30% reduction in paper consumption, the main resource used in our activity	<b>Not fulfilled 23.64%</b>	Environment Committee	Medium M
Promote the self-employment of 2,000 people by supporting the materialisation of 1,200 business ideas, from start-up, financing and business plan to consolidation.	<b>Not achieved. Completed 1,688 employees at 848 businesses.</b>	Gaztenpresa Foundation	Medium-high S and C
Development of a green financing product	<b>Completed</b>	Business development	Medium M and C
Allocate €75 million (cumulative) of our profits to society	<b>Target not reached (59%, 44 Mil) due to COVID</b>	Management Committee	Medium-high S
40% of the total volume of purchases from our suppliers will be from local companies.	<b>Fulfilled (45.9%)</b>	Sustainability Committee	Medium Sup and S
<b>Actions in the field of CSR. Core projects and actions for 2023</b>			
Sustainable investment policy	Design and mechanism for the management of sensitive sectors	SDG	High S and M
Design of Article 9 investment fund	IF with the goal of sustainability	Manager DNA	Medium C, M and S
Comprehensive accessibility project	After analysis carried out, prioritisation and planning of tasks to be covered.	SDG	Medium C and S
Remuneration target for all persons	Variable remuneration due to reduced consumption.	People	Medium M and P
25% paper reduction	Reduction in paper consumed	SDG	Medium P, C and M
ESG project at suppliers	ESG integration into the value chain	SDG Management of third parties	Medium Sup
Sustainability scorecard	Design and monitoring of KPIs	Sustainability committee	Medium, all.

### 2.3. Materiality analysis

The 2014 Report describes in greater detail the process followed by the Entity for the construction of the first materiality matrix that made it possible to identify the information needs of the main stakeholders and to prioritise their demands.

In subsequent years, the information collected has been expanded, improving the interpretation of the needs and expectations of the different stakeholders with which the Entity interacts. In 2022, the methodology and the questionnaire were been revised again, comparing the results with those obtained by other competitors and adjusting them to the demands of the stakeholders.

In 2022, the changes in the materiality analysis were significant. The first factor taken into account was the update to the GRI standards in 2021 and the European Commission's new CSRD Directive, which propose an evolution of the traditional concept designed to identify and prioritise the main impacts on the three dimensions of sustainability (economic, social and environmental), to include them in the report and in the strategy. Therefore, the concept of double materiality has been introduced:

- Impact: negative or positive effect the company has or may come to have on the environmental, social and economic situation, as well as the contribution to sustainable development.
- Financial: negative or positive effect of the scenario on the economic value of the company.

To determine the material issues, several sources were used in the materiality analysis in 2022.

- ✓ One of the obligations as a signatory of the **United Nations Principles for Responsible Banking** is that of carrying out an analysis of the main impacts of the activity, both positive and negative. In order to do this, a tool designed by the UNEP-FI, which examines the Entity's balance and characteristics, was used. The goal of this impact analysis is solely to determine the environments it has an influence on. The businesses of individuals and companies were analysed, and it was determined that the company has:
  - o a positive impact, in both the area of employment and that of inclusive and healthy economies.
  - o a negative impact on the climate, mainly due to the low energy rating of the mortgage lending portfolio.
- ✓ For the second year, a report was drawn up following the guidelines of the Task Force on Climate-Related Financial Disclosures (**TCFD**). The goal is to improve the understanding of the impact of climate risks on the various companies and to reduce the risk of financial shock on the economy due to climate change. The report, which is accessible on the website, analyses the risks associated with climate change and the decarbonisation of the economy, as well as the identification and quantification of impacts.
- ✓ Expanding on the previous line, during the final months of the year, work has been done on the **analysis of the impact of ESG risks** in the mortgage lending and commercial portfolio. Through the use of a heat map, an analysis of activity sectors was carried out and, taking into account LABORAL Kutxa's exposure to those sectors, they were assigned a certain level of risk. The analysis is mainly of environmental risks (physical and transition risks) but it also includes social and governance risks.



These sources have allowed the different aspects to be determined, along with the main material issues.

Material issues	Main associated impacts
Management of our workforce: work-life balance, salary levels and ranges, healthy company, etc.	Reinforcement of cooperative values
Excellence in quality of service: friendliness, speed of service, simplicity in operations, and minimising errors.	Customer satisfaction.
Protection of privacy and the security of data and operations	Risk of loss of information and fraud.
Control measures: code of ethics, anti-corruption, anti-money laundering, arms financing control, gambling, and pornography.	Governance and social risks.
Responsible supplier management: prioritise local purchases and monitor their activity (working conditions, occupational risks, environmental management, etc.).	Healthy and inclusive economy. Local suppliers.
Responsible management towards the customer: clear and transparent explanations, balanced commissions, avoid over-indebtedness and flexibility in the management of unpaid debt.	Healthy and inclusive economy Risk of bad banking practices
Support for the social economy and cooperatives, research centres and MONDRAGON education.	Generation of wealth and knowledge
Development of digitalisation (electronic banking, mobile banking, digital claims, etc.), providing personalised and remote management.	Reduction of environmental impact Improvement in quality of service Financial risk exclusion
Contribution to economic development: support for businesses, companies and entrepreneurs.	Creation of employment.
Reduction of direct environmental impacts: consumption and waste, the emission of greenhouse gases, and carbon footprint offsetting.	High CO2 emissions from the investment portfolio and financing
Integrate the social, environmental and climate-change risks into our financial risk models.	Risk reduction Low energy rating of mortgaged dwellings
Development of socially and environmentally responsible products and services to drive the transition towards a green and sustainable economy.	Improve the efficiency of housing Transition into a sustainable economy.
Contribution to the financial and insurance education of customers and society.	Healthy and inclusive economy Financial risk exclusion
Strengthen LABORAL Kutxa's financial solidity, risk management and liquidity.	Long-term economic sustainability
Social initiatives: sponsorship, contributions to NGOs, social activities, development cooperation, etc.	Contribution to progress and social justice
Support culture, as well as the promotion of the use of Euskera (the Basque language)	Contribution to progress and social justice
Promotion of equality between women and men.	Gender-balanced distribution
Favour accessibility to financial services for groups at risk of exclusion.	Financial exclusion of social sectors by origin, age, gender, etc.

To consult the stakeholders, the specific material issues were used, having obtained information from:

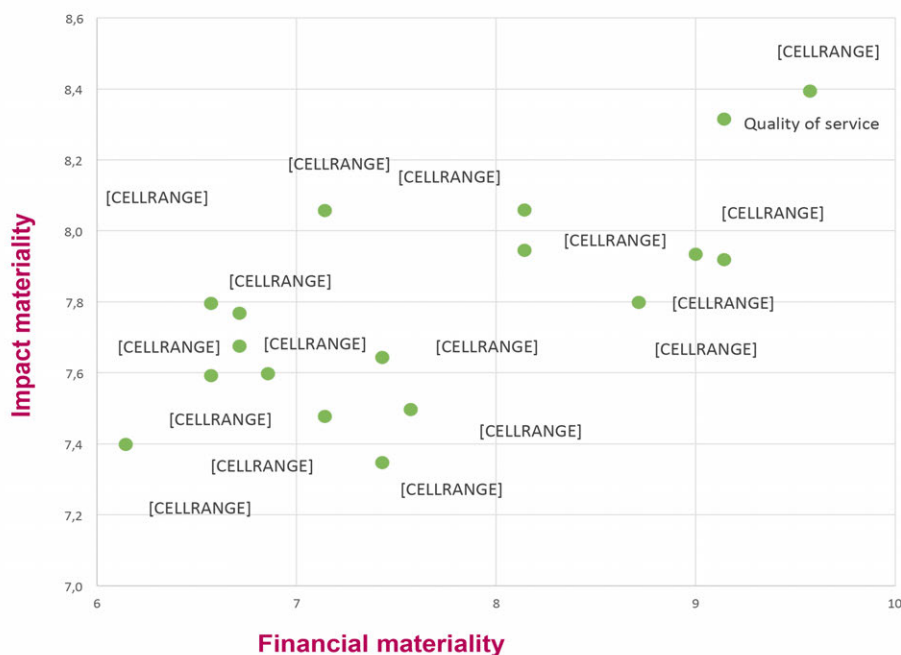
- Customers (annual consultation): 33 companies, 351 self-employed and micro-companies, 86 personal banking and 504 KIDE/Top (associated), a total of **974**, both LABORAL Kutxa and Lagun Aro Insurance customers.
- 272 workers (members, casual workers and CLBS; annual consultation).

These evaluations were included in the impact materiality analysis.

- A consultation carried out with members of the Board of Directors: financial materiality. 7 responses.

As a result of these consultations it was found that:

## Materiality Matrix



### Conclusions:

- This was the first analysis using the double-materiality methodology, therefore it is not possible to make comparisons and analyse progress compared to other years. In any case, no significant changes can be seen in the priorities, the aspects consulted on that are repeated receive similar scores taking into account the changes made to the drafting.
- It is worth mentioning the alignment of the priorities of the various stakeholders.
- It is also noteworthy that no large differences between the financial materialities and impact materialities can be seen, without the presence of aspects that are relevant from one point of view but insignificant from the other.
- In the roadmap for sustainability the following clearly appear as material aspects:
  - Protection of privacy and the security of data and operations
  - Excellence in quality of service: friendliness, speed of service, simplicity in operations, and minimising errors.
  - Responsible management towards the customer: clear and transparent explanations, balanced commissions, avoid over-indebtedness and flexibility in the management of unpaid debt.
  - Strengthen LABORAL Kutxa's financial solidity, risk management and liquidity.

## 2.4. Sustainability roadmap-Prioritisation of material issues

As a result of the deliberation, of the above consultation of stakeholders, the CSR Roadmap has been defined, which includes the risks and opportunities identified as the most important, and is the reference that LABORAL Kutxa uses to prioritise its materials related to Sustainability.

Prioritisation of areas of activity - Material issues	
1	Protection of privacy and the security of data and operations
2	Excellence in quality of service: friendliness, speed of service, simplicity in operations, and minimising errors.
3	Responsible management towards the customer: clear and transparent explanations, balanced commissions, avoid over-indebtedness and flexibility in the management of unpaid debt.
4	Strengthen LABORAL Kutxa's financial solidity, risk management and liquidity.
Secondary issues	
5	Development of digitalisation (electronic banking, mobile banking, digital claims, etc.), providing personalised and remote management.
6	Control measures: code of ethics, anti-corruption, anti-money laundering, arms financing control, gambling, and pornography.
7	Contribution to economic development: support for businesses, companies and entrepreneurs.
8	Promotion of equality between women and men.
9	Management of our workforce: work-life balance, salary levels and ranges, healthy company, etc.
10	Development of socially and environmentally responsible products and services to drive the transition towards a green and sustainable economy.
11	Integrate the social, environmental and climate-change risks into our financial risk models.
12	Contribution to the financial and insurance education of customers and society.

## 2.5. LABORAL Kutxa's CSR Scorecard

The LABORAL Kutxa scorecard provides a global vision of the key indicators in the organisation with respect to the three aspects: economic, social and environmental.

### Economic performance indicators (consolidated data):

Indicators	2021	2022
Profit after tax (€M)	101.43	139.06
Efficiency Index (%) (1)	61.06	59.03
Customer deposits (€M)	23,500	23,183
Customer credit (€M)	15,158	15,200
Solvency (%) (2)	21.81	22.24
Special Funds (€M)	887	846
% Doubtful Risks / Investment	3.00	2.7

(1) Efficiency Index: Administrative Expenses + Depreciation/Gross Margin. As from 2022, the calculation has been modified, excluding the FEP from the Gross Income.

(2) Total capital ratio (CET1) is used.

### Social performance indicators:

Aspect / Indicator	2021	2022
<b>People</b>		
Number of people active (LK + CLBS)	2,057	2,037
<b>Training</b>		
Training hours / total workforce	78.4	87.77
Training evaluation (1-10)	7.98	8.15
<b>Health and Safety</b>		
Absenteeism in %	3.45	4.45
<b>Professional development</b>		

Average employment index	2.36	2.36
Promotion: Increase in Structural Index	7.07	10.28
<b>Aspect / Indicator</b>	<b>2021</b>	<b>2022</b>
<b>Salary dispersion</b>		
Total pay for best paid person LK / median total pay	4.66	4.52
<b>Equality</b>		
% Women members	51.86%	52.05%
% Women managers / total managers	29.63%	29.19%

No targets are set with regard to employment dynamics and % of women members. Nor is it broken down by region due to the reduced geographical scope.

<b>Aspect / Indicator</b>	<b>2021</b>	<b>2022</b>
Contribution. Funds (FEP and FSI) (thousand €)	8,531	25,860
Taxes paid (thousand €)	33,769	24,451
Gaztenpresa companies created	278	314

#### Environmental performance indicators:

<b>Consumption of:</b>	<b>2021</b>	<b>2022</b>
Advertising paper: Kg / Client	0.107	0,089
Internal paper (Kg / Client)	0.219	0.191
Water in m <sup>3</sup> (2)	6,363	7,124
Electricity (KWh)	11,432,660	10,570,653
Toner: Kgs. consumed	2,557	2,089
Diesel in litres	695	720
Kg waste managed (1)	311,496	174,928

(1) The objective is to manage 100% of the waste. Its volume depends each year on different circumstances.

(2) The figure includes the last quarter of the previous year and the first 3 quarters of the year.

## 2.6. United Nations Principles for Responsible Banking and Sustainable Development Goals (SDGs)

Each year LABORAL Kutxa has carried out, within its acquired commitment, a statement of the annual progress on the [Principles of the Global Compact](#) . Since 2018, this statement has been supplemented by the progress made on the [Sustainable Development Goals \(SDGs\)](#) and in 2019 on the [United Nations Principles for Responsible Banking](#)..

In the section Commitments and achievements in the second part of this Report, the main aspects on which LABORAL Kutxa has worked in 2022, the degree of progress they have made, as well as the strategic and specific objectives for 2023 are included. Therefore, the following table analyses which of these aspects are in line with the Principles of the Global Compact, the Sustainable Development Goals and the Principles of Responsible Banking:

Objectives and challenges addressed in the Report	Global Compact	SDG	Responsible BP
Carry out the merger of offices to increase efficiency while avoiding the financial exclusion of small communities.	Principle 1	Objectives 1, 3 and 8	Principles 1, 2, 3 and 4
Deployment of the IV Equality Plan - Berdintasuna.	Principles 1 and 6	Objective 5	Principles 1 and 4
Use of digitalisation to reduce paper consumption and to create a personalised distance relationship	Principle 9	Objectives 13 and 15	Principles 1, 2 and 3
Maintain positions of excellence in quality of service	Principle 1	Goal 8	Principles 3 and 6
Development of multi-channel customer relations, payment methods and direct marketing	Principle 9	Objectives 8, 9 and 12	Principle 3
Support for the creation of companies and consolidation of	Principles 1, 3 and	Objectives 5, 8, 9,	Principles 1 and 4

existing ones through MONDRAGÓN	6	10 and 16	
Financial education.	Principle 1	Obj. 4, 12 and 17	Principles 1, 3 and 4
Renewal of EIF guarantee agreements for microcredits and innovative companies	Principle 1	Obj. 1, 5, 8, 9 and 10	Principles 1 and 3
Development of the digital competences of the workforce	Principles	Objective 4	Principle 4
Conduct an impact analysis of the direct and transitional risks of climate change.	Principles 7, 8 and 9	Objectives 13 and 14	Principle 2
Implement sustainable mobility measures for the workforce.	Principles 7, 8 and 9	Objectives 3 and 11	Principle 2
Comprehensive energy refurbishment of the LK3 building	Principle 9	Objective 9	Principle 2
Sustainability strategy: governance, risk integration, product, training, data and training.	Principles: All	Objectives: All	Principles: All
Apply the new psychosocial RA methodology.	Principle 1	Goal 3	Principle 4
Establish ESG criteria for suppliers	Princ. 2, 4, 8 and 10	Objectives 8 and 17	Principle 2
Continuous improvement of cyber security	Principle 10	Objectives 9 and 16	Principle 2
Incorporate sustainability goals in the strategy	Principles: All	Objectives: All	Principles 1 and 5
Minimum of one third of women in managerial positions	Principles 1 and 6	Objectives 5 and 16	Principles 1 and 4
The difference between the average employment rate of men and women, including seniority, shall be less than 10%	Principles 1 and 6	Objectives 5 and 16	Principles 1 and 4
Reduce Co2 emissions to the atmosphere by 75%	Principles 7, 8 and 9	Objectives 13 and 15	Principles 2 and 5
Apply sustainability criteria to financing, assets managed by the Agency and Treasury	Principles: All	Objectives: All	Principles: All
30% reduction in paper consumption.	Principles 7, 8 and 9	Obj. 6, 13 and 15	Principles 2 and 5
Promote the self-employment of 2,000 people by supporting the materialisation of 1,200 business ideas	Principles 1	Objectives 1, 8, 9 and 16	Principles 2 and 3
Continuous development of green financing products	Principles 7, 8 and 9	Objectives 13 and 15	Principles 2 and 3
Allocate €75 million (cumulative) of our profits to society	Principle 1	Objectives: All	Principles 2 and 4
40% of the total volume of purchases from our suppliers will be from local companies.	Principle 7	Objectives 8 and 12	Principles 2 and 4

### Sustainable Development Goals (SDGs): Ongoing activities

The main actions that LABORAL Kutxa is developing and which are explained in this Report linked to the aspects considered as priorities of the Sustainable Development Goals (SDGs) and the United Nations 2030 Agenda are summarised below:

- **Obj. 5 Gender equality:** Deployment of the LK IV Equality Plan; Equality objectives of the Strategic Plan; Protocol against sexual harassment and gender-based harassment.
- **Obj. 8 Decent work and economic growth:** Gaztenpresa; Supplier management procedure; Outsourcing project; Zainduz Health Plan, Financial Education; Sustainable mobility; Psychosocial risk assessment.
- **Obj. 9 Industry, innovation and infrastructure:** Different improvements in digitalisation; PDSI-2; Support for Mondragon; Energy renovation of LK3 building; Analysis of climate change risks and opportunities; Cybersecurity.
- **Obj. 10 Reduction of inequalities:** Green MiFID; Profit sharing in society; Socially Responsible Investment; Social finance criteria.
- **Obj. 17 Alliances to achieve the Objectives:** Brand positioning; Renewal of the EIF InnovFin and EaSI Social agreements; UN Responsible Banking Principles.

rgate la app  
jeza a usar



La nuestra no e  
un entidad má.



3.

## Management of stakeholders

## 3.1. Our relationship with clients

### 3.1.1. Management approach

The policy of the LABORAL Kutxa Group in its relationship with customers and responsibility for products has been included in previous reports and in the responsible management approach. The importance given to this area is reflected in the existence of a Department whose basic function is the application of this approach. The customers are segmented between Private clients, Self-employed clients, Business clients and Company clients. There is a specific management process for each of these segments and a commercial offer tailored to their needs and expectations.

### 3.1.2. Main customer figures

The following table shows the changes in LABORAL Kutxa's customer base. The database is updated annually, which means that inactive customers are removed from the database.

Geographical Area	Number of clients		%
	2021	2022	
Araba	131,583	134,500	11.68%
Aragon, Catalonia and La Rioja	72,954	74,658	6.48%
Asturias and Cantabria	34,033	34,843	3.03%
Bizkaia	350,038	360,205	31.29%
Castille and Leon	127,991	129,611	11.26%
Gipuzkoa	260,495	271,145	23.55%
Madrid	20,182	22,091	1.92%
Navarra	121,246	124,233	10.79%
Headquarters*	7,899	-	-
<b>Total Kutxa LABOR</b>	<b>1,126,421</b>	<b>1,151,286</b>	<b>100%</b>
Private Customers (%)	85.73%	85.52%	
Self-employed Customers (%)	8.29%	8.40%	
Business Customers (%)	3.45%	3.50%	
Business Customers (%)	0.94%	0.95%	
Other/Non-segmented	1.60%	1.62%	

\*In 2022, those from the headquarters were distributed to the respective provinces.

### 3.1.3. Dialogue with the customers

As in previous years, in 2022 an effort was made to maintain dialogue with customers in order to ascertain their expectations and demands regarding financial and insurance products in order to take further steps to improve them. In addition, these mechanisms are integrated into *a comprehensive quality process*, the permanent objective of which is that the quality of customer service and care, in the various relationship channels, be maintained as a differential advantage over competitors.

The number of customer surveys has been very high:

- Internal Study: 24,083 surveys (Finance Office 11,409, Channels 9,179, Insurance 3,495).
- Stiga Study: Customer satisfaction: 14,250 (LK -400), Non-customers (mystery): 3,136 (LK-85).
- Brand image tracking. 2,698 (customers and non-customers LK CAV and Navarra).

The results compared to other banking and insurance competitors are favourable. Some of the most representative are included in the following tables.

CAV+Navarra 2022 brand image tracking (market %, current and potential clientèle, who mention us as an OUSTANDING ENTITY IN EACH ATTRIBUTE)	2021	2022 Total Market	2022 Customers
Local entity, committed to society and to local development	43%	45%	68%
Entity close to its customers	32%	30%	61%
Entity with honest and responsible management, which can be trusted	23%	23%	52%
Responsible for the social and environmental impact of its actions	15%	16%	30%
Entity that promotes equality between men and women in society.	13%	--	--
Professional and personalised advice	25%	22%	51%
Availability of its offices	24%	23%	46%
Services available in Online Banking and Mobile Banking	20%	19%	50%
Security and privacy of data and operations	16%	16%	39%

Source: Tracking study of the brand image of LABORAL Kutxa. The area is the Basque Country and Navarra. Ikerfel

STIGA Benchmarking Quality of Service in the banking sector 2022 (score from 0 to 10)	2021	Sector differentiation 2021	2022	Sector differentiation 2022
Attention to potential customers - Sectoral Objective Quality Study (EQUOS-Stiga)	7.98	0.37	8.20	+0.5
Overall satisfaction with the entity	7.62	0.32	7.58	+ 0.41
Valuation of relationship intangibles: Transparency, Trust and Personalisation	7.02	0.35	7	+ 0.55
Valuation of brand intangibles: Solidity and Solvency, Modernity and Social Commitment	7.66	0.30	7.58	+ 0.36
Satisfaction with the office	8.25	0.41	8.12	+ 0.42

**Outstanding position in customer referrals: NPS of + 13.2%, compared to -3,2% for the sector.**

NPS. Difference between % of customers with Intention to Recommend 9 or 10 and Intention to Recommend <= 6

**CUSTOMERS WITH INSURANCE**

Lagun Aro. Benchmarking quality of service in the insurance sector ICEA December 2022 Satisfaction of insurance customers (score 1 to 10)	CAR		HOME	
	2021	2022	2020	2021
Overall satisfaction with the company	7.85	7.84	7.39	7.37
Insurance Market	7.87	7.86	7.41	7.42

Source: Barometer study of the customer experience in the insurance sector ICEA

**Outstanding position in customer referrals. Auto NPS 24.5% vs. 16.8% for the sector and Home NPS 9.3% vs. 4% for the sector.**

NPS. Difference between % of customers with Intention to Recommend 9 or 10 and Intention to Recommend <= 6

The internal satisfaction study that we carried out with LK customers also shows high levels of satisfaction for all channels of relationship with the entity. The customer evaluations reflect a positive change in 2022.



<b>FINANCIAL CUSTOMER</b>	Sat	Evo 2021
Office	82.3	+1.0
Internet banking	84.0	+1.0
App	84.5	+1.3
Telebanka	82.5	+1.7

Based on these dialogue mechanisms and the expectations detected in the customers, improvement actions are carried out to increase their satisfaction with the service received.

Since 1994, LABORAL Kutxa's **Customer Service Department** has been responding to customer queries, complaints and claims. Service activity fell by 20% compared to the previous year, mainly due to the lower number of complaints and claims related to mortgage loan arrangement costs.

The results of this Service are:

<b>Customer Service</b>	<b>2021</b>	<b>2022</b>
<b>Total cases</b>	<b>12,689</b>	<b>9,753</b>
<b>Nature of the cases</b>		
Complaints	11,411	4,016
Claims	1,139	5,625
Consultations	22	0
Suggestions	8	0
Letters of congratulations / gratitude	1	0
Sundry petitions, others	108	112

\*The 2021 data were erroneous and have been corrected.

<b>Customer Service</b>	<b>2021</b>	<b>2022</b>
<b>Number of cases opened</b>	<b>12,083</b>	<b>9,753</b>
Written: brochure / letter	8,900	6,661
Internet/Telephone	2,557	2,859
Public bodies: OMIC / Regional Governments	55	50
Others	571	0

Following preparation of the 2021 CSR Report, as has become customary in recent years, a communication campaign was launched in which the Report Summary was sent to the most closely linked customers. Along with this information, a questionnaire was attached, by means of which those who wanted could contribute their opinion on Sustainability. Four different mailings were made: to business customers, to self-employed customers and micro-companies, to individual Personal Banking customers and to individual KIDE/TOP customers. In total **to380,580** customers, 25.8% of whom read the mailing. In total there were 974 responses.

### **3.1.4. Responsible management with customers and excellence in quality of service**

Responsible management with the LABORAL Kutxa customers focuses on the sale of complex savings products. Excellence in the quality of service and contact with the customer are aspects identified as being of highest importance in our materiality matrix.

- ✓ In 2021, the accreditation process in the Real Estate Credit Contracts Act (LCCI) was continued for those who had not yet completed the process, mainly new entrants.

- ✓ In the same line of responsible management towards clients, in order to facilitate business financing, a particularly relevant line of action is the collaboration with the **European Investment Fund (EIF)** of the European Investment Bank (EIB). During 2022, three agreements have been in force whereby the EIF guarantees a part of the risk assumed by LABORAL Kutxa, so that the financing can be carried out under more favourable price conditions and guarantees for those companies included in the agreements:
  - EaSI Social Agreement: special financing line for social-economy companies. An amount of 50 million euros + 9 million additional euros, as part of the EaSI-Programme for Employment and Social Innovation”.
  - EaSI Microcredits II Agreement: special commercial financing line. The renewal of the agreement allows us to continue to finance loans in order to create and consolidate employment for entrepreneurs, micro-SMEs and freelancers.
  - InnovFin SME Guarantee Facility to facilitate innovation in SMEs and small and medium capitalisation companies. The latest renewal was signed in 2019 for two years for an amount of €150m and extended until the end of 2022.
- ✓ Covering the areas of customer relations management (transparency, kindness, inquiry of the needs and active listening, clarity in the explanations, ...) and that related to customer service in aspects of quality, personal service, absence of errors, etc., the most important initiative is the “**Integrated Quality Management Process**”. A process that seeks excellence in compliance with the measurement parameters of the external (towards customers) and internal (from the Central Services to its internal customers, the Branches) service.
- ✓ A key element in the quality of advice and relations is the speed of adaptation to the unstoppable digital transformation. An adequate user experience in a digital banking world requires a personalised, but omni-channel relationship between manager and client, an objective that LABORAL Kutxa seeks with the deployment of the *Onenak Bidean* project in its offices.

In relation to transparency and clarity of information

- ✓ LABORAL Kutxa has been a member of Autocontrol since 29 July 2008, an association with the objective of contributing to advertising being a particularly useful instrument in the economic process, ensuring respect for advertising ethics and the rights of consumers, with the exclusion of the defence of personal interests. In 2022 LABORAL Kutxa made the following enquiries to Autocontrol:

Preliminary advice	2021	2022
Positive	366	343
With modifications	148	169
Negative (the advertisement was not recommended for circulation)	1	0
<b>TOTAL</b>	<b>515</b>	<b>512</b>
Professional ethics consultations	41	53

- ✓ All the information on main products/services (Savings, cards, Mortgages, Loans, Plans, Funds, Insurance, Services, Online banking) , as well as social networks (Blog, Facebook, Twitter, YouTube, etc.) is available from the home page of our website Laborkutxa.com, as well as on the Lagun Aro website.

Another area related to responsible management with customers is the problem of **over-indebtedness**. Its importance according to the materiality matrix is significant. Given its high impact on the people affected, but also in order to ensure transparency in an area that has generated a significant social and media impact, our actions in relation to customers with payment difficulties, especially on their mortgages, are described below.

Within the policy of personalised negotiation in cases where customers have difficulties in paying for their homes, the first step is to offer the customer who meets the requirements the *Code of Good Practices* which LABORAL Kutxa joined in 2012, providing a second chance mechanism, a reduction in the financial burden and other measures.

Code of good practice	2021	2022
Applications	44	62
Denied	26	40
Approved	18	22

The conditions set out in this Decree have been applied to the 22 approved operations, which also include tax benefits. 15 have been signed, with the remainder pending.

There are also 32 homes assigned, out of the 37 available, to the Social Housing Fund.

The operations to which this Code does not apply, because they do not meet any of the requirements laid down by law, have followed the procedures and protocols of LABORAL Kutxa. These, in addition to restructuring of the debts, also include dation in payment as an alternative for sharing the loss of value of the mortgaged property, as well as agreements for the former owner's right to remain, despite the judicial awarding of the property to LABORAL Kutxa.

Notwithstanding this high level of agreements, the Bank has been awarded 63 homes (22 of them non-habitual), in some cases applying dation in payment agreements and in others as a result of judicial enforcement. Even after the court ruling in the latter cases, it may be possible to apply for a stay of execution on the disposal of the former home. In 2021, 2 right to remain in the home of people who have ceased to be homeowners after foreclosure has been recognised.

### Claims

In January 2017, an extrajudicial procedure was regulated to resolve claims related to floor clauses in mortgage contracts for home purchases. Based on consumer protection, these clauses were declared abusive, and therefore void, not in themselves, but because of the lack of transparency in their inclusion in contracts. Thus, channels were established, regulated by RDL 1/2017, to make it easier for customers to reach out-of-court settlements in order to eliminate the effect of these clauses.

LABORAL Kutxa informed its customers of a voluntary claim system prior to instituting legal proceedings. Customers who did not want to use this additional system were able to go to the SAC.

The cumulative volumes of claims received are the following:

Extrajudicial claims for floor clauses. RDL 1/2017	As at Dec 2021	As at Dec 2022
- Rejected (RDL not applicable)	1,145	1,149
- Accepted	551	809
- Denied	3,492	3,509
- Being handled	132	136
<b>TOTAL incoming</b>	<b>5,320</b>	<b>5,603</b>

Until 2022, practically the only reason for the refusal of consumer claims was the fact that they had previously reached a settlement agreement between the bank and themselves, whereby the bank eliminated the floor clause and the clients waived their right to claim for the previous payments. As can be seen, the submission of claims since 2018 is stable, although there is a slight increase year upon year.

In 2022, taking into account the established jurisprudence with respect to the issue of the validity of the transactional agreements and a failure to exercise the content within them, the entity has changed the criteria and previously, in the judicial sector and, since June, also extrajudicially in the SAC, the decision was made to deal with claims from consumers even though they had a signed transactional agreement, signed by the customers with their lawyers except in exceptional cases. Therefore, only in these exceptional cases in the consumer sector, only commercial loans are rejected.

Meanwhile, during 2022, the large-scale legal actions against the Entity were received for the following main reasons:

- Those concerning floor clauses in mortgage loans, during 2022 103 were submitted; there was a slight increase on the previous year, with 73 in 2021 and 71 in 2020. In 2019 there were 177 and in 2018 there were 910.
- Those arising from the costs incurred in the formalisation of mortgage loans rose to 2,971 in 2022, somewhat less than in 2021 (3,117), but a significant increase compared to 2020.

These clauses often include, in the vast majority of cases due to procedural strategy and without economic content, the request for the nullity of other clauses such as interest for late payment, the commission for claiming debtor positions, the guarantee clause, etc.

In those due to the marketing of the AFS (debt issues) of Eroski and Fagor, which between 2014 and 2016 represented the largest number, the practice of their financing is validated, being reduced to an insignificant amount compared to a few years ago. 2 in 2022, 2 in 2021, 8 in 2020, 13 in 2019, 23 in 2018 and 120 in 2017.

Lastly, 507 claims were received for opening fees, compared to 185 in 2021, with no claims received for IRPH or Law 57/68.

### 3.1.5. Protection of privacy and the security of data and operations.

#### Personal data.

Laboral Kutxa continues to work on the consolidation of a series of policies and procedures that ensure the transversality of data protection within the entity. In the same section of the 2021 Report, the in-force policies and procedures of obligatory compliance are summarised.

Maintaining that line of work requires constant adaptation and a proactive attitude in the face of new regulatory challenges and new guidelines and recommendations issued by the authorities on the subject of data protection.

Thus, the most relevant actions carried out on data protection in 2022 were the following:

- The update of our Policy on the protection of customers' personal data, increasing its transparency and clarity.
- The implementation of a new process for obtaining consent, thus granting our customers greater control over the use of their personal data.
- The creation of a centralised third-party management process with the direct involvement of our data protection delegate before hiring, thus ensuring that suppliers processing data on behalf of Laboral Kutxa offer sufficient guarantees to apply suitable technical and organisational measures, such that the processing meets the legal requirements and duly guarantees the protection of the people's rights.

Likewise, the continuous training of persons working in the entity has continued with the launch of "training pills", whose main purpose is to raise awareness of the importance of data protection.

Thus, LABORAL Kutxa is approaching 2023 focusing on the continuous improvement and constant update and review of our policies and procedures such as essential tools for ensuring adequate protection of personal data.

#### Cybersecurity

Corporate social responsibility and cybersecurity continued in 2022 to be an increasingly integrated part of the corporate culture of entities, regardless of the sector they operate in.

Organisations are increasingly exposed to forces that, to a larger extent, alter their risk profile, and force them to take measures to adequately manage technological and cybersecurity risks, in order to achieve their business goals.

Likewise, organisations have undergone considerable changes to adapt to new technologies and people's needs (BYOD, remote working, changes in processes, among other things), which have increased attack surfaces for cyber-criminals.

In addition, the increase in attack vectors in 2022 meant that the number and criticality of the vulnerability of information assets used in organisations increased considerably, along with the average time to remedy them.

Throughout 2022, LABORAL Kutxa, being aware of the increased technological and cybersecurity risks, increased its adoption of measures to mitigate them and to comply with the various applicable regulations, including defining comprehensive security master plans for the next three years (2023-2025), investment in relevant security solutions and the execution of multiple security projects, such as fostering the organisation's cybersecurity culture, the

establishment of connections between internal and external individuals with respect to behavioural risks, the provision of support to persons at the entity that may have a lower level of experience in the area of cybersecurity, the continuous improvement of its third-party management model, such as ensuring that the governance systems related to externalisation are coherent with the individual risk profile, with the nature and business model of the entity, and with the scale and complexity of its activities, as well as the implementation of processes for estimating the level of maturity and coverage of the technical and organisational measures, both from a logistical and physical point of view.

Another significant aspect that has been reinforced is that of the response plan for incidents and the life cycle of the vulnerabilities the company is exposed to, as well as the promotion of initiatives for intelligence on cyber threats. This has allowed for the optimisation of the initiatives on monitoring, resolution and decision making, as well as the preventative preparation of actions in the various areas involved, in order to guarantee the protection of the organisation's assets.

Likewise, the parameters for the control of access to the information assets have been bolstered through the tightening of controls for the allocation of rights of access to the most critical systems and services, as well as the application of complementary security requirements in relation to the virtualisation platforms of the various corporate environments.

In addition, risk control methodologies have been improved, integrating the strategy for said risks with the business plan, so that it is possible to comply with the internally established risk appetite, tolerance and limits, and the strategy for the evaluation and selection of more suitable solutions to protect the information systems has been intensified, aligning it with LABORAL Kutxa's technical infrastructure, through the incorporation of new technology.

Another of the most important areas of work has been that of preparing for cloud services. Technology is undergoing a transformation at a dizzying pace and it is cloud services that are increasingly being offered as a differentiating value in a hyper-connected world. The adoption of these technologies and services must at all times ensure that security levels remain at the highest levels required by our business. For this reason, we have invested in the definition of the corporate cloud services policy and have adopted the best practices and market standards aimed at building a robust model based on digital identity management and data protection.

The cybersecurity governance areas have proceeded according to the established plan, developing, among other aspects: programmes to raise awareness and increase ownership of responsibility by those with competence in the subject, regarding the processing of a certain type of information or the prevention of social-engineering techniques on the rise, such as digital fraud.

In addition, improvements were made to the set of Security Policies and Procedures that establish the channels to protect the corporate information system, ensure that their regulatory commitments are complied with and provide governance principles and operational guidelines for each user, promoting their regular monitoring and follow-up, thus seeking to hone the appropriateness of the defined parameters.

Clear expectations have been set for the allocation of resources and investments according to the entity's cybersecurity risk profile and multidisciplinary teams have been developed where security has taken on the major role it deserves.

Lastly, the monitoring of all actions required to ensure the processing of significant deviations related to the governance and management of cybersecurity risks has been incorporated into the corporate supervisory functions.

In summary, LABORAL Kutxa has defined a roadmap that proposes a comprehensive vision, aligning the governance and management of cybersecurity with business risk management, providing a holistic approach that integrates the participation of all stakeholders.

### 3.1.6. Responsible products and services

Social or sustainability criteria in credit policy are present in the following products:

- Financing of Solar Panels for Self-Consumption in Companies
- Sustainable Rehabilitation Pack Communities and Individuals: loans used for energy and accessibility improvements, lifts, etc., both for individuals and communities of owners. As well as the financing, a simulator of the available subsidies and fiscal reductions; refurbishment and works management projects; management of subsidies, and home and community insurance are available.
- Loans for social economy companies: for cooperatives, joint ventures, integration companies and other social-economy countries.
- EIF-INNOVFIN Agreement: in 2022 the agreement with EIF (the European Investment Fund, an agency of the EIB - European Investment Bank) was renewed with the EaSI programme - European Programme for Employment and Social Innovation. With the support of this European programme, the conditions required for both entrepreneurs and micro-enterprises are further enhanced by increasing their access to micro-credits.
- Secured Cards: Cards that have favourable conditions such as Accident Insurance with Lagun Aro Insurance. For the Gold card, Travel assistance with Caser.
- Personal loans: There are 0% APR loans for special situations and salary advances. There are also loans aimed at young people to finance studies (materials, tuition fees, etc.). For example, in 2022 agreements were made with: AEK, University of Navarra, Public University of Navarra, MONDRAGON Unibertsitatea, Erasmus programmes and MONDRAGON Lingua.
- Agreements and Arrangements: with Erkide (financial advantages for its associate cooperative members), with FCTC (Catalan Federation of Workers' Cooperatives), with CEPES for the financing of capital contributions and financial advantages for cooperative members.
- Agreements and arrangements with entities such as ICO, Elkargi, Luzaro and Sendotu.

### Agreements and partnerships with Public Authorities

As has been explained throughout this Report, LABORAL Kutxa actively works with the various Public Authorities to open up lines of financing under preferential conditions for entrepreneurs, self-employed people and companies, or for the refurbishment of homes, or by providing finance to SMEs under better conditions through agreements or lines of credit with various Mutual Guarantee Societies (MGS). Some of them can be seen on our website:

- For companies: <https://www.laboralkutxa.com/es/empresas/financiacion/convenios>
- Business and professionals: <https://www.laboralkutxa.com/es/pro-negocios-y-profesionales/financiacion/convenios>
- Social economy companies: <https://www.laboralkutxa.com/es/empresas/financiacion/convenios/easi-economia-social>
- Subsidies: <https://www.laboralkutxa.com/es/pro-negocios-y-profesionales/apoyos-para-tu-negocio/convenios>

### Affinity cards

LABORAL Kutxa assigns a portion of the income obtained from the use made by customers of **Affinity cards** for their purchases, to: Medicus Mundi, Caritas and the Confederation of Ikastolas. The amount of the yearly assignment is:

- For each card holder at the end of the year: 2.5 euro / year
- 1 euro / year per card beneficiary.
- For purchase invoices: 20% of the profits obtained.

Amount donated for AFINITY Cards	2021	2022
• Medicus Mundi	22,710	24,567
• Caritas	3,084	3,490
• Ikastolak	23,130	26,935
<b>Total donation (euros)</b>	<b>48,924</b>	<b>54,992</b>

### Donations for international cooperation projects

The LK Super Passbook had a points programme, for income and balances, whereby customers could exchange for gifts or donations for projects in developing countries.



This points programme ended in 2022. The projects and amounts assigned are the following:

Amount donated by customers (euros) per project	2021	2022
<b>Mundukide Fundazioa.</b> "Abre el grifo" (Turn on the tap).	2,633	9,145
<b>Mundubat.</b> "Support for the right to health of the Saharawi people."	2,022	9,145
<b>Alboan.</b> "Contra la discriminación y la exclusión en India" (Against discrimination and exclusion in India).	2,480	9,145
<b>Medicus Mundi.</b> "Promoviendo los derechos sexuales y reproductivos" (Promoting sexual and reproductive rights).	2,762	9,145
<b>Save the Children</b>	-	9,145
<b>Zaporeak</b>	-	9,145
<b>Mugarik Gabe</b>	-	9,145
<b>Total amount (with VAT included) donated</b>	<b>9,897</b>	<b>64,016</b>

### NGO insurance

LABORAL Kutxa has an Insurance aimed exclusively at NGOs that provides cover and special conditions to these organisations via two policies:

- Accident policy. It covers volunteers for accidents occurring during the exercise of the NGO's own activities, including the risk "in itinere" (necessary travel).
- Civil liability policy. It covers claims for damages to third parties or to property that does not belong to the organisation, resulting from the usual activities carried out by the volunteers. In 2023, the insurance covered 36 associations, with 703 insured parties.

### Support for the creation of companies . Grupo Mondragón

Apart from financing through credit investment, LABORAL Kutxa supports the development of Mondragon cooperatives through the contribution of funds from their profits, with the aim of creating new jobs and consolidating existing ones. These contributions are made to:

- *MONDRAGÓN Inversiones*, which is in charge of partially financing Cooperative development projects, both in Spain and abroad.
- *MONDRAGON S. COOP., Corporate Group Centre.*
- *MONDRAGON Foundation* in order to, among other destinations, finance the development of the 14 research centres promoted by the Cooperatives.

In 2020 and 2021, contributions were lower than in previous years due to the crisis caused by COVID, both at the behest of the banking regulator (Bank of Spain) and the lower profits recorded, having returned to a normal situation in 2022.

Mondragon Group Contributions Thousands of Euros	2021	2022
Contribution to MONDRAGON Investments	516	5,143
Contribution to MONDRAGON S. Coop.	6,681	5,633
Contribution to MONDRAGON Foundation	1,349	6,772
<b>Total contributions</b>	<b>8,546</b>	<b>17,548</b>
Investment in MONDRAGON Companies (1)	349.91	346,392

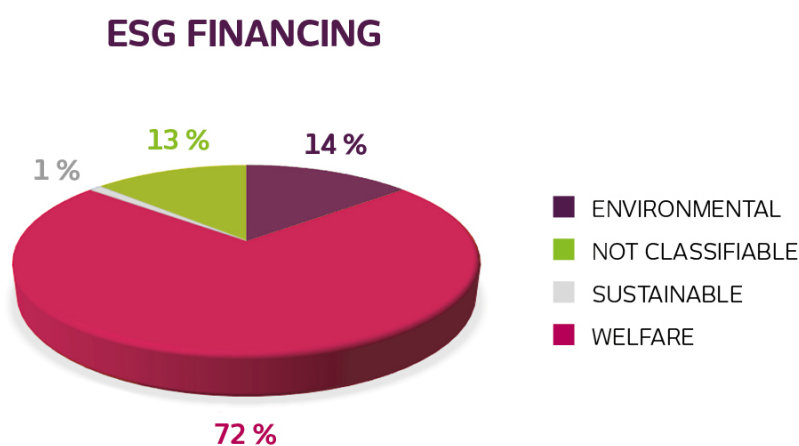
(1) The investment included is: Current, Structural and Firm.

### Finance/Investment with ESG criteria

An investment with ESG criteria is one that applies environmental, social and corporate-governance criteria when selecting the investment or financing projects. LABORAL Kutxa has been working in this field for a number of years, with exclusion criteria in place to prevent investment in or funding of activities that are sensitive. These exclusion criteria affect aspects such as gambling, pornography, tobacco, weapons and coal.

In addition, in terms of financing, during 2022, a Sustainable Financing Framework was established in line with the EU Taxonomy of activities, which specifies what sustainable financing is for LABORAL Kutxa. That is, which criteria the financing should meet to be considered environmental or social.

Once these criteria were established, the most significant operations granted by the Entity in 2022 were analysed, classifying them as environmental or social in cases where considered applicable. Thus, of all the most relevant of LABORAL Kutxa's operations in 2022, 72% have social features and 14% have environmental features (a further 1% of sustainable financing has both environmental and social characteristics). The remaining 13% cannot be classified as ESG financing.



In terms of investments, various lines of work were contemplated in the sustainability Management Plan:

- Suitability questionnaires for the customer were implemented, in compliance with MIFID II. This adaptation allows the customers' preferences in matters of sustainability to be evaluated.
- Adapting the range of investment funds has begun, such that they are suitable and can respond to the customer's sustainability preferences.
- The process of defining a Sustainable Investment Policy has begun and will be completed and approved in 2023.
- An effort was made to train the workforce throughout the year.
- In 2022, the *LK Konpromiso, FI* Investment Fund was strengthened, with an ethical and charitable approach, where its investments apply controls by measuring the application of

Environmental, Social and good Corporate Governance criteria. It is charitable because LABORAL Kutxa channels a part of the management fee it charges its customers to three NGOs the customer can choose from. In 2022, this fund incorporated the advised portfolios, therefore their recommendation is no longer active, significantly increasing the volume of managed balances and the transfer of premiums. The number of beneficiary NGOs was also increased from 3 to 6.

Contributions	2021	2022
MEDICOS MUNDI	56,22.78	99,915
MUNDUKIDE	52,108.83	95,203
CARITAS	34,373.25	63,910
RED CROSS	-	1,222
UNICEF	-	1,183
INTERON-OXFAM	-	689
<b>TOTAL</b>	<b>143,404.86</b>	<b>262,122</b>

In relation to credit investment in companies, since 2017 there has been a procedure for requiring additional non-financial information from companies identified as having social risks, thus extending the system which had previously been applied to potentially environmentally problematic companies.

#### Environmentally responsible products and services

LABORAL Kutxa, in accordance with its strategy of contributing to improve the environment, has products and services to help slow down climate change. Details of these, as well as the projects underway to promote them, are provided throughout this report.

#### Electronic customer delivery service

The LABORAL Kutxa **Posta-mail** for sending statements and receipts to customers by e-mail continues to grow significantly, helping to reduce paper consumption. The annual objective is always to increase the number of users from the previous year and, to this end, the Network constantly explains this service. The section on **Our relationship with the environment** in this Report shows the trend in the number and % of users.

#### Credits for renewable energies

Company financing or granting of credits in the field of renewable energies or similar has evolved as follows:

	2021	2022
Loans provided (thousands of €)	19,982	57,923

#### Accessibility to financial services

##### Small towns

During the rationalisation process of the commercial network that was carried out in recent years in response to the new challenges of the financial sector, an effort was made to not financially exclude places with relatively small populations. The aim is to not cease serving those rural or sparsely populated areas where we have been present for many years. Therefore, the closure of offices is avoided, despite their reduced profitability, by implementing measures such as only opening on certain days of the week.

## Architectural barriers and accessibility

In order to have increasingly accessible offices, Laboral Kutxa maintains its commitment to equip its offices with spaces free from architectural barriers. In all the intervention projects undertaken in offices, the objective is to improve accessibility, whenever the characteristics of the premises so allow. This eliminates existing architectural barriers and complies with the Accessibility Standard. Given that these actions have been carried out for many years, there are currently very few work centres with any kind of accessibility problems.

During 2022, implementation of the new physical office model was continued. This new model prioritises accessibility both inside the office, eliminating architectural barriers, and in all types of spaces, with a specific area in the cashier's transaction area for people with reduced mobility. Access to the office is by means of a system of automatic doors that allow access to all types of members of the public, since it is not necessary to handle them to open them, and the touchless pushbutton panel system means that no direct contact is required to lock or unlock the access door to the inside of the cashier's office. In addition, external ATMs have also been installed.

A relevant new initiative in 2022 was the comprehensive analysis of accessibility by Ilunion (ONCE Group). The analysis covered both physical and cognitive accessibility and included:

- Physical channel: analysis of the banking offices.
- Telephone and back-office channel (SMS, WhatsApp, Email).
- Online channel: website and apps.
- Product: analysis of ATMs.
- Services (mortgage and account opening).
- Comprehensive customer service: the user experience of the various channels, products and services.

Having received the reports on the analysis and its corresponding improvement plan, in 2023, the various teams will present a list of the measures with priorities. This project is called **Accessibility 360** and its goal is to implement the actions over the coming years, making accessibility an area that LABORAL Kutxa excels in.

## Access via internet and mobile phone. Multi-channel banking

Laboral Kutxa considers it strategic to move forward in the digitalisation of its activity. It is both a competitive necessity and a way to increase accessibility and channels of communication and customer service.

The numerous developments and improvements implemented in 2021 include the following:

1. Savings and investment portal for Personal Banking customers
2. Google Analytics in BOL
3. International transfers Companies

The increase in responses from Remote Banking is continuous:

Operations	2021	2022
Calls answered	331,077	375,053
Calls made	42,043	74,497
WhatsApp	49,438	65,458
CHAT Online Banking	44,136	31,227
Card fraud alerts	18,388	34,369

### Financial culture

LABORAL Kutxa has continued to use social networks to create financial culture and boost knowledge regarding cooperativism. Thus, in the Entity's blog, ([blog.LABORALkutxa.com](http://blog.LABORALkutxa.com)), 88 articles of general interest were included, of which 68 focused on helping to improve the culture and knowledge of the current financial landscape. In this way, with a simple and accessible format, contents of financial culture are alternated with others more related to social responsibility, such as: ethical finances, insurance obligations, tax news, how to set up a company, etc.

During 2022, a **Newsletter Pro** was sent on 3 occasions. This is an information bulletin in electronic format for Pro and micro-business clients in the Basque Autonomous Community and Navarra (more than 60,000). This action is part of the **Consulting Pro** free guidance service to assist clients in the management of their business, offering information of special interest (grants and subsidies, tax and legal news, sales techniques, etc.) for the self-employed and other professionals.

This Newsletter highlights some of the most relevant and recent content of the Consulting Pro [website](#), which offers content such as news, articles of interest, management tools, and information on events, grants and subsidies, etc.

236 queries were heard from 185 customers through the Consulting Pro service in 2022, made either in person or by telephone (free-phone 900 100 240), or via the [Form](#) available on the website.

In 2021, we launched the [LABORAL NEXT](#) tool: a virtual assistant to provide commercial customers (and non-customers) (including the self-employed) with all the information on the NEXT GENERATION Funds and the programmes for which they can be beneficiaries. It includes the creation of the technical office, which is responsible for resolving all kinds of questions, as well as analysing and, where appropriate, dealing with the management of subsidies.

During 2022, online sessions were held, together with LKS Next, AFI, Seguros and the LK Studies Department, aimed at the commercial world (self-employed, Businesses and Companies). See table with detailed information for each event.

WEBINARS conducted in 2022	date	Participants	Assessment	Met expectations	NPS
<a href="#">NGEU CONSULTANCIES</a>	15/02/2022	150	8.37	7.71	37%
<a href="#">NGEU ENTREPRENEURSHIP</a>	18/03/2022	295	8.12	7.74	46%
<a href="#">NGEU SOCIAL ECONOMY</a>	04/06/2022	120	8.24	8	43%
<a href="#">NGEU LAGUN ARO INSURANCE (serv. prov.)</a>	10/06/2022	15	ND	ND	ND
<a href="#">ECONOMIC PERSPECTIVES (Joseba Madariaga)</a>	08/07/2022	140	8.38	8.15	73%
<a href="#">NGEU BALANCE</a>	23/09/2022	159	7.95	7	33%
<a href="#">NGEU SUBV FOR DIGITALISATION (MAC)</a>	11/11/2022	250	8.63	8.61	73%
Average rating of all 2022			8.28	7.87	50%

A video is prepared on a monthly basis (in collaboration with AFI, International Financial Analysts) on the economic climate and the situation of the financial markets. This video is emailed to the Personal and Premium Banking customers and uploaded to CLNet. In addition, a quarterly infographic is sent to BP and Premium customers, with the positioning and composition of portfolios, which includes the main macroeconomic and market events for the last quarter, as well as our positioning and the composition of the Personal Banking portfolios.

### Support for internationalisation

As part of LABORAL Kutxa's strategy of providing a global service to its corporate customers and supporting them in their search for new markets, the international agreements signed in recent years have been continued with a view to providing a service to customers. The agreements were mainly signed with cooperative organisations that share the philosophy of LABORAL Kutxa:

- National Cooperative Bank (U.S.A.)
- Crédit Coopératif (France)
- Raiffeisen Bank International (Austria)
- Banorte (Mexico)

In relation to the activity of supporting companies in the agri-food sector, in which LABORAL Kutxa has been very active over the last 6 years, especially in the North American market, a collaboration agreement was signed in February 2020 between LABORAL Kutxa and GOURMET FOODS INTERNATIONAL (GFI), a North American importer with its headquarters in Atlanta and a turnover of \$500 million, to help our companies establish themselves in the American market.

## 3.2. Our relationship with the workforce

### 3.2.1. Management approach

In relation to the direct activity of LABORAL Kutxa with respect to its own workers, the legal status of co-operative is an ambitious development of the inspiring principles of the *Universal Declaration of Human Rights*, namely that all human beings are equal in dignity and in rights. Indeed, the co-operative method implies that the people who work in the company are partners with equal rights and obligations, regardless of their knowledge or status in the hierarchy. Requiring all people to share rights and obligations, as they all share in the risks and rewards of the business.

The concept of cooperation also extends to a commitment to our society. We are a *Cooperative Bank, guided by values and a philosophy that lead us to prioritise the common interest over the individual, to make decisions in a participative and responsible way and to reinvest our profits in society.*

In the area of people, the most significant risks linked to non-compliance with human rights are related to corruption and harassment at work.

- With respect to corruption, see Corporate Governance in Section 1.
- With regard to harassment in the workplace, it should be noted that this is a problem with a low quantitative incidence, but a potentially serious effect on the people who might be involved in a situation of this kind. In the procedures, there is a *Protocol for action in cases of harassment at work*, updated on 31/01/2015. The organisation incorporates an *Investigation Committee*, which has a *specific complaints channel*. This protocol includes situations of *sexual and gender harassment (known as mobbing)*. There have been no complaints or enquiries in 2021 and 2022 concerning the aforementioned complaints channel.

The financial activity we carry out, the geographical scope of our activities and the ownership structure make it impossible for threats of violation of the provisions of the fundamental conventions of the International Labour Organisation to occur.

Lagun Aro Insurance also has a procedure for managing –cases of gender-based and sexual harassment. There have been no complaints since its creation as part of the 2nd Equality Plan. Currently, and in the context of the 3rd Equality Plan (2022-2025) said Protocol is being updated to include the latest approved legislative measures. Likewise, the Organisation has an approved Claims Channel that has been communicated to the people in the company in 2022 and is managed by an Ethics Committee. There have been no complaints or enquiries in 2022 through the aforementioned complaints channel.

### 3.2.2. Main figures of the workforce

Indicators concerning the people in the Group, both overall and according to different categories (gender, age, etc.) are available in section 4. Other figures.

### 3.2.3. Dialogue with the workforce

As a credit cooperative, there are many channels for dialogue with people:

- ✓ The Internal Customer Satisfaction Survey (ESCI) was carried out so that the business network could assess the quality of the services provided by Central Services, make suggestions for improvement and provide any comments it deemed appropriate. The questionnaire was sent to 472 people and there was a response rate of 53%. As a result of the quantitative and qualitative assessments obtained from the survey, numerous improvement measures have been implemented.
- ✓ Internal Suggestions System. From 2019 to the end of 2021, 642 employee contributions were received, of which 78 (12.1%) were implemented.
- ✓ Participation and decision-making capacity in the basic governing bodies: Ordinary and Extraordinary Meetings and Governing Board, and in the preparation of Strategic and Management Plans.
- ✓ Activity of the Social Council, with extensive negotiation and decision-making capacities.
- ✓ An appearance by the Chairperson and the Director-General before everyone in geographical groups, in order to share the assessment of the situation and the measures being taken. Here, everybody can intervene by making comments or requesting the clarifications they consider appropriate.
- ✓ Staff meeting system: "Giltza-Collaborators Meeting" between managers and their teams.

#### Collective negotiation

The Cooperative Credit Union Collective Bargaining Agreement is the general framework of reference, although, in 1996 LABORAL Kutxa adopted a standard for Company Collective Bargaining, through which a specific Collective Bargaining model was established.

Collective Bargaining is the process by which the working conditions of all the people that are partners or employees of LABORAL Kutxa and the company guarantees that ensure their application are established. The result of this process is the set of rules and procedures that regulate the general conditions of work of 100% of the people and partners at LABORAL Kutxa and bind the parties (the Board of Directors and the Social Council) and all persons.

The subjects covered and agreed in 2022 were as follows:

- Update of the **canteen prices** at Central Services in Arrasate
- Modification of the regulation on "**Voluntary Leave**" (art.21 of the RRI)
- Regulation on **remote working** and **digital disconnection**.

As happens every year, at the end of the annual negotiation process, both parties exchanged the list of matters to be negotiated in 2023.

**Seguros Lagun Aro** maintains a close relationship with the Legal Representation of Workers (R.L.T.). A new statutory agreement was negotiated in 2022 for the period 2022-2025.

With regard to the staff of Caja Laboral **Bancaseguros** S.L.U (CLBS, a company which is wholly owned and operated by LABORAL Kutxa), all of whom are employees, the working conditions are set out in its own collective agreement, which was renewed in 2021, and in general labour legislation. This agreement, which governs the professional and labour aspects that directly affect the group of workers, has a significant level of convergence with the labour regulations and procedures of LABORAL Kutxa.



### 3.2.4. Staff development

In 2022 **everyone's health and safety** continued to be a priority and managing the health crisis occupied a large part of our agendas, above all during the first part of the year, when the sixth wave of the Covid19 pandemic hit with such intensity. It is worth mentioning that in the month of January alone 350 positive cases were recorded at LK.

However, as the year progressed, the evolution of the health crisis was fortunately very positive and we can conclude that the year finally saw a return to normality. In this regard, the Coronavirus Committee took measures throughout the year, at a pace set out by the evolution of events and in compliance with the regulations established by the health authorities. The aim has always been to operate with caution, but also with the responsibility of not excessively extending preventative measures. The most significant milestones were:

- In April, after the publication of Royal Decree 286/2022, the general obligatory use of face masks was eliminated -even though situations were defined in which, for two months, the enforceability was maintained- and limited seating in rooms and offices was also brought to an end.
- After the summer, in September, the decision was made to remove all signage referring to the pandemic, with a return to the pre-pandemic type and frequency of cleaning the facilities and the removal of screens both at CS and on the Network. As an exception to this rule, the option of maintaining screens for vulnerable people was provided and 43 people, everyone on the Commercial Network, requested to do so and continue to use screens today.

Apart from Covid, we have been able to make progress in many of the planned areas of work. The most important ones are as follows:

#### **Fixed Term Partner**

2022 saw the consolidation of this partner position that was implemented in 2021. We ended the year with 104 partners of a certain duration, which represents approximately half of all people with a temporary contract with the Entity. This has meant, in our opinion, a clear improvement in the quality of temporary contracts.

This large volume of new SDDs also entailed the running of a significant number of **Corporate Welcome and Education** workshops..

#### **Flexible Working Model**

In May 2022, we implemented a Flexible Working Model with the goal of:

- **Improving the competitiveness, productivity and efficiency of the organisation**, generating working environments that are more flexible, trusting and autonomous.
- Encouraging the **self-management of teams** and accelerating **the digital transformation** the entity is going through, improving people's digital habits.
- Making **the CS roles more attractive** both to attract external talent and for the internal promotion of the people in the organisation.
- Contributing to the **strategy of business continuity** by attracting people in remote working.

- Reducing the time, risks and costs of travel, as well as the entity's individual and global **carbon footprint**.
- Contributing to the improvement of the **work-life balance** through flexibility and savings in travel time.

The **basic principles** on which the implemented **Model** is based are as follows:

1. It is an **organisation model and therefore it should meet the needs of the Entity** at all times, the customer's interest and that of the team prevailing over that of the individual at all times.
2. The model is intended to promote **the self-management of teams** while **promoting the process of digital transformation** at Laboral Kutxa through the digitalisation of people. Therefore, it will be the team that self-manages the implementation of this flexible-working model, within the defined framework and characteristics, and always putting the needs of the team over the remote work of a person, such that the operation of the team is not affected.
3. The model **covers flexibility**, currently based on the **working hours**, also progressing towards **flexibility in terms of the place of work**.
4. Remote working is **a significant change in the way of working and it requires suitable conditions** (physical, organisation of work, coordination, monitoring, information security and confidentiality, etc.), **personal skills** (individual responsibility, autonomy, etc.) and **a suitable culture** so that the remote activity is at least as efficient as non-remote activity, thus ensuring it has a positive impact on the business from all points of view (business, relational and personal).
5. It is necessary that **the role is conducive to this**, therefore, it shall apply to those roles that can be carried out remotely with the same quality, value contribution, proximity to customers, efficiency and security (of both personnel and information) as it can non-remotely.

The characteristics of the model implemented were developed on this basis in respect of: necessary scope and conditions, the how and when of remote working, place for remote work, compensation for expenses and digital disconnection.

Once a year has passed since its implementation, an analysis of the Model's application and follow-up are planned.

### **Talent map**

Over the course of 2022 we:

1. Finished defining the methodology for creating the Talent Map: variables or dimensions to be considered for the correct evaluation of performance and potential, evaluators who will participate in the process, IT tools that will be used (MicroStrategy, etc.)
2. Executed the first phase of the project, having captured the evaluations of all the people in the organisation.

**In addition, in 2022, we continued the main training programmes::** insurance, commercial, PFB, and sales skills in remote management, and we consolidated the role of the **Digital Ambassadors**. In terms of the **continuous training**, a new and more suitable plan for the content has been included and all the information has been provided to the affected people in

advance. Having this information means the training can be carried out more gradually throughout the year.

In terms of **selecting people**, the gradual but continuous addition of new profiles (STEM) to SC is of note. -above all, the areas of Risk and Technology- and attracting people with professional experience in the sector for the Madrid Network. Likewise, it should be noted that during 2022, we began a process of approaching Universities (identification of degrees/masters, offer of work for TFG/TFM, scholarships, holding Hackathons, etc.) in order to start cultivating our **Employer Branding**. Also with the goal of incorporating improvements, we carried out an audit on our recruitment and selection processes.

For its part, 2022 was the first year when our professional development programme **Onenak Bidean** reached everyone on the Commercial Network, both individuals and companies. 1,264 people participated in the O+B throughout the year and over 6,000 work actions were defined in the various PDIs. In order to govern the process, the O+B Project Office was created, it has worked on several aspects: updating questionnaires, drafting reports by Zone, PDI analysis, follow-up on execution, etc.

The ZAINDUZ programme, Health Management Plan, continued with another year of varied and innovative initiatives for the promotion of health. A highlight of 2022 was the programme carried out in collaboration with the University Clinic of Navarra, with three sessions on the importance of Sleep. Also, LKByWALK was created alongside LKByBIKE. In addition, other activities were carried out related to nutrition, physical exercise and emotional wellbeing.

#### Continuous Education Programmes

Training activity at LABORAL Kutxa in 2022 consisted of 526 courses and 196,613 hours of training.

The lines of work of the 2022 Training management plan were directly related to the lines derived from the strategic reflection carried out at the end of 2019. From this reflection, 4 Training Programmes were defined related to:

- Off-Balance Sheet Products
- Mercantile-risk
- Insurance
- Sales Skills - CREATING LOYALTY
- Digital: this affects the entire workforce as a whole.

The training methodology was established in training itineraries online, carried out with Teams sessions and put into practice above all in sales skills.

On the other hand, we have continued to certify all those who were not accredited in MiFID II, LCCI and Insurance and we have designed and made available 30 hours of continuous training in MiFID II, 10 hours of continuous training in LCCI and 15/25 hours of continuous training in Insurance (15 for financial managers and 25 for those in insurance).

### Training in anti-corruption procedures.

All manuals and procedures relating to anti-corruption issues and the code of conduct are posted on the intranet and available to 100% of staff.

In 2016, the training course "Systems and policies for the prevention of criminal behaviour" was launched and it has been completed by 92.1% of the staff.

Likewise, in 2022, two training programmes were scheduled for the 368 people who are not MIFID II certified on:

- Money laundering and financing of terrorism prevention: 74.9%.
- GDPR Compliance: 75.3%.

### Training for people entering retirement

There is a programme called "Activa tu jubilación" (Activate your retirement) whereby people who are going to leave the Entity as retirees, pre-retirees or those with free time are summoned to the central services to receive training to prepare them for their new situation. The course consists of three days in which they are trained in change management and relational health, community participation, legal aspects, physical activity and health, healthy eating, new technologies, etc.

### Managing people's development-Bidean

There is a system for managing people development, called BIDEAN. This consists of a system focused on people and their development, encouraging them to be adaptable, have initiative and be capable of constant learning, as well as a culture of self-demand, co-responsibility and collaborative work, taking LABORAL Kutxa's Responsibilities Catalogue as a reference. It was designed based on the following pillars:

- It is a system geared towards people and their development.
- It focuses on ongoing conversations between management and employees, encouraging continuous feedback.
- It pivots on strengths and development opportunities and is future-oriented.
- It embodies a continuous learning and self-learning dynamic.
- It is agile, simple and flexible, geared towards self-management and co-responsibility, which means that we are the main actors and responsible for our own development.

A system that makes it possible to identify organisational potential, creating a context of empowerment and development that contributes to the fulfilment of LABORAL Kutxa's strategy and to people's satisfaction and commitment.

### Basque

The validity of **The Basque Language Strategic Plan** ended in 2022, and we have continued to operate within its areas of work, challenges, objectives, to encourage and ensure that externally the Basque language is our service language and internally take significant steps to gradually make it our working language.

Of the projects carried out in 2022, **the translations pilot experience**, developed with a group of 20 people, to reflect, regulate and rationalise the Entity's translations is worth mentioning. Through this project, we wanted to provide a solution for the translations required from day to

day. Thanks to this project, we have provided certain resources so that people with sufficient skills can carry out and manage their translations autonomously, without having to look for external help, and we have created a **protocol** so that everyone knows how to act in terms of translations.

### 3.2.5. Diversity and equal opportunities

LABORAL Kutxa has been and continues to be a pioneering organisation and a point of reference in the design and implementation of active policies in favour of equality between women and men; an example of its commitment to cooperative values and the promotion of equal opportunities.

A commitment to equality is intrinsic to LABORAL Kutxa's values, proof of which can be found in this quote from J.M. Arizmendiarieta when, in 1958, he began his studies in the first class of students at the Professional School: *"It is a great mistake if a woman cannot access professional education, in general, or participate in the processes of permanent conversion and training, particularly in professions that today reject them as inadequate"*.

LABORAL Kutxa was also a pioneering organisation in the practical recognition of gender equality. In 1964 LABORAL Kutxa's 8th office opened in Markina-Xemein with a female director. This is notable when you take into account that it was not until 1978 that women were allowed to open a current account without their husband's permission.

This restlessness in the drive for equality resulted in a commitment 25 years ago in the form of equality plans. Proof of that commitment came in 1997, when we were awarded the distinction of Collaborating Entity of Emakunde, the Basque Women's Institute, making us the first financial institution to receive this recognition.

During all these years, in addition to stable structures to promote equality policies and activate various working groups, we have managed to integrate equality into the Entity's strategy. We have managed to make it an issue that is on the agenda of the Management, and to have the necessary economic resources to be able to develop the policies and activities that have been defined in the Equality Plans that we have designed and implemented continuously over the last few years.

Thanks to the work we have done, we have made it possible for both the Governing Council and the Social Council to have a balanced gender representation. Another significant indicator is the percentage of women in management in retail network offices, where the presence of women is not only established, but continues to grow. 55% in the Nafarroa network and 58% in that of Gipuzkoa are women.

Similarly, the presence of women in positions of responsibility in Central Services is being strengthened and, in 2022, 43% of the positions of responsibility were held by women, as were 31% of the department or area management positions.

Among the initiatives planned in the LABORAL Kutxa's 4th Plan for Equality, we set ourselves three main goals, as well as various initiatives and actions, almost all of which we have carried out. Below we describe the most significant:

- Aligning, complementing and bolstering the equality policies with LABORAL Kutxa's sustainability strategy. We worked hard to build an inclusive narrative around sustainability to which the Basque language and equality contribute an integral dimension.
- New versions of the school of empowerment were held for women, as well as the workshop for raising awareness for men. We have also made a qualitative leap in that strategy, holding a meeting with the men and women who attended the workshops, in order to create a Network for Equality at LABORAL Kutxa. The event was a great success, over 100 people participated and it has laid the foundations for continuing to work towards equality.
- We have worked to ensure that the new organisational culture that is driving LABORAL Kutxa is aligned with a leadership style based on the values of equality. A more inclusive leadership model, which is consistent with the organisational culture we want to promote, and is in harmony with the values that characterise us.
- In addition to these three challenges, and as a demonstration of teamwork and shared responsibility for equality at LABORAL Kutxa, we have taken important steps to integrate gender perspective in key areas of the entity. On the one hand, influencing the field of training and talent, integrating content that strengthens the inclusive leadership model we seek to encourage. And on the other, integrating gender perspective into selection processes, reflecting unconscious gender biases and taking steps to standardise the criteria to consider at all stages of the process.
- Aware of its huge capacity to affect our surroundings and to generate social transformation, we have continued to sponsor various initiatives whose goal is the participation, visibility and empowerment of women; such as Emakume Master Cup, Lilatón, and the promotion of the women's cycling team, in the latter case adopting specific commitments to drive remunerative equality.

Overall, we can say that the level of compliance with the operational plan designed for 2022 has been substantial, since a total of 87% of the planned actions were carried out. Most importantly, steps have been taken to consolidate the strategy and new, future opportunities have been created.

We are aware that all processes of change require education and time. The mission of the 4th plan for Equality is to fund this strategy and amplify it throughout the entity. In 2022 we took decisive steps along that road and we will continue on the same line. However, there is no end to the work on equality and we still have major challenges to face.

The Entity meets the requirements regarding *diversity* policies in compliance with the guidelines and regulations on the assessment of the suitability of the members of the governing body and the holders of key functions, considering aspects such as academic profile, professional profile, gender and age in the Policy for the Selection of Candidates for the Governing Board and in the assessment and suitability processes.

In addition, as at 31 December 2021, we exceeded the minimum percentage required for the least represented gender, since the gender parity achieved in 2017 in the members of the Governing Board, the highest governing body of the cooperative, was maintained.

With regard to the employment of disabled staff, LABORAL Kutxa has 19 people under these conditions and CLBS has two, while in Seguros Lagun Aro there are none. Also, compliance with the LISMI is achieved through a monetary donation to GUREAK INKLUSIO FUNDAZIOA for

the implementation of labour insertion activities and the creation of employment for people with disabilities.

With regard to anti-discrimination policies that do not refer to gender, the CSR policy expressly refers to discrimination on the basis of sexual orientation and those arising from maternity and the assumption of family obligations. In the same way, the Criminal Compliance Policy contemplates discrimination on grounds contrary to constitutional rights and freedoms.

### **3.2.6. Conciliation**

#### **Conciliation measures**

The Internal System Regulation provides measures to reconcile personal and working life, as a way to alleviate, through permissions and/or specific leave, difficulties experienced by members of staff in meeting urgent family needs. They refer to aspects of working hours, remote working, paid and unpaid leave, as well as flexible working hours in Central Services and extending the possibilities of taking paid and unpaid leave.

#### **Flexible working hours**

All those who regularly work in the Central Services, both at Headquarters and in the Territorial Directorates, can take advantage of the flexible schedule system in terms of arriving and leaving. In 2019, to simplify the work-life balance and to encourage parents to take joint responsibility, the flexibility of this staff was increased in terms of timetables. The company has now switched to a monthly calculation of hours, with a daily minimum of 5:15 hours of work and flexible entry and exit times. At the same time, members with children under 12 years of age and/or people dependent on them due to age or illness may, upon request and approval, extend the entry time until 9.30 a.m.

Lastly, there are currently no policies in place regarding work disconnection.

In addition, in 2022 the new agreement on flexible working was implemented. According to which, the Central Services and Territorial Directorates may have 1 or 2 days of flexible work, depending on whether their home is within 25km of the place of work. Subsidiaries will have the option to work 10 flexible days per year.

### **3.2.7. Remuneration Management**

At LABORAL Kutxa, remuneration is received according to professional category. All positions are assigned a category and a remuneration (same job title, same salary, regardless of whether male or female), with salary increases being the same for all staff. There are also no differences according to age, except for the effect of the five years of seniority.

At **Lagun Aro**, even when the workers do not own the company, they still participate in the management and the business results. They do this:

- through a universal Individual Variable Remuneration, and
- a Collective Variable Remuneration applicable to people with an indefinite contract (close to 100% of the workforce) voluntarily joining a company formed precisely to enable the participation of workers in the results.

In terms of **remuneration levels**, wage differentials are substantially narrower than in the rest of the banking sector.

Starting salary LK and CLBS	2021	2022
Minimum salary upon entry for partners in € / no. hours worked	15.30	16.22
Minimum salary upon entry for partners in € / Minimum inter-professional salary *	1.89%	1.94%

(\*) The minimum inter-professional salary corresponds to that approved by the Spanish Government for each year. There is no difference by sex in the range of relationships between the standard starting salary and the local minimum wage, therefore, this data is not broken down by sex.

Lagun Aro starting salary	2021	2022
Minimum salary upon entry in € / no. hours worked	11.43	12.12
Minimum salary upon entry in € / Minimum inter-professional salary	1.41	1.44

As regards **salary dispersion**, there is a very narrow range of salaries, consistent with the value of solidarity inherent in cooperatives, as shown below:

	2021	2022
Total pay for best paid person LK / median total pay**	4.66	4.52
Increase in annual pay of the best paid person LK/Incr. median annual pay	2%	-3%
Total pay for best paid person CLBS/median total pay	2.20	2.24
Increase in annual pay of the best paid person CLBS/Incr. median annual pay	3%	4%
Total pay for best paid person / median total pay <b>Lagun Aro</b>	1.7	2.11
Increase in annual pay of the best paid person <b>Lagun Aro</b> /Incr. median annual pay	1%	24.1%

\*In LABORAL Kutxa, remuneration is received according to professional category (same job title, same salary, regardless of whether it is male or female), with salary increases being the same for all staff. The 2021 information has been updated because an error was found in the calculation.

\*\*Calculation of the figure does not include people not working (early retirement).

At the end of the financial year, the achievement attained, linked to the Individual Variable Remuneration (IVR), is reviewed, evaluating the financial year already concluded with regard to qualitative or quantitative objectives, as the case may be. This evaluation affects all members, with 544 of them having individual objectives in 2021 (548 in 2020) and the rest having objectives associated with their team.

The evolution of what variable remuneration (individual + collective) means for staff in relation to total remuneration is as follows:

	2021	2022
Variable Remuneration / Total Remuneration (in %)	8.61%	10.15%

### Remuneration to share capital

Members' contributions to the Share Capital have been remunerated in 2021 at the annual rate of 4% gross for compulsory and voluntary contributions.

Remuneration to Share Capital (thousands of euros)	2021	2021
Total payment of interest to Capital (to associated companies, to working partners, etc.)	9,784	31,640
Share received by working and collaborating members (1)	3,309	11,223

(1) Collaborating members are retired working members who maintain their share in LABORAL Kutxa.



### 3.2.8. Occupational Health & Safety

Management programme: Proposed actions for 2022 and their situation.	
1.	Apply the new psychosocial risk assessment methodology. Underway.
2.	Launch through Zainduz, initiatives to tackle psychosocial risks in the workforce. Completed
3.	Consolidate the implementation of the CAE in the office network. Completed
4.	Restore pre-pandemic levels in the activity of medical examinations and risk assessments. Not achieved in RA due to sick leave.
5.	Maintain regular activity in medical examinations, risk assessments, coordination of business activities and healthy company (Zainduz). Completed.
Management programme: 2023 key targets and commitments	
1.	Update of the risk evaluation plan.
2.	Apply the preventative measures resulting from the psychosocial risk assessment.
3.	Maintain regular activity in medical examinations, risk assessments, coordination of business activities and healthy company (Zainduz).

LABORAL Kutxa has an Occupational Health and Safety Management System (hereinafter OSH) according to ISO 45001, certified by AENOR. LABORAL Kutxa is a member of the Osarten Joint Prevention Service.

The main milestone for the management system in 2022 was passing the external certification audit for complying with ISO 45001. To achieve the objectives defined in the Occupational Health and Safety Policy (OHS), the activities are planned annually in the OHS Management Plan. Within the Management System, among others, there are procedures for hazard identification and risk assessment, accident investigation and health surveillance.

The Health and Safety Committee is a Joint Committee with equal representation, which is also attended by the Director of the People and Media Management Department and the Company Physician. The Chairman of this Committee is one of the workers' representatives (Prevention Delegate). This Committee meets at least once a quarter, and everything discussed in its meetings is recorded in minutes, which are made available to everyone on Giltzanet (intranet). All people are covered by this Committee.

The most relevant indicators regarding occupational health and safety management are presented in detail below.

Accident rate	2021	2022
Employee accident rate.	1.46	0
No. of accidents of LK, CLBS and LA personnel	28	21
No. of fatalities among employees.	0	0
No. of robberies	0	1

The accident rate is established based on the frequency of accidents, excluding those that have taken place "in itinere" (on the way to or from work) and those that have not resulted in medical leave, in order to calculate only the most serious accidents that take place in the workplace. In 2022, all accidents resulting in sick leave were in itinere. This index is determined based on the number of accidents per million hours worked. There are no recognised occupational illnesses.

The OHS System views the risk of robbery as one of the specific risks arising from the activity of LABORAL Kutxa, for which a series of instructions have been issued, provided to all staff and which are published on the Intranet, establishing both preventive measures and measures to be taken in the event of such situations. Similarly, in 2018, a protocol was developed and approved for situations of external violence that includes action in the event of aggression, threats or insults to our staff. These situations were then managed as occupational accidents.

Emergency drills are conducted every year in the Headquarters buildings. Also, all the work centres have emergency plans, which are available on the intranet so that each person can refer to the one that is applicable to them. No objectives are set for the absenteeism variables, rather forecasts are made regarding the overall rate. As part of the recruitment process, there is an occupational health and safety training module that explains the organisation of the system, the main risks and preventive behaviours.

In 2016, a two-hour mandatory training for all staff on Occupational Health and Safety was introduced. This basic training module has since been incorporated into the training itinerary for new recruits. Similarly, training on ergonomics, general and specific risks and evacuation plans is provided during risk assessments and regular medical examinations. In addition, a one-hour training course on emergencies was launched in 2020, which is also mandatory for all staff.

Lagun Aro has its own Management System, with procedures similar to those of LABORAL Kutxa for hazard identification and risk assessment, accident investigation and health surveillance covering the entire workforce, with a joint Health and Safety Committee with staff representation.

### Health Plan-Zainduz

Since 2018 there is a health plan for the staff of the LABORAL Kutxa Group. Zainduz (Cuidando) is a programme aimed at promoting health, safety and well-being of employees through the implementation of programmes focused on promoting healthy and sustainable habits in people, their families and the environment in which they live. It covers aspects such as improvements in diet, physical activity and emotional wellbeing, so as to improve both the physical and emotional wellbeing of the people who belong to the Group.

During this time, ZAINDUZ has become a model for the creation of a culture of wellbeing and is gradually establishing healthy attitudes in all areas of the organisation. The main actions carried out in 2022 included:

- Healthy purchasing workshop - Videoconference.
- Planning of weekly menus-Practical Material.
- How to eat healthily at Christmas - Christmas workshop.
- How to achieve personal and social motivation through exercise - Videoconference.
- Psych-reminders: how to look after myself in summer - E-book.
- Habits of healthy eating during the holidays - Videoconference.
- Emotions and Anxiety-Stress at work - Noughts and crosses game.
- Series of Emotional Wellbeing workshops; “have you ever felt uncomfortable during a complex conversation?”
- Series dedicated to Sleep: in collaboration with the Sleep Unit at the Navarra University Clinic, series of 3 videoconferences.
- Conversation between Alex Txikón and Sara Gandara: “The path is the summit”
- Promotion of LABORAL By Bike launch of LABORAL By Walk
- Launch of FISIFY- Digital Physiotherapy
- Healthy Coffee Break

### 3.2.9. Social Benefits Package

LABORAL Kutxa has developed the following initiatives focused on improving the social benefits received by its people:

Social benefits
<p><b>Annual celebration of a day of getting together and sharing</b> (everyone), Elkarte Eguna, and participation through the Lankide Club (which is financed by the Entity itself) in cultural, sporting, gastronomical and leisure activities as a vehicle for personal relations outside the working environment.</p>
<p><b>Advantages in financial products</b> (members):</p> <p>Assets: Subsidised loan for primary residence, primary supplementary loan, loan for other domestic use, salary advance.</p> <p>Liabilities: salary account.</p> <p>Banking services: fee waivers, card fees waivers, discounts.</p> <p>Accident insurance, car insurance, home insurance, life/death for any cause fund.</p>
<p><b>Other benefits</b> (members):</p> <p>Financing of private and Basque language studies</p> <p>Funding for extraordinary personal requirements</p> <p>Subsidised company dining room (everyone).</p> <p>Vehicle damage cover.</p> <p>Extraordinary expenses due to the death of members.</p> <p>Subsidies applicable in cases of temporary incapacity.</p> <p>Financial advantages for those retired from LABORAL Kutxa who maintain their status as a collaborating partner and their widows / widowers who are also collaborating partners. These advantages include: salary account, exemption from some fees and loans with preferential conditions.</p>

Specifically, the Entity's working partners have the following social benefits:

#### Lankide Club

LABORAL Kutxa believes that joint cultural, sporting and tourist activities, etc. are an ideal vehicle for encouraging contact between colleagues outside working hours. Accordingly, it has agreed to set up Lankide clubs at Headquarters and in each of the regions, with the primary aim of promoting interpersonal relations through the enjoyment and implementation of leisure activities.

In 2022 the activities of both Elkarte Eguna and the Lankide Club were resumed (having been suspended due to the 2020 and 2021 pandemic) in all territories and at the LABORAL Kutxa headquarters. Specifically, 49 different activities related to sport, culture, gastronomy, leisure, etc. were carried out, for which there was a budget of €37,684.76.€.

#### Capitalised cooperative returns (individual pension plan)

Each year, LABORAL Kutxa distributes 12.5% of its available profits among its members, as a cooperative return or share in the profits, which is capitalised and added to the share in the capital of each of the members.

This share of the capital stock is not available until the working partner ceases to work at the Entity, and is practically an individual pension plan after growing throughout the person's working life at the Entity. This share receives an annual remuneration (4% in 2021 and 4.5% in 2022) in the form of interest on capital. The individual annual allocation of the cooperative return is based on their total gross salary.

Cooperative return allocated to working partners (thousands of euros)	2021	2022
Annual overall amount	9,185	14,131
Average amount per partner	4.84	Na (1)

(1) Data not available until the General Meeting.

#### Meeting the financing requirements of a supplementary health care system

LABORAL Kutxa covers, for the benefit of its members and working partners, co-payment of the fees required for the annual financing of a comprehensive health care system, complementary to that of the public social security system, which the MONDRAGON Corporation provides for its participating members. In 2022, this co-payment was 1.90% on the advance of gross consumption.

### 3.3. Our relationship with society

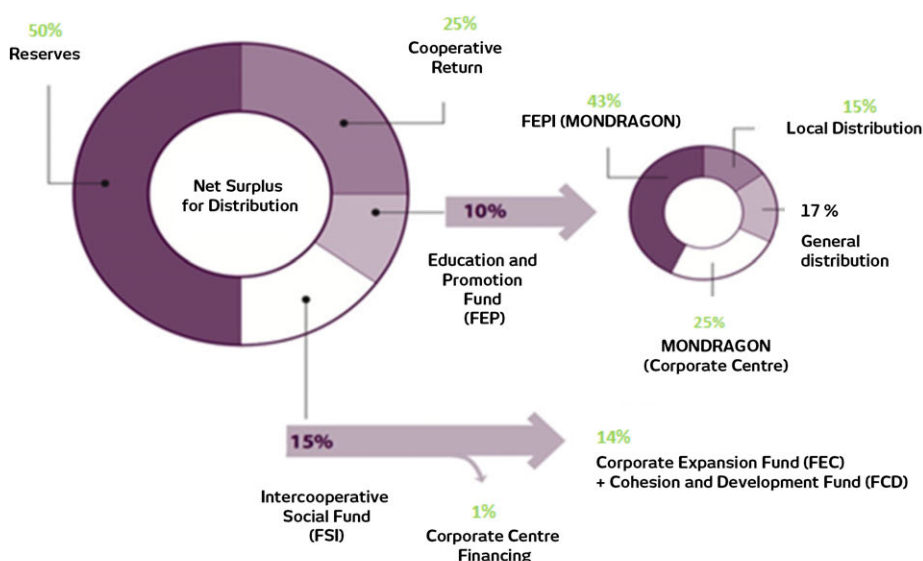
#### 3.3.1. Management approach

LABORAL Kutxa was founded in the Basque Country as part of a business group with a strong commitment to serving society, whose mission includes the creation of associated and participative work of a cooperative nature, as an essential way of creating wealth and well-being, both among its direct members and in the Society in which it is immersed.

The criteria and mechanisms for the allocation of social assistance are unique:

- Due to its legal nature and its cooperative vocation, LABORAL Kutxa directs a significant part of its humanitarian aid contributions to the promotion of the cooperative world.
- In the distribution of subsidies under one of the headings of the Education and Promotion Fund, the distribution of which corresponds to the institutional bodies of the cooperative, the section known as "General Distribution", one of the organisations that takes part is the Social Council, which is the representative body of the entity's working members.
- In addition, it also reserves a specific section of the social works for local assistance (Local Distribution), by means of allocations through the branches of LABORAL Kutxa, which steer the aid towards their own areas (neighbourhood associations, nearby educational centres, parochial social action groups, immigrant social assistance centres, etc.).

#### How are LABORAL Kutxa profits distributed?



The purpose of the Education and Promotion Fund (FEP) is:

- Training and education of the workforce in cooperative principles and values.
- The dissemination of cooperativism, as well as the promotion of inter-cooperative relations.
- The cultural, professional and assistential promotion of the community in general, as well as improving the quality of life and the community development and environmental protection activities.

The Inter-Cooperative Social Fund - FSI aims to:

- Promote business projects and the expansion of cooperatives through Mondragon Investments and the FEC (Corporate Expansion Fund).
- Among other uses, support for MONDRAGON co-operatives in difficulty, R&D&I projects and training through the Mondragon Foundation and the FCD (Cohesion and Development Fund).

During 2021, LABORAL Kutxa continued to strengthen its commitment to the environment, biodiversity and sustainable development, thanks to the signing of various agreements with the main agents in the agri-food sector, and the support given to initiatives linked to the rural environment.

### Gaztenpresa Foundation

The Gaztenpresa Foundation is a private, non-profit organisation. It is part of LABORAL Kutxa's social work and its purpose is to support the people in our area that would like to learn so that they can have more chance of success, generating wealth through the creation of employment.

The business creation activity of the Gaztenpresa Foundation, financed by LABORAL Kutxa and Corporación Mondragón, as well as by the Basque Government (Dept. of Employment and Work) through Lanbide, was again substantial in 2022.

Gaztenpresa's role is to facilitate a culture of entrepreneurship in the Basque Country and Navarra, with the aid of both their internal teams and volunteers and alliances, to support people in our area that would like to be entrepreneurs so that they can do so successfully.

Despite the crucial period business is going through, entrepreneurs will have affordable and accessible training, and tutors available to them to help them find the best business model, financing and specialised mentors that can support them going forward.

The entrepreneur will begin a journey in which they will be helped to become aware of the implications of being an entrepreneur with a good chance of success, they will grow personally and professionally, and improve their living conditions. In turn, this will facilitate the promotion and contribution of entrepreneurs in the Basque Country and Navarra, neighbourhoods will be revitalised. In summary, contributions will be made to the sustainable development of our area through the generation of quality employment.

Through this, we seek to contribute to the following sustainable development goals (SDGs)[1]: SDG 4: Quality education; SDG 5: Gender equality; SDG 8: Decent work and a growing economy, SDG 10: Reduction of inequalities, SDG 11: Sustainable cities and communities, SDG 12: Responsible production and consumption; SDG 17: Alliances to achieve the objectives.

The projects supported and which went beyond the feasibility phase generated 314 companies, creating 637 jobs. Its scope of activity is the Basque Country and Navarra. The regional distribution was as follows:

Gaztenpresa projects in 2022	Araba	Bizkaia	Gipuzkoa	Navarra	Total
Viable and open the business	44	169	69	32	314

Once the company is up and running, the entrepreneur faces many practical difficulties and a sense of isolation that often prevents him or her from dealing with them properly. Gaztenpresa develops business consolidation initiatives to provide support for these entrepreneurs, as well as providing training through our webinars and support through our mentoring programme.

<b>Business consolidation</b>	<b>2021</b>	<b>2022</b>
Workshops	51	55
Trained persons	507	492
Companies in consolidation	129	114
Mentoring programme	33	61

In measuring the results in terms of impact, the following resources were used:

<b>Allocated resources</b>	<b>2021</b>	<b>2022</b>
No. of Tutors	14	14
No. of Mentors	130	126
Financing awarded in millions of euros	8.6l	9.0

We made an impact in the following way:

<b>Impact on businesses</b>	<b>2021</b>	<b>2022</b>
Open negotiations	278	314
1st year survival	90%	90%
5th year survival	72%	72%
5th year survival according to Eustat	44%	44%
Businesses with socio-environmental impact	17%	23%
Commercial companies generated	25%	27%
Cooperatives for commercial entities	25%	11%

<b>Impact on people</b>	<b>2021</b>	<b>2022</b>
Average age	40	39
Recommended persons	1,066	1,032
Persons with which it is recommended not to open	16%	13%
Persons coming from unemployment	43%	29%
% Women	44%	50%
Trained persons	507	493

<b>Impact on Society</b>	<b>2021</b>	<b>2022</b>
% of companies created by migrants	13%	11%
% of companies created by persons under the age of 35	29%	26%
% of companies created by persons over the age of 45	26%	22%
% of companies located in provincial capitals	38%	37%
% of companies located in cities with over 15,000 inhabitants	33%	35%
% of companies located in cities with under 15,000 inhabitants	29%	28%
Average investments of the companies created	€71,200	€87,528
Average loan for companies created	35,618	36,800

### Indirect contributions to society

The most significant indirect economic effect is the generation and distribution of wealth and employment, preferably in a cooperative manner, which is achieved through the contribution

of resources from LABORAL Kutxa to the MONDRAGÓN group. We also have an influence on society through hundreds of sponsorship and promotional activities to which we allocate economic resources.

In 2022, numerous activities were supported. Here are a few of them: Lilaton Women's Race, Environmental Event Festival WAXDYZ, Asoc Women's Company, Gurutze Gorria Gipuzkoa, Fund. For Medical Research, Roscón Solidario Caritas, ASPACE Leon, Autismo Zamora, UNESCO Etxea, Meetic Paralimpico, Laukia Emakumeok Prest, Euskal Herriko Bertsozale Elkarte

### Relations with Government Agencies and political parties

LABORAL Kutxa defines Public Administration Management in the Public Sector Management Manual as a differentiated, integrated, coordinated and dynamic management by the Public Sector Office within the Network of Companies. This document defines the responsibility and functions of each Division of LABORAL Kutxa in the management of this segment in everything that affects the segmentation, management systems, information systems, commercial strategies and risk management.

In the same way, the LABORAL Kutxa Risk Manual "Credit Risk Policy, Methods and Criteria", considers in Chapter 5 the "Risk Policy to be applied to the Public Sector", establishing a differentiated policy within the scope of Companies due to their accounting and legal particularities. LABORAL Kutxa does not provide finance to any political association or national or international entity, except for the loans and guarantees to political parties listed in the following table:

	2021	2022
Eusko Alkartasuna	90	83
EAJ - PNV	569	464
<b>Loans (thousands of euros)</b>	<b>659</b>	<b>547</b>

### 3.3.2. Main figures: Profit sharing in society

As explained in the management approach, the main contribution of the LABORAL Kutxa Group to society is through the distribution of 25% of its distributable annual profit. In 2022 it was just over **25.5 million euros**. In 2021 it was not possible to make the usual contribution of profits to the Intercooperative Social Fund due to instructions from the Bank of Spain. The distribution among headings was as follows:

Item (thousands of euros)	Years of application	
	2021	2022
Charitable contribution to the launch and consolidation of cooperative companies (through MONDRAGON)	0	17,174
<b>Inter-cooperative Social Fund - FSI (15% of Distributable profit)</b>	<b>0</b>	<b>17,174</b>
Cooperative Promotion through MONDRAGÓN (68% FEP)	6,113	6,526
Other cooperative initiatives and social values	273	118
Entrepreneurship and Business and vocational training ( <i>Gaztenpresa Foundation</i> )	105	140
Cultural activities in general and others	750	829
Promotion of the Basque-language and Basque Culture	536	450
Welfare institutions and developing countries	729	470
Agri-food sector	33	42
Gender Equality and Empowerment	-	87
Environment	-	24
<b>Education and Promotion Fund - FEP (10% of Distrib. profit).</b>	<b>8,531</b>	<b>8,686</b>
<b>Sum FSI+FEP</b>	<b>8,531</b>	<b>25,860</b>



### 3.3.3. Dialogue with society

These are the most relevant mechanisms for dialogue with society.

Group of Interest: Society	
Dialogue mechanisms implemented in 2022:	
<ul style="list-style-type: none"> <li>▪ Membership of Izaite, Association of Basque companies for sustainability, which focuses on social and environmental issues.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Social network with entrepreneurs to share concerns and propose collaborative actions through the Gaztenpresa Foundation. And adhesion, as a founding member, to YBI- YBS Youth Business International in Spain, an international network of Good Practices and support to young entrepreneurs.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Participation and dynamisation of virtual communities with a presence in blogs and social networks on the Internet to reinforce contact and the pooling of ideas and initiatives:               <ul style="list-style-type: none"> <li>❖ Instagram: 9,621 followers</li> <li>❖ Facebook: 21,267 followers</li> <li>❖ Twitter: 8,457 followers</li> <li>❖ Blog: 887,486 readers</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>▪ Specific analysis of the opinions and expectations of the users of OnLine Banking through the use of internet tools to monitor opinions, forums, social networks and expert reviews.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Acknowledgements, in collaboration with various institutions, such as: Eusko Ikaskuntza-Laboral Kutxa 2022 Award for Humanities, Culture, Arts and Social Sciences, which went to composer Teresa Catalán and creator Imanol Zubiau, as well as the Etxepare Translation Award, which went to Mariolein Sabarte. Meanwhile, in 2022, the Navarra International Award for Solidarity was awarded to Humanitarian Maritime Rescue, an association dedicated to helping immigrants and refugees.</li> <li>▪ Survey of Customers from companies, personal banking, Kide, TOP and Pro-microcompanies on their assessment of CSR activities at LABORAL Kutxa, while sending out the Executive Report on the 2021 Report.</li> <li>▪ Public Presences. Representatives of LABORAL Kutxa attended forums (universities, interviews, talks) to which they were invited to explain their way of doing things and their commitment to society. These forums also enable dialogue with stakeholders.</li> </ul>	

In 2022, LABORAL Kutxa continued its line of dissemination of Social Responsibility among different stakeholders. In this respect, LABORAL Kutxa:

- Has made the Report available to the public on the Entity's websites and GRI.
- Has distributed the CSR Report to its staff via the intranet (Giltzanet).
- Has sent an email to more than 380,000 clients with the Summary with the general lines of the annual Report, also making the full version available. This contact was used to ask for their opinion on Sustainability at LABORAL Kutxa.

### 3.3.4. Initiatives endorsed by LABORAL Kutxa

The following table shows the current main initiatives:

Name	Purpose	When
Agreement with FIARE, renewed with Banca Popolare Etica	Commitment to collaborate with ethical banking. In 2017 it was renewed once Fiare became a Spanish branch of Banca Popolare Etica	2005
Adherence to the United Nations Global Compact.	Commitment and progress in the 10 Principles of the Compact.	2006
Affiliation to Izaite, Association of Basque Companies for Sustainability.	To share experiences in business sustainability and promote training and dissemination in the field of sustainable development.	2006
Joined Autocontrol.	Association for the Self-Regulation of Commercial Communication.	2007
EFMA European forums: SME Council, Operational Excellence Council, Spanish Retail Banking Decision Makers Club	Exchange of good commercial and management practices between leading European banks and savings banks through EFMA - European Financial Management Association.	2010
Agreements to support the social	Annual agreements with associations linked to the social	2012

economy	economy: Basque country (KONFEKOOP, ASLE), Navarra (ANEL), Asturias (ASATA), Salamanca (OWEN), Cantabria (ACEL), Leon (ULECOOP) and, at national level, annual agreements with Cepes.	
Agreements with the European Investment Fund (EIF).	Agreements to support the creation and consolidation of micro-enterprises and their jobs: EaSI MICRO, EaSI SOCIAL, EaSI INNOVFIN	2013
Agreements with business associations	Training sessions and workshops for entrepreneurs and SME managers in Bizkaia, with SEA - Empresarios Alaveses and the Chambers of Commerce of Alava and Gipuzkoa.	2013
Local founding partner of YBS - Youth Business Spain	Participation in Youth Business International, International Network to Help Young Entrepreneurs.	2014
Agreement with the Basque Government to safeguard linguistic rights	Allowing customers to carry out all their operations in either of the two official languages.	2015
Code of Good Practice for Financial Education initiatives	Educational programmes on financial matters. Developed in conjunction with the CNMV and the Bank of Spain, and separated from the business activity	2016
United Nations Principles for Responsible Banking	Framework for the sustainable banking system of the future. Commitment to the 6 Principles.	2019
Basque Ecodesign Center	Promoting the development of innovative projects that meet the priorities of the Basque Country with a double focus: the improvement of competitiveness, and the prevention of environmental impacts.	2022

#### Lagun Aro Insurance:

The activities carried out by the insurance company can be found on pages 63 and 64 of Lagun Aro's CSR report.

[https://www.seguroslagunaro.com/corporativa/uploads/pdf/memorias/RSE\\_LAGUNARO\\_2021\\_en.pdf](https://www.seguroslagunaro.com/corporativa/uploads/pdf/memorias/RSE_LAGUNARO_2021_en.pdf)

#### Financial education

The activities planned in the area of Financial Education have recovered their pace after the programme was slowed down by the pandemic.

The following initiatives have been undertaken in this area of financial education:

- Educational programme: “Finantzetan Murgilduz Erronka” (financial immersion challenge). Laboral Kutxa has, freely available to the educational centres, a resource designed by specialists for primary and secondary-school students embodying 2 educational programmes, which:
  - Are freely available to schools, are run by teachers from the school, and are taken in the classroom.
  - Various situations are presented to pupils in the form of a challenge and different skills are worked on (finance, decision-making, cooperation, etc.)

The educational resource was used by 13 schools in 2022.

- Secondary school visits to LK: In **2022, 6 workshops were held at the headquarters in Arrasate and the territorial headquarters in Bizkaia and Guipúzcoa**, in which **176 students** participated..
- Children’s drawing competition with the theme “Your finances are also sustainable” aimed at the children of active employees of the credit cooperatives associated with Unacc 33 participants from LABORAL Kutxa.

- LABORAL Kutxa has continued to use social networks to create financial culture and boost knowledge regarding cooperativism. Thus, the Entity's blog, ([blog.LABORALkutxa.com](http://blog.LABORALkutxa.com)), included **88** articles of general interest, of which **68** were focused on helping improve the culture and knowledge of contemporary finance.
- Regular publication by LABORAL Kutxa's Research Department of various reports: Basque/Navarra economy report, economic outlook report and the business and household confidence index.

### Awards received

The following awards have been received over the past three years:

- Sports Company Award at the Kirolgala for contributions, collaboration and commitment to sport in Gipuzkoa.
- Premio Master Marketing (PesMes) for the 360 degree communication campaigns.
- The enerTIC Awards from the Secretary of State for Digitalisation and Artificial Intelligence, for the Digitalisation of Energy Efficiency project developed by LABORAL Kutxa, in the Smart Buildings category.
- Computing 2020 Award in the category "Modernisation of infrastructure and applications".

With regard to Lagun Aro, in 2020, the "EthSI®" (Ethical and SolidaritybasedInsurance) certificate was renewed with a two-year validity period. In addition, specific products such as Life, Car and Home Insurance were granted the certificate.

ETHICAL AND  
SOLIDARITY-BASED  
MANAGEMENT



The Ethical Finance Observatory has certified Seguros Lagun Aro with the EthSI (Ethical and Solidarity Based Insurance) seal, in recognition of its ethical and solidarity-based management.

This seal acknowledges the adoption of a set of criteria aimed at providing transparency in the insurance sector and promoting the development of ethical insurance.

The Observatory, via an independent evaluation committee, assesses aspects grouped into the following categories: responsibility towards the community and the region, financial responsibility, ethical investment and the use of ethical banking, equality and transparency, environmental responsibility, employment responsibility, corporate structure, governance and democratic operation.

## 3.4. Our relationship with the environment

### 3.4.1. Management approach

Since 2001, LABORAL Kutxa has been implementing an **Environmental Management System - EMS** in accordance with ISO 14001, for all its activities in the three Headquarters buildings. Although it is not part of the certified system, LABORAL Kutxa transfers the majority of its environmental activities from central services to the other work centres. In 2022 the certification was renewed for three years.

The Environmental Management System is the responsibility of an Environmental Committee made up of members of the Legal Department, Internal Audit, Risks, Fixed Assets- and General Services and Planning, with the latter acting as the Coordinator. In accordance with the precautionary principle of the Rio Declaration, it addresses the possible impacts of the activity with a view to preventing environmental damage. The direct effects (emissions, consumption and waste) of the financial and insurance activities on the environment are not particularly significant, although those derived from lending and investment activities are considerable.

**Seguros Lagun Aro** shares the environmental management policy of LABORAL Kutxa, the aim of which is the continuous improvement of environmental behaviour, the prevention of pollution and the protection of the environment. As with LABORAL Kutxa's network of offices, it is not integrated into its Environmental Management System.

Due to the very nature of its activity, the direct environmental impact caused by the insurance company is minimal and its management is focused on paper consumption.

From an environmental point of view, a relevant aspect is the plan to implement the new physical office model. This model, which incorporates new air-conditioning installations and LED lighting with presence detection, improves the impact of the activity by reducing energy consumption. Along the same lines, the comprehensive refurbishment of building LK3 for Mondragon Central Services has been implemented. The goal is, once the work has finished, to obtain a Breeam certification.

As regards consumption, the paper reduction project has been launched. The goal is to reduce paper consumption by 50% by the end of 2024. This goal will be part of the variable remuneration for all people.

Another important milestone was the promotion of the LABORAL Bybike sustainable mobility programme, which encourages commuting to work by bicycle.

With regard to the environment, however, the most important progress made in 2022 has to do not with the direct impact of the activity (consumption, waste or emissions) but with the transformation of the financial system towards a more environmentally sustainable one. As has been mentioned throughout this Report, the European Union seeks to use the financial system as a lever and driving force for the transformation of the current economic model into a more sustainable one. Throughout the year, intensive work has been carried out to apply these regulations and to adapt the organisation to this new paradigm of sustainability. Some of the activities with an environmental impact through financing or investment are:

- Implementation of the governance of sustainability.
- Approval of the Sustainability Policy.
- Incorporation of the first 3 ESG indicators as part of the risk appetite.
- Generation and maintenance of databases on energy ratings for mortgaged properties.
- Development of a framework for the classification of commercial operations with ESG criteria aligned with the taxonomy.
- Roadmap for the integration of sustainability risks. Start with the analysis by means of a heat map of the risks of the portfolio by sector.
- Evaluation of the customer's preferences on the subject of sustainability (MIFID II) and the adaptation of the product catalogue in order to comply with them.
- Improvement in the carbon-footprint calculation, adding new elements to scope 3.
- Second mobility survey and work transport plan.
- Loan for neighbourhood communities for the renovation of properties.

The EMS is audited annually by AENOR, jointly with ISO 45001 Occupational Health and Safety. The certification was renewed for 3 years in 2022. The audit report, dated 23/09/2022, mentions the following as the strengths of the EMS:

- Sustainability Management as the strategic focus of the business and a transformation process. Highlights: Catalogue of Green products (green mortgages, housing renovations, etc.), Evaluation of customer preferences in terms of sustainability (MIFID questionnaire), Environmental diagnostics and improvement plan for the new office model, plan to reduce paper consumption by 50%.
- Consumption of renewable energy since 2019.
- Preliminary Breeam Study on the characteristics of sustainability of a typical office (Av. Madrid in Donosti). Definition of the economic resources required by all sections to be improved to achieve a level of "very good", the level currently being "good".
- Monitoring of the waste management of the works on LK3.
- Zainduz Health Programme, which includes mobility initiatives.
- A commitment to Digitalization, both internally and with regard to the customer.

No non-conformities are mentioned.

As stated in the ISO standard followed by the EMS, the success of an environmental management system depends on the commitment of all the functions and levels of the organisation, under the leadership of senior management. Thus:

- LABORAL Kutxa has an Environment Policy, approved by senior management, accessible for all its staff and customers, through its publication on the corporate website.
- Every year, it carries out planning to determine the risks and opportunities related to its environmental issues.
- On the basis of this, it establishes objectives that are monitored and communicated, both internally and externally.
- It also plans the appropriate actions to achieve these environmental objectives, determining what is to be done, with what resources, who will be responsible, and with what indicators its achievement and compliance with deadlines will be evaluated.

### 3.4.2. Main figures and initiatives developed

In terms of resources dedicated to the prevention of environmental risks:

Direct expenses charged to the EMS	2021	2022
Maintenance of the EMS (1)	2,015	2,039
Waste management (2)	3,705	4,190
Environmental promotion	0	0
Measurements (discharge)	0	578
<b>Total in €</b>	<b>5,720</b>	<b>6,807</b>

(1) IZAITE, Earth Hour and legal requirements. .

(2) Removal of Paper, oil and Safety Advisor.

These expenses are those directly managed by the Environmental Committee and do not include costs managed by specific departments or any investments made. **Lagun Aro Insurance** does not have specific items for this purpose.

With regard to the principle of precaution, as explained above, LABORAL Kutxa has an environmental management system in which environmental risks and opportunities are taken into account and analysed. Within this analysis, no products or technologies have been detected that are being implemented and are suspected of posing a risk to public health or to the environment.

Nor is it considered necessary to make provisions or guarantees for direct environmental risks.

#### Environmental risk assessment

As part of its Environmental Management System, LABORAL Kutxa has a “**Review Control and Risk Management**” procedure that sets out the steps to be followed in order to evaluate and control the environmental risks in all operations involving commercial credit investment and company risks, assigning each activity a High, Medium or Low level of risk, excluding the areas of treasury, securities portfolio and monetary assets. When the assigned risk level is High, this factor is taken into account as another evaluation factor for deciding whether or not to authorise the transaction.

Segment	Operation No.		Thousands of €		High		Medium		Low	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Companies	622	764	1,381,153	1,185,698	30	27	88	123	434	519
Individuals	2	16	8,100	33,958	-	1	-	1	2	14
Self-employed	2	1	1,450	150	-	-	-	-	2	1
Businesses	23	40	25,061	62,652	-	-	-	4	22	36
Developers	46	43	238,554	139,645	-	-	-	-	42	37
Institutional	110	133	404,477	443,788	7	8	4	35	54	66
Public	41	22	2,165,119	567,104	-	-	-	-	39	21
Fin. Loan	11	14	5,982	8,001	-	-	-	-	1	1
<b>Total</b>	<b>857</b>	<b>1,033</b>	<b>4,229,895</b>	<b>2,440,996</b>	<b>37</b>	<b>36</b>	<b>115</b>	<b>163</b>	<b>596</b>	<b>695</b>

If the company in question has several production centres, the risk assessment is carried out for each of them, with the risk assigned to the company being equivalent to the highest of the risks obtained. In the last two years, no operation has been rejected on the grounds of environmental risk.

Elsewhere, in section 4.2 **Financing/Investment with ESG criteria**, reference is made to other environmental controls carried out from an environmental point of view in both credit investment and investment management.

### Transparency in exposure to fossil fuels

Exposure to fossil fuels as at 31/12	2021	2022
Number of operations*	44	48
Total exposure	7,533,662	5,176,440

\*Considered operations with structural risk.

It was confirmed that LABORAL Kutxa's exposure to the incidence of climate risk in these industries is limited.

As has been explained throughout the report, in 2022, the second TCFD report was published, explaining LABORAL Kutxa's situation with respect to climate risks. The report, available on the website, shows the progress made in this area, as well as the significant challenges ahead.

### Pollution

During recent years, LABORAL Kutxa has made a significant investment effort that has resulted in the complete renovation of two of the three buildings of Mondragon's Central Services, having started the renovation of the third building in 2022. These actions have led to the introduction of the latest technologies in lighting, heating, air conditioning and insulation, which has resulted in the LK1 building obtaining the highest environmental rating (A). The introduction of renewable technologies such as geothermal and biomass for the air-conditioning of the buildings is of particular importance. In addition, when renovating the branch offices of the business network, these technologies are applied with the aim of reducing the impact of the activity and minimising emissions. Lastly, a continuous effort is being made to digitalise the business. This is true both for the relationship with our customers and for the internal activity.

Noise is not considered to be a significant issue in the annual assessment of environmental matters within the environmental programme. With respect to light pollution, it is not taken into account due to the small impact of financial business on this matter. Moreover, there are mechanisms to turn off the lighting of the luminous signs of the offices after a certain time at night.

### Circular economy and waste prevention and management

With respect to **environmental safety**, the Central Services buildings and facilities have emergency plans that consider possible effects on the environment in the event of an incident, as well as how to act to minimise this impact. There are also emergency plans for all the workplaces, although, in the network of offices the potential environmental effects of emergencies are much lower.

For **waste** management, waste is managed correctly within the framework of the environmental certification. In addition, the most important waste, paper for destruction and toner, are managed centrally for all work centres. The most significant waste related to our activity are indicated below:

Indicator	Unit	LABORAL K.		Seguros LA	
		2021	2022	2021	2022
Cardboard and paper waste	Kg	108,340	129,780	1,503	3,420
Recycled toner cartridges	Kg	2,881	1,392	(1)	
Used vegetable oil	Litres	720	560		

(1) This waste does not exist for Lagun Aro.

Given the activity carried out, food waste is not relevant. In 2020, however, an online booking system for access to the Central Services canteen was implemented, which allows the number of meals prepared daily to be adjusted.

### Sustainable use of resources

Although water consumption is not significant in a financial institution, within our environmental system the consumption by central services is managed, not that of the branches or Lagun Aro. As part of the refurbishment of the Headquarters buildings, the pipelines have been renewed with the aim of reducing leaks and water losses. The water consumption of Lagun Aro and the business network is limited to the toilet facilities, so it is not considered significant or manageable, unlike the Headquarters, where it is also used in the kitchen and for irrigation. The water used comes from the mains network and drains into the municipal sewage network. The waste water is analysed externally each year to verify that it is within the authorised limits.

Water consumption (m3) at Headquarters	2020	2021
Water consumption (1)	6,363 (1)	7,124

(1) Because the figure for the 4th quarter was not available upon the completion of this report, the amount includes the last quarter of the previous year and the first 3 quarters of the year.

Each year, the environmental programme identifies, records and evaluates environmental factors in order to determine their associated environmental impacts and establish their level of significance from a life-cycle perspective. To this end, the scale and degree of danger are determined, obtaining a significance level. Below are the main indicators of the Environmental Management Programme of LABORAL Kutxa (Central Services and offices) and Lagun Aro based on the results of this evaluation.

Paper consumption kg LABORAL Kutxa+Lagun Aro	2021	2022
Promotional paper	120,807	100,597
Office paper (letters, notepads, folders, sheets of paper, envelopes, etc.)	246,574	214,647
Total paper consumption*	367,381	315,244

\*100% of the paper consumed was environmentally friendly, chlorine-free paper. The printer paper is EU Ecolabel, FSC and Rainforest Alliance certified. Due to the variety of paper types used, the % of recycled paper is not recorded.

In order to reduce the amount of paper used in customer communications, a significant effort has been made towards the use of new technologies and e-mail communications (Postamail), along with the digitisation of the operations in the offices. This is leading to a decrease in the volume of paper and toner consumed. The 23-24 Strategic Plan establishes a goal for a 50% reduction in paper.

Toner consumption in units LABORAL Kutxa+Lagun Aro	2021	2022
Total toner cartridge consumption	3,236	2,962
Cartridge consumption per person	1.45	1.34
Weight of toner used kg	2,557	2,089
Weight of toner used kg/person	1.15	0.95



The direct, non-financial impacts of LABORAL Kutxa's activity are limited\*. One of the most important is electricity consumption. Mondragón's Central Services are within the scope of ISO 14001 environmental certification and are actively managed:

Year/Unit	LABORAL K.		Seguros LA	
	2021	2022	2021	2022
Electricity consumption in KWh / year Central Services	3,136,949	3,086,684	288,765	308,761
Electricity consumption in KWh / year TOTAL LK	11,432,660	10,570,653		

\*Gas oil and propane consumed at CS and controlled in the Environmental System are not considered materials.

Significant efforts have been made in recent years to improve energy efficiency. The following is worth mentioning:

- The introduction of a geothermal system to air-condition the Central Services buildings.
- The construction of a biomass plant to meet the heating needs of the biomass. Both systems have made it possible to eliminate climate control using fossil fuels.
- Refurbishment of the insulation (low emission glass), equipment (LED) and machinery to increase the efficiency of air conditioning and lighting.

### Climate change-Carbon footprint

Through the years, LABORAL Kutxa has always calculated its CO2 emissions. This calculation has gradually be perfected, incorporating new tools / calculators and new aspects with the passing of time in an effort to better understand the impact of the activity. The 2020-22 Strategic Plan established a goal for a 75% reduction in this carbon footprint. This objective was met, mainly due to the economic effort made to acquire all electrical energy from renewable sources.

Breakdown of emissions by source. Carbon Footprint	LABORAL K.		Seguros LA	
	2021	2022	2021	2022
Scope 1: Direct emissions	213	127	0	0
Scope 2: Indirect emissions	0	0	0	0
Scope 3: Other indirect emissions	940	991	59	82
Total emissions Tonnes of CO2	1,154	1,110	59	82

The Klima 2050 calculator of the Basque Government has been used to determine this.

The following were taken into account:

- For scope 1, consumption of diesel, propane and emissions of refrigeration gases.
- For scope 2, the total electricity consumption (CS, the office network and regional management buildings) was taken into account. It is considered 0 as all energy is from renewable sources.
- For scope 3, we have taken into account emissions due to travel during work time, kilometres travelled by taxi, the emission resulting from paper consumption, business travel (air, train and hotel), electricity consumption of customers when using our website, paper waste management and water supply.

Despite the increase due to the rebound of the emissions from mobility, the footprint has reduced, mainly driven by the reduction in refrigerant gases.

However, in 2022 we participated in a sectoral work group to improve this carbon footprint calculation. As a financial entity, it is relevant to incorporate new elements into Scope 3, especially those relating to investment and financing portfolios. As a result of the work, greater theoretical knowledge and a new calculation tool have been obtained. However, this calculation methodology still requires perfecting. The biggest deficiency of the new calculation is the lack of information on most of the financed counterparts, therefore today the calculation is based on public information and sectoral approximations. It is a task that will be carried out over the next two years. However, this new calculation has led to a significant improvement in our knowledge of the impact of our activity.

With this new calculation, the operational carbon footprint is:

LABORAL Kutxa			2022
Summary of GHG emissions			
Scope	ID	Type of activity	t CO <sub>2</sub> e
<b>DIRECT EMISSIONS</b>	<b>A1.1</b>	<b>Fixed sources</b>	<b>24.85</b>
Scope 1	<b>A1.2</b>	<b>Mobile sources</b>	
	<b>A1.3</b>	<b>Fugitive emissions</b>	<b>104.59</b>
	<b>A1</b>	<b>Scope 1 - Total</b>	<b>129.43</b>
<b>INDIRECT EMISSIONS</b>	<b>A2.1</b>	<b>Electricity consumption</b>	
Scope 2			
	<b>A2</b>	<b>Scope 2 - Total</b>	
<b>INDIRECT EMISSIONS</b>	<b>A3.1</b>	<b>Goods and Services Acquired</b>	<b>443.00</b>
Scope 3	<b>A3.4</b>	<b>Upstream Transport and Distribution</b>	<b>542.01</b>
	<b>A3.5</b>	<b>Waste Generated in the Activity</b>	<b>0.52</b>
	<b>A3.6</b>	<b>Business Travel</b>	<b>805.54</b>
	<b>A3.7</b>	<b>Employee Travel</b>	<b>1,670.16</b>
	<b>A3</b>	<b>Scope 3 - Total</b>	<b>3,461.23</b>
		<b>Total emissions</b>	<b>3,590.66</b>

To obtain it, the sectoral CF calculator (Connecting Visions) was used.

The following were taken into account:

- For scope 1, consumption of diesel, propane and emissions of refrigeration gases.
- For scope 2, the total electricity consumption (CS, the office network and regional management buildings) was taken into account. It is considered 0 as all energy is from renewable sources.
- For scope 3, the emissions from water, paper, toner, and use of the cloud were taken into account. Emissions from internal mail and warehouse orders were also taken into account. Paper/cardboard are included as waste. Finally, business travel (mileage, taxis, journeys) and personal travel from home were also taken into account.

In terms of financed emissions:

	Total Emissions
<b>Credit Portfolio</b>	<b>713,449.25</b>
Corporate Loans	301,503.41
Mortgage Loans	169,294.77
Loans to Government Bodies	242,651.08
<b>Fixed Income Portfolio</b>	<b>1,063,715.86</b>
Corporate Bonds	0.00
Sovereign Debt	1,063,715.86
<b>Variable Income Portfolio</b>	<b>0.00</b>
<b>Total Financed Emissions Tonnes of CO<sub>2</sub></b>	<b>1,777,165.11</b>

These emissions correspond to 87% of the financed portfolio and treasury investments. The rest of the portfolio could not be calculated this year due to a lack of data. As indicated above, the quality of the data should improve in the coming years, which may affect the result of the calculation.

LABORAL Kutxa has made a continuous effort in recent years to combat and adapt to the consequences of climate change: investments, digitalisation and actions to improve energy efficiency. For the coming years, in addition to maintaining this effort and that of the initiatives described above, the following lines of action are proposed:

- The incorporation of the reduction of the carbon footprint and electrical consumption into the variable remuneration of the workforce.
- Participation in initiatives and alliances to accelerate the transition to a more sustainable production model: Basque Ecodesign Center, Principles of Responsible Banking, sectoral groups through Unacc, collaborations with universities, etc.
- Work continues on improving the quality of the available sustainability data. Better and deeper availability of these will allow for a better understanding of the impact of the activity, the climate risks we face and will help in the design of policies and products.
- As has been explained, sustainability is a key facet in the Group's strategy in the coming years.

#### Protection of biodiversity

LABORAL Kutxa's financial activity does not affect biodiversity or impact on protected areas.

## 3.5. Our relationship with supplier companies

### 3.5.1. Management approach

The financial activity that we carry out, as well as the local presence in a very specific geographical area, means that the management risks of subcontractors and suppliers are not excessively important. As a result, supplier companies are currently not yet screened for sustainability criteria.

Nevertheless, LABORAL Kutxa, aware of the importance of supply chain management in the area of sustainability, developed the following areas of action regarding suppliers during 2022.

Work has continued in order to meet the requirements of the EBA [Outsourcing Guide](#), the purpose of which is to manage all risks that may be entailed in working with suppliers and externalising services. As was mentioned in last year's Report, in 2021 the update to the **Service delegation policy** (also called the externalisation policy) was approved. In addition, an organisational unit was created as a section called Third Party Management, which centralises and is responsible for the management of suppliers in order to be able to implement this Policy.

In 2022, the Third Party Management section continued to increase its analysis of supply companies. In this regard, the tools available for communicating with suppliers have been updated. These are the 3 tools available for that:

- Ethics Code: which must be signed by suppliers. If they do not sign it, their own ethics code is requested so that it can be verified by LABORAL Kutxa.
- Supplier Request: a tool used for the approval of suppliers. It includes three specific sections on sustainability.
- Service Request: specifically focused on service.

These three elements ensure compliance with EBA's Guide and control and manage the risks derived from the suppliers. Because once they have been answered, these documents are analysed by Data Protection, Security, Legal Advice, and Business Continuity, who are responsible for ensuring that no risks are incurred.

All of these questionnaires are sent to every supplier each time a new service is contracted or an old one is renewed. At the same time, they are sent to old suppliers, even when the service is not renewed, in order to have as much information as possible on all suppliers.

With regard to [prevention of occupational hazards](#), progress has been made in the coordination of business activities with the contractors who come to work in the offices of the commercial network.

Given the characteristics of our supplier companies, it is not considered necessary to carry out audits on them on aspects unrelated to the characteristics of the product or service they provide, except those relating to the security of information and data. For this reason, supplier companies are currently not evaluated for environmental or social aspects, however, the impacts of their activity are considered to be low. In compliance with the precautionary principle, there are other factors that influence the selection of supplier companies, in addition to the origin, such as technical requirements, the characteristics of the product or service they provide and the price. At the same time, LABORAL Kutxa ensures compliance with social and employment legislation through a clause that it has in place:

- Compliance with employment, Social Security and occupational health and safety regulations.
- The certified Management, Environmental and Occupational Health and Safety Systems also have procedures established for managing purchases and subcontracting, taking into account the requirements outlined for these systems.

In our area of activity, we only identify significant risks linked to non-compliance with human rights in relation to corruption risks and with our indirect actions to ensure compliance by companies that supply us. The activities related to these two aspects are described in the respective sections.

### 3.5.2. Main figures

	2021	2022
Purchase volume (thousands of euros)	133,508	158,817
% of goods and services purchased from local companies (2)	94.2%	96.3%
% of local suppliers of total	90.9%	93.6%
% of domestic purchases, not imported (1)	98.34%	99.9%

- (1) In 2022 LABORAL Kutxa had 7 supplier companies (0.53% of the total and representing 0.05% of the goods and services acquired), from outside Spain. Of these, 2 are from non-EU countries (UK).  
50.5% of the amount comes from what is known as the Traditional Network (CAV and Navarra).
- (2) Local are defined as those whose address is in a province where we have a presence through our network of offices.

### 3.5.3. Dialogue with suppliers

Regarding the **dialogue** with supplier companies concerning CSR, a questionnaire was sent to 165 supplier companies for the purposes of the 2020 Report. Companies were specifically chosen because their workers perform work within our premises. This included subcontractors and outsourcing companies. A response was received from 20 supplier companies, who rated the importance of this Report as 8.5.

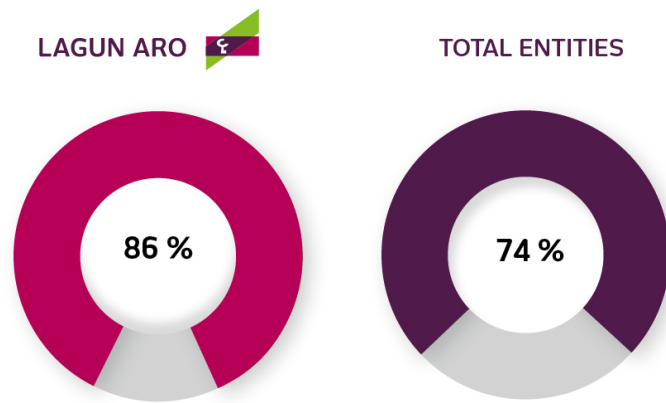
Also, as part of the supplier management project, an e-mail channel has been set up for our supplier companies to communicate with us to resolve any doubts they may have or to pass on any complaints or concerns.

In the area of suppliers, special attention should be paid to the **mediation channel** of **Lagun Aro**. From the perspective of insurance companies, the brokerage channel is an important stakeholder for the business.

The dialogue with our mediators is constant, both in person and through group meetings and surveys, among other things. We seek their opinion and consensus, as well as other aspects, at product launches and modifications, relying on their vision and market experience.

We also garner their opinion on their satisfaction with the company, by means of a biannual study that analyses multiple aspects, such as: their satisfaction in terms of products and services that the entity makes available to them for trading, the support they are given by the entity for the development of their activity, the means and techniques and contacts available to them, the information provided, the service for the end customer, and their satisfaction with claim management, among other things.

As a result of this study, in 2022 we obtained a **general satisfaction of 86 %** (scores of above 7 on a scale of 0 to 10) compared to **74% for the Market**, a huge margin that puts us in a more than favourable position.



We see a similar situation if we look at the **Net Promotor Score (NPS)**, an indicator of loyalty and recommendation where **Lagun Aro** obtains **13%** of net promoters (the result of subtracting the percentage of detractors from that of promoters) while the **market** gets **-7** because the critical customers outweigh the promoters.

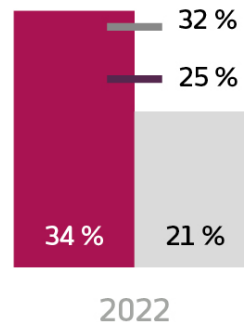
### NPS

LAGUN ARO

TOTAL ENTITIES

- Developers
- Detractors

- Developers
- Detractors



### RECOGNITION AND TRAINING FOR OUR BROKERS

2022 was a year for reunions. After a few years in which events and meetings were virtual, Lagun Aro made the most of 2022 to be able to have personal meetings with its best mediators.

The Convention was held with its best mediators, under the slogan “We missed you” . There, as well as presenting the company data, they were able to talk about future Lagun Aro projects and the mediators channel. At this meeting, personal moments were important as they enrich both Lagun Aro as a company, and the mediators that attend the convention.

In the second half of the year, Lagun Aro met with members of the SPECIAL CLUB on “special” days. On these days, work groups were held that helped reveal the current needs and where future projects for the group were defined. The meetings had a recreational part which once again highlighted the values that Lagun Aro has with mediation, closeness and team work.

In the 2022 financial year, for the entire mediation channel, a significant investment was made to help the mediator retain the customer through loyalty and the support of continuous Marketing.

### 3.5.4. Initiatives developed during the year for responsible supplier management

As regards sustainability, first of all, it is worth mentioning that two of the three documents mentioned above by means of which relationships are maintained with supplier companies contain questions on sustainability. On the one hand, the Ethics Code is integrally linked to sustainability. On the other, the Supplier Request document has three related sections: Transparency and Ethics; Corporate Social Responsibility (CSR), and Certifications and environment.

Even so, beyond this, in 2022 a project was implemented to continue incorporating ESG criteria into the supplier companies. To do so, within the Entity, the work of both the Sustainability Office and the Third Party Management section is required. In addition, this project forms part of a sector together with other financial entities, which also relies on the support of the Basque Ecodesign Center (BEEdC), a company that is independent of the Basque Government.

The goal of this project is none other than to update the existing procedures for improving the management of sustainability risks derived from the suppliers. In parallel, there is a desire to take advantage of the opportunity to help encourage our value chain to move to more sustainable positions.

Another line of action taken with regard to suppliers refers to the **prevention of occupational hazards**. In 2021, a new access control system was implemented so that no subcontractor can access our central services without having the necessary up-to-date documentation. In the same way, there was a noticeable improvement in the control of the subcontractors that have access to our branch offices.

The procurement procedure requires supplier companies to adhere to the Supplier Code of Ethics, committing themselves to environmental, human rights and equality, anti-money laundering and anti-corruption and data protection principles and obligations.

Three types of supplier companies are distinguished according to their geographical origin:

- Close companies: those that are based in the Basque Autonomous Community.
- Local Companies: those that are not close but whose headquarters are in a province where LABORAL Kutxa has a physical presence (branch office).
- Others.



4.

Other figures



## 4.1. Customers

Based on the key business areas (Credit and Insurance), each portfolio is detailed below. The profile of credit customers is as follows:

Loans by sector (M of euros)	2021	2022
<b>Public sector</b>	<b>1,278.2</b>	<b>1,195</b>
<b>Other Resident Sectors</b>	<b>14,189.1</b>	<b>14,164.2</b>
National Economies	10,774.5	10,609.1
- Mortgages	10,349.6	10,175.2
- Consumer financing	398	414.2
- Others	26.9	19.7
Companies	2,821.5	2,869.4
Other Loans	593.1	685.8
<b>Non-Resident Credit</b>	<b>27.9</b>	<b>139.8</b>
<b>Total Credit to Gross Customers</b>	<b>15,495</b>	<b>15,499</b>
Value adjustments due to asset impairment	-349.6	-317.5
<b>Total Credit to Net Customers</b>	<b>15,145.5</b>	<b>15,181.4</b>

The geographical distribution of LK customers is as follows:

Geographical area	Lending		Deposits	
	2021	2022	2021	2022
Bizkaia	20.52%	20.53%	30.99%	32.71%
Gipuzkoa	14.18%	13.57%	26.80%	27.08%
Araba	7.69%	6.51%	12.35%	11.26%
Nafarroa	8.65%	8.35%	9.54%	9.71%
Burgos	1.89%	1.72%	1.70%	1.35%
Madrid	4.24%	5.91%	1.09%	1.02%
Valladolid	3.36%	2.63%	2.20%	1.89%
Zaragoza	4.97%	5.04%	1.75%	1.80%
Other	34.50%	35.74%	13.58%	13.18%
<b>TOTAL</b>	<b>100%</b>	<b>100.00%</b>	<b>100%</b>	<b>100%</b>

The CLBS Customer profile as at 31/12/2022 is as follows:

Category	Insured men		Insured women	
	No. Policies	Average Age	No. Policies	Average Age
Life Risk	40,142	48	37,163	48
Personal Guarantee Loan Redemption	29,833	45	24,243	46
Mortgage Guarantee Loan Redemption	15,484	41	14,878	40
Home owner	43,144	47	39,782	47
Landlord/Landlady	7,566	57	6,311	57
Tenant	11,600	45	22,399	46

### Customer Service

Customer Service - Amounts claimed (thousands of euros)	2021	2022
Amounts for cases resolved in favour of the Company	1,502	2,248
Amounts for cases resolved in favour of the customer	196	171
Indemnities paid by the Entity	196	171
Amounts returned to customers by the Company, no payment due	0	0
Amounts compensated or refunded by third parties	0	0
<b>Total</b>	<b>1,698</b>	<b>2,419</b>

Reason for opening cases (SAC)	2021	2022
Centralised customer services	2%	2%
Commissions and expenses	89%	85%
Economic terms	1%	2%
Missing or inaccurate information	0%	0%
Fraud ICT	-	2%
Offices by objective elements	1%	3%
Aspects of customer relations	1%	3%
Campaigns in general	0%	1%
ATMs	3%	2%
Amount of the claims	2021	2022
≤ €100	0.24%	0.97%
> €100 ≤ €250	0.86%	1.55%
> €250 ≤ €1,000	23.58%	45.69%
> €1,000	75.32%	51.79%

The claims presented through the various available channels have been:

	2021	2022
No. of claims submitted to the Claims Service of the Bank of Spain in relation to product safety (1)	4	4
No. of claims in which BoS has pronounced in favour of LABORAL Kutxa	2	0

Claims related to the fraudulent use of means of payment and phishing.

	2021	2022
No. of claims submitted to the Claims Service of the Bank of Spain, DGS, CNMV and UNACC regarding information on products and services (1)	27	14
No. of claims in which BoS and CNMV have pronounced in favour of LK	11	4

(1) Claims related to incorrect information or bad advice, mainly information about all types of fees and costs (account maintenance, overdraft, etc.).

	2021	2022
No. of claims submitted to the Claims Service of the Bank of Spain and the CNMV in relation to the advertising of products and services and privacy.	1	0
No. of claims in which BoS and CNMV have pronounced in favour of LABORAL Kutxa	1	0
Cost of fines for non-compliance with regulations on the provision and use of services.	0	0

	2021	2022
Penalties imposed on the Group (euros) for non-compliance with laws and regulations	0	0

Lagun Aro	2021	2022
Open cases (claims and complaints)	694	731
No. of claims submitted to the Insurance and Pension Funds D.G. Claims Service	16	12
% of closed cases estimated or partially estimated	46%	40.3%
Average response time (days)	12.02	10.31
Amount of payments in favour of the customer €	81,212	62,499
% final reports received from supervisor (total or partial) in favour of the claimant	7.7%	7.1%
CLBS	2021	2022
Open cases (claims and complaints)(1)	4	2
% of closed cases estimated or partially estimated(1)	25%	0%
Average response time (days)	2.75	1
Amount of payments in favour of the customer €	0	0

(1) Most of the rejections occur because they are addressed to other Entities.

## Main figures for responsible products and services

	2021		2022	
	No.	Thousand €	No.	Thousand €
Micro-credits	1,177	18,811	988	16,631
Personal Loan	168	343	201	475
Mortgage Loan	78	5,681	38	2,114
Insured Cards	261,425	-	256,299	-
Erkide Loan	29	269	61	726
FCTC Loan	6	84	-	-
CEPES / ASLE Loan	1	14	7	91
Loans for communities of owners for energy renovation	-	-	35	4,179

The volume of these agreements in 2021 and 2022 was as follows:

Public Organisation (thousands of euros)	No. of operations formalised		Amount formalised		Balance available as at 31/12	
	2021	2022	2021	2022	2021	2022
ICO	954	336	100,197	55,336	424,389	397,404
Basque Government+Elkargi	181	0	20,916	-	200,891	172,172
Government of Navarra+Sodena	50	0	5,976	-	32,107	27,079
EIF. Of which:	66	44	8,112	9,703	46,143	35,336
• EaSI Social	63	17	7,387	2,972	20,129	12,851
• Innovfin	3	27	725	6,731	26,014	22,485
EaSI Micros II	1,175	988	18,767	16,631	45,145	44,302
Araba-Bizk-Gipuzk Council Offices	0	0	0	-	341	261
Luzaro	27	40	4,701	3,605	14,965	14,877
Other Agreements	0	0	0	0	0	0
<b>Loans+Leasing</b>	<b>2,453</b>	<b>1,452</b>	<b>158,669</b>	<b>94,978</b>	<b>763,981</b>	<b>726,767</b>
With mutual guarantee societies (Elkargi, Iberaval, Sonagar, Oinarri, etc.)	586	407	74,960	73,221	407,698	404,930
Without mutual guarantee societies (ICO, European Investment Fund, etc.)	2,054	1,415	121,169	87,518	550,500	532,344
<b>Guaranteed Loans+Leas.</b>	<b>2,640</b>	<b>1,822</b>	<b>196,130</b>	<b>160,739</b>	<b>958,198</b>	<b>937,274</b>

Customers using new channels	2021	2022
No. of CLNet contracts	741,369	744,441
Customers active on CLNet	510,561	541,654
Mobile Banking (users who have accessed via mobile)	434,736	488,786
Alerts (active contracts)	392,521	409,839
Bizum	297,819	345,981

## 4.2. People

Partner workforce of LK by sex and professional category*	2021				2022			
	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
Directors	18	1.06%	7	0.41%	31	1.81%	11	0.64%
Managers	205	12.11%	123	7.27%	195	11.36%	115	6.70%
Technicians	318	18.78%	384	22.68%	317	18.47%	419	24.42%
Clerical staff	107	6.32%	225	13.29%	110	6.41%	206	12.00%
Others	166	9.81%	140	8.27%	168	9.79%	144	8.39%
<b>Total</b>	<b>814</b>	<b>48%</b>	<b>879</b>	<b>52%</b>	<b>821</b>	<b>48%</b>	<b>895</b>	<b>52%</b>
Active partners	1,693				1,716			

\*The categories included in the different Professional Groups are the following:

- Directors: Dir. General, Area Dir., Regional Dir. and Dept. Directors.
- Managers: Section Managers, Area Managers and Branch Managers.
- Technicians: CS Techs., Office Managers and Technicians (Sales Managers).
- Clerical staff: 1st Officers, 2nd Officers, Administrative Assistants and Operators.
- Others: D.D.O.P.V.

LK workforce by age	2021						2022					
	Partner			Remainder			Partner			Remainder		
	M	W	Total	M	W	Total	M	W	Total	M	W	Total
Up to 30	8	14	22	79	82	161	34	36	70	71	78	149
Between 31 and 40 years	87	189	276	10	13	23	71	176	247	6	9	15
Between 41 and 50 years	397	436	833	11	2	13	382	422	804	10	6	16
Between 51 and 60 years	305	233	538	3	0	3	321	257	578	3	0	3
Over 60	17	7	24	0	0	0	13	4	17	0	0	0
<b>Group staff</b>	<b>81</b>	<b>879</b>	<b>1,693</b>	<b>103</b>	<b>97</b>	<b>200</b>	<b>821</b>	<b>895</b>	<b>1,716</b>	<b>90</b>	<b>93</b>	<b>183</b>

CLBS workforce by sex, prof. category and business area	2021				2022			
	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
Directors	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Managers	8	5.52%	2	1.38%	7	5.80%	1	0.80%
Technicians	0	0.00%	1	0.69%	0	0.00%	0	0.00%
Sales managers	32	22.07%	102	70.34%	28	23.3%	84	70%
Group staff	40	27.59%	105	72.41%	35	29.20%	85	70.80%
Central Serv.	1	0.69%	1	0.69%	1	0.80%	0	0.00%
Commercial Network	39	26.90%	104	71.72%	34	28.30%	85	70.80%
Group staff	40	27.59%	105	72.41%	35	29.2%	85	70.8%
Group staff	145				120			

CLBS workforce by age	2021			2022		
	Men	Women	Total	Men	Women	Total
Up to 30	7	4	11	7	3	10
Between 31 and 40 years	1	7	8	1	5	6
Between 41 and 50 years	12	49	61	8	34	42
Between 51 and 60 years	19	43	62	19	43	62
Over 60	1	2	3	0	0	0
<b>Group staff</b>	<b>40</b>	<b>105</b>	<b>145</b>	<b>35</b>	<b>85</b>	<b>120</b>

Lagun Aro staff by sex and prof. category	2021				2022			
	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
Directors	4	7%	2	2%	4	2%	3	2%
Managers	15	27%	14	12%	16	9%	14	8%
Technicians	33	59%	51	45%	36	21%	52	30%
Clerical staff	4	7%	47	41%	2	1%	47	27%
<b>Group staff</b>	<b>56</b>	<b>33%</b>	<b>114</b>	<b>67%</b>	<b>58</b>	<b>33%</b>	<b>116</b>	<b>67%</b>

Staff of Lagun Aro by age	2021		2022	
	M		M	W
Up to 30	1	3	5	3
Between 31 and 40 years	7	7	5	5
Between 41 and 50 years	14	50	14	51
Between 51 and 60 years	31	53	30	53
Over 60	1	3	4	4
<b>Sum</b>	<b>54</b>	<b>116</b>	<b>58</b>	<b>116</b>
<b>Group staff</b>	<b>170</b>		<b>174</b>	

Contractual relationship LK (situation as at 31/12)	2021			2022		
	Total	Men	Women	Total	Men	Women
Active partners	1,693	814	879	1,716	821	895
Surpluses	15	4	11	46	9	37
Secondment	16	5	11	16	5	11
Early retirees	123	76	47	119	70	49
<b>Company contracts</b>	<b>1,847</b>	<b>899</b>	<b>948</b>	<b>1,897</b>	<b>905</b>	<b>992</b>
Temps. Full-time	155	78	77	143	68	75
Temps. Part-time	8	2	6	2	1	1
<b>Temporary Contracts</b>	<b>163</b>	<b>80</b>	<b>83</b>	<b>145</b>	<b>69</b>	<b>76</b>
<b>Indefinite Contracts</b>	<b>37</b>	<b>23</b>	<b>14</b>	<b>38</b>	<b>21</b>	<b>17</b>
Total workforce as at 31/12	2,047	1,002	1,045	2,080	995	1,085

Contractual relationship CLBS (situation as at 31/12)	2021			2022		
	Total	Men	Women	Total	Men	Women
Temporary Contracts	12	7	5	12	5	7
Indefinite Contracts	133	33	100	108	28	80
Total workforce as at 31/12	145	40	105	120	35	85

Contractual relationship LA (situation as at 31/12)	2021			2022		
	Total	Men	Women	Total	Men	Women
Temporary Contracts	3	1	2	2	0	2
Indefinite Contracts	167	55	112	172	58	114
Total workforce as at 31/12	170	56	114	174	58	116

LK contracts by age as at 12/31	2021						2022					
	Total	Up to 30	31-40	41-50	51-60	> 60	Total	Up to 30	31-40	41-50	51-60	> 60
Active partners	1,693	22	276	833	538	24	1,716	70	247	804	578	17
Surpluses	15	0	9	3	2	1	46	1	24	14	6	1
Secondment	16	0	4	7	5	0	16	0	4	7	5	0
Early retirees	123	0	0	0	97	26	119	0	0	0	91	28
<b>Company contracts</b>	<b>1,847</b>	<b>22</b>	<b>289</b>	<b>843</b>	<b>642</b>	<b>51</b>	<b>1,897</b>	<b>71</b>	<b>275</b>	<b>825</b>	<b>680</b>	<b>46</b>
Temps. Full-time	155	139	13	3	0	0	143	137	6	0	0	0
Temps. Part-time	8	8	0	0	0	0	2	2	0	0	0	0
<b>Temporary Contracts</b>	<b>163</b>	<b>147</b>	<b>13</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>145</b>	<b>139</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
Indefinite Contracts	37	14	10	10	3	0	38	10	9	16	3	0
<b>Total workforce</b>	<b>2,047</b>	<b>183</b>	<b>312</b>	<b>856</b>	<b>645</b>	<b>51</b>	<b>2,080</b>	<b>220</b>	<b>290</b>	<b>841</b>	<b>683</b>	<b>46</b>

Workforce by location - LK	2021				2022			
	Partners	Employee	Women	Men	Partners	Employee	Women	Men
Central Services	439	32	238	233	429	23	235	217
Individuals	26	0	12	14	26	0	12	14
Insurance	65	1	43	23	73	0	50	23
Company	84	4	26	62	90	7	27	70
Reg. Network 1	469	111	349	231	506	106	367	245
Reg. Network 2	610	52	308	354	592	47	297	342
Total 31/12	1,693	200	976	917	1,716	183	988	911

The entire **Lagun Aro** workforce works in Central Services.

Terminations and annual rotation of Working Partners in LABORAL Kutxa	2021	Up to 30		Between 31 and 40 years		Between 41 and 50 years		Between 51 and 60 years		Over 60	
		W	M	W	M	W	M	W	M	W	M
Terminations in the year:	66	0	0	24	5	5	7	4	7	0	14
Voluntary and Public Office Leave	4	-	-	2	-	1	-	-	1	-	-
Leave Caring for children/family	36	1	-	22	9	3	1	-	-	-	-
Retirement	12	-	-	-	-	-	-	-	-	-	12
Death or Disability	2	-	-	-	-	1	-	-	1	-	-
Voluntary Resignation	3	-	-	-	-	-	3	-	-	-	-
On secondment	0	-	-	-	-	-	-	-	-	-	-
Early retirees	9	-	-	-	-	-	-	4	5	-	-
Total departure rate (*)	3.80%	33.33%	0.00%	11.37%	9.09%	0.93%	1.20%	1.72%	2.23%	0.00%	50.00%
Directors departure rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Managers departure rate	1.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.25%	2.41%	0.00%	0.00%
Technicians departure rate	6.11%	50.00%	0.00%	15.38%	10.14%	1.74%	1.27%	2.86%	5.13%	0.00%	60.00%
Clerical staff departure rate	2.95%	0.00%	0.00%	6.15%	13.33%	0.56%	2.46%	0.00%	0.70%	0.00%	50.00%
Departure rate	2.55%	12.50%	0.00%	5.38%	5.87%	0.57%	0.93%	2.28%	2.06%	0.00%	27.50%

Terminations and annual rotation of Working Partners in LABORAL Kutxa	2022	Up to 30		Between 31 and 40 years		Between 41 and 50 years		Between 51 and 60 years		Over 60	
		W	M	W	M	W	M	W	M	W	M
Terminations in the year:	98	1	0	19	0	5	2	22	27		6
Voluntary and Public Office Leave	9	-	-	-	-	4	1	2	2	-	-
Leave Caring for children/family	25	1	-	19	-	4	1	-	-	-	-
Retirement	9	-	-	-	-	-	-	-	-	3	6
Death or Disability	2	0	0	0	0	1	0	1	0	0	0
Voluntary Resignation	6	1	-	-	2	-	1	-	1	-	1
On secondment	0	-	-	-	-	-	-	-	-	-	-
Early retirees	47	-	-	-	-	-	-	22	25	-	-
Total departure rate (*)	5.79%	14.29%	0.00%	10.05%	2.30%	2.06%	0.76%	10.73%	9.18%	42.86%	41.18%
Directors departure rate	16.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	27.27%	0.00%	0.00%
Managers departure rate	3.66%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	12.90%	6.67%	0.00%	0.00%
Technicians departure rate	4.13%	0.00%	0.00%	8.20%	3.28%	2.25%	0.58%	9.09%	6.41%	0.00%	0.00%
Exit rate for Clerical staff and others	8.73%	28.57%	0.00%	19.05%	0.00%	2.56%	0.00%	12.73%	7.14%	75.00%	60.00%
Departure rate	8.13%	7.14%	0.00%	6.81%	0.82%	1.83%	0.15%	13.68%	11.87%	18.75%	15.00%

(\*) The departure rate is calculated based on the number of people leaving during the year and the total number of active members at the end of the previous year. Neither departures or turnover of members by area are considered, instead they are dealt with in an aggregate manner.

In 2021 and 2022 there were no voluntary departures.

Terminations and annual rotation in CLBS	2021		2022	
	Men	Women	Men	Women
Terminations in the year:	4	15	8	15
Leave Caring for children/family	-	-	*	1
Retirement	-	-	*	*
Disability	-	-		1
Agreed end of contract	-	-		
Voluntary Resignation	4	13	7	10
End of contract	-	2	1	3
Dismissals	-	-	*	*
Terminations of Women in the year	-	-	*	*
Terminations of Men in the year	-	-	*	*
Total departure rate	14.07%		20%	14.29%
Women's departure rate	14.71%			
Men's departure rate			12.12%	

Terminations and annual rotation in CLBS	2022	Up to 30		Between 31 and 40 years		Between 41 and 50 years		Between 51 and 60 years		Over 60	
		W	M	W	M	W	M	W	M	W	M
Terminations in the year:	23	3	3	3	1	1	1	5	2	3	1
Leave Caring for children/family	1			1							

Retirement	0										
Death or Disability	1					1					
Voluntary Resignation	17	1	2	1	1		1	5	2	3	1
End of contract	4	2	1	1							

Terminations and annual rotation of workers at Lagun Aro	2021	2022
Terminations in the year:	3	10
Voluntary Resignation	0	4
Others	3	6
Terminations of Women in the year	0	3
Terminations of Men in the year	3	7
<b>Total departure rate *</b>	<b>1.76%</b>	<b>5.75%</b>
Women's departure rate	0.00%	2.59%
Men's departure rate	5.36%	12.07%

\*The departures are: 2 less than 30 years and 8 more than 30 years

In LABORAL Kutxa there have been no dismissals in the last two years.

#### Dismissals at Seguros Lagun Aro:

2021			2022		
Sex	Age	Category	Sex	Age	Category
M	57	Administrative staff	-	-	-
M	59	Specialist	-	-	-

Training in LABORAL Kutxa and CLBS	2021	2022
Number of courses	530	526
Hours of training	172,180	196,613
Hours of training/person	78.37	87.77
Partner	74.21	86.47
Temporary	104.58	107.48
<b>Average training in hours by category (individually)</b>		
Directors	83.07	71.53
Office Managers and Directors	85.03	95.84
Technicians	73.2	92.03
Clerical staff	83.89	76.67

Hours of training	2021		2021	
	Women	Men	Women	Men
Directors	92	81.15	83.14	65.89
Managers/DO	85.2	84.91	100.49	91.22
Gc-Tecn	75.06	70.74	94.62	88.67
GOP	79.3	90.46	76.98	76.32

Training in Seguros Lagun Aro	2021	2022
Hours of training	2,341.24	4,029
Women	1,289.08	1,988
Men	1,052.16	2,041
Hours of training/person	14.54	24.27
Directors	324.75	699
Office Managers and Directors	651.83	1,402
Technicians	1,153.16	1,509
Clerical staff	211.5	419



The proportion between participants on courses by sex (women / men) in 2022 was 1.15 compared to 1.14 in 2021.

The percentage of different people trained was 100% in 2022 and 99% in 2021.

Regarding the **promotion index**, understood as an improvement in the structural wage index, in 2020 it was 8.1%. Including other non-structural concepts such as seniority, this rises to 23.6% (7.09% and 28.21% in 2019).

LK average employment index	2021	2022
Women	2.23	2.25
Men	2.51	2.48
Difference M/W	12.20%	10.55%

\*The average employment index is 2.38, the equivalent as at 31/12/2022 to €3,180.03 gross per month.

LK average employment index	2021		2022	
	M	W	M	W
Direct.	4.81	4.03	4.57	4.21
Manager	2.85	2.72	2.85	2.74
Specialist	2.35	2.19	2.33	2.20
Admin.	2.12	1.99	2.07	1.99

LK pay by age	2021		2022	
	Man	Woman	Man	Woman
Up to 30	29,727	29,400	31,426	29,652
Between 31 and 40 years	38,820	34,141	41,958	38,724
Between 41 and 50 years	45,944	41,230	49,912	44,520
Between 51 and 60 years	52,699	44,794	55,581	47,884
Over 60	55,103	43,455	51,288	48,855

Average employment index CLBS	2021	2022
Women	2	1.99
Men	2.4	2.39
Difference M/W	20.40%	20.10%

Average employment index CLBS	2021		2022	
	M	W	M	W
Direct.	*	*	*	*
Manager	3.27	3.35	3.51	3.05
Specialist	-	2.01	*	*
Mngr.	2.19	1.97	2.1	1.98

\*There are no people in this range.

Remuneration at CLBS by age	2021		2021	
	Man	Woman	Man	Woman
Up to 30	1.12	1.14	1.18	1.20
Between 31 and 40 years	1.89	1.8	1.90	1.46
Between 41 and 50 years	2.27	2.04	2.15	2.06
Between 51 and 60 years	2.98	2.07	2.908	2.06
Over 60	2.63	1.89	*	*

\*There are no people in this range.

Lagun Aro average salary	2021	2022
Women	50,032	52,109
Men	64,164	63,860
Difference M/W	28.25%	22.55%

Salary by sex and professional cat. (€ thou.)	2021		2022	
	Men	Women	Men	Women
Directors	103.91	85.2	106.02	84.58
Managers	73.12	66.37	69.45	72.21
Technicians	59.94	53.77	58.79	55.4
Clerical staff	35.58	39.61	46.98	40.4

Remuneration at LABORAL ARO by age	2021		2021	
	Man	Woman	Man	Woman
Up to 30	29,104	29,442	27,587	28,744
Between 31 and 40 years	36,973	32,563	45,729	36,735
Between 41 and 50 years	64,916	50,349	58,502	51,153
Between 51 and 60 years	71,911	53,490	73,508	57,240
Over 60	84,309	84,121	84,487	68,419

Total number of people with an active Individual Development Plan	2021		2022	
	Man	Woman	Man	Woman
Directors	1	1	1	1
Managers	164	90	168	95
Technicians	166	239	293	407
Clerical staff	59	89	99	149
<b>Total</b>	<b>390</b>	<b>419</b>	<b>561</b>	<b>652</b>

The data relating to absenteeism and accidents in the Group are presented below.

Hours and absenteeism rate	2021	Men	Women	2022	Men	Women
Accident and Illness	98,901	38,580	60,321	129,534	40,034	89,500
Maternity	13,440	-	-	12,043	-	12,043
Paternity	9,581	-	-	8,717	8,717	-
Others (Caring for sick children)	2,910	-	-	3,174	-	3,174
<b>Total Hours Absenteeism LK</b>	<b>124,832</b>	-	-	<b>153,467</b>	<b>48,751</b>	<b>104,717</b>
Absenteeism RateLK	3.45	1.34	2.10	4.45	2.89	5.88
Absenteeism Rate Lagun Aro	3.14	0.99	2.15	3.45	0.58	2.87
Total hours absenteeism Lagun Aro	7,280	2,232	5,046	7,994	1,328	6,666
Absenteeism rateCLBS	6.29	7.49	8.57	7.99	2.46	10.23
Total hours absenteeism CLBS	17,744	-	-	19,128	-	-

During 2022, there were 27 women and 29 men that had the right to and took maternity and paternity leave. 100% of these cases returned to their jobs.

LK and CLBS work accidents	2021	2022
Accidents	28	20
Accident frequency (1)	4.38	3.26
Accident severity (2)	0.07	0.18
No. hours worked LK	2,741,830	2,758,916
No. hours worked CLBS	267,797	228,642
Accidents Lagun Aro (3)	0	1
Accident frequency	0	3.57
Accident severity	0	0.23
No. hours worked Lagun Aro	271,526	269,970

(1) Accumulated no. of accidents with sick leave \*1,000,000 / h. worked

(2) Hours lost due to accident \*100/h. theoretical to be worked

(3) In itinere, no sick leave, no fatalities

Out of the accidents in 2022, 14 are women and of those in 2021, 21. Most of the accidents take place travelling to or from work. There is no data on frequency and severity disaggregated by gender. There are no occupational illnesses in our activity for the Group. No subcontractor accidents have been recorded.

### 4.3. Environment

Postamail Users	2021	2022
Number of users.	623,260	624,493
% Users from total customer base	55.33%	55.56%

	LABORAL K./ Lagun Aro	
Paper consumption kg	2021	2022
Promotional paper/customer	0.107	0.089
Office paper/customer	0.219	0.191
Total consumption/customer	0.326	0.280
Total paper consumption/person	164.97	142.77

#### Energy consumptions:

Energy (Gj) (all LABORAL Kutxa and staff)	2021	2022	Seguros LA 2021	Seguros LA 2022
Electricity	41,158	38,054	1,040	1,112
Diesel	25	26	0	0
Propane	0.28	0.30	0	0
<b>Energy consumption A</b>	<b>41,183</b>	<b>38,081</b>	<b>1,040</b>	<b>1,112</b>
Energy consumption/pers.	20.02	18.69	6.11	6.5
<b>External energy consumption B (displacement petrol)</b>	<b>17,705</b>	<b>18,495</b>	<b>1,197</b>	<b>1,677</b>
Energy intensity*	28.63	27.77	13.16	16.30

\* Total energy consumption (including internal A and external B) divided by total number of employees

The **intensity** of greenhouse gas emissions, measured as the total CO<sub>2</sub> emissions from the LK workforce, in this case would be 0.54, compared to 0.56 in 2021. Lagun Aro's was 0.48 in 2022 compared to 0.35 in 2021.



5.

Information  
on the  
Report

## Report Profile

The 2022 report is the eighteenth Sustainability Report presented by LABORAL Kutxa and refers to a full year, the same one as the financial information. Since 2005, the Caja Laboral published annual CSR reports.

LABORAL Kutxa wishes to continue publishing its CSR Report on an annual basis, in accordance with the guidelines laid down by the GRI. The LABORAL Kutxa Sustainability Report for 2022 was prepared following the option in accordance with GRI. All the indicators related to the material aspects identified are answered.

This report also complies with the provisions of Law 11/2018 of 28 December on non-financial information and diversity, also taking into account the Communication from the European Commission 2017/C 215/01 on Guidelines for the presentation of non-financial reports.

The Director of the Financial Area approved the request for verification of the Report.

It concerns the consolidated Group and includes both banking and insurance activities. Information regarding the two insurance companies will be given jointly. For the rest of the companies, due to their organisation and activity, the information is included with that of LABORAL Kutxa, unless there is a specific aspect that requires separate reporting.

In addition, LABORAL Kutxa maintained significant information in terms of sustainability relating to:

- **Real estate asset management companies**, which are companies through which LABORAL Kutxa manages the real estate business. They are instrumental companies, so their data and impacts are integrated into those of LABORAL Kutxa.
- **Caja Laboral BancaSeguros (CLBS)** is an independent broker, 100% owned by LABORAL Kutxa, the underlying purpose of which is to integrate the insurance activity into the business and commercial strategy of LABORAL Kutxa. Its workers are hired employees.

The service that LABORAL Kutxa provides to **CLBS** is the cession of the distribution network for the mediation of insurance products. As it is integrated in LABORAL Kutxa, many of the indicators of its activity are integrated. Those aspects for which there are independent indicators are listed throughout the Report.

LABORAL Kutxa is a member of MONDRAGON. MONDRAGON is made up of 95 autonomous and independent co-operatives that use their own reporting systems.

### Scope of GRI indicators and aspects

In accordance with the established cover, there are no limitations in LABORAL Kutxa's 2022 CSR Report to the scope established by GRI, except for:

- For indicators that could not be covered due to the lack of a measurement system, in which case they have been identified in the Report and in the GRI Indicator Table, and an effort will be made to measure them in future Reports.
- For the indicators that do not apply due to their scarce or even null relevance or materiality in the activity of a financial entity and the economic, political and social context of the Entity and the limitations of which are specified in each of the indicators.

All indicators for which it has not been possible to provide detailed information for the above-mentioned reasons will be indicated in the Report.

Since the 2014 Report, a materiality analysis has been included in order to determine the most relevant issues in the field of sustainability. In 2022, this analysis was carried out from a double-materiality perspective. The results of this analysis are described in the [Materiality Analysis section of part 2](#).

### Policy regarding the verification of the Report

AENOR has been carrying out the verification of CSR Reports prepared by the former Caja Laboral since 2005. Given the knowledge that the verifying organisation has acquired over the many years of this relationship, LABORAL Kutxa, through the Financial Area, plans to continue with this verification system in the future, as long as no new regulatory requirements arise.

### Contact

Access the LABORAL Kutxa website [www.LABORALkutxa.com](http://www.LABORALkutxa.com) on the corporate website, in its Reports and relevant facts section, the following are available:

- Financial Report
- Individual and Consolidated Annual Statements
- Corporate Governance Report
- Transparency Information
- TCFD
- Sustainability Reports/Non-Financial Information Statement

In the Contact section, you can send any type of suggestion, complaint, claim, opinion, etc. To access additional information or topics related to this Report, please send an e-mail to the following address: [RSE@LABORALkutxa.com](mailto:RSE@LABORALkutxa.com)



**Annexes**



6.1. GRI content index

Declaration of use	LABORAL Kutxa prepared the report according to the GRI standards for the period from 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: 2021 Grounds
Applicable GRI Sectoral Standards	Not applicable

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTORAL STANDARD
			OMISSION REQUIREMENTS:	REASON	EXPLANATION	
<b>General content</b>						
<b>GRI 2: General Contents 2021</b>	2-1 Organisational details	Page (p.)8 1.1 Presentation of the Group				
	2-2 Entities included in the preparation of sustainability reports	p.9 Investee Companies				
	2-3 Reporting period, frequency and point of contact	p.101 Report Profile				
	2-4 Restatement of information	The changes that have taken place are described throughout the Report.				
	2-5 External verification	p.101 Report Profile p.160 AENOR Verification				
	2-6 Activities, value chain and other commercial relationships	p.8 Group Presentation p.47 Responsible products and services Refer to <a href="http://www.LABORALKutxa.com">www.LABORALKutxa.com</a> p.12 Geographic distribution p.39 Management approach and Main customer figures p.89 Other customer figures p.4 Letter p.9 Operating structure p.15 Strategy and risk management p.9 Investee Companies p.84 Our relationship with supplier companies				
	2-7 Workforce	p.92 Other figures-People				
	2-8 Workers that are not staff			Not applicable	At Laboral Kutxa, workers that are not staff (sub-contractors) carry out work unrelated to the financial activities, such as cleaning, maintenance, and security.	
	2-9 Structure and composition of the governance	p.9 Operating Structure p.17 Corporate Governance Refer to <a href="#">Corporate Governance Report</a>				
	2-10 Designation and selection of the highest governing body (Board)	Refer to <a href="#">Corporate Governance Report</a>				
	2- 11 Chairman of the Governing Board (GB)	Refer to <a href="#">Corporate Governance Report</a>				
	2-12 Role of the Governing Board in the supervision of the management of impacts	p.32 Analysis of materiality p.17 Corporate Governance p.11 Values, principles, standards and rules of conduct Refer to <a href="#">Corporate Governance Report</a>				



2- 13 Delegation of responsibility for impact management	p.9 Operating Structure p.17 Corporate Governance			
2-14 Role of the GB in the presentation of sustainability reports	p.17 Corporate governance			
2- 15 Conflicts of interest	p.17 Corporate Governance Refer to <a href="#">Corporate Governance Report</a>			
2-16 Communication of critical concerns	p.17 Corporate governance p. 56 Dialogue with staff In the annual report to the Governing Board regarding CSR activities, the relevant activities were identified. There have been no reports of critical concerns.			
2-17 Collective knowledge of the GB	p. 23 Development of the governing bodies			
2-18 Evaluation of the performance of the GB	p. 17 Corporate governance Refer to <a href="#">Corporate Governance Report</a>			
2-19 Remuneration policies	p.23 Remuneration of the Governing Bodies Refer to <a href="#">Annual Consolidated Accounts p.27</a>			
2-20 Process to determine remuneration	p. 63 Remuneration management p.23 Remuneration of the Governing Bodies <a href="#">See prudential relevance report</a> p. 17 Corporate governance			
2-21 Total annual compensation ratio	p. 63 Remuneration management			
2-22 Declaration on the sustainable development strategy	p.4 Letter			
2-23 Commitments and policies	p.15 Strategy and risk management p.17 Principles and Governance p.28 Management approach Risks are generally managed by the Governing Board's Risk Committee and the Risk Appetite Framework, and are reported annually in the Information with Prudential Relevance. Environmental risks are managed within a system certified with ISO 14001: 2015. Risks for customers of new products come under the scope of the Products Committee p.11 Values, principles, standards and rules of conduct <a href="#">TCFD Report</a>			
2-24 Incorporation of commitments and policies	p.17 Principles and governance			
2-25 Processes for remediating negative impacts	p.41 Responsible management towards the customer p.41 Customer Service p. 89 Customer Service			
2-26 Mechanisms for requesting advice and raising concerns	p.24 Corruption and bribery p.41 Customer Service			
2-27 Compliance with the legislation and regulations	The cost of fines and penalties in the years covered by the Report was 0. p.90 Sanctions p. 89 Customer Service p.26 Regulatory Compliance			
2-28 Affiliation to associations	p.73 Initiatives endorsed by LABORAL Kutxa			

	2-29 Approach for the participation of stakeholders	The stakeholders are examined annually in the materiality study. p.32 Analysis of materiality p.39 Dialogue with Customers p.56 Dialogue with People p.73 Dialogue with Society				
	2-30 Joint negotiation agreements					
<b>Material issues</b>						
<b>GRI 3: 2021 Material Issues</b>	3-1 Process for determining the material issues	p.101 Report Profile p.32 Analysis of materiality				
	3-2 List of material issues	p.32 Analysis of materiality p.101 Report Profile				
Protection of privacy and the security of data and operations						
	3-3 Management of material issues	p.45 Protection of privacy and the security of data and operations				
Excellence in quality of service: friendliness, speed of service, simplicity in operations, and minimising errors.						
	3-3 Management of material issues	p.39 Dialogue with customers				
Responsible management towards the customer: clear and transparent explanations, balanced commissions, avoid over-indebtedness and flexibility in the management of unpaid debt.						
	3-3 Management of material issues	p.41 Responsible management with customers and Excellence in quality of service				
Strengthen LABORAL Kutxa's financial solidity, risk management and liquidity.						
	3-3 Management of material issues	p.13 The Group's main figures p.15 Strategy and risk management				
<b>Economics</b>						
<b>Economic performance</b>	201-1 Direct economic value generated and distributed	p.13 Main figures				
	201-2 Financial implications and other risks and opportunities for the organisation's activities due to climate change	p.47 Responsible Products and Services. p.79 Transparency in fossil fuel exposure p.81 Climate change				
	201-3 Defined benefit plan obligations and other retirement plans	p. 63 Remuneration management p.67 Coop. Returns Capitalised				
	201-4 Financial assistance received from the government	p.14 Subsidies				
<b>Presence on the market</b>	202-1 Correlation between the initial salary broken down by gender and the local minimum wage.	p. 63 Remuneration management				
	202-2 Proportion of senior managers from the local community	p.17 Corporate governance				
<b>Indirect economic impacts</b>	203-1 Investments in infrastructure and supported services	p.76 Our relationship with the Environment p.70 Gaztenpresa Foundation p.14 Taxes and duties				
	203-2 Significant indirect financial impacts and their scope	p.71 Indirect Contributions to Society				

<b>Procurement practices</b>	204-1 Percentage of the expenditure in places with significant operations that corresponds to local suppliers.	p.85 Main figures-suppliers				
<b>Anti-corruption</b>	205-1 Number and percentage of centres where Risks related to corruption and identified risks have been assessed	p.24 Corruption and bribery				
	205-2 Anti-corruption communication and training policies and procedures	p.60 Training in Anti-Corruption Procedures p.23 Development of the governing bodies p.24 Corruption and bribery				
	205-3 Confirmed cases and measures taken	p.24 Corruption and bribery p.26 Regulatory compliance				
<b>Unfair competition</b>	206-1 Legal action related to unfair competition and monopolistic and anti-competitive practices	There were no claims or legal actions in the years covered by the Report				
<b>Taxation</b>	207-1 Fiscal approach	p.14 Taxation				
	207-2 Fiscal governance, control and risk management	p.14 Taxation				
	207-3 Stakeholder engagement and management of tax concerns	p.14 Taxation				
	207-4 Country-by-country reporting	p.14 Taxes and duties				
<b>Environmental</b>						
<b>Material</b>	301-1 Materials used by weight or volume.	Materials used by weight or volume.				
	301-2 Percentage of the materials used that are recycled materials.	p.80 Sustainable use of resources				
	301-3 Percentage of products sold and their packaging materials that are recovered at the end of their useful life, by product category.			Not applicable	The physical component of financial products is not significant.	
<b>Energy</b>	302-1 Internal energy consumption.	p.99 Energy consumption p.81 Climate change				
	302-2 External energy consumption.	p.99 Energy consumption p.81 Climate change				
	302-3 Energy intensity	p.99 Energy consumption p.80 Sustainable use of resources				
	302-4 Reduction in energy consumption.	p.99 Energy consumption p.80 Sustainable use of resources				

	302-5 Reductions in the energy requirements of products and services.	p.51 Environmentally Responsible Products and Services.					
<b>Water and effluents</b>	303-1 Interaction with water as a shared resource	p.80 Sustainable use of resources					
	303-2 Management of impacts related to water discharges.						
	303-3 Water extraction						
	303-4 Water discharges						
	303-5 Water consumption						
<b>Biodiversity</b>	304-1 Own, leased or managed business units that are adjacent to, contain or are located in protected (or unprotected) areas of high biodiversity value.			Not applicable	LABORAL Kutxa's financial activity does not affect biodiversity or impact on protected areas		
	304-2 Description of the most significant impacts on the biodiversity in protected areas or in unprotected high biodiversity areas, derived from the activities, products and services.					LABORAL Kutxa's financial activity does not affect biodiversity or impact on protected areas	
	304-3 Protected or restored habitats.						
	304-4 Number of species included in the IUCN Red List and in national conservation lists whose habitats are in areas affected by the business.						
<b>Issues</b>	305-1 / 305-2 Total direct and indirect greenhouse gas emissions by weight	p.81 Climate change					
	305-3 Other indirect greenhouse gas emissions, by weight.	p.81 Climate change					
	305-4 Intensity of greenhouse gas emissions.	p.99 Other figures- Environment					
	305-5 Reduction in greenhouse gas emissions	p.76 Our relationship with the Environment p.81 Climate change					
	305-6 Emissions of ozone-depleting substances.			Not applicable	No ozone-depleting substances are produced,		

	305-7 NO, SO and other significant atmospheric emissions.				imported or exported. Emissions of this type are the result of air conditioning systems and are not considered to be significant.	
<b>Waste</b>	306-1 Generation of waste and significant impacts related to waste.	LABORAL Kutxa has ISO 14001 environmental certification, audited annually, which guarantees proper waste management. p.36 Environmental performance indicators p.79 Circular economy and waste management				
	306-2 Management of significant impacts related to waste.					
	306-3 Waste generated.					
	306-4 Waste not destined for disposal.					
	306-5 Waste destined for disposal.					
<b>Environmental assessment of suppliers</b>	308-1 Percentage of new supplier companies that were examined based on environmental criteria	p.84 Our relationship with supplier companies				
	308-2 Significant actual and potential negative environmental impacts in the supply chain and measures taken					
<b>SOCIAL</b>						
<b>Employment</b>	401-1 New employee recruitment and staff turnover	p. 92 Other figures - People				
	401-2 Benefits for full-time employees that are not given to part-time or temporary employees.	p. 67 Social Benefits Package				
	401-3 Parental leave	p.92 Other figures-People				
<b>Worker-company relations</b>	402-1 Minimum warning times for operational changes	There is no collective agreement in the cooperative. Although neither the Internal Regulations nor the internal employment regulations expressly establish a minimum period of notice for informing working partners of job or workplace changes, major organisational or operational changes must be submitted to the Social Council				
<b>Occupational health and safety</b>	403-1 Occupational health and safety management system	p.65 Occupational Health and Safety				
	403-2 Hazard identification, risk assessment and incident investigation	p.65 Occupational Health and Safety				

	403-3 Occupational health services	Given the financial nature of the business, there are no occupational illnesses or high risks of illness.				
	403-4 Worker participation, consultation and communication on occupational health and safety at work	p.65 Occupational Health and Safety				
	403-5 Occupational health and safety training for workers	p.65 Occupational Health and Safety				
	403-6 Promotion of workers' health.	p.66 Health plan-Zainduz				
	403- 7 Prevention and mitigation of impacts on the health and safety of workers directly linked through business relationships.	Given the activity, no negative impacts of trade relations are detected				
	403-8 Occupational health and safety management system coverage	p.65 Occupational Health and Safety				
	403-9 Work-related injuries.	p.65 Accident rate p.98 Accidents at work				
	403-10 Occupational diseases and illnesses	p.65 Occupational Health and Safety				
<b>Training and education</b>	404-1 Average hours of annual training per employee	p.92 Other figures-People				
	404-2 Skills management and continuing education programmes that promote employability and help manage the end of their professional careers.	p.59 Continuous education programmes p.60 Training for people entering retirement				
	404-3 Percentage of people who receive regular performance and career development reviews.	p.60 Performance Management-Bidean				
<b>Diversity and equal opportunities</b>	405-1 Composition of the governing bodies and breakdown of the workforce by professional category and sex, age, membership of minority groups and other diversity indicators.	p.92 Other figures-People p.17 Corporate Governance				
	405-2 Ratio of basic salary of men to women, broken down by professional category and key business locations.	p. 63 Remuneration management p.92 Other figures-People Equal pay for equal work, regardless of whether male or female				
<b>Non-discrimination</b>	406-1 Number of cases of discrimination and corrective measures taken.	No incidents of discrimination occurred during the period covered by the Report				
<b>Freedom of association and negotiation</b>	407-1 Identification of significant centres or supplier companies where freedom of association and the	Both LABORAL Kutxa and practically all its supplier companies are based in Spain. This means that, by law, human rights must be respected, including the				

	right to enter into collective agreements may be violated or under threat, and measures taken to defend these rights.	freedom of association and collective bargaining.				
<b>Child labour</b>	408-1 Identification of centres and supplier companies that entail a potential risk of incidences of child exploitation, and the measures adopted to contribute to the abolition of such exploitation.	Both LABORAL Kutxa and practically all its supplier companies operate solely in Spain. This means that, by law, human rights must be respected, including the non-exploitation of children.				
<b>Forced or compulsory labour</b>	409-1 Centres and Supplier Companies with a significant risk of being the source of incidences of forced labour, and the measures adopted to contribute to the elimination of all forms of forced labour.	Both LABORAL Kutxa and practically all its supplier companies operate solely in Spain. This means that, by law, human rights must be respected, including forced labour				
<b>Security practices</b>	410-1 Percentage of security staff who have received training on the organisation's human rights policies or procedures as they apply to the business.	LABORAL Kutxa hires its security staff through authorised external companies, who guarantee that 100% of the people employed for the job are properly trained.				
<b>Indigenous peoples' rights</b>	411-1 Number of cases of violation of the rights of indigenous people and the measures taken.	This indicator is not applicable, as the geographical area of LABORAL Kutxa is Spain				
<b>Local communities</b>	413-1 Percentage of centres where programmes for development, impact assessment and local community participation have been implemented.	p.72 Profit sharing p.32 Analysis of materiality				
	413-2 Business centres with significant actual or potential negative effects on local communities	No activities with a negative or potential impact on local communities have been identified.				
<b>Social assessment of suppliers</b>	414-1 Percentage of new supplier companies that were examined based on social criteria	There were no human rights assessments of the various suppliers and subcontractors because, a priori, no supplier companies were identified				
	414-2 Significant actual and potential negative social impacts in the supply chain and the measures taken.	that, due to the volume of purchases in question, the type of business they were engaged in or their location, might pose a significant human rights risk.				
<b>Public policy</b>	415-1 Value of political contributions, by country and recipient.	p.72 Relations with Government Agencies and Political Parties				
<b>Customer health and safety</b>	416-1 Percentage of significant product and service categories for which health and safety	p.39 Our relationship with customers p.47 Responsible products and services				

	impacts have been assessed to promote improvements					
	416-2 Number of incidents arising from non-compliance with regulations or voluntary codes concerning health and safety impacts of products and services during their life cycle.	p.90 Sanctions p.89 Customer Service				
<b>Marketing and labelling</b>	417-1 Type of information required by the organisation's procedures relating to the information and labelling of its products and services.	All the products and services of LABORAL Kutxa are subject to the regulations of the Bank of Spain and the Spanish National Securities Market Commission (CNMV) with regard to information about them and their form of marketing, which guarantees transparency in these procedures. Furthermore, the MIFID regulations are applied to protect the customer (classification, test, information, etc.). p.38 Our relationship with customers				
	417-2 Number of failures to comply with regulations and voluntary codes concerning product and service information and labelling.	p.90 Sanctions p.89 Customer Service				
	417-3 Number of cases of non-compliance with regulations or voluntary codes in relation to marketing communications.	p.90 Sanctions p.89 Customer Service				
<b>Customer privacy</b>	418-1 Number of substantiated complaints about violation of privacy and leaking of customer data	p.90 Sanctions p.89 Customer Service				



## 6.2. Reporting level of the Report

LABORAL Kutxa declares that this report has been prepared in accordance with the GRI. This was indicated by the results of AENOR's external verification.

## 6.3. Disclosure of sustainability information.

In compliance with the quantitative information requirements of Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for credit institutions, LABORAL Kutxa discloses the manner and extent to which the company's activities are associated with environmentally sustainable economic activities. Article 8 requires disclosure of information on the proportion of turnover, investments in fixed assets and operating expenses ("key performance indicators") of activities related to assets or processes linked to environmentally sustainable economic activities.

For the presentation of the Green Asset Ratio (GAR), the templates defined in Annex VI of the EC Delegated Regulation published on 6 July 2021 have been used as a basis. In addition, only the information required for the period from 1 January 2022 to 31 December 2023 is disclosed.

The quantitative indicators were calculated using information available in the Regulatory Data Mart, where all the Entity's operations are reported. The selection of eligible corporate finance operations was based on the activity of the counterparties according to their CNAE (National Business Activity Code), the main limitation being the pending integration in the systems of the information on the specific destination of each operation.

- Template 1 - Assets for calculating the GAR: It contains information on the Entity's exposures broken down by type of counterparty and by type of instrument on a gross carrying amount basis. Eligible economic activities are shown by taxonomy and broken down by type of objective (Adaptation or Mitigation to climate change).
- Template 2 - Information by Sector 2: It contains information on the exposures of the banking book to the sectors covered by the taxonomy (NACE sectors with 4 levels of detail), using the relevant NACE codes according to the main activity of the counterparty.
- Template 3 - GAR results: It contains information on the proportion of total assets covered that finance taxonomy-relevant sectors, i.e. taxonomy-eligible sectors, broken down by type of counterparty and type of instrument, as well as by type of environmental objective.

The results obtained from the GAR calculation reflect the composition of the Entity's balance sheet: a surplus liquidity position, the majority weight of trade finance in SMEs and, especially, the high volume of mortgage financing.

LABORAL Kutxa published on its website in 2022 the second report on the implementation of the TCFD recommendations on climate change. The Financial Stability Board (FSB) commissioned the TCFD (Task Force On Climate-related Financial Disclosures) to develop a reporting framework to help the market assess the performance of companies with respect to climate change and to contribute to stakeholder decision-making. This TCFD report, accessible on the corporate website, describes the actions carried out and the action plans following the recommendations of the framework in 4 aspects: governance, strategy, risk management and metrics and objectives.

Click here for **details of the GAR ratios**

**GAR RATIOS**

To provide a response to the qualitative information on the environmental, social and governance risks, the information published both in this Sustainability Report (SR) and the [TCFD](#) Report are submitted..

<b>ENVIRONMENTAL RISKS</b>		
<b>CORPORATE STRATEGY AND PROCESSES</b>		
A	The entity's corporate strategy for integrating the environmental factors and risks, taking into account the impact of the environmental factors and risks in a corporate environment, the business model, strategy and financial planning of the entity.	TCFD Strategy SR 1.7 Risk management and strategy
B	Objectives, goals and limits to evaluate and manage the environmental risk in the short, medium and long term, and the performance evaluation for these objectives, goals and limits, including forward-looking information on the design of the strategy and the corporate processes	
C	Current investment activities and (future) investment objectives for the achievement of environmental objectives and activities that fall into the EU taxonomy	
D	Policies and procedures related to the direct or indirect commitment with new or existing counterparts in their strategies for mitigating and reducing environmental risks	
<b>GOVERNANCE</b>		
E	Responsibilities of the managing body for establishing the risk framework, supervising and managing the application of the objectives, the strategy and policies in the context of the management of environmental risks including the pertinent transmission channels	TCFD Governance SR 1.8 Principles and governance
F	Integration by the management body of the short, medium and long-term effects of the environmental factors and risks, organisational structure for both the lines of business and the internal control functions	
G	Integration of measures for managing the environmental factors and risks of internal governance mechanisms, including the role of the committees, the assigning of tasks and responsibilities, and the feedback loop between the management of risks and the management body, including the pertinent transmission channels	
H	Information channels and frequency of the information concerning environmental risk	
I	Harmonisation of the remuneration policy with the entity's objectives concerning environmental risk	
<b>RISK MANAGEMENT</b>		
J	Integration of the short, medium and long-term effects of environmental factors and risks in the risk framework	TCFD 3. Risk Management TCFD 4. Objectives and metrics
K	International definitions, methodologies and regulations on which the framework for the management of environmental risks is based	
L	Processes for defining, measuring and supervising activities and exposures (and security interests, where applicable) that are sensitive to environmental risks, including the pertinent transmission channels	
M	Activities, commitments and exposures that contribute to mitigating the environmental risks	
N	Application of tools for the detection, measurement and management of environmental risks	
O	Results of the risk tools applied and estimated impact of the environmental risks in the capital and liquidity risk profile	
P	Availability, quality and accuracy of the data, and efforts made to improve these aspects	
Q	Description of the limits of the environmental risks (as prudential risk factors) that are established, and the activation of the procedures for transfer to superiors and exclusion in the case of non-compliance with these limits	
R	Description of the link (transmission channels) between the environmental risks and the credit, liquidity and financing risk, the market risk, the operational risk and the reputational risk in the framework of risk management	
<b>SOCIAL RISK</b>		
<b>CORPORATE STRATEGY AND PROCESSES</b>		
A	Adjustment of the entity's corporate strategy for integrating social factors and risks, taking into account the impact of the social risk in the corporate environment, the business model, the entity's strategy and financial planning	SR 1.7 Risk management and strategy SR 1.8 Principles and governance
B	Objectives, goals and limits to evaluate and manage the social risk in the short, medium and long term, and the performance evaluation for these objectives, goals and limits, including forward-looking information on the design of the strategy and the corporate processes	
C	Policies and procedures related to the direct or indirect commitment with new or existing counterparts in their strategies for mitigating and reducing activities that are harmful from a social point of view	

GOVERNANCE		
D	Responsibilities of the managing body for establishing the risk framework, supervising and managing the application of the objectives, the strategy and policies in the context of the management of social risks including the counterparts' methods for:	SR 1.8 Principles and governance
	Activities aimed at the community and society	SR 3.3 Our relationship with society
	Occupational relationships and regulations	SR 3.2 Our relationship with the workforce
	Customer protection and product responsibility	SR 3.1 Our relationship with the customers
	Human rights	SR 1.11 Corruption and bribery 1.12 Money laundering 1.13 Regulatory Compliance
E	Integration of measures for managing the social factors and risks of internal governance mechanisms, including the role of the committees, the assigning of tasks and responsibilities, and the feedback loop between the management of risks and the management body	SR 1.8 Principles and governance
F	Information channels and frequency of the information concerning social risk	
G	Harmonisation of the remuneration policy with the entity's objectives concerning social risk	SR 3.2.7 Remuneration management
RISK MANAGEMENT		
H	International definitions, methodologies and regulations on which the framework for the management of social risks is based	SR 3.1 Our relationship with the customers 3.2 Our relationship with the workforce 3.3 Our relationship with society
I	Processes for defining, measuring and supervising activities and exposures (and security interests, where applicable) that are sensitive to social risk, including the pertinent transmission channels	
J	Activities, commitments and assets that contribute to mitigating the social risk	
K	Application of tools for the detection and management of the social risk	
L	Description of the establishment of limits to the social risk and cases of activation of the procedure for the transfer to the superiors and exclusion in the case of non-compliance with these limits	
M	Description of the link (transmission channels) between the social risks and the credit, liquidity and financing risk, the market risk, the operational risk and the reputational risk in the framework of risk management	
GOVERNANCE RISK		
GOVERNANCE		
A	Integration by the entity of its mechanisms for the governance of performance in terms of the governance of counterparts, including the committees of the highest governing body and the committees responsible for making decisions on economic, environmental and social issues	SR 1.8 Principles and governance
B	Accounting by the entity of the role of the counterpart's highest governing body in the submission of non-financial information	
C	Integration by the entity of the mechanisms for the governance of performance in terms of the governance of its counterparts, in particular:	
	Ethical considerations	
	Strategy and risk management	
	Inclusion	
	Transparency	
	Management of conflicts of interest	
	Internal communication on critical concerns	
RISK MANAGEMENT		
D	Integration by the entity of the mechanisms for the management of performance risks in terms of the governance of its counterparts, taking into account:	SR 1.7 Risk management and strategy
	Ethical considerations	
	Strategy and risk management	
	Inclusion	
	Transparency	
	Management of conflicts of interest	
	Internal communication on critical concerns	

6.4. AENOR verification



# Declaración de Verificación de Información No Financiera

declaración de Verificación de AENOR para

**CAJA LABORAL POPULAR COOP. DE CRÉDITO**

relativa al estado consolidado de información no financiera  
**MEMORIA DE SOSTENIBILIDAD Y ESTADO DE INFORMACIÓN NO FINANCIERA 2022**  
conforme a la ley 11/2018  
correspondiente al ejercicio anual finalizado el 31 de diciembre 2022

En Madrid a 2 de marzo de 2023



Rafael García Meiro  
Consejero Delegado/CEO



2013/0863/VNOF-2023

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID  
Página 1 de 5



CAJA LABORAL POPULAR COOP. DE CRÉDITO (en adelante la organización) con domicilio social en: Paseo JM Arizmendiarieta s/n, 20500 Arrasate-Mondragón (Gipuzkoa) ha encargado a AENOR llevar a cabo una verificación bajo un nivel de aseguramiento limitado de su Estado de Información No Financiera (en adelante EINF) conforme a la Ley 11/2018 por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad (en adelante, la Ley 11/2018).

Como resultado de la verificación efectuada AENOR emite la presente Declaración, de la cual forma parte el EINF verificado. La Declaración únicamente es válida para el propósito encargado y refleja sólo la situación en el momento en que se emite.

El objetivo de la verificación es facilitar a las partes interesadas un juicio profesional e independiente acerca de la información y datos contenidos en el EINF de la organización, elaborado de conformidad con la Ley 11/2018.

**Responsabilidad de la organización.** La organización tuvo la responsabilidad de reportar su estado de información no financiera conforme a la Ley 11/2018. La formulación y aprobación del EINF así como el contenido del mismo, es responsabilidad de su Órgano de Administración. Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error, así como los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF. La organización de acuerdo al compromiso formalmente adquirido, ha informado a AENOR que no se han producido, desde la fecha de cierre del ejercicio reportado en el informe no financiero hasta la fecha de la verificación, ningún acontecimiento que pudiera suponer la necesidad de realizar correcciones al informe.

**Programa de verificación conforme a ISO/IEC 17029:2019.** AENOR, de conformidad a la citada Ley, ha realizado la presente verificación como prestador independiente de servicios de verificación. La verificación se ha desarrollado bajo los principios de “enfoque basado en evidencias, presentación justa, imparcialidad, competencia técnica, confidencialidad, y responsabilidad” exigidos en la norma internacional ISO/IEC 17029:2019 “Evaluación de la conformidad – Principios generales y requisitos para los organismos de validación y verificación”.



2013/0863/VNOF-2023

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID  
Página 2 de 5



Igualmente, en el Programa de verificación, AENOR ha considerado los requisitos internacionales de acreditación, verificación o certificación correspondientes a las materias de información contempladas en la Ley:

- Reglamento Europeo EMAS (Verificación Medioambiental)
- SA 8000 (principios y derechos laborales internacionales conformes a la ILO (Organización Internacional del Trabajo), La Declaración Universal de los Derechos Humanos y la Convención sobre los Derechos del Niño. SAAS Procedure 200)
- Sistema de Gestión Medioambiental (ISO 14001).
- Sistema de Gestión de Responsabilidad Social, esquemas IQNet SR 10 y SA8000.
- Sistema de Gestión de la Calidad (ISO 9001).
- Sistema de Gestión de la Energía (ISO 50001).
- Sistema de Gestión de Seguridad y Salud en el Trabajo (ISO 45001).

Adicionalmente, los criterios e información que se han tenido en cuenta como referencia para realizar el Programa de verificación han sido:

- 1) La ley 11/2018 de 28 de diciembre, por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad.
- 2) La Directiva 2014/95/UE del Parlamento Europeo y del Consejo de 22 de octubre de 2014 por la que se modifica la Directiva 2013/34/UE en lo que respecta a la divulgación de información no financiera e información sobre diversidad por parte de determinadas grandes empresas y determinados grupos.
- 3) La Comunicación de la Comisión Europea 2017/C 215/01, Directrices sobre la presentación de informes no financieros (metodología para la presentación de información no financiera).
- 4) La norma internacional ISO/IEC 17029:2019 Evaluación de la conformidad - Principios generales y requisitos para los organismos de validación y verificación.
- 5) Los criterios establecidos por la iniciativa mundial de presentación de informes de sostenibilidad en los estándares CRI cuando la organización haya optado por este marco internacional reconocido para la divulgación de la información relacionada con su desempeño en materia de responsabilidad social corporativa.

2013/0863/VNOF-2023

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID  
Página 3 de 5



AENOR se exime expresamente de cualquier responsabilidad por decisiones, de inversión o de otro tipo, basadas en la presente Declaración.

Durante el proceso de verificación realizado, bajo un nivel de aseguramiento limitado, AENOR realizó entrevistas con el personal encargado de recopilar y preparar el EINF y revisó evidencias relativas a:

- Actividades, productos y servicios prestados por la organización.
- Consistencia y trazabilidad de la información aportada, incluyendo el proceso seguido de recopilación de la misma, muestreando información sobre la reportada.
- Cumplimentación y contenido del estado de información no financiero con el fin de asegurar la integridad, exactitud y veracidad en su contenido.
- Carta de manifestaciones del Órgano de Administración.

Las conclusiones por tanto se fundamentan en los resultados de ese proceso de carácter muestral, y no eximen a la Organización de su responsabilidad sobre el cumplimiento de la legislación que le sea de aplicación.

En la Memoria de Sostenibilidad se encuentra la información relativa a la Taxonomía de actividades ambientalmente sostenibles elaborada según establece el Reglamento UE 2020/852 del Parlamento Europeo y del Consejo de 18 de junio, relativo al establecimiento de un marco para facilitar las inversiones sostenibles en cuanto a la obligación de divulgar información sobre la manera y la medida en que las actividades de la empresa obligada se asocian a actividades económicas que se consideren medioambientalmente sostenibles según los principios y objetivos ambientales establecidos en dicho Reglamento. Respondiendo a este nuevo requerimiento, los administradores de la organización han incorporado al Informe de Información No Financiera la información que, en su opinión, mejor permite dar cumplimiento a esta nueva obligación, y que se recogen en el apartado E.4 del Estado de Información No Financiera adjunto.

El personal involucrado en el proceso de verificación, la revisión de conclusiones y la decisión en la emisión de la presente Declaración, dispone de los conocimientos, habilidades, experiencia, formación, infraestructuras de apoyo y la capacidad necesarios para llevar a cabo eficazmente dichas actividades.



2013/0863/VNOF-2023

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID  
Página 4 de 5





## CONCLUSIÓN

Basado en lo anterior, en nuestra opinión, no hay evidencia que haga suponer que la información no financiera reportada en la MEMORIA DE SOSTENIBILIDAD Y ESTADO DE INFORMACIÓN NO FINANCIERA 2022 que se publica como documento independiente al Informe de Gestión de las Cuentas Anuales Consolidadas 2022 y para la información del periodo objeto del informe, ejercicio anual finalizado el 31 de diciembre de 2022, no proporcione información fiel del desempeño de CAJA LABORAL POPULAR COOP. DE CRÉDITO y sociedades referenciadas en el estado de información no financiera consolidado, en materia de responsabilidad social exclusivamente en lo relativo al contenido requerido por la Ley 11/2018 respecto a cuestiones ambientales, sociales y relativas al personal, incluida la gestión de la igualdad, la no discriminación y la accesibilidad universal, los derechos humanos, lucha contra la corrupción y el soborno y la diversidad.



2013/0863/VNOF-2023

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID  
Página 5 de 5





**Declaration date** 31/12/2022  
**Code Status** 0583  
**Name Status** GAR002  
**Description Status** Information by sector (GAR) (mandatory)  
**Version Status** 12  
**Sub-report Code** 05831 200010  
**Sub-report Name** GAR002  
**Sub-report Description** Information by sector (GAR) (mandatory)  
**Reporting entity** 4 - CAJA LABORAL (CONSOLIDATED)  
**Presentation code** 3035  
**Generation sequence** 1  
**Global change 1** C\_

	Breakdown by sec	Climate Change M					Climate Change A						TOTAL (CCM + CC)						
		Non-Financial Com					Non-Financial Com						Non-Financial Com						
		Gross book value					Gross book value						Gross book value						
		Millions EUR	Of which: environ		Millions EUR	Of which: environ	Millions EUR	Of which: environ		Millions EUR	Of which: environ	Millions EUR	Of which: environ		Millions EUR	Of which: environ		Of which: environmentally sustainable (CCM+CCA)	
1A.	3030 - Manufactur	18	20,00				18	17,00				18	37,00						
1A.	4299 - Construct	18	0,00				18	0,00				18	0,00						
1A.	9999 - CNAS not in	18	6,00				18	0,00				18	6,00						
1A.	TOTAL	18	26,00				18	17,00				18	43,00						

**Declaration date** 31/12/2022  
**Code Status** 0583  
**Name Status** GAR002  
**Description Status** Information by sector (GAR) (mandatory)  
**Version Status** 12  
**Sub-report Code** 05831200010  
**Sub-report Name** GAR002  
**Sub-report Description** Information by sector (GAR) (mandatory)  
**Reporting entity** 4 - CAJA LABORAL (CONSOLIDATED)  
**Presentation code** 3035  
**Generation sequence** 1  
**Global change 1** VN\_

	Breakdown by sector	Climate Change M				Climate Change A				TOTAL (CCM + CC)				
		Non-Financial Corr			SMEs and other No	Non-Financial Corr			SMEs and other No	Non-Financial Corr			SMEs and other No	
		Gross book value			Gross book value	Gross book value			Gross book value	Gross book value			Gross book value	
		Millions EUR		Of which: environn	Millions EUR		Of which: environn	Millions EUR		Of which: environn	Millions EUR		Of which: environn	Millions EUR
														Of which: environmentally sustainable (CCM+CCA)
1A	2822 - Manufacture	1B	1,00			1H	0,00			1N	1,00			
1A	3020 - Manufactur	1B	20,00			1H	16,00			1N	36,00			
1A	4110 - Property de	1B	0,00			1H	0,00			1N	0,00			
1A	4299 - Constructio	1B	0,00			1H	0,00			1N	0,00			
1A	4311 - Demolition	1B	0,00			1H	0,00			1N	0,00			
1A	4321 - Electrical ins	1B	0,00			1H	0,00			1N	0,00			
1A	6810 - Buying and	1B	2,00			1H	0,00			1N	2,00			
1A	6820 - Renting of re	1B	8,00			1H	0,00			1N	8,00			
1A	8532 - Secondary t	1B	0,00			1H	0,00			1N	0,00			
1A	8559 - Other educ	1B	1,00			1H	0,00			1N	1,00			
1A	9999 - CNAEs not in	1B	10,00			1H	0,00			1N	10,00			
1A	TOTAL	1B	51,00			1H	16,00			1N	68,00			





Declaration date 31/12/2022  
 Code Status 0586  
 Name Status GAR04  
 Description Status GAR key performance indicator in terms of flow (mandatory)  
 Variant Status 02  
 Sub-report Code 0286/200010  
 Sub-report Name GAR04  
 Sub-report Description GAR key performance indicator in terms of flow (mandatory)  
 Reporting entity 4 - CAJA LABORAL (CONSOLIDATED)  
 Presentation code 3035  
 Generation sequence 1  
 Global change 1 C\_Copier

%	Compared to	Climate Change A						TOTAL (CCM + CC)						Share of total new assets covered																		
		Climate Change A	Climate Change B	Climate Change C	Climate Change D	Climate Change E	Climate Change F	Climate Change A	Climate Change B	Climate Change C	Climate Change D	Climate Change E	Climate Change F																			
		Proportion of total	Proportion of total	Of which: specialist	Of which: transition	Of which: enablers	Proportion of total	Proportion of total	Of which: specialist	Of which: transition	Of which: enablers	Proportion of total	Proportion of total	Of which: specialist	Of which: transition	Of which: enablers																
	GAR - Asset cover	90.47	18	0.00	1C	0.00	1D	0.00	1E	0.00	1F	0.15	1G	0.00	1H	0.00	1I	0.00	1J	0.00	1K	90.62	1L	0.00	1M	0.00	1N	0.00	1O	0.00	1P	41.09
	Loans and adv	90.42	28	0.00	2C	0.00	2D	0.00	2E	0.00	2F	0.15	2G	0.00	2H	0.00	2I	0.00	2J	0.00	2K	90.57	2L	0.00	2M	0.00	2N	0.00	2O	0.00	2P	40.87
	Financial Corr	0.00	38	0.00	3C	0.00	3D	0.00	3E	0.00	3F	0.00	3G	0.00	3H	0.00	3I	0.00	3J	0.00	3K	0.00	3L	0.00	3M	0.00	3N	0.00	3O	0.00	3P	1.84
	Credit instr	0.00	48	0.00	4C	0.00	4D	0.00	4E	0.00	4F	0.00	4G	0.00	4H	0.00	4I	0.00	4J	0.00	4K	0.00	4L	0.00	4M	0.00	4N	0.00	4O	0.00	4P	1.77
	Loans or	0.00	58	0.00	5C	0.00	5D	0.00	5E	0.00	5F	0.00	5G	0.00	5H	0.00	5I	0.00	5J	0.00	5K	0.00	5L	0.00	5M	0.00	5N	0.00	5O	0.00	5P	0.73
	Debt sec	0.00	68	0.00	6C	0.00	6D	0.00	6E	0.00	6F	0.00	6G	0.00	6H	0.00	6I	0.00	6J	0.00	6K	0.00	6L	0.00	6M	0.00	6N	0.00	6O	0.00	6P	1.03
	Equity inv	0.00	78	0.00	7C	0.00	7D	0.00	7E	0.00	7F	0.00	7G	0.00	7H	0.00	7I	0.00	7J	0.00	7K	0.00	7L	0.00	7M	0.00	7N	0.00	7O	0.00	7P	0.01
	Other Finan	0.00	88	0.00	8C	0.00	8D	0.00	8E	0.00	8F	0.00	8G	0.00	8H	0.00	8I	0.00	8J	0.00	8K	0.00	8L	0.00	8M	0.00	8N	0.00	8O	0.00	8P	0.06
	Of which: b	98		9C		9D		9E		9F		9G		9H		9I		9J		9K		9L		9M		9N		9O		9P	0.00	
	Loans	108		10C		10D		10E		10F		10G		10H		10I		10J		10K		10L		10M		10N		10O		10P	0.00	
	Debt v	118		11C		11D		11E		11F		11G		11H		11I		11J		11K		11L		11M		11N		11O		11P	0.00	
	Equity	128		12D		12E		12F		12G		12H		12I		12J		12K		12L		12M		12N		12O		12P		12Q	0.00	
	Of which: 13A	138		13C		13D		13E		13F		13G		13H		13I		13J		13K		13L		13M		13N		13O		13P	0.00	
	Loans	148		14C		14D		14E		14F		14G		14H		14I		14J		14K		14L		14M		14N		14O		14P	0.00	
	Debt v	158		15C		15D		15E		15F		15G		15H		15I		15J		15K		15L		15M		15N		15O		15P	0.00	
	Equity	168		16D		16E		16F		16G		16H		16I		16J		16K		16L		16M		16N		16O		16P		16Q	0.00	
	Of which: 17A	0.00	178	0.00	17C	0.00	17D	0.00	17E	0.00	17F	0.00	17G	0.00	17H	0.00	17I	0.00	17J	0.00	17K	0.00	17L	0.00	17M	0.00	17N	0.00	17O	0.00	17P	0.06
	Loans	0.00	188	0.00	18C	0.00	18D	0.00	18E	0.00	18F	0.00	18G	0.00	18H	0.00	18I	0.00	18J	0.00	18K	0.00	18L	0.00	18M	0.00	18N	0.00	18O	0.00	18P	0.00
	Debt v	198		19C		19D		19E		19F		19G		19H		19I		19J		19K		19L		19M		19N		19O		19P	0.00	
	Equity	0.00	208	0.00	20C	0.00	20D	0.00	20E	0.00	20F	0.00	20G	0.00	20H	0.00	20I	0.00	20J	0.00	20K	0.00	20L	0.00	20M	0.00	20N	0.00	20O	0.00	20P	0.06
	Non-Financial	4.26	218	0.00	21C	0.00	21D	0.00	21E	0.00	21F	2.75	21G	0.00	21H	0.00	21I	0.00	21J	7.03	21K	0.00	21L	0.00	21M	0.00	21N	0.00	21O	0.00	21P	2.17
	Non-Financ	4.26	228	0.00	22C	0.00	22D	0.00	22E	0.00	22F	2.75	22G	0.00	22H	0.00	22I	0.00	22J	7.03	22K	0.00	22L	0.00	22M	0.00	22N	0.00	22O	0.00	22P	2.17
	Loans or	4.27	238	0.00	23C	0.00	23D	0.00	23E	0.00	23F	2.91	23G	0.00	23H	0.00	23I	0.00	23J	7.18	23K	0.00	23L	0.00	23M	0.00	23N	0.00	23O	0.00	23P	2.05
	Debt sec	4.02	248	0.00	24C	0.00	24D	0.00	24E	0.00	24F	0.00	24G	0.00	24H	0.00	24I	0.00	24J	4.02	24K	0.00	24L	0.00	24M	0.00	24N	0.00	24O	0.00	24P	0.04
	Equity inv	4.39	258	0.00	25C	0.00	25D	0.00	25E	0.00	25F	0.00	25G	0.00	25H	0.00	25I	0.00	25J	4.39	25K	0.00	25L	0.00	25M	0.00	25N	0.00	25O	0.00	25P	0.08
	Homes	100.00	268	0.00	26C	0.00	26D	0.00	26E	0.00	26F	0.00	26G	0.00	26H	0.00	26I	0.00	26J	100.00	26K	0.00	26L	0.00	26M	0.00	26N	0.00	26O	0.00	26P	36.86
	Of which: b	100.00	278	0.00	27C	0.00	27D	0.00	27E	0.00	27F	0.00	27G	0.00	27H	0.00	27I	0.00	27J	100.00	27K	0.00	27L	0.00	27M	0.00	27N	0.00	27O	0.00	27P	33.82
	Of which: b	100.00	288	0.00	28C	0.00	28D	0.00	28E	0.00	28F	0.00	28G	0.00	28H	0.00	28I	0.00	28J	100.00	28K	0.00	28L	0.00	28M	0.00	28N	0.00	28O	0.00	28P	1.05
	Of which: c	100.00	298	0.00	29C	0.00	29D	0.00	29E	0.00	29F	0.00	29G	0.00	29H	0.00	29I	0.00	29J	100.00	29K	0.00	29L	0.00	29M	0.00	29N	0.00	29O	0.00	29P	0.00
	Local Govern	308		30C		30D		30E		30F		30G		30H		30I		30J		30K		30L		30M		30N		30O		30P	0.00	
	Security Inter	100.00	318	0.00	31C	0.00	31D	0.00	31E	0.00	31F	0.00	31G	0.00	31H	0.00	31I	0.00	31J	100.00	31K	0.00	31L	0.00	31M	0.00	31N	0.00	31O	0.00	31P	0.23
	Local Govern	328		32C		32D		32E		32F		32G		32H		32I		32J		32K		32L		32M		32N		32O		32P	0.00	
	Total assets of GAR	57.02	338	0.00	33C	0.00	33D	0.00	33E	0.00	33F	0.09	33G	0.00	33H	0.00	33I	0.00	33J	57.12	33K	0.00	33L	0.00	33M	0.00	33N	0.00	33O	0.00	33P	65.20









**Declaration date** 31/12/2022  
**Code Status** 0473  
**Name Status** SP3\_ESG\_004  
**Description Status** 4. BE-RTCC: Exposures of the top 20 carbon-intensive companies  
**Version Status** 01  
**Sub-report Code** 04730100010  
**Sub-report Name** SP3\_ESG\_004  
**Sub-report Description** 4. BE-RTCC: Exposures of the top 20 carbon-intensive companies  
**Reporting entity** 4 - CAJA LABORAL (CONSOLIDATED)  
**Presentation code** 3035  
**Generation sequence** 2

	Gross book value		Gross b		Of which, environmentally sustainable (MCC) (Millions of euros)		Average weighted maturity (years)		Number of companies among the top
1A	0	1B	0,00	1C	0	1D	0,00	1E	0





**Declaration date** 31/12/2022  
**Code Status** 0475  
**Name Status** SP3\_ESG\_010  
**Description Status** 10 Other mitigation actions  
**Version Status** 01  
**Sub-report Code** 04750100010  
**Sub-report Name** SP3\_ESG\_010  
**Sub-report Description** 10 Other mitigation actions  
**Reporting entity** 4 - CAJA LABORAL (CONSOLIDATED)  
**Presentation code** 3035  
**Generation sequence** 2

	Type of financial instrument	Type of counterparty	Gross book value	Type of alleviated risk	Type of alleviated risk
	Bonds (e.g. green,	Financial entities	1A	0 1B	1C
		Non-financial companies	2A	0 2B	2C
		Of which, companies	3A	0 3B	3C
		Other counterparts	4A	0 4B	4C
	Loans (e.g. green,	Financial entities	5A	0 5B	5C
		Non-financial companies	6A	0 6B	6C
		Of which, companies	7A	0 7B	7C
		Retailers	8A	0 8B	8C
		Of which, residential	9A	0 9B	9C
		Of which, housing	10A	0 10B	10C
		Other counterparts	11A	0 11B	11C