



# ICO GROUP **INTEGRATED REPORT** **2023**



Instituto de Crédito Oficial

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# LETTER FROM THE PRESIDENT





**José Carlos García de Quevedo**  
President from ICO

## LETTER FROM THE PRESIDENT

### ACTIVITY ICO GROUP 2023. THE FUTURE IS TODAY

In 2023, ICO Group—made up of ICO, AXIS and ICO Foundation —has driven its activity around the strategic axes set out in its roadmap for 2022-2027: business growth, sustainable finance and digitalisation, taking as a reference the Transformation and Resilience Recovery Plan and the EU's Multiannual Financial Framework and Next Generation funds.

Our aim is to help companies of all sectors and sizes to roll out their projects and growth plans, to be more competitive and to continue to generate quality employment. We have therefore continued to expand and strengthen our product portfolio—ICO Mediation Facilities and direct financing programmes—while at the same time managing the guarantee facilities approved by the government to mitigate the impact of the health crisis and Russia's invasion of Ukraine.

In this way, ICO has channelled more than €12.50 billion in financing through a public-private collaboration to the self-employed, SMEs and companies in 2023, a figure that represents an increase of 112% over the volume recorded in the previous year.

I consider it important not only highlight the figures of the balance sheet, but also the qualitative aspect of our activity and how we are focusing our efforts to help all companies to undertake their green and digital transition plans. At ICO Group, we have the challenge of remaining at the forefront with new initiatives that promote this transition, and the commitment to accompany SMEs in this process, paying special attention to smaller ones, with the aim of leaving no one behind.

In 2023, ICO Group reinforced its role as a promoter of sustainable projects, both from a social and environmental point of view, in accordance with its 2022-2027 Strategy, which establishes that 40% of all new financing in the reference period should be sustainable. Thus, 46% of the total direct financing operations approved during the year, which will mobilise an investment of €16.31 billion, promote





projects that have a positive environmental or social impact. ICO has also consolidated its position as a European benchmark in sustainable bond markets, with two new issues of green and social bonds, for an amount of €500 million each.

As an accredited EU Implementing Partner, we reached a new milestone by making our first call under the Invest EU programme in 2023 to invest €150 million in sustainable infrastructure and mobilise at least €300 million in partnership with private investors.

Also with AXIS, ICO Group's venture capital subsidiary, we have empowered our sustainability initiatives by managing to rank the Fund-ICO Sustainability and Infrastructures in the "article 8" category in accordance with the EU Sustainable Finance Disclosures Regulation (SFDR), acquiring the commitment to promote social and environmental investments, and expanding the allocation and scope of the Social Impact and Sustainability initiative, encompassed within Fund-ICO SME.

In the digitalisation section, it is worth noting the growth of Fund-ICO Next Tech, an initiative of the Recovery, Transformation and Resilience Plan. The purpose of this Fund is to mobilise investments in public-private partnerships to foster the development of innovative, high-impact digital projects and investment in scale-ups. In 2023, its allocation was doubled to €4 billion and it was the instrument through which Spain supported the European Tech Champions Initiative, with the aim of promoting the development of innovative start-ups in the EU.

In this modernisation and transition towards more sustainable and digital growth models, as I have already pointed out, we are committed to leaving no one behind. To this end, ICO Foundation has developed training and dissemination campaign in sustainable finance and financial education, paying special attention to SMEs, while promoting social inclusion in all the cultural activities it conducts. Thanks to the dedication and good performance of all the professionals working in ICO Group, the objectives set for 2023 have been achieved in all areas of activity, which are described in detail in this Comprehensive Report. The 10 Principles of the United Nations Global Compact—a commitment to which ICO Group has renewed for another year—and the standards of the Global Reporting Initiative have been used as a guide. All of this has the aim of offering the highest standard of transparency, clarity and integrity on the economic, environmental and social impact in reporting of our activity, as set out by Law 11/2018.

Our activity in 2023 has featured the Transformation and Resilience Recovery Plan. During the year we have prepared ourselves to assume the role assigned to ICO Group in the second phase of the Recovery Plan under the best conditions, which was established in the Addendum approved by the Council of Ministers in June and received the positive assessment of the European Commission and the approval of ECOFIN in October.

In this phase of the Recovery Plan, ICO and AXIS will channel €40 billion euros in loans from the Next Generation Funds to the business sector to finance projects that promote the green transition, business growth and digitisation, and the construction of housing for social or affordable rent. During 2023 and the first half of 2024 (I am writing this letter in June), we have worked intensively with the European Commission, in conjunction with the General Secretariat of the Treasury and the relevant ministries, to activate these initiatives and make them available to the business community in the coming weeks.

Central to this deployment will be the public-private partnership scheme that is part of ICO Group's DNA. We estimate that between 70-75% of the resources will be distributed through financial intermediaries, 2/3 of which will be to financial institutions and 1/3 to private equity managers.

Recovery Plan loans constitute a safety net and represent a major opportunity for businesses of all sizes and sectors to complete the modernisation and transformation they are undergoing. The public and private sector, together, have the resources, the experience and the capacity to contribute to this transformation.

**The opportunity is now, the future is today.**



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# ACTIVITY SUMMARY 2023

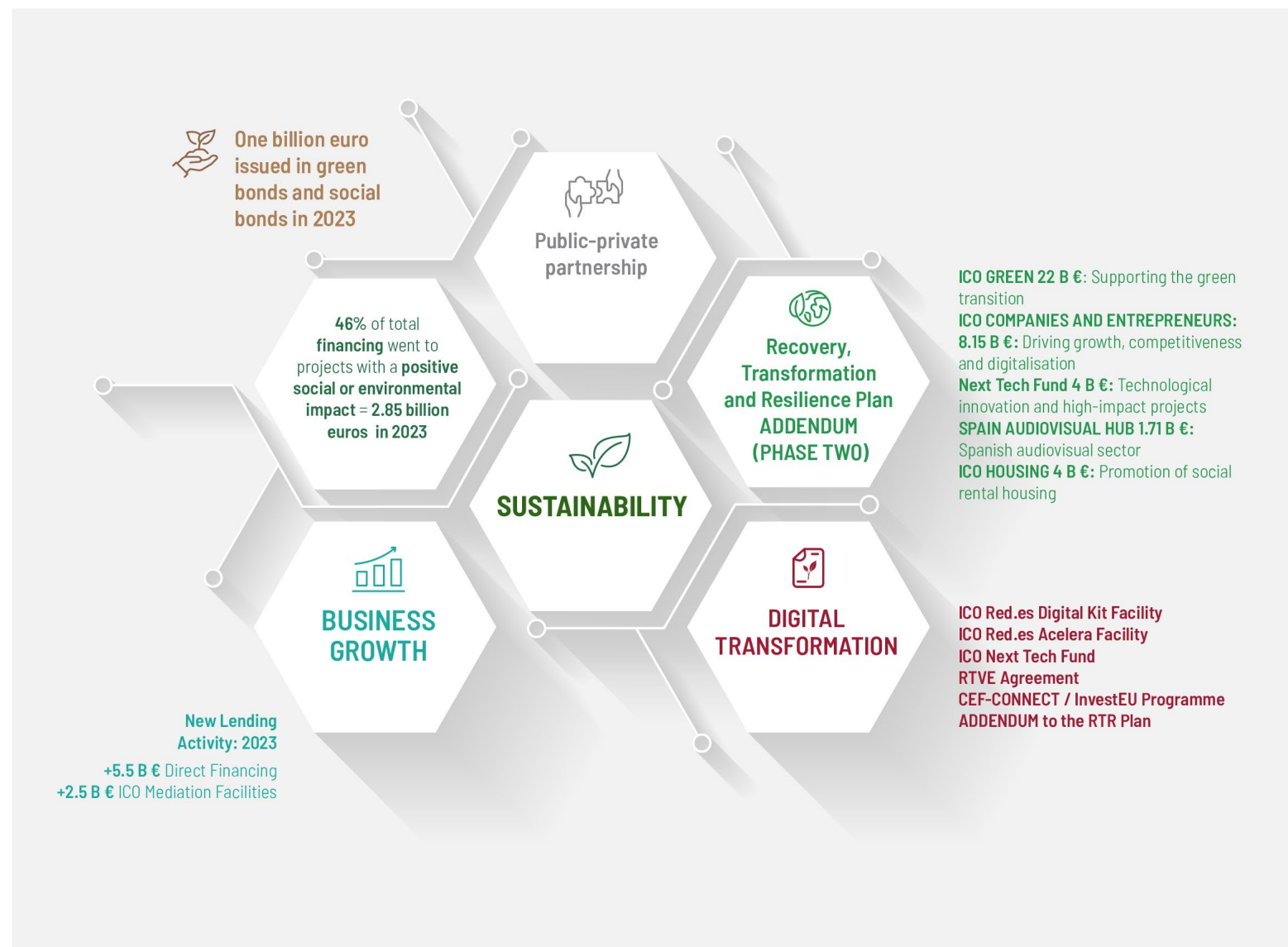


## ACTIVITY SUMMARY 2023

ICO Group is made up of its subsidiary, AXIS, a venture capital manager in which ICO (Instituto de Crédito Oficial) holds 100% of its capital, and Fundación ICO, a state public foundation that conducts its activities under the sole patronage of ICO.

The activity of the ICO Group is aimed at mobilising national and EU resources in public-private partnerships through a broad catalogue of financial instruments accessible to companies of all sectors and sizes, especially SMEs, midcaps, the self-employed and entrepreneurs, in order to help them grow, improve their competitiveness, and promote their business projects, with special emphasis on those that promote sustainability, energy transition, digital transformation and social and territorial cohesion.

During 2023, the ICO Group continued to manage a significant volume of activity through its product catalogue, which includes ICO's lending and guarantees, the funds and guarantees managed on behalf of the State, and the private equity and venture capital activity of Axis.

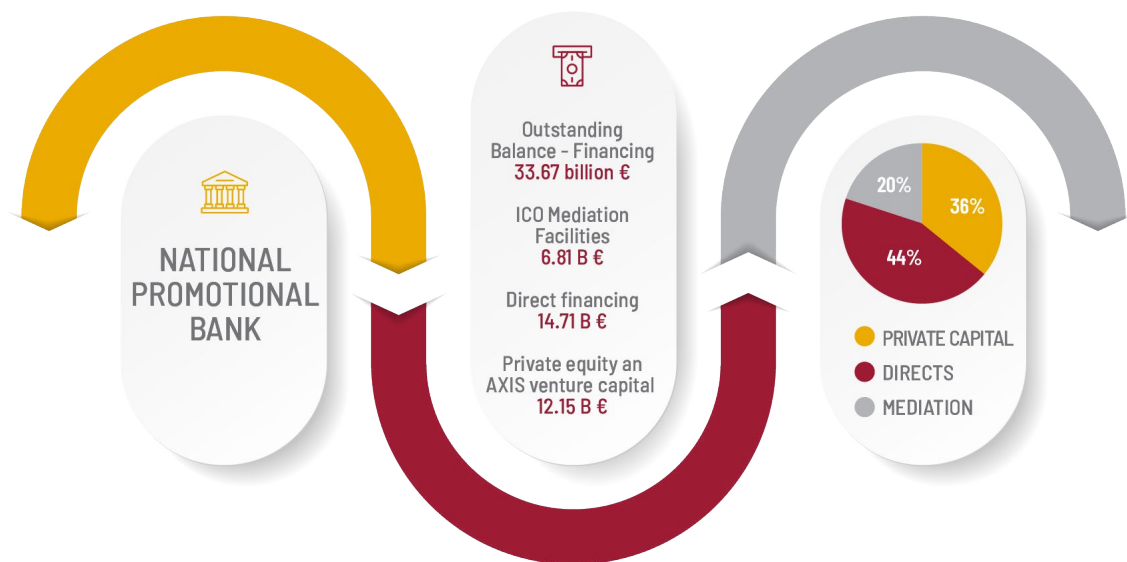






## ICO as a national promotional bank

ICO, as a credit institution, provides financing to companies, and in particular to SMEs, the self-employed and entrepreneurs, through mediation facilities (channelling public-private partnership financing through financial institutions), direct financing products (requested from ICO directly by companies themselves), the purchase of bonds issued by companies in regulated markets, and financing through venture capital/private equity funds managed by AXIS.

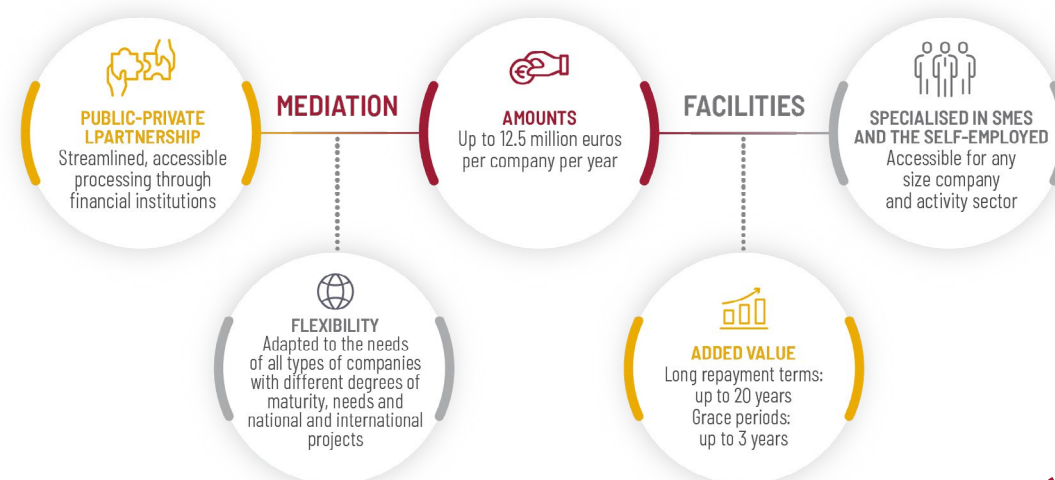


The new activity generated by ICO as a national promotional bank has increased in recent years, from just over 2.7 billion euros in 2021 to around 8 billion in 2023 in new direct activity provisions and mediation facilities.

NEW ICO ACTIVITY	2023	2022	2021
Provisions. Figures in millions of euros			
<b>DIRECT FINANCING</b>	<b>5,545</b>	<b>3,855</b>	<b>1,715</b>
<b>Direct loans and guarantees</b>	<b>3,264</b>	<b>1,916</b>	<b>1,066</b>
National	2,324	1,145	489
International	940	771	577
<b>Complementary financing</b>	<b>2,281</b>	<b>1,939</b>	<b>649</b>
<b>MEDIATION FACILITIES</b>	<b>2,521</b>	<b>1,561</b>	<b>1,036</b>
National	2,105	1,182	652
International	416	379	384
<b>TOTAL</b>	<b>8,066</b>	<b>5,416</b>	<b>2,751</b>

## Mediation Facilities: public-private partnership, anticipation and adaptation

ICO Mediation Facilities function by giving these programmes a greater degree of capillarity, allowing companies of all sectors, sizes and regions to tap into this financing.





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During 2023, ICO distributed **2.52 billion euros** in loans to SMEs and the self-employed to Spanish companies or companies with Spanish holdings **through the ICO Mediation Facilities** (+61% compared to 2022), in collaboration with financial institutions, which are responsible for marketing these products, giving them great capillarity. Thanks to this public-private partnership scheme, **12,111 operations** were financed in 2023 for the self-employed and SMEs in all the Autonomous Communities and activity sectors.

PROVISIONS ICO MEDIATION FACILITIES IN SPAIN (*)				
COMPANY SIZE	2023		2022	
	NO. OF OPERATIONS	% OF TOTAL LOANS	NO. OF OPERATIONS	% OF TOTAL LOANS
Less than 10 employees	7,595	63%	8,659	70%
Between 10 and 49 employees	3,011	25%	2,827	23%
Between 50 and 149 employees	958	8%	603	5%
Between 150 and 249 employees	253	2%	150	1%
More than 250 employees	294	2%	149	1%
<b>Total</b>	<b>12,111</b>	<b>100%</b>	<b>12,388</b>	<b>100%</b>

\* Does not include the International Channel

## Direct Financing: access to midcaps, complementarity, long term, major projects with Spanish holdings, internationalisation

Similarly, ICO, as a national promotional bank, distributed over **5.5 billion euros in 2023** (+44% compared to 2022) in the real economy through **new direct financing activity**, both nationally and internationally, aimed especially at projects developed by medium and large companies, with a **special focus on those that generate a positive social and/or environmental impact**.

NEW DIRECT ACTIVITY	Provisions 2023 Millions of euros	Provisions 2022 Millions of euros
<b>Direct loans and guarantees</b>	<b>3,264</b>	<b>1,916</b>
<b>National</b>	<b>2,324</b>	<b>1,145</b>
Corporate loans	1,366	829
Institutional loans	937	297
National guarantees	21	19
<b>International</b>	<b>940</b>	<b>771</b>
Corporate loans	796	633
Institutional loans	6	16
International guarantees	138	122
<b>Complementary financing</b>	<b>2,281</b>	<b>1,939</b>
Corporate bonds	257	319
Project bonds	0	25
MARF bonds	9	10
MARF promissory notes	1,479	1,202
Asset-backed securities	536	383
<b>TOTAL</b>	<b>5,545</b>	<b>3,855</b>

\*The guarantees granted by ICO in its activity as a national promotional bank form part of ICO's balance sheet.

In direct financing programmes, ICO has continued to work so that companies can diversify the sources where they tap into resources, offering different solutions linked to the **acquisition of project bonds or corporate bonds and promissory notes issued** by Spanish companies **in regulated markets such as the MARF** (Mercado Alternativo de Renta Fija [Fixed Income Alternative Market]), prioritising those that are certified as responsible issuers or that are listed in sustainability indices. In total, ICO has invested **1.75 billion euros** in these programmes in 2023. In addition to this amount, 536 million euros in asset-backed bonds were issued **in 2023**.





## International activity

One of ICO's priorities is to **promote the internationalisation** of Spanish companies in order to finance the expansion of their activities into international markets, placing special attention on SMEs, the self-employed and entrepreneurs. Furthermore, ICO actively contributes to the **Strategy for the Internationalisation of the Spanish Economy 2021-2027**.

Of the total loan volume listed under the Mediation Facilities and direct financing programmes, **€1.36 billion** was **allocated to internationalisation projects** (+18% compared to 2022). **Formalisations with an investment allocation outside Spain** (direct activity + ICO Mediation Facilities) have remained **above 24%** of the total ICO activity over the **last 5 years**.

Since the launch of the **ICO International Channel Facility** in 2015, a volume of **€4.28 billion** has been **approved until the end of 2023** through 39 operations corresponding to 20 different counterparts. The cumulative amount formalised under the programme is €3.91 billion.

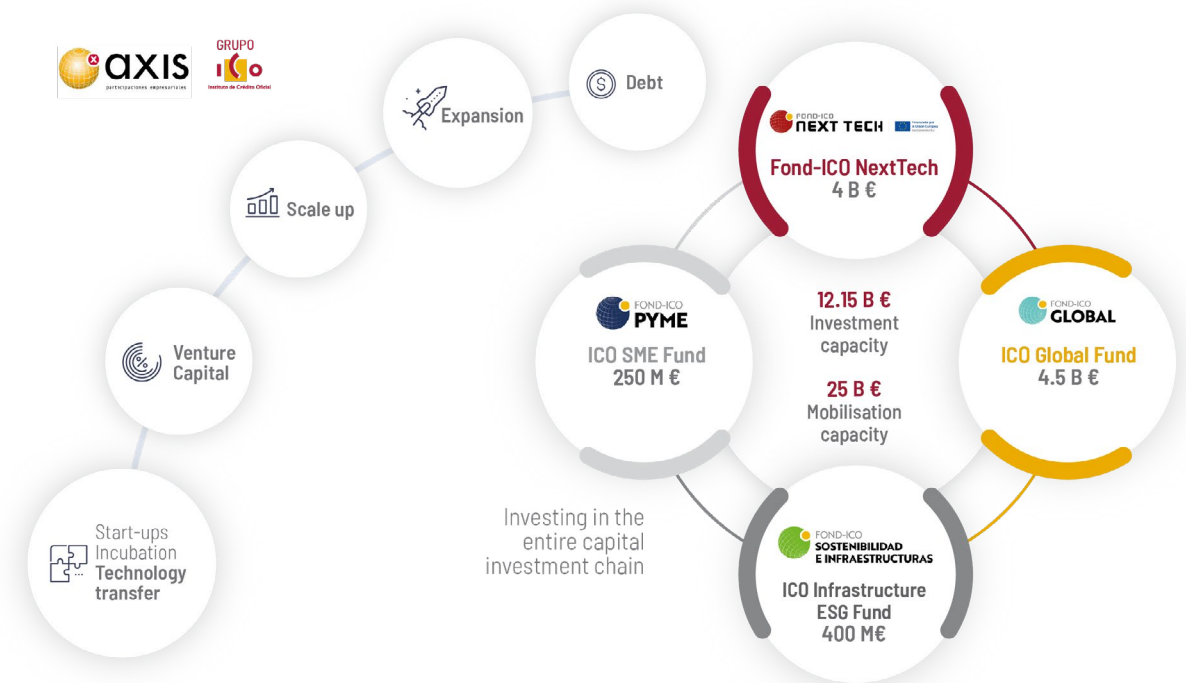
During 2023, ICO consolidated its **support in different long-term currencies** with the entry of new financing operations in Australia and Brazil, which have enabled ICO to finance (apart from issuing guarantees) **projects in 8 different medium and long-term currencies** (GBP, AUD, EUR, USD, CAN, UF, COP, MXN).

## AXIS: Promoting venture capital

Axis, ICO's venture capital subsidiary, promotes complementary bank financing options through the four funds it manages: ICO Next Tech Fund, ICO Global Fund, ICO Sustainability and Infrastructures Fund and ICO SME Fund. The investments AXIS makes through these instruments contribute to the growth of start-ups and scale-ups and the development of projects that combine innovation and entrepreneurship.

**At the end of 2023, Axis had ICO's approval to manage €12.15 billion**, of which €9.15 billion are already allocated to the four funds it manages (€7.15 billion at the end of 2022), registered with the Spanish stock exchange (CNMV) and whose sole participant is ICO.

In 2023, the launch of the **16th Call of the ICO Global Fund for up to €900 million**, the fund's largest ever, was approved to select funds/managers in the incubation and technology transfer, venture capital and expansion categories. The resources will come from the facilities allocated to ICO in the Addendum to the RTR Plan.







## Guarantee and fund management by ICO on behalf of the state

ICO, as the State Financing Agency, has continued to carry out the financial management of the amounts guaranteed by the ICO-Covid19 and Ukraine guarantee facilities, in addition to the rest of the funds and financing instruments that it has been managing on behalf of the State.

State Financing Agency	Outstanding balance - Under management 323.26 billion €	
	FIEM - CARI Internationalisation Ministry of Economy, Trade and Enterprise	5.88 B €
	Territorial Funds of the Autonomous Regions and Local Governments on behalf of the Ministry of Finance	204.25 B €
	FONPRODE - FCAS Development Cooperation on behalf of the AECID - MAEC	551 M €
Ministry of Economy, Trade and Enterprise		
COVID Guarantee Facilities Initial guarantee amounts 107.19 B € guarantees 140.74 B € financing		
UKRAINE Guarantee Facilities Initial guarantee amounts 4.5 B € guarantees 5.8 B € financing		

The **ICO Covid19 Guarantee Facility** to support liquidity and investment by companies and the self-employed to alleviate the consequences of the health crisis by Covid-19 has been a successful model of public-private collaboration, ranking as the most effective in the EU in terms of GDP. The end date for the granting of guarantees under this facility was 30 June 2022, although **ICO continues to carry out the financial management of the amounts guaranteed during the term of the loans granted.**

As for the **Ukraine Guarantee Facility**, which helps to strengthen the liquidity of companies in order to mitigate the economic and social consequences of the war in Ukraine, **nearly 27,000 operations** have been formalised since the start of the facility, **requested by more than 22,000 companies and freelancers**, with a total of **€4.5 billion in guarantees requested**, which have enabled the **mobilisation of resources amounting to €5.80 billion. 96% of the operations have been engaged by the self-employed and SMEs.**

In addition to the management of the ICO Covid19 and the Ukraine guarantee facilities, ICO, as the State Financing Agency, performs financial services to manage certain funds and instruments off-balance sheet and on behalf of other Ministries, targeted at **supporting internationalisation** (through the FIEM and CARI programmes), **supporting development cooperation** (through the FONPRODE and FCAS programmes) and **facilitating the sustainability of regional and local administrations** (through the FFCCAA and FFEELL programmes).

## ICO as a European Commission Implementing Partner

In 2023, ICO, as an “Implementing Partner” of the EU’s Multiannual Financial Framework 2021-2027, has participated in programmes such as **Invest EU or Connecting Europe Facility-Alternative Fuels Infrastructure Facility (CEF-AFIF)**. Its activity in this field has focused on blending programmes, which combine bank financing with the granting of aid, subsidies or guarantees from European bodies through direct financing, with a multiplier effect on mobilising financial resources for the real economy.

In June 2023, ICO published the terms and conditions of the “**ICO InvestEU Green Funds**” call to **channel €150 million**, backed by a €75 million guarantee package under the **InvestEU Programme**, to venture capital/private equity funds investing in sustainable infrastructure and its industrial ecosystem in the EU, preferably in Spain. Proposals for participation in these funds were presented to the InvestEU Investment Committee in December 2023.

A **four-year renewal of the InvestEU Guarantees Programme** was approved in **2023**, extending its validity until 31 December 2027. The green light has also been given to raising the limit on ICO’s participation in the guarantee, which can **reach a maximum guarantee of up to €500 million**, and include the **new Strategic Technology Europe Platform (STEP) window**. Therefore, a €275 million guarantee has been added to the €225 million already approved, of which **€112.25 million was consumed in 2023 to guarantee its investment in four funds for up to €224.5 million** (€124.5 million from Invest EU Green Funds and €100 million from the Marguerite III Infrastructure Fund - approved and constituted in 2022). The amount available for the different calls in the period 2024-2027 will be €387.75 million.



## ICO support for the dual green and digital transition and social and territorial cohesion

One of ICO's priorities is to collaborate in the transformation and sustainable growth of the Spanish economy on the basis of the strategic priorities set out in the EU's Recovery Plan and the 2021-2027 Multiannual Financial Framework.

### Sustainability through ICO - environmental and social

#### ...in financing sustainable projects

ICO reinforced its role as a **promoter of sustainable projects**, both from a social and environmental point of view, in accordance with its 2022-2027 Strategy, aligned with the Recovery, Transformation and Resilience Plan, which establishes that **40% of all new financing** in the reference period should **be sustainable**.

Of the total direct financing operations approved by ICO in 2023, **46% finance projects with a positive environmental or social impact**, representing a volume of **€2.85 billion**, which will mobilise an investment of €16.31 billion. The largest volume of approved financing is focused on supporting the fight against climate change, specifically in the renewable energy and sustainable mobility sectors.

In 2022, an agreement was signed between the Ministry of Transport, Mobility and Urban Agenda and ICO for the launch in 2023 of the **Residential Building Renovation Facility**, which aims to promote refurbishment works in residential buildings that contribute to improving energy efficiency. The operations are 50% guaranteed by the State (through the current Ministry of Housing and Urban Agenda), with the amount of the **guarantee** facility being **up to €1.1 billion**, which will enable the mobilisation of **financing of up to €2.2 billion**.

ICO also offers beneficiaries the **ICO MITMA Sustainable Mobility Facility**, with **€1.46 billion in aid**, the aim of which is to contribute to the implementation of low-emission zones and the digital and sustainable transformation of transport.

During 2023, ICO has approved a **green asset-backed security** operation for an issue amounting to **€490 million**, whose underlying portfolio is mortgage loans for the purchase of primary residences in different regions of Spain. The originator of the loans in the underlying portfolio undertakes to reinvest the amount financed by ICO in financing for the **acquisition or renovation of housing that improves energy efficiency** by at least 30% or for buildings with energy efficiency rating of A or B.

**As an accredited EU Implementing Partner**, ICO launched its first call under the Invest EU programme in 2023 to invest **€150 million in sustainable infrastructure** and mobilise at least €300 million in partnership with private investors. ICO has also played an active role in the **CEF Alternative Fuels Infrastructure Facility (AFIF)**, channelling **€16 million in subsidies** for two sustainable mobility projects undertaken by Spanish companies. The Institute has **completed this subsidy** in blending mode with **€66 million in financing**.





**AXIS** has also redoubled its sustainability efforts over **2023**. Notably, one of the four funds it manages, the **ICO Sustainability and Infrastructures Fund**, was classified under the “Article 8” category of the EU Sustainable Finance Disclosures Regulation (SFDR), thereby making a commitment to promote social and environmental investments. In addition, the endowment of the **Social Impact and Sustainability initiative**, part of the ICO SME Fund, was raised to **€100 million**. Through this initiative, the ICO SME Fund participates in funds that in turn invest in projects and companies that generate a positive impact.

## ... as an issuer of green and social bonds for raising sustainable finance

ICO is a major issuer in the sustainable bond market. In addition, it is a sponsor of important social bonds of the International Capital Market Association (ICMA) and is a member of the Advisory Board of the GBP and SBP Executive Committee.

ICO channels the funds raised with these sustainable issues towards the business community through its direct financing programmes, the ICO Mediation facilities and funds managed by **AXIS**.

Specifically, ICO launched its **tenth social bond and its fifth green bond** in 2023, **each worth €500 million**. With these two operations, the amount of **sustainable debt issued by ICO until 2023** stands at **€7.55 billion euros in 15 operations (10 social bonds and 5 green bonds)**. The funds raised through these 15 sustainable operations finance projects that have a positive social and environmental impact.

**ICO social bonds** have financed **73,097 projects for the self-employed, SMEs and large companies**, which in turn **have created or maintained 478,881 jobs**. In addition, they have provided **300 job opportunities for people with disabilities**, financed **90 social housing units and 2 hospitals** with 507 beds in total, among other benefits for society.

In terms of **green emissions**, **37 projects** have been financed that together **avoided** an equivalent of **over 900,000 tonnes of CO<sub>2</sub>**.







## Digital Transformation through ICO

One of the strategic axes of the ICO Group is to **provide financing to the Spanish production community** to make the investments they need **in their digital transformation**, which will allow them to **increase their competitiveness, productivity, resilience and territorial and social cohesion**, in line with the EU Digital Strategy and the Digital Spain Agenda 2026.

The ICO Group's extensive catalogue of products and initiatives include the following, more specific to digital transformation: **ICO Red.es Kit Digital Facility**, **ICO Red.es Acelera Facility**, **ICO Next Tech Fund** (endowed with €4 billion) and the **ICO RTVE Agreement** (ICO's direct financing programme, which makes up to 100 million euros available to Spanish producers).

In addition, ICO's accreditation in 2020 as a European Commission Implementing Partner has since enabled it to finance digital transformation projects through various instruments such as **CEF-CONNECT** and the **InvestEU Programme**.

During 2023 the ICO Group has been working, together with other public bodies, on the implementation of the Facilities assigned in the **Addendum to the RTR Plan (phase 2 of the Plan)** explained below, which include resources that more specifically support the digital transformation of companies, such as:

- **The ICO RRF Companies and Entrepreneurs Facility**, which includes the **ICO-Tourism Facility** (up to €1 billion), to contribute to the transformation and improvement of the Spanish tourism model, and the **New Language Economy PERTE** (a recovery fund of up to €150 million), to further the digitalisation and artificial intelligence of Spanish universities.
- **ICO Next Tech Fund (up to €4 billion)**, which invests directly in growing Spanish companies in the technology sector through equity and quasi-equity investments to boost the growth of start-ups and scale-ups as well as funds (venture capital funds or corporate funds).
- **ICO RRF Spain Audiovisual Hub Facility (up to €1.71 billion)**, which will turn Spain into an audiovisual production hub, as well as boosting the audiovisual and cultural industry in Spanish and its co-official languages.

## Social and territorial cohesion through ICO financing

The ICO Group's financing through the ICO Mediation Facilities and direct financing in Spain has reached all Spanish regions during 2023.

From the point of view of the contribution to economic development and cohesion between territories, it is worth noting that **€1.27 billion of the 2023 ICO Mediation Facilities** were channelled to companies located in **Autonomous Communities with GDP per capita below the national average**. For **regions with an unemployment rate above the national average**, mediation provisions in 2023 amounted to **€794 million**.

As for the regional distribution of **ICO's direct financing** to Spanish companies, at the end of 2023 an amount of **€1.81 billion** was made available in **Autonomous Communities with a GDP per capita below the national average** and **€1.27 billion** was made available to those with **an unemployment rate above the national average**.





ICO also has extensive experience in financing projects to increase the stock of social or affordable rental housing in various Spanish autonomous communities with the aim, among others, of offering the most vulnerable social groups better options for access to housing.

In addition, ICO has specific programmes and initiatives to support territorial cohesion and sustainable activity. This area includes the financing that ICO grants jointly with other public and private entities through the **ICO Housing and Urban and Rural Regeneration Programme 2022-2025** to increase the stock of social or affordable rental housing, improve energy efficiency, decarbonisation and sustainability of housing, conserve and improve accessibility within and to homes, and promote urban and rural regeneration and renewal. During 2023, a total of 7 operations have been approved under this programme for the **construction of 594 social housing units** for a total amount of **€64 million**.

## The role of ICO in the addendum to the recovery plan (2<sup>nd</sup> phase of the plan)

ICO contributes with its know-how and capacity to generate new products, together with the relevant ministries and agencies, to the deployment of initiatives included in the Recovery, Transformation and Resilience Plan.

From 2024 onwards, the ICO Group will attach particular importance to the deployment during 2024-2026, in public-private partnership, of the **nearly €40 billion in loans from the Recovery and Resilience Facility (RRF)**, which it has been assigned to manage in the second phase of the Recovery, Transformation and Resilience Plan. These funds, approved in the Addendum to the Recovery Plan in October 2023 by the EU Council, are a great opportunity for the ICO Group to support the modernisation of the economy, increase long-term growth potential and boost Spain's strategic autonomy in the energy, agri-food, industrial, technological and digital fields.

These resources are distributed in five facilities, focused on promoting sustainable social and environmental projects and the digital transformation of the business community: **ICO Green** (€22 billion), **ICO Companies and Entrepreneurs** (€8.15 billion), **Spain Audiovisual Hub** (€1.71 billion), **Next Tech** (€4 billion euros) and **Housing** (€4 billion euros). Collaboration with the private sector will be essential in channelling these resources. Between **70-75%** of the approximately 40 billion **will be distributed through financial intermediaries**, 2/3 of which will be to financial institutions and 1/3 to private equity managers.

In this line of action, it should be noted that, thanks to the Recovery Plan loans, the **ICO Next Tech Fund**—an initiative launched in the first phase of the Plan—has increased its **endowment to €4 billion in 2023**. The objective of this Fund is to mobilise investments in public-private partnerships to foster the development of innovative, high-impact digital projects and investment in scale-ups.

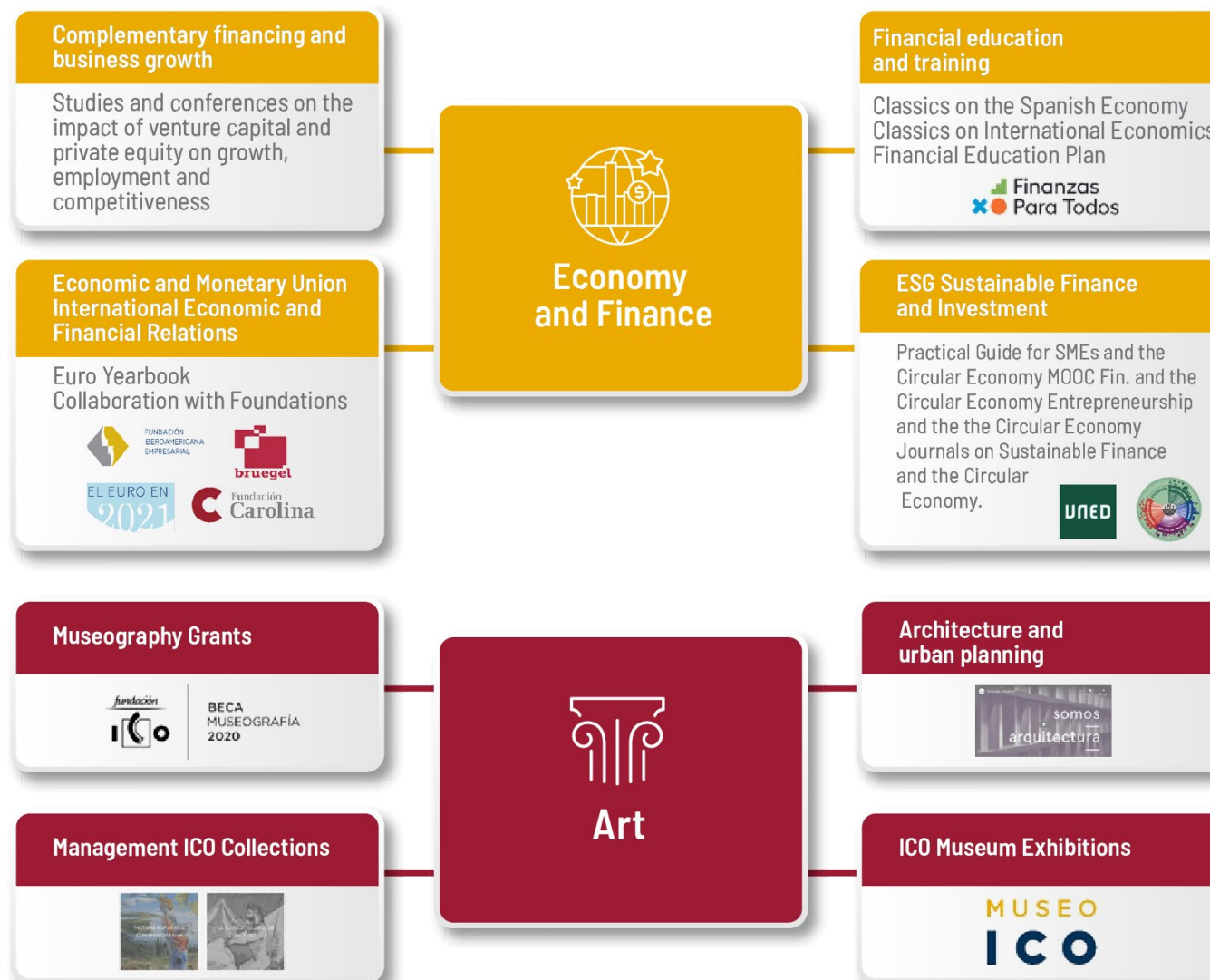
Over the course of 2023, **ICO Next Tech Fund operations were approved to invest up to €244 million**. Spain's **contributions** of up to **€1 billion** to the **European Tech Champions Initiative (ETCI)** have been committed, together with the European Investment Fund (EIF) and other EU Member States.

In December 2023, the **16th call for the ICO Global Fund** was launched, the largest to date, to select the private equity managers with whom AXIS will invest **up to €900 million of the loans from the second phase of the Recovery Plan** in projects that foster the growth and modernisation of the business fabric.



## Fundación ICO: promoting culture and knowledge

During 2023, we have continued to contribute to and support the development of society through the promotion of culture and knowledge, with an international vocation along two axes: **Art and Sustainable Architecture** and the **Sustainable Economy and Finance**







# 3

## NON-FINANCIAL INFORMATION STATEMENT

The text reproduced below consists on The Statement of Non-Financial Information of the ICO Group. It formulated on March 26, 2024 within the management report of the Consolidated Annual Accounts and approved by the ICO General Council on April 22, 2024.

Its content complies with prescriptions of Lay 11/2018, and was verified by an external expert, as stated in section 6.



## 1.1 ICO GROUP, ITS STRATEGY AND ITS ENVIRONMENT

### 1.1 Composition

ICO Group is made up by:



Instituto de Crédito Oficial, Entidad Pública Empresarial (ICO)



AXIS Participaciones Empresariales, S.G.E.I.C., S.A., S.M.E. (hereinafter, AXIS), fully invested by ICO



Fundación ICO, which sole promoter is ICO

The definition of Consolidated ICO Group has considered as Group Entities those on which the Institute has the ability to exercise control; this ability is manifested, in general but not solely, through the ownership, direct or indirect, of 50% or more of the investees' political rights or, even if this percentage was lower or nil, when for instance there are agreements with their shareholders granting control to the Institute. By virtue of the regulations, control is understood as the power to direct the financial and operating policies of a company, in order to obtain benefits from its activities.

The subsidiary's annual accounts are consolidated with the Institute's annual accounts in application of the equity method, as defined in the regulations. Accordingly, all balances derived from operations made by consolidated companies through this method that are significant have been eliminated in the consolidation process.

The Institute, as the Group's parent company, represents 99% of its consolidated balance sheet.

The three entities are based in Madrid and therefore only operate in Spain.

### 1.2 Nature and functions

ICO



Instituto de Crédito Oficial is a Public Business Entity that has the legal status of a credit institution and is considered a State Financial Agency. It has legal personality, its own assets and treasury, and management autonomy for the fulfilment of its purposes. The ICO is financed on the capital markets and through loans. It is guaranteed by the Spanish State for the debts and obligations it incurs by raising funds.

Attached to the Ministry of Economy, Trade and Enterprise, the Secretary of State for Economy and Business Support is responsible for the strategic management of ICO, as well as for the evaluation and control of the results of its activity.

The nature and legal regime of the ICO, and its purposes and functions are defined in its Statutes, approved by Royal Decree 706/1999, amended by Law 40/2015, on the Legal Regime of the Public Sector, Royal Decree 1149/2015 and Royal Decree 390/2011.

The detailed organisation chart is included in section 7 of this document.





## Mission

- The aims of Instituto de Crédito Oficial are the support and promotion of economic activities that contribute to the growth and improvement of the distribution of national wealth and, in particular, of those that, due to their social, cultural, innovative or ecological importance, deserve to be encouraged, as defined in art. 2 of the Bylaws.

## Vision

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

- Extending the public-private collaboration model, deepening it whenever possible.
- The capacity to anticipate, adapt and scope its actions to the needs of companies and the self-employed at all times and to the transformation of the business fabric and economic policy guidelines.
- With a long-term perspective, contributing to the mobilisation of the necessary resources for economic transformation, generating added value and transferring the competitive conditions for the mobilisation of resources.
- In a relationship of complementarity and coherence with other public policies, generating synergies.
- In a cross-cutting manner, ICO's activity is structured by elements that permeate all its internal and external actions, mainly linked to sustainability in a broad sense and digitalisation.

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

## Functions

According to its Bylaws, they are the following:

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



INSTITUTO DE CRÉDITO OFICIAL, ENTIDAD PÚBLICA EMPRESARIAL (ICO)

NIF: Q-2876002-C  
Paseo del Prado, 4- 28014 MADRID  
[www.ico.es](http://www.ico.es)







## AXIS

AXIS is a state-owned public limited company as provided for in article 2.2.c) of Law 47/2003, General Budgetary Law, article 166.c) of Law 33/2003, on Public Administration Assets, and article 111 of Law 40/2015, on the Legal Regime of the Public Sector.

According to its Bylaws, the Company's main corporate purpose is the administration and management of venture capital funds and the assets of venture capital companies, as well as the control and management of their risks. In addition, the Company may perform the functions described in article 42.4 of Law 22/2014, of 12 November, regulating Private Equity Entities, Other Collective Investment Companies and Management Companies of Collective Investment Companies (hereinafter, "Law 22/2014"). As a complementary activity, the Company may provide advisory services to non-financial companies as defined in article 7 of Law 22/2014.

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

The organisation chart is included in point 7 of this document.

## Mission

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

## Functions



- To act as a catalyst for the creation of venture capital entities with a majority of private capital with the ultimate aim of providing SMEs with alternative financing to bank financing.
- Directly support companies in their expansion plans to contribute to the development of the business fabric, the creation of employment and the dynamisation of the economy.
- Mobilise the largest possible amount of resources from the private sector through co-investment investments with other private venture capital funds.
- Improve the quality and safety of infrastructures in Spain as a key element in the economic growth and modernisation of the country.



AXIS PARTICIPACIONES EMPRESARIALES,  
S.G.E.I.C, S.A., S.M.E.

NIF: A78290269  
c/ Los Madrazo, 38 2ª planta - 28014 MADRID  
<https://www.axispart.com/en/web/axis>



## FUNDACIÓN ICO

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

### Mission



- To contribute to the development of society in areas related to ICO's activity and assets.

### Vision



- To be a leader in the promotion and dissemination of knowledge, with an international vocation and on two axes: Sustainable Economy and Finance and Sustainable Art and Architecture.

### Functions



- Sustainable Art and Architecture Area: it includes the management, conservation and dissemination of ICO's art collections, as well as the management of the ICO Museum and its temporary exhibitions and catalogues for each exhibition, and the organisation of educational and inclusive activities that make the ICO Museum a learning space for everyone.

- Sustainable Economy and Finance Area: this area focuses on the following four thematic areas:
  - Financial and Economic Education and dissemination of economic and financial research and knowledge;
  - Sustainability and Circular Economy. Sustainable finance;
  - Financing and business growth. Alternative finance;
  - Economic and Monetary Union and international economic and financial relations, with a special focus on Latin America.



#### FUNDACIÓN ICO

NIF: G-80743503  
Paseo del Prado, 4- 28014 MADRID  
[www.fundacionico.es](http://www.fundacionico.es)





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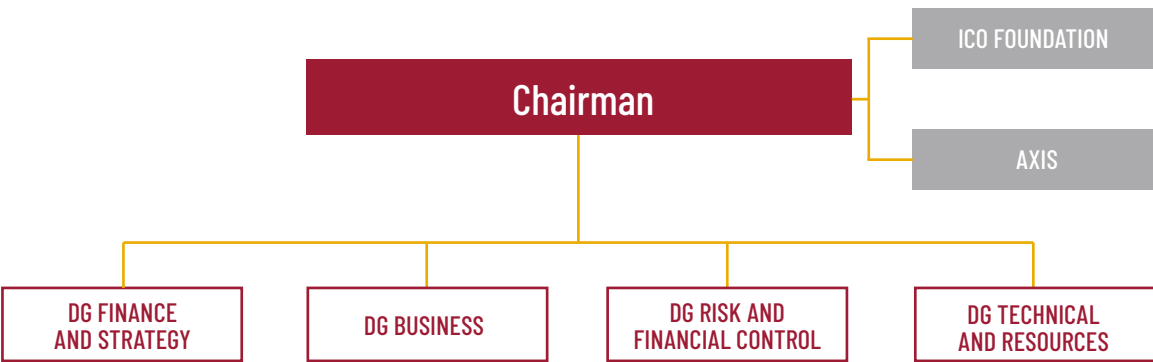
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# 1.3 Governance structure and management

## ICO

The governing structure of Instituto de Crédito Oficial is set out in its bylaws, approved by Royal Decree 706/1999, with the amendments provided for in Law 40/2015 on the Legal Regime of the Public Sector, Royal Decree 1149/2015 and Royal Decree 390/2011. It is completed with the internal operating and control bodies, approved by the President of the ICO within the scope of powers conferred on him by the bylaws. The internal regulations in force as at 31 December are Organisational Circular 1/2023 of 12 July and Circular on Collegiate Bodies 3/2023 of 20 December.

The President of ICO is also President of Axis and the Fundación ICO. Four general directorates report to the President's Office, as well as the Legal Advisory and Council Secretariat Directorate, the Internal Audit Department and the Communication and Cabinet Department. The detailed organisational chart can be found in section 7 of this document.



As defined in the Bylaws, the governing bodies are the General Council and the President. The other management bodies are defined in the aforementioned Circular on Collegiate Bodies. Of particular note are the Operations Committee and the Management and Strategy Committee, whose main functions are described below.

The complete list of bodies is as follows:

MANAGEMENT BODIES	
GENERAL COUNCIL	PRESIDENT
MANAGEMENT BODIES	
Management and Strategy Committee	Operations Committee
Credit Committee	Asset and Liability Committee
Monitoring Committee	International and EU Activity Committee
Sustainability Committee	Contracting Committee
Audit and Compliance Committee	Regulatory Compliance Technical Committee
Information Security Committee	Business Continuity Committee
Committee of Compliance with the Code of Ethics and Conduct	





## MANAGEMENT BODIES

### General Council

The composition of the ICO's General Council, its functions, and the rules governing meetings and resolutions are defined in the Bylaws, approved by Royal Decree 706/1999.

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

#### Structure and composition

The General Council is made up of the President of the entity and ten members and is assisted by the secretary and, where appropriate, by the deputy secretary. The secretary and vice-secretary are not considered directors, so they attend meetings with the right to speak but not to vote.

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

The appointment of the members is made in accordance with the following terms:

- Four members shall be independent, understood as those who are not personnel in the service of the public sector. The term of office of the independent members shall be three years, after which they may be re-elected once.
- Six members shall be appointed from among staff of recognised competence in the service of the public sector. A maximum of two members shall come from the Ministry of Finance and Public Administration, while at least two public members shall come from the Ministry of Economic Affairs and Digital Transformation.







At December 31, 2023, the composition of ICO's General Council was the following:

NAME	OFFICE	ORGANISM	APPOINTMENT DATE
PRESIDENCY OF THE GENERAL COUNCIL			
JOSÉ CARLOS GARCÍA DE QUEVEDO RUIZ	President	Instituto de Crédito Oficial	Royal Decree 683/2018 of 22 June (BOE 23.06.2018)
MEMBERS OF THE GENERAL COUNCIL			
JAVIER SÁNCHEZ FUENTEFRÍA	Director General of Budget	Ministry of Finance	29.03.2022
MARÍA CRISTINA TARRERO MARTOS	Director General for Economic Programming and Budgets	Ministry of Transport and Sustainable Mobility	29.03.2022
CÉSAR VELOSO PALMA	Deputy Director of Cabinet	Ministry of Finance	05.10.2018
MARÍA MATEO FEITO	Director of Cabinet Técnico of SG of the Treasury and Int Fin.	Ministry of Economy, Trade and Enterprise	25.04.2023
SILVIA IRANZO GUTIÉRREZ	Independent Director		16.11.2018
BLANCA MONTERO COROMINAS	Independent Director		22.06.2021
ENRIQUE FEÁS COSTILLA	Independent Director		16.11.2021
RAFAEL FERNÁNDEZ SÁNCHEZ	Independent Director		11.07.2022
COUNCIL SECRETARY AND DEPUTY SECRETARY:			
CAYETANA LADO CASTRO-RIAL	Secretary	Instituto de Crédito Oficial	22.02.2021
GERARDO HARGUINDEY VALERO	Deputy secretary	Instituto de Crédito Oficial	25.01.2016

The following directors **left the Council** during 2023: Elena Aparici Vazquez de Parga (on 31 August), Ignacio Mezquita Pérez-Andújar (on 31 August) and Andrés Barragán Urbiola (on 25 April). During the year María Mateo Feito **joined the Council**. As of December 31, 2023, therefore, there were two vacant seats, pending appointment by the Council of Ministers.





## Equality and diversity in the General Council

At December 31, 2023, of the eight members of ICO's General Council, four of them were women (50%). 50% of independent members are represented by women.

Regarding their age, at December 31, 2023, two members are below 50 years old (25%), while one of them is 60 years old or more (12.5%). The average age of the directors, at year-end closing, is of 53.6 years old (54 years old in the case of female directors and 53 years old as average in the case of male directors).

In general terms, the weight of independent directors represents 36.4% of the Council, but their vote is worth twice as much in the most important decisions. Consequently, in these cases, independent directors represent 53.3% of the total possible votes. In the situation at 2023 closing with two vacant seats, the vote of independent directors weighs 44.4% for votes in general and 61.5% in the case of double the value of their vote.

Likewise, the vote of women represents 46.2% of the total votes of the Council in force on 31 December in decisions in which the vote of independent directors counts double. In terms of age and considering the double value of the vote, those under 50 years of age account for 15.4% of the total votes.

## Directors' allowance policy

Royal Decree 462/2002, of 24 May, on allowances for reasons of service, provides for the payment of allowances for attendance at meetings of collegiate bodies of the Administration and public bodies.

Pursuant to Article 10 of the ICO's bylaws, approved by Royal Decree 706/1999, adapting Instituto de Crédito Oficial to Law 6/1997, of 14 April, on the organisation and functioning of the General State Administration and approving its statutes, *"the members of the General Council, the Secretary and the Deputy Secretary of the Council shall receive exclusively the allowances for attending its meetings in*

*accordance with the provisions of Royal Decree 462/2002, of 24 May, on allowances for reasons of service".* The corresponding financial compensation must be authorised for two-year periods by the Ministry of Finance, and the ICO has obtained the corresponding authorisation for the period 2023 and 2024, in accordance with the provisions of the regulations on indemnities for reasons of service for public administration personnel. Notwithstanding the foregoing, and in accordance with the provisions of Law 3/2015, of 30 March, regulating the exercise of senior positions in the General State Administration, article 13, when the Director has the status of senior position, the remuneration for attending Council meetings shall be paid into the Public Treasury.

The maximum amount for such attendance fees for the members of the General Council authorised for the financial year 2023 was 11,984 Euros per year for a total of 11 meetings, i.e. 1,089 Euros per meeting, identical for men and women, and with no difference for reasons of gender or age. It should also be noted that both the President and the Secretary of the Council are excluded from receiving these allowances, in accordance with the provisions of Royal Decree 451/2012, of 5 March, which regulates the remuneration system for senior managers and executives in the public business sector and other entities.

Taking into account the above, the total accrued in 2023 for the members of ICO's General Council was 111,127 Euros (123,111 Euros in 2022), 59,921 Euros accrued by men and 51,206 Euros by women. 51,206 for women. For the entire financial year 2023 and as at December 31, 2023 due to the higher presence of men on the Council during the year. The average annualised remuneration is identical for women and men.

The members of the General Council do not receive variable or target-related remuneration and are not beneficiaries of loans or any other social benefits granted by ICO Group. In addition, they are subject to the incompatibility and conflict of interest regimes provided for in current legislation.



## Main issues dealt with by the General Council

Within the framework of its powers and without being exhaustive, the main matters dealt with by the General Council may be summarised as follows:

- It analyses and, where appropriate, approves direct financing operations for which this body is responsible, approves the terms and conditions of Intermediation lines, ICO investment commitments in securitisation funds, portfolio guarantee programmes or private equity entities, including AXIS, as well as conditions, programmes or other operations whose approval corresponds to the General Council. It is also informed of all transactions approved by the Operations Committee.
- It receives regular information on the Institute's activity, through the President's Report, as well as specific reports such as the quarterly activity report, reports on the activity of government funds, international activity and fundraising. Specifically, it is also informed of operations instructed by the Government's Delegate Commission for Economic Affairs or by the Council of Ministers.
- Specifically, it receives recurring information on sustainability issues, new regulations, ICO's financial activity, impacts and other initiatives in this area, without prejudice to the information on sustainability included in the operations it approves or in other reports.
- With regard to strategic and budgetary planning, it approves the Annual Action Plan, receives information on the monitoring and evaluation of the Strategy, as well as information on the Management Budget and the Multi-year Action Programme. It also approves the individual and consolidated financial statements of the Institute, and this Non-Financial Information Statement separately as required by law.

- On governance, it approves the most important policies, for example, an update of the Risk Policy Manual was approved on March 2023. It is also aware of the regulatory compliance and audit activity and other relevant actions regarding the prevention of money laundering and the financing of terrorism, as well as matters related to the anti-fraud plan, among others.
- As regards risk management, it approves the Capital and Liquidity Self-Assessment exercise, which is submitted annually to Bank of Spain, as well as the Risk Appetite Framework and receives information on the MAR scorecard, as well as information of prudential relevance, the monitoring of risk limits and the position of borrowers.





## PRESIDENT

The President is the chief executive of the entity, with the functions and under the terms provided for in the Bylaws<sup>1</sup>.

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

He has previously been Executive Director of Invest in Spain at ICEX, Spain Export and Investment, responsible for attracting and promoting foreign direct investment in Spain and attracting international financing for new investment projects..

His previous responsibilities include Director General of Trade and Investment in the Secretariat of State for Trade of the Ministry of Economy and Competitiveness; Chief Economic and Commercial Director in the Permanent Representation of Spain to the European Union in Brussels and Director General of Insurance and Pension Funds in the Ministry of Economy and Finance..

He has been a member of Committees and Councils of Directors of numerous companies and funds, including: ICO, ICEX, CESCE, COFIDES, FIEM, Crédito y Caución, Consorcio de Compensación de Seguros and Repsol Gas.

He has written and published numerous articles on economics, finance, trade and investment and is an active speaker at business and professional conferences and forums both in Spain and abroad.



**José Carlos García de Quevedo**  
Presidente del ICO

<sup>1</sup> <https://www.boe.es/buscar/act.php?id=BOE-A-1999-10738>





## MANAGEMENT BODIES

### Management and Strategy Committee

The Management and Strategy Committee is the body that assists the President in the exercise and development of his functions and powers, and facilitates coordination between the ICO's different Directorates General.

The Management Committee's functions, structure and composition are defined in the Circular on collegiate bodies.

#### Functions

The functions of the Management and Strategy Committee are basically to direct the ICO's actions by determining, promoting and coordinating the following matters, without prejudice to the powers of approval that other bodies may have, in particular the Operations Committee or the General Council:

- The ICO's **strategy**, analysing and debating it, the approval of which corresponds to COPER and/or the General Council.
- The ICO's **objectives**, as well as the management of the processes leading to their implementation (Management by Objectives).
- **Action programmes, policies, products and activities** of the various organisational units into which the ICO is structured and the evaluation of their results in terms of the fulfilment of the ICO's purposes and functions, as well as proposals for improvement, particularly in the light of this assessment of results.
- The ICO's **positioning** of the ICO both nationally and internationally.

- Proposals for **new products** that entail significant change; **organisational, human resources and information systems strategies** to achieve greater motivation and professional performance; and processes for adapting ICO's current technology and processes to the **new digital environment**.

### Structure and composition

The Management and Strategy Committee is made up of the President, the Institute's General Managers, the Legal Department, the President's Office and Axis General Management. At December 31, 2023, the composition was the following:

NAME	POSITION
JOSÉ CARLOS GARCÍA DE QUEVEDO RUIZ	President
ANTONIO CORDERO GÓMEZ	Director General for Finance and Strategy
ROSARIO CASERO ECHEVERRI	General Business Director
VACANTE	Director General for Risk and Financial Control
JOSÉ MANUEL PACHO SÁNCHEZ	Director General Technical and Resources
CAYETANA LADO CASTRO-RIAL	Legal Director
BEGOÑA AMORES SERRANO	Director of the Department of Communication and Cabinet
GUILLERMO JIMÉNEZ GALLEGO	AXIS Managing Director
LUCINIO MUÑOZ MUÑOZ	Director of the Fundación ICO

#### Changes in 2023

During the financial year 2023, Miguel López de Foronda Pérez left as General Manager of Risks and Financial Control.



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## Remuneration system

The members of the Steering and Strategy Committee do not receive specific remuneration for attending meetings.

The President of the ICO has the status of “senior official” (Law 3/2015 of 30 March, regulating the exercise of senior positions in the General State Administration). The remuneration regime of the President of the ICO is set by the Secretary of State for Budgets and Expenditure of the Ministry of Finance. The gross annual remuneration of the President of the ICO, for the financial year 2023, amounts to 150,793 Euros, an amount that includes all the remuneration to be received for the performance of the post, except for the seniority that may correspond to him/her in accordance with the regulations in force and including, where applicable, any remuneration in kind.

The ICO has four General Management posts and one Legal Advisory Management post, which are considered to be “Senior Management”. The remuneration system for ICO Senior Management is regulated by Royal Decree 451/2012, of 5 March, which regulates the remuneration system for senior managers and executives in the public business sector and other entities. The ICO’s Ministry of Finance and Public Administrations is responsible for setting remuneration, which is subject, in all cases, to the limits established in the Ministerial Order of April 12, 2012 of the Ministry of Finance and Public Administrations approving the classification of public business entities and other public law entities.

Regulations governing the remuneration policy for senior management staff guarantee equal pay for men and women. The five senior management positions at ICO received an average gross annual remuneration of 135,627 Euros in 2023, including variable remuneration linked to the achievement of objectives. These positions, like the rest of the staff, are also covered by meal vouchers, medical insurance and life insurance. The amount indicated does not include amounts received for length of service, where applicable.

Total remuneration accrued by senior management in 2023, including this remuneration in kind, except for the seniority that may correspond to the holder of the post in accordance with current regulations, amounted to 693,810 Euros.

Finally, in accordance with the provisions of article 8 of the aforementioned Royal Decree 451/2012, senior management does not receive any remuneration for attending meetings of the governing or administrative bodies of public bodies and of the Councils of Directors of state-owned companies.

## Operations committee

This collegiate management body exercises decision-making and advisory powers within the terms and limits delegated to it by the General Council or by the President.

## Structure and composition

At December 31, 2023, the composition of the Operations Committee was the following:

NAME	POSITION
JOSÉ CARLOS GARCÍA DE QUEVEDO RUIZ	President
ANTONIO CORDERO GÓMEZ	Director General for Finance and Strategy
ROSARIO CASERO ECHEVERRI	General Business Director
VACANTE	Director General for Risk and Financial Control
JOSÉ MANUEL PACHO SÁNCHEZ	Director General Technical and Resources





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# AXIS

Pursuant to Article 13 of the Company's Articles of Association, the powers of governance, administration and representation of the Company are vested in the General Meeting of Shareholders, the Council of Directors and its President.

## Council of directors

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

According to the Articles of Association, the Council of Directors shall consist of a minimum of three and a maximum of nine members.

### Composition of the Council at 31.12.2023:

NAME	POSITION	APPOINTMENT DATE
JOSÉ CARLOS GARCÍA DE QUEVEDO RUIZ	<b>President</b> President of the ICO	27/06/2018
ROSARIO CASERO ECHEVERRI	<b>Vice-President</b> General Business Director of ICO	23/07/2018
BLANCA GLORIA NAVARRO PÉREZ	<b>Vocal</b> Director of Strategy and Sustainability at ICO	19/09/2018
M <sup>a</sup> ELENA ARANDA GARCÍA	<b>Vocal</b> Director of Mediation and SMEs at ICO	25/05/2017
LUIS JAVIER MORALES FERNÁNDEZ	<b>Vocal</b> Director of Budget and Financial Control, ICO	25/05/2017
JAIME CERVERA MADRAZO	<b>Vocal</b> Head of ICO's Operations Administration Department	29/09/2015
ANTONIO BANDRÉS CAJAL	<b>Vocal</b> ICO Director of International Finance and EU Affairs	27/04/2017
BEGOÑA AMORES SERRANO	<b>Vocal</b> Head of the Communications and Cabinet Department of ICO	14/09/2022
FERNANDO HERNÁNDEZ DOMÍNGUEZ	<b>Vocal</b> Adviser in the Cabinet of the Secretary of State for Economic Affairs and Business Support	19/10/2022
CAYETANA LADO CASTRO-RIAL	<b>Secretary non Director</b> Director of the Legal Department of the ICO	22/02/2021





## Changes in the composition of the Council during 2023

No changes during 2023.

## Equality and diversity on the Council of Directors

At December 31, 2023, there were 4 women on the AXIS Council of Directors (44.4%).

## Directors' allowance policy

- The members of the Council of Directors receive remuneration for attending Council meetings, except for the President and Vice-Chairwoman, who, as they hold senior management contracts, respectively, are not entitled to receive attendance fees for attending Council meetings, in accordance with the legislation in force applicable to them in each case. The maximum remuneration for attending council meetings is established by Ministerial Order of the Ministry of Finance.
- In 2023, the annual remuneration received by each of the members of the Council of Directors amounted to 6,809.77 Euros, the same amount as in 2022. There is no gender pay gap in the remuneration of the AXIS Council of Directors.
- In 2023, the Company did not incur any pension obligations to former or current members of the Council of Directors and senior management, nor did it have any obligations assumed on their behalf by way of guarantee. There were also no loans or advances to members of the Council of Directors and senior management.

## Incompatibilities

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

## Prohibitions on holding office

No member of the Council of Directors has informed the Company during 2023, that he or she has been indicted or tried for any of the offences set forth in article 213 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital).

## Commissions and committees

### AUDIT AND CONTROL COMMITTEE

A specialised body set up within the Council of Directors to provide it with support and technical assistance in supervisory matters..

### INVESTMENT COMMITTEES

There is one for each of the following funds: FOND-ICO SMEs, F.C.R., FOND-ICO Next Tech, F.C.R. and FOND-ICO Sostenibilidad e Infraestructuras II, F.I.C.C., the majority of whose members are appointed by Axis or ICO and are made up of at least two independent members. These are the bodies responsible for approving investment and divestment transactions prior to their approval by the Council of Directors.





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# FUNDACIÓN ICO F.S.P.

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

## Government bodies

### Council of Trustees

This is the governing, administrative and representative body of the Foundation. It is made up of at least six members. The President of the Council of Trustees is the President of ICO. It also has a secretary, who is the Secretary of the General Council of ICO.

At December 31, 2023, the Council of Trustees was made up of nine personalities from the economic, cultural and scientific world, five of whom are men and four of whom are women.

#### Changes in the composition of the Council of Trustees during 2023

No changes during 2023.

#### Equality and diversity in the Council of Trustees

At December 31, 2023, there were 4 women out of a total of 9 members on the Council of Trustees of the Fundación ICO (44%).

#### Allowance policy of the members of the Council of Trustees

The members of the Council of Trustees do not receive any financial remuneration for the performance of their duties.

NAME	TITLE	POSITION
JOSÉ CARLOS GARCÍA DE QUEVEDO RUIZ	President	President of the ICO
ANTONIO CORDERO GÓMEZ	Vice-President and Trustee	Director General of Finance and Strategy, ICO
EVA MARÍA GONZÁLEZ DíEZ	Trustee	Director of the Legal Department of the Mutua Madrileña Group
PEDRO NUENO INIESTA	Trustee	Technical Architect, Industrial Engineer and Doctor in Business Administration from Harvard University
CONCEPCIÓN OSÁCAR GARAICOECHEA	Trustee	Azora's Managing Partner
CECILIA PEREIRA MARIMÓN	Trustee	Commissioner of Xacobeo 2021 and Director of the S.A. do Plan Xacobeo
JUAN JOSÉ TORIBIO DÁVILA	Trustee	Professor Emeritus of Economics and President of the CIIF at IESE Business School
PABLO VÁZQUEZ VEGA	Trustee	University Professor of Applied Economics
MARTA DE LA CUESTA GONZÁLEZ	Trustee	Professor of Applied Economics (UNED)
LUCINIO MUÑOZ MUÑOZ	Non-Trustee Foundation Director	Director of the Fundación ICO
CAYETANA LADO CASTRO-RIAL	Non-Trustee Secretary	Secretary of the General Council of the ICO and Director of the ICO's Legal Department





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## COMMITTEES

### Executive Committee

This body is responsible for studying and proposing the Foundation's programmes and specific actions to the Council of Trustees. It acts as a resolution and agreement body in those matters that for reasons of urgency so require, except for the approval of accounts, action plan and functions attributed to the Council of Trustees that cannot be delegated.

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

At December 31, 2023, the following members of the Executive Committee were members of the Council of Trustees:

NAME	POSITION
JOSÉ CARLOS GARCÍA DE QUEVEDO RUIZ	President
EVA MARÍA GONZÁLEZ DÍEZ	Member
PABLO VÁZQUEZ VEGA	Member
ANTONIO CORDERO GÓMEZ	Member

The meetings of the Executive Committee are attended by the Director of the Foundation, who has the right to speak but not to vote.

#### Changes in the composition of the Executive Committee during 2023

No changes in the composition of the Executive Committee during 2023.

### Art Advisory Committee

Its functions are to advise on the design of the ICO Museum's programming. In 2023, it is made up of:

#### Francisco Javier Martín Ramiro

Director General of Housing and Land. General Secretariat of the Urban Agenda and Housing. Ministry of Transport, Mobility and Urban Agenda.

#### Museo Nacional Centro de Arte Reina Sofía,

represented by its Director, Manuel Segade (Manuel Segade has succeeded Manuel Borja-Villel as Director of MNCARS).

#### Martha Thorne

Associate Dean for External Relations, IE School of Architecture and Design (resigned in 2023, pending replacement).

#### Jorge Ribalta,

photographer and curator of exhibitions.





## 1.4 Materiality analysis

For the preparation of this report, an analysis has been carried out which has determined that, given that the context and the activity carried out during 2023, has not changed significantly, the conclusions of the materiality study carried out on January 2023 are still fully valid and are set out below. It is planned that during 2024 this exercise will be updated to bring it into line with the current situation, based on the best standards and future requirements in this area.

This materiality study was initiated through an exhaustive process of internal and external analysis to identify relevant aspects, trends and frameworks.

In line with the best standards in the field, the study was conducted from a **dual materiality** and impact assessment perspective. The methodology takes into account, on the one hand, the actual and potential impacts of the Group's activity externally (outward) and the actual and potential impacts that material topics may have on the Group (inward).

An essential element of the analysis is the stakeholder consultation, which was carried out in a formalised way through surveys. Responses from 480 surveys were taken into consideration. The following stakeholder groups participated:

- Workers
- Self-employed and companies of all sizes
- Financial institutions
- Analysts, consultants, auditors
- Investors
- Business and sectoral associations
- Public administrations
- Social organisations
- Media

This formalised consultation exercise is complementary to the Group's regular approach to stakeholder engagement, which is carried out on an ongoing basis through different channels as detailed in the document.

In addition, an exercise was carried out to identify the impacts associated with each of the issues on the economy, the environment and people. Taking into account the severity and probability of occurrence, a prioritisation of the issues is established through the results of the exercise both outward and inward.





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Based on the methodology used, 17 issues were identified that have exceeded the materiality threshold and are therefore considered **material topics for the ICO Group**.

MATERIAL TOPICS ICO GROUP 2023		DESCRIPTION
MT1	Good Corporate Governance, Transparency and Business Ethics	Maintaining good corporate governance, ethics and transparency requirements builds trusting relationships with the institution and reduces reputational risks. The management of this aspect has a direct impact on investors, as proper risk management provides security and protection of their capital. For other stakeholders such as employees or society, this aspect translates into greater job stability and wealth generation.
MT2	Financial and non-financial risk management	Appropriate risk management favours the confidence of the different stakeholders towards the entity, offers peace of mind to investors and customers by protecting and creating value to achieve the proposed objectives, improves its competitiveness, shows the organisation's proactivity and enhances its reputation.
MT3	Sustainable financing linked to ESG criteria	The integration of ESG (Environmental, Social and Governance) criteria in ICO's activity, together with traditional financial and risk criteria, allows us to offer clients long-term financing and investment products that contribute to preventing and mitigating climate change, to fostering the transition towards a carbon neutral economy and to promoting social development, with the consequent positive impact on all stakeholders and the environment.
MT4	Economic Solvency and Resilience	Maintaining a good performance in this aspect has an impact on all of the entity's stakeholders, generating value, wealth and security for them.
MT5	Privacy, data protection and cyber-security	Implementing a rigorous privacy and data protection policy is essential to guarantee customers, investors and society in general control over their personal data, its use and destination in order to prevent its unlawful and harmful treatment of their personal rights and freedoms. Likewise, promoting cybersecurity allows all employees to work safely, directly impacting on the improvement of their productivity.
MT6	Digital transformation and innovation	Digitalisation is one of the main vectors for promoting competitiveness, productivity, sustainable economic growth and job creation, as well as providing the productive fabric with greater resilience to face future shocks and dynamism to take advantage of new opportunities. ICO provides the Spanish business fabric with different mechanisms that promote the necessary investments to undertake the digital transformation of companies, especially SMEs and start-ups, and industry in terms of R&D&I. It is also a relevant aspect for the rest of the stakeholders as it contributes to promoting social cohesion.
MT7	Public-private collaboration	As stated in SDG 17, public-private collaboration are essential to improve the effectiveness and impact of business activity, as well as to accelerate progress towards the Sustainable Development Goals set out in the 2030 Agenda, which directly impacts all stakeholders.
MT8	Support for the productive fabric and value creation	Support for the productive fabric is a key enabler for boosting economic activity in our country and promoting shared prosperity. It has a direct impact on job creation, financial stability and the stimulation of economic activity through the various financial formulas and initiatives made available to companies and the self-employed.







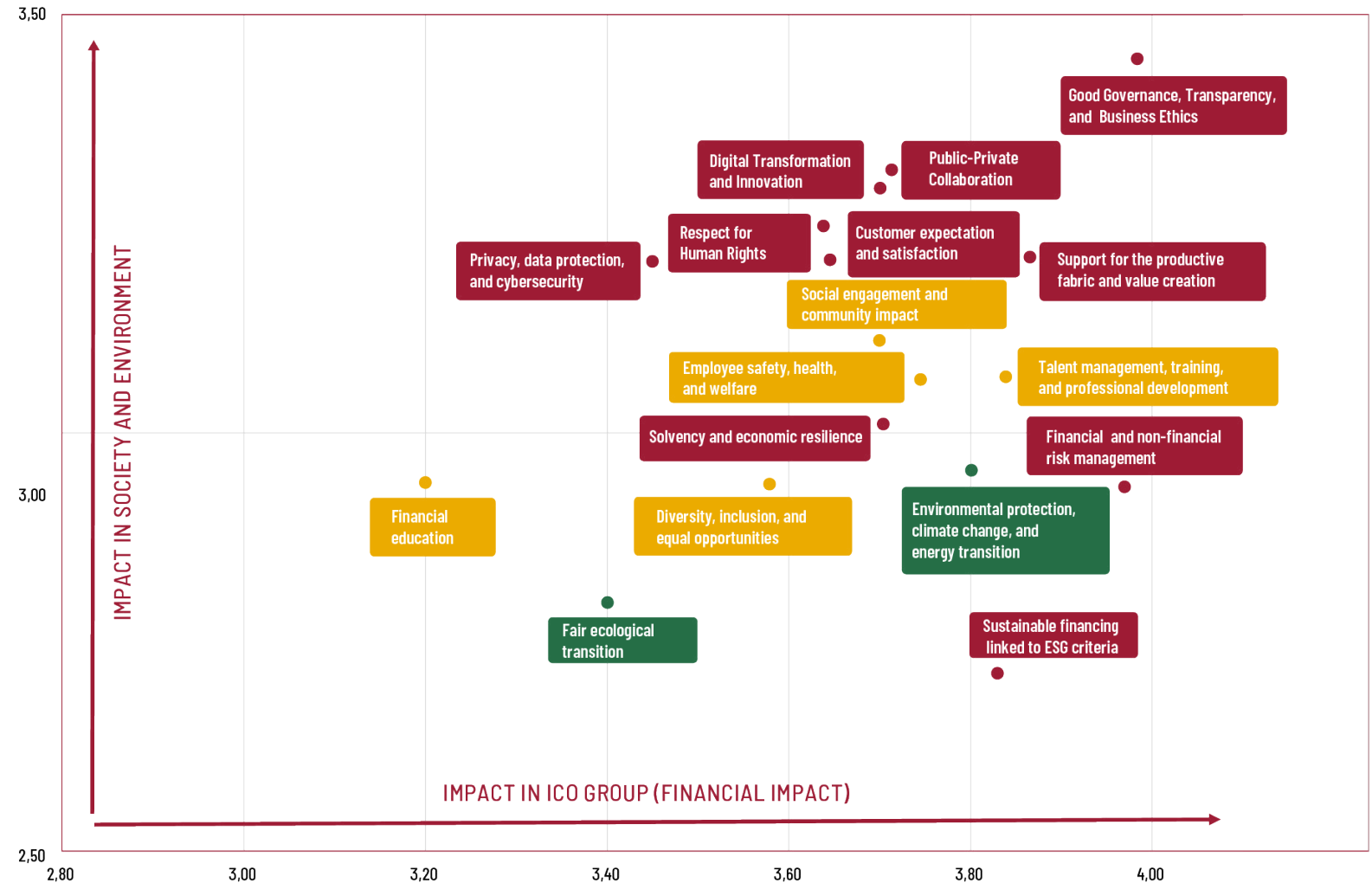
MT9	Respect for Human Rights	Respect for human rights must be at the heart of any organisation's sustainability strategy, regardless of its size and sector. The 2030 Agenda is closely linked to human rights, so avoiding rights impacts in the value chain and with stakeholders can be synonymous with important contributions to the SDGs. Human rights are necessary to protect and preserve everyone's humanity, to ensure that all people can live a life of dignity.
MT10	Customer Experience and Satisfaction	Offering a service that meets customer demands has a direct impact on building long-term relationships. In the rest of the stakeholders, the impact on investors stands out, where quality and excellence translate into greater profitability. Employees and suppliers perceive a high level of demand and need for specialisation. The bank's good performance in these aspects has a direct impact on stakeholders, as it enables them to maintain their confidence in the ICO and protect their interests.
MT11	Talent management, training and development of your professionals	Attracting and retaining talent in turn ensures good financial results for investors and a higher level of service, resulting from high levels of employee satisfaction. It also has an impact on improving employee performance, behaviour and the working environment, which leads to increased employee satisfaction and therefore overall productivity. Training actions, for their part, have a direct impact on ICO employees, enabling them to grow professionally and providing them with the tools to achieve their professional goals. In turn, specialisation favours greater profitability derived from better results and an improvement in the level of service perceived by customers.
MT12	Employee safety, health and welfare	The objective of the implementation of Occupational Health and Safety is to anticipate, recognise, evaluate and control risks that may affect the safety and health of the organisation's employees, which directly impacts on the promotion of maintaining the physical, mental and social well-being of employees.
MT13	Diversity, inclusion and equal opportunities	A diverse and inclusive work environment makes employees feel happier and more confident, improving their well-being, self-esteem and pride in belonging. It also has a direct impact on under-represented groups as inclusion is the foundation of a society's prosperity, economic, political and social development.
MT14	Financial education	Education is a basic pillar for financial inclusion and for the protection of users of financial services. By teaching financial concepts, it helps people to make better decisions on how to manage their resources, thus contributing to the safety and security of their finances. It has a direct impact on improving understanding of economic concepts, reducing information asymmetries between clients and providers of financial services, protecting the most vulnerable through targeted approaches and supporting market stability.
MT15	Social engagement and community impact	Carrying out its activities through the prism of social commitment and positive impact on the community contributes to the development of local economies and different groups, through the generation of employment and financial empowerment. It also improves the image that customers have of the institution as a responsible institution, has an impact on its positioning, intensifies the relationship and commitment with its employees, increases the likelihood of finding new investors and improves its relationship with all stakeholders.
MT16	Environmental protection, combating climate change and energy transition	Focusing the purpose of the operations financed and to be financed in the coming years, among others, on green finance related to sustainable mobility; the development of renewable energies, renewable hydrogen; energy efficiency; the circular economy, water treatment, improved energy efficiency and sustainability of buildings, improved accessibility in buildings/housing, urban and rural regeneration and renovation, transport infrastructure projects or construction and rehabilitation of social or affordable housing, has a direct impact on the environment and society.
MT17	Just ecological transition	Contributing to a just ecological transition is a key line of action proposed by the International Labour Organisation and the United Nations Framework Convention on Climate Change, to maximise benefits in activity and employment and minimise the negative impacts of the ecological transition and decarbonisation.



These material topics were prioritised according to the criteria of impact and relevance in both directions: from in to the outside, taking into account potential impacts, their severity and likelihood of occurrence, and from the outside in, insofar as they may affect the Group's commitments, results, current situation or future development.

This analysis gave rise to the following materiality matrix, in which the aspects furthest from the source are those to be considered most relevant for the organisation.

ICO MATERIALITY MATRIX





There is a relationship between the material topics and the strategic axes and action plans contemplated in the current Strategy, and also in the contribution to the Sustainable Development Goals, as can be seen in the following summary table of the most significant ones.

This materiality study was discussed in the Sustainability Committee and was incorporated into the 2022 NFIS and approved in accordance with the applicable procedures.

Compared to the previous year, the material topics and the study that supports them are maintained, as mentioned at the beginning.

Catalogue of material topics 2023	STRATEGIC AXES 2022-2027	SDGs
MT1 MT2 MT9	AXIS 4 Governance	  
MT7	AXIS 1 Business growth AXIS 3 Sustainable finance	 
MT4	AXIS 1 Business growth AXIS 4 Governance	 
MT3	AXIS 1 Business growth AXIS 3 Sustainable finance	 
MT5 MT6 MT10	AXIS 2 Digitalisation AXIS 4 Governance	 
MT8	AXIS 1 Business growth AXIS 2 Digitalisation AXIS 3 Sustainable finance	   
MT16 MT17	AXIS 3 Sustainable finance	  
MT11 MT12 MT13	AXIS 4 Governance	   
MT16 MT17	AXIS 4 Governance	   

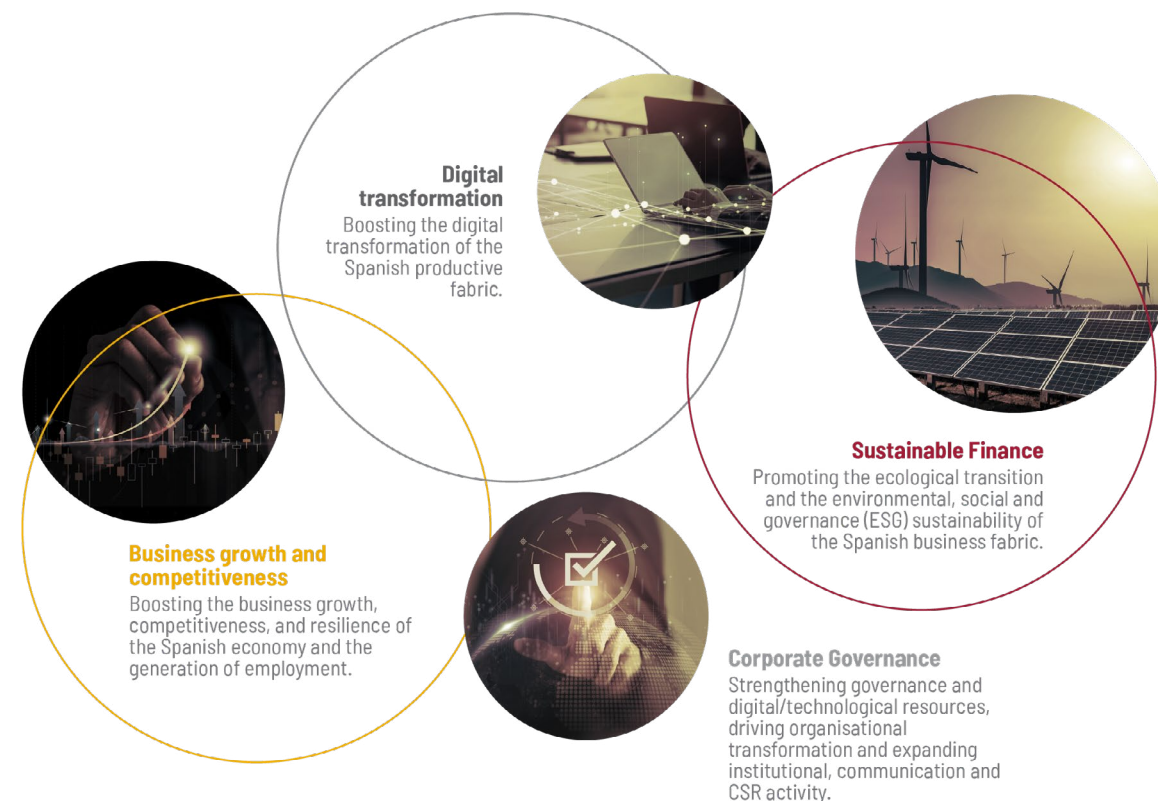


## 1.5 ICO GROUP'S STRATEGY

### ICO Group Strategy 2022-2027 and Resource Allocation of the Addendum to the Recovery, Transformation and Resilience Plan.

The ICO Group's Strategy for the period 2022-2027 was approved by the ICO General Council on November 25, 2021 and is structured around ICO as a credit institution, AXIS as a private equity fund manager, 100% owned by ICO, and Fundación ICO as a state public foundation that carries out its activities under the sole sponsorship of ICO.

The ICO Group's Strategy 2022-2027 is defined around 4 strategic axes (Business Growth and Competitiveness, Digital Transformation, Sustainable Finance, and Corporate Governance) and 20 action plans aimed at mobilising resources at national and EU level, in collaboration with the private sector and the rest of the Public Administrations, through a broad and flexible catalogue of financial products to improve access to long-term financing for companies, especially SMEs, midcaps, the self-employed, entrepreneurs and social economy entities, to boost their national and international activity and have a greater capacity for innovation, competitiveness and generation of quality employment.





Since 2023, the channelling of European resources allocated in the Addendum to the RTR Plan, within the Recovery and Resilience Mechanism (RRM), a new activity that was not included in the Strategy approved by the ICO's General Council on November 2021, takes on special relevance for the ICO Group. On June 6, 2023, the Council of Ministers approved the Addendum to the RTR Plan to mobilise all European Next Generation funds and complete the process of modernising the Spanish economy. Following the approval of the Addendum to the RTR Plan, on October 2, 2023, by the European Commission and on October 17, 2023, by the EU Council, ICO Group will channel RRM loans amounting to 39,862 million Euros until 2026, which will be processed through the mediation lines, direct financing programmes and venture capital to finance Spanish companies on favourable terms for investment projects that facilitate adaptation to the dual green and digital transition, as well as social and territorial cohesion. The Addendum to the RTR Plan will boost Spain's strategic autonomy in the energy, agri-food, industrial, technological and digital fields. During 2023, the ICO Group, together with the Ministries involved in the measure, have designed the terms and conditions for the implementation of the RRM, as well as the signing of agreements, the development of the IT platform, the launch of the different Facilities and the establishment of the different financial instruments for making these European funds available in the real economy from 2024.

ICO Group has demonstrated its ability to meet the challenges it has faced in the past, such as the economic crisis of 2008-2014, the health crisis since 2020, and the crisis arising from the war in Ukraine, since 2022, adapting its activity to the needs of each moment to provide financing to the self-employed and companies of all sizes and from all sectors, especially those most affected by the situation at any given time. Over the coming years, ICO Group will continue to work on its commitment to support the growth of Spanish companies, promote their digitalisation process and accompany them in their transition towards more sustainable models, contribute to the achievement of economic policy objectives and boost growth, job creation and the transformation and strengthening of the Spanish economy, all in line with the Spanish Government's Recovery, Transformation and Resilience Plan, the Next Generation EU Programme and the EU's Multiannual Financial Framework 2021-2027.

## Our principles

The activity carried out by the ICO is governed by a series of principles that guide its actions in the performance of each of its functions.

### PUBLIC-PRIVATE COLLABORATION

Financial sector, companies, freelancers, employees, associations

### FLEXIBILITY AND ADAPTATION

To the needs of all companies, SMEs and freelancers workers of all sectors and sizes

### COMPLEMENTARITY AND LONG-TERM VALUE

To contribute to the recovery and growth of the Spanish economy and companies

### GOVERNANCE AND TRANSVERSALITY

Objectives ESG and priorities assumed by ICO Group

### COHERENCE AND GENERATION OF SYNERGIES

With economic policy priorities defined at national and EU level

### FINANCIAL BALANCE AND MANAGEMENT AUTONOMY

In the development of the ICO balance sheet activity





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## The Strategy 2022-2027 in figures

ICO Group is financed through various instruments in the capital markets and always under market criteria, not through the General State Budget. It has the explicit, irrevocable, unconditional and direct guarantee of the Spanish State for the debts and obligations it incurs by raising funds. The ICO Group's objective is, among others, to be present in the capital markets through its regular issues, mainly through green and social bonds. In 2023, ICO continued to consolidate its position as a benchmark issuer in the European sustainable bond market, with the issuance of its 5th green bond for an amount of 500 million Euros and its 10th social bond for an amount of 500 million Euros. With these new operations carried out during 2023, ICO has issued a total of 15 sustainable operations (10 social and 5 green) for a total amount of 7,550 million Euros that are channelled towards projects of Spanish companies to boost sustainable growth.

The promotion of sustainability is one of the strategic axes of the ICO Group's strategy, with the objective that 40% of the volume of its new operations should be made under sustainability criteria in the period 2022-2027. During 2023, according to ICO's internal criteria, the percentage of direct sustainable approvals represents 46% of the total new approvals of ICO's direct activity, which translates into a volume of 2,846 million Euros of approved sustainable financing and a mobilised investment of 16,314 million Euros.

As mentioned above, the Addendum to the Spanish Government's RTR Plan envisages the channelling by the ICO Group, in public-private collaboration, of an amount of 39,862 million Euros until 2026 through the lines of mediation, direct financing and venture capital (Axis), distributed in the ICO-Green Facility of 22,000 million Euros, the ICO-Enterprises and Entrepreneurs Facility of 8,150 million Euros (7,000 million Euros for boosting the productive fabric, 1000 million Euros for financing the tourism sector towards a more sustainable model and 150 million to finance the PERTE of the New Language Economy), the Next Tech Fund of 4,000 million Euros (an existing fund but with an increase in the amount in RRM), the Audiovisual Hub Facility for 1,712 million Euros and the Facility for the Promotion of Social Rental Housing for 4,000 million Euros, as shown in the table below. For the management of these amounts, public-private collaboration will be of great importance, especially with financial institutions, in order to reach companies of all sizes and in all sectors of activity throughout Spain.

### FACILITIES / FUNDS FINANCED FROM LOANS - ICO GROUP

NAME OF THE FACILITY	MILLION €	DESTINATION OF RESOURCES
<b>ICO RRM-Green Facility C13.I6</b>	<b>22.000</b>	Resources to increase the funding available for the green transition <ul style="list-style-type: none"><li>• Sustainable Transport</li><li>• Energy Efficiency</li><li>• Renewable Energy &amp; Energy Storage &amp; Transmission</li><li>• Decarbonised industry and value chains</li><li>• Water treatment (Water resources)</li><li>• Circular Economy</li><li>• Adaptation to Climate Change</li></ul>
<b>ICO RRM- Enterprises and Entrepreneurs Facility: C13</b>	<b>8.000 [+150]</b>	Resources for financing business growth and resilience, with a specific sub-line dedicated to companies in the tourism sector. [PERTE Language]
<b>RRM Next Tech Funds for scaling tech startups: C13.I7</b>	<b>4.000</b>	Funding for technology start-ups and scale-ups
<b>ICO RRM Spain Audiovisual Hub Facility. C25.I3</b>	<b>1.500 [+212]</b>	Loans and other financial instruments for companies in the audiovisual sector in order to promote productions made by this industry [PERTE Language].
<b>ICO RRM facility for the promotion of social rental housing: C2. I7</b>	<b>4.000</b>	Increase the stock of social or affordable rental housing, as well as improve the existing stock of social housing.
<b>Total</b>	<b>39.500 [+362]</b>	[New PERTE Spanish and Co-Official Languages].



As part of the ICO Group's strong commitment to supporting digital transformation, it is worth highlighting its participation in the European Tech Champions Initiative (ETCI), a new fund of funds to finance innovative start-ups in Europe. During 2023, ICO Group has formalised an amount of 400 million Euros in this initiative through FondICO Next Tech and plans to raise up to 1,000 million Euros in a second phase.

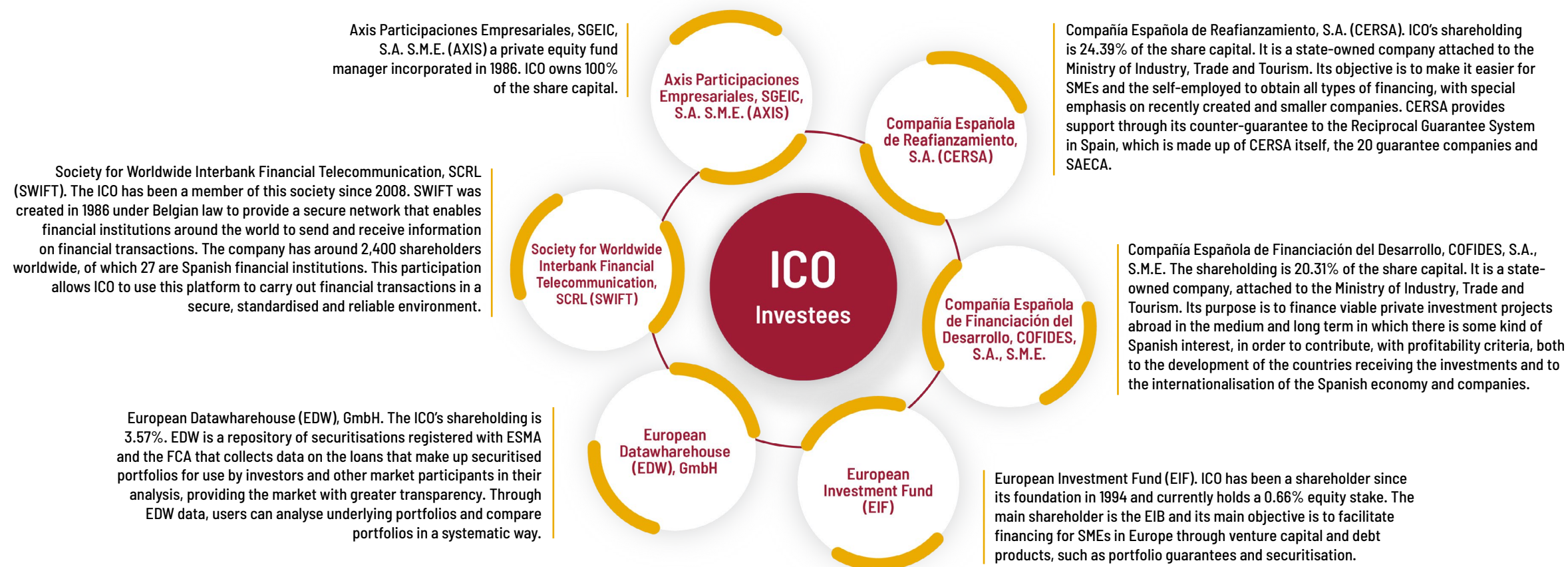
The channelling of loans from the Addendum to the RTR Plan for an amount of almost 40,000 million Euros in the period 2024-2026 means that ICO Group will play an even more important role in supporting the Spanish business fabric, in the dual green and digital transition and in social and territorial cohesion. These funds will promote, in public-private collaboration, among others, investments by the self-employed and companies in renewable energies, energy efficiency and circular economy, supporting companies in their adaptation to the new framework of sustainability of the economy, as well as in strengthening their competitiveness and access to new markets. They will also promote actions with a positive social impact, such as the construction of rental housing.





## 1.6 ICO INVESTEES

Instituto de Crédito Oficial has shareholdings in the following entities:





## 1.7 PUBLIC-PRIVATE PARTNERSHIPS AND COLLABORATION

Collaboration with other economic agents is a hallmark of the ICO Group's activity. These alliances can be grouped into several groups:



Business alliances **for the better distribution of financial products**: this includes agreements with intermediary financial institutions, collaboration with other banks in syndicated loans, the network of collaborating agents, agreements with foreign institutions within the framework of the International Channel, liability agreements with international institutions for better financing and collaboration with Funds participating in initiatives promoted by AXIS.

Partnerships in **sustainability**. ICO Group plays a very active role in relevant sustainability partnerships as detailed in point 3.2.4 below.

Also very relevant are the agreements with **other Spanish public sector entities** for the launch of joint sectoral initiatives as detailed in this document, in many cases to channel funds within the framework of the Recovery, Transformation and Resilience Plan.

For their part, **agreements with European institutions** are an essential part of the ICO Group's role in channelling funds, in the context of the Multiannual Financial Framework in force at any given time, with initiatives such as the management of InvestEU guarantees, among others.

There is also ongoing dialogue and collaboration with **business and sectoral associations and third sector entities**. The process of dialogue with chambers of commerce, general and sectoral business associations, bank employers' associations and third sector associations and organisations enables a channel of communication and cooperation to be established to ensure that information on the ICO Group's activities is known and disseminated, and to gather their concerns. This is also achieved through the establishment of collaborations that take the form of specific initiatives.

In general, there is also fluid collaboration in formal and informal forums with other **national promotional banks** at the international level, which has given rise to joint initiatives in different areas. It also participates in **international associations** such as NEFI (The Network of European Financial Institutions for Small and Medium Sized Enterprises), ELTI (European Long-Term Investors Association), ALIDE (Asociación Latinoamericana de Instituciones Financieras para el Desarrollo) where joint initiatives and collaborations are promoted in their fields of action.

Information on agreements signed by the ICO within the framework of Law 40/2015 of 1 October is available on the Transparency Portal accessible from the ICO website<sup>2</sup>.

In short, the ICO Group's network of alliances and contacts allows for a variety of formal and informal communication channels with different stakeholders.

<sup>2</sup> <https://www.ico.es/web/quest/contratos-convenios-y-subsunciones>





## 1.8 ECONOMIC AND FINANCIAL ENVIRONMENT OF ACTION

The general economic and financial situation in which ICO Group carries out its activities is very relevant insofar as it is the context in which it has to develop its activities, and because at the same time it determines to a large extent the guidelines that the Group adopts to provide the best response in each situation to the needs of the Spanish economy and its productive fabric.

### The Spanish economy continues to grow strongly despite the context of uncertainty at the global level

In 2023 as a whole, the Spanish economy maintained strong economic growth (2.5%), after the remarkable post-pandemic recovery observed in 2021 and 2022, with growth of 6.4% and 5.8%, respectively. Spain demonstrated greater strength than its European shareholders already in 2022 and continued to lead growth in 2023, which has been particularly relevant given the context of geopolitical tensions and weak external growth, particularly in the Eurozone, due to the impact of restrictive monetary policy. Specifically, Spanish GDP growth in 2023 was five times higher than that of the Eurozone average.

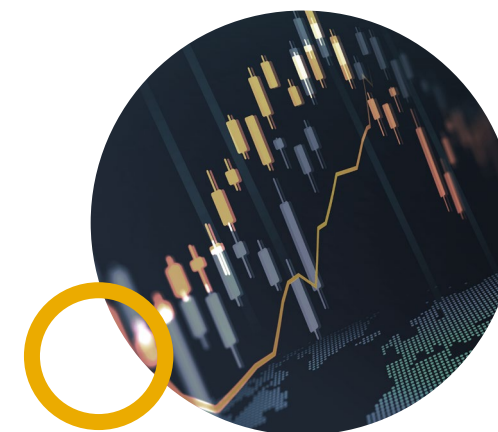
Having surpassed the pre-pandemic GDP in the third quarter of 2022, and after beating the growth forecasts for 2023, projections for 2024 and 2025 once again place Spanish growth at levels above the rest of the major Euro Zone economies. According to the latest IMF forecasts, Spain would grow by 1.5% in 2024 and 2.1% in 2025, compared to the estimated growth for the Euro Zone as a whole of 0.9% and 1.7%, respectively.

Eurozone growth slowed markedly in 2023 to 0.5% from 3.3% in 2022. The impact of monetary policy tightening, persistent inflation and geopolitical tensions would have led to this weakness in growth. In turn, the growth of the Spanish economy in 2023 was underpinned by a favourable performance of both domestic demand and the foreign sector. Within domestic demand, private consumption slowed but remained strong, supported by the improvement in purchasing power and the good performance

of the labour market, while investment grew to a lesser extent than last year. The momentum of the external sector was driven by the resilience of trade in goods, the remarkable recovery in tourism and the dynamism of trade in non-tourist services.

With regard to the labour market, job creation in Spain accelerated in 2023. According to data from the Labour Force Survey (EPA), 783,000 jobs were created in 2023, equivalent to an increase in employment of 3.8%, thus showing a higher rate of job creation than in 2022 (279,000 new jobs with a growth rate of 1.4%). As a result, the number of employed persons reached an all-time high (21,246,900). The unemployment rate continued its downward trend, standing at 11.8% in the fourth quarter of 2023, more than one point below the rate in the fourth quarter of 2022 (12.9%), while the number of unemployed ended 2023 at 2,830,600, 6.4% lower than in 2022 and its lowest figure at the end of the year since 2007. In terms of the number of workers affiliated to Social Security, the data also evolved favourably, with an increase in affiliation in 2023 of 2.7% with respect to.

In short, in a context of high uncertainty and lower economic growth in the international arena, the Spanish economy maintains differential growth thanks to the dynamism of the labour market, the positive evolution of the foreign sector, the solid assets of households and companies and the **rapid deployment of the Recovery Plan**.







## Inflation moderated sharply over the year

General inflation moderated sharply during 2023, to the lowest levels in two years and the underlying rate has also shown a gradual deceleration trend, to which the lower inflationary pressures in energy prices and raw materials, the restrictive monetary policy of the European Central Bank and the measures implemented by the Government to alleviate inflation, have contributed. In Spain, average inflation was 3.5% in 2023, correcting part of the sharp price increase observed in 2022 (annual average 8.4%) and headline CPI ended 2023 at 3.1% y-o-y on December. Core inflation averaged 6% for 2023 as a whole, above the average for 2022 (5.2%), and ended the year at 3.8% y-o-y on December, progressively narrowing the differential with the headline index. In the Eurozone as a whole, inflation averaged 5.5% in 2023, higher than in Spain, but the year-on-year inflation rate as of December was 2.9%, also reflecting the trend of decelerating prices in the Eurozone during the year.

Forecasts of the main organisations, both for Spain and for the Eurozone as a whole, point to a continuation of the gradual slowdown in prices in 2024, although they would still be above the monetary policy target and within a context marked by the high uncertainty linked, mainly, to the future evolution of energy prices.

## The ECB continued to tighten its monetary policy in 2023

The Governing Council of the European Central Bank (ECB) continued in 2023 with the process of normalising its monetary policy that had already begun in 2022. From July 2022 until September 2023 it decided to undertake ten consecutive policy rate hikes to ensure that inflation returns to its medium-term objective of 2%. Accordingly, the Governing Council set the main refinancing rate and the interest rates on the marginal lending facility and the deposit facility at 4.50%, 4.75% and 4.00% respectively, implying a cumulative increase of 450 basis points in each of the three benchmarks and bringing them to 22-year highs.

Since September 2023, the ECB has stopped the interest rate hike cycle. The Governing Council considers that the key ECB interest rates are at levels which, if maintained for a sufficiently long period

of time, make a substantial contribution towards achieving its objective. Looking ahead, the Governing Council will continue to apply a data-dependent approach to determine the appropriate level and duration of the interest rate constraint.

Complementary to the rate hike decisions, during 2023, the Governing Council of the ECB has announced and started to implement a process of reducing the size of the Eurosystem's balance sheet, which had been increasing sharply with the various asset purchase programmes.

## The momentum of the European funds continued and their power was expanded

The Government of Spain continued to manage European funds from the Next Generation EU (NGEU) instrument through the Recovery Plan during 2023, which has set in motion an ambitious schedule of investments and reforms that will have a structural impact on the Spanish economy. With a strong pace of meeting milestones and targets, Spain has been receiving the agreed payments according to schedule.

On October 2023, the European Commission approved the Addendum to the Plan, and with it the second phase of the Recovery Plan, which has an additional 94,300 million Euros, to continue strengthening strategic projects and with a special focus on the strategic autonomy of Spain and the EU in the fields of energy, agri-food, industry, technology and digital. Part of the mobilisation of these new funds will be carried out through the creation of funds and financial instruments, in the implementation of which ICO plays a very prominent role. The ICO lines will involve up to 40,000 million in loans to support SMEs in particular, strengthen investment in the green and social sphere, as well as in key future areas in the digital transition, such as start-ups and the audiovisual sector. In addition, the Autonomous Community Resilience Fund will be launched, with financing of up to 20,000 million Euros, which will enable sustainable investments to be made in the Autonomous Communities, in collaboration with the European Investment Bank.



## Business rates rose in 2023 as a result of the prolongation of the monetary policy normalisation process

The tightening of the ECB's monetary policy has continued to make new financing more expensive and to weaken credit flows to households and firms during 2023. Thus, the average interest rate applied to the companies in operations of less than 1 million Euros, which may be taken as approximation of the rate applied to SMEs, increased from 3.49% at December 2022 to 5.11% at December 2023.

In terms of financial sector activity in 2023, the volume of new lending business decreased by 7.3% compared with 2022, following an increase of 19.9% in the previous year, as a result of a stronger pass-through of monetary policy tightening in 2023. Transactions of less than 1 million Euros moderated their progress from 14.1% in 2022 to 5.1% and transactions of more than 1 million Euros fell markedly, by 18.8% in 2023, compared with an increase of 25.7% in the previous year.

The outstanding amount of total credit to enterprises declined by 2.7% in 2023 compared with 2022, while it remained virtually stable in 2022, according to data from the Bank of Spain.

## Asset quality has not deteriorated: Doubtful assets remained at low levels during 2023.

The doubtful assets ratio of Spanish credit institutions remained fairly stable during 2023, remaining close to the lowest since December 2008. On December 2023 it stood at 3.54%, the same ratio as on December 2022. This development is explained by a fall in the volume of credit classified as doubtful, which remains larger than the decline in total credit. With regard to credit to productive activities, its doubtful assets ratio stood at 4.06% on September 2023 (latest available data), lower than on September 2022 (4.43%).

Banks' perceived and expected demand for corporate credit in the bank lending survey declined in 2023 due to the financial environment, while some tightening of approval criteria continued according to the same source.

With interest rates at high levels, although they are expected to fall, ICO Group must continue to adapt its range of products to the Spanish productive fabric, as it has done historically. In its role through intermediary entities, the ICO will continue to offer advantageous conditions so that financing continues to flow towards the productive fabric, while at the same time continuing to provide direct financing through the different modalities, with greater emphasis on priority activities in accordance with the Group's frameworks and Strategy. Of particular importance in 2024 will be the channelling of resources from the Addendum to the Recovery Plan, which will entail a significant mobilisation of resources, in public-private collaboration.





## 2. OUR MODEL OF VALUE CONTRIBUTION TO THE SOCIETY: PROMOTING SUSTAINABLE GROWTH

### Economic transformation

The ICO Group's activity has always had a transformative vocation towards the Spanish productive fabric, as an economic policy tool with the capacity to drive sustainable economic growth through the different financial initiatives that support companies and the self-employed in their business growth, investments and in the ecological and digital transition, with a greater capacity to create quality employment.

### Global approach

To this end, ICO Group develops financing and collaboration schemes with the private sector and other public administrations and bodies to improve or develop its instruments, products and new initiatives and make them available to Spanish companies of all sectors and sizes for their activities and investments both in Spain and in international markets.

### Adaptation and anticipation

Our ability to adapt and anticipate the needs of the Spanish economy has been demonstrated throughout the different stages our economy has gone through. The best example of our vocation for rapid, effective and efficient support was the deployment in record time of the State guarantee lines in the context of the covid-19 pandemic, which constituted an unprecedented model of public-private collaboration, with more than one million operations guaranteed and more than 140,000 million Euros mobilised. It has also been evident in initiatives such as the lines of guarantees to alleviate the effects of the invasion of Ukraine.



### Through a variety of instruments

In addition to traditional products, different initiatives have been incorporated in an attempt to respond to the needs of the moment. Specific products for specific purposes complement the general financial offer, which has also been adapted and made more flexible at any given time. It also acts as a driver of European or national resources or as a manager of State funds. In this respect, the relevant role that the Addendum to the Recovery Plan reserves for ICO is being implemented through different products to support our productive fabric.



## In public-private collaboration

The successful model of collaboration with the private sector, both through financial institutions and directly with the business community, is a hallmark of our way of operating.

## Long-term vision

Our activity responds to the needs of the moment, but does not forget our long-term objectives. The consolidation of the process of **recovery and transformation** of the Spanish economy, with

the boost to the ecological transition and digital transformation and the promotion of environmental and social sustainability and governance, in line with the Sustainable Development Goals, are essential elements of our actions. Without forgetting the objective of business growth as a source of innovation, competitiveness and job creation.

## Contribution to the economy and society

All of this has positive effects on society at large and on communities.

Not only through financial instruments, but also through a range of other initiatives with a positive social impact.

## Sustainability

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

For this reason, for the ICO Group, sustainability, which takes into account environmental, social and corporate governance factors, is a basic pillar integrated into all its activities in a cross-cutting manner, both in its asset and liability operations and in the internal management of the organisation, from the perspective of governance and corporate social responsibility. ICO's sustainability commitments are set out in the Sustainability Policy, which was reviewed and updated in 2023 and a new version was finally approved by the General Council on January 2024.

The public commitment to long-term sustainable development is thus maintained, balancing economic development, social development and environmental protection, through three main lines of action: the signalling role to other agents who are encouraged to share objectives and commitments; the fight against climate change and the protection of natural capital; and the promotion of a just and inclusive transition.







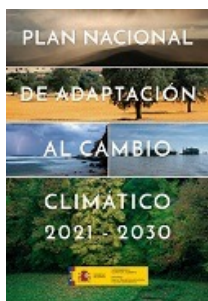
## 2.1 Reference frameworks

The ICO Group, its activity and its strategic orientations discussed in previous points are consistent with the various frameworks of reference that the Group has adopted as its own: The priorities of the European Union, embodied in **the EU's Multiannual Financial Framework 2021-2027** and the European recovery plan **Next Generation EU** are going to drive profound economic transformations. Their translation to Spain, through the **Recovery, Transformation and Resilience Plan** and its Addendum, will also determine the direction of Spain's economic policy in the short, medium and long term, to which ICO Group will contribute and support in a decisive manner.

In addition, Law 7/2021 of 20 May on climate change and energy transition defines the National Integrated Energy and Climate Plan as the national strategic planning tool that integrates energy and climate policy. The National Plan for Adaptation to Climate Change

(PNACC) is the basic planning instrument to promote coordinated action against the effects of climate change in Spain. Its main objective is to avoid or reduce present and future damages derived from climate change and to build a more resilient economy and society.

There are also a series of economic policy guidelines of a thematic or sectoral nature to which ICO Group contributes through its activity. These include initiatives such as the Plan for the Internationalisation of the Spanish Economy, Digital Spain 2026 and the National Circular Economy Strategy, which determine the priorities and actions planned in these areas. More specifically, in the area of sustainability, ICO Group takes the multiple global, EU and national initiatives as a reference when defining its sustainability objectives and strategy.



### Sustainable Development Goals.

17 interconnected global goals designed to "achieve a better and sustainable future for all". 2015 UN resolution called Agenda 2030.



### Paris Agreements.

COP 21 art. 2c. "to bring financial flows to a level consistent with a pathway towards low-emission climate-resilient development".



### UN - Environment Programme.

Coherent implementation of the environmental dimension of sustainable development in the UN system.



**Global Compact .** Through the UN mandate to promote the SDGs in the business sector.



### United Nations Climate Change Conferences (COP)

COP25 (Madrid), COP26 (Glasgow), COP27 (Egypt), COP28 (Dubai)



### Coalition of Finance Ministers for Climate Action (CAPE).

Forum of economic policymakers to lead the climate response.





## GLOBAL FRAMEWORKS

### Global financial sector frameworks



**UNEP –financial sector.** Alliance of banks, insurers and investors to catalyse financial activity for sustainable development



**Network of Central Banks and Supervisors for Greening the Financial System.** Its aim is to contribute to strengthening the global response needed to meet the objectives of the Paris Agreement



**Task Force on Climate Disclousure.** Dissemination of information on climate risks and opportunities



**Basel Committee on Banking Supervision.** High Level Task Force on Climate-related Financial Risks. Studies on transmission channels and impact of climate risks on the banking sector



**Equator Principles.** A framework for environmental risk management in Project Finance



**ICMA.** International Capital Market Association. Green Bond (GBP), Social Bond (SBP), Sustainability Linked Bond (SLBP) and Sustainable Bond (SBG) standards.

At the **European Union level**, initiatives with a sustainable component are very important, as well as their translation into concrete instruments in which ICO Group can play a relevant role. Firstly, the European Green Pact is a major regional commitment that will transform the EU, ensuring that:



- no net greenhouse gas emissions by 2050
- Target 55 - at least 55% by 2030**
- economic growth is decoupled from the use of fossil resources
- no people or places are left behind

More concretely, **REPowerEU** is the European Commission's plan to make Europe independent of Russian fossil fuels well before 2030. It is a plan to: save energy, produce clean energy and diversify our energy supplies.



To boost growth in the aftermath of the covid-19 crisis, **Next Generation EU** was launched, an exceptional temporary recovery instrument approved in 2020, endowed with 750,000 million for all Member States. The two largest instruments of which it is composed are:



- The Resilience and Recovery Mechanism (RRM)
- The REACT-EU Fund

**In addition, there is the Invest EU instrument:** attracting private investments in support of a sustainable recovery and contributing to building a greener, more digital and resilient European economy, where ICO has a relevant role as an accredited Implementing Partner of the European Commission.





Also at the European level, there are a number of important reference frameworks for the financial sector. Firstly, it is necessary to mention the **Taxonomy of the European Union**: this is the European Commission's regulatory development that aims to link the financial sector to the achievement of the objectives of decarbonisation of the European economy.

It defines sustainable as economic activity that contributes substantially to the achievement of one or more of the **six environmental objectives**: climate change mitigation; climate change adaptation; use of water and marine resources; transition to a circular economy; pollution control; and protection of biodiversity. This initiative is part of the European Commission's **Sustainable Finance Action Plan**, which is the strategy for the financial system to support the EU's climate and sustainable development agenda, as well as the **Renewed Sustainable Finance Strategy**.

Other bodies such as the **European Banking Authority** have established their **Sustainable Finance Roadmap**, which defines the objectives and agenda for the achievement of supervisory mandates and requirements in ESG risk management. The **European Central Bank**, for its part, has established its **Climate Centre** whose work focuses on three objectives: (i) managing climate risks, (ii) supporting the green transition, and (iii) promoting broader actions, such as engagement and knowledge generation.

The Corporate Sustainability Reporting Directive (**CSRD**) is another important element. This regulation will gradually impose on companies the obligation to report using a dual materiality perspective, in line with the European Sustainability Reporting Standards (ESRS). The European Financial Reporting Advisory Group (**EFRAG**) was appointed as technical advisor, which prepared the first draft of standards, which, subsequently, on July 2023, was approved with some modifications by the European Commission through the delegated act to adopt the first set of twelve European Sustainability Reporting Standards, which now form part of the European legal framework through the **publication in the OJEU of the Delegated Regulation (EU) 2023/2772, of 22 December**.



**At the national level, the preliminary draft law transposing the CSRD into Spanish law continues to be processed.**

These twelve standards consist of two general and ten thematic standards for all sectors, providing details on environmental, social and governance aspects. Going forward, EFRAG will provide guidance on value chain and dual materiality. In addition, it will seek to develop specific reporting standards for SMEs and other sectors, in order to foster transparency and accountability in corporate sustainability reporting within the European Union.

All these frameworks, initiatives, agreements and plans are taken into consideration by ICO Group when designing its strategic lines and when deploying its initiatives and products, as well as in the methodologies followed for the presentation of sustainability and impact indicators.





## ICO GROUP AND THE SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda and the Sustainable Development Goals must be fundamental pillars of all public action. ICO Group fully aligns its actions with these goals, both at the level of its financial activity, in other initiatives with external projection and in its internal management, as described in the different parts of this report.

### SUSTAINABLE DEVELOPMENT GOALS



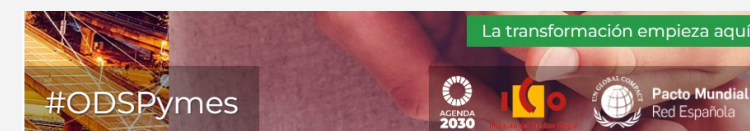
Given the nature of our core business, **the direct impact of our activities stems from one main purpose:** to contribute as much as possible to SDG8 on decent work and sustainable economic growth.

Support for projects and activities that promote SDG8 is complemented by the contribution to other relevant SDGs through different actions, such as 7 and 13, which are particularly relevant



to our financial activity. In any case, all the SDGs to which we contribute are interconnected and mark the roadmap that ICO Group offers towards sustainability and social responsibility.

In addition, and in order to encourage SMEs to learn about, apply and promote the Sustainable Development Goals, in 2019 a joint initiative was launched with the Spanish Global Compact Network and with the support of the High Commissioner for the 2030 Agenda <https://icopymeSDG.ico.es/>, which is still in force. This initiative aims to involve Spanish SMEs in their alignment with the SDGs, as well as the business opportunities it can bring them.



With this initiative, ICO Group takes another step forward in its commitment to the sustainability of Spanish SMEs, informing them of the changes that companies must adopt to align themselves with the 2030 Agenda, offering a series of resources to build a strategy oriented towards the SDGs.

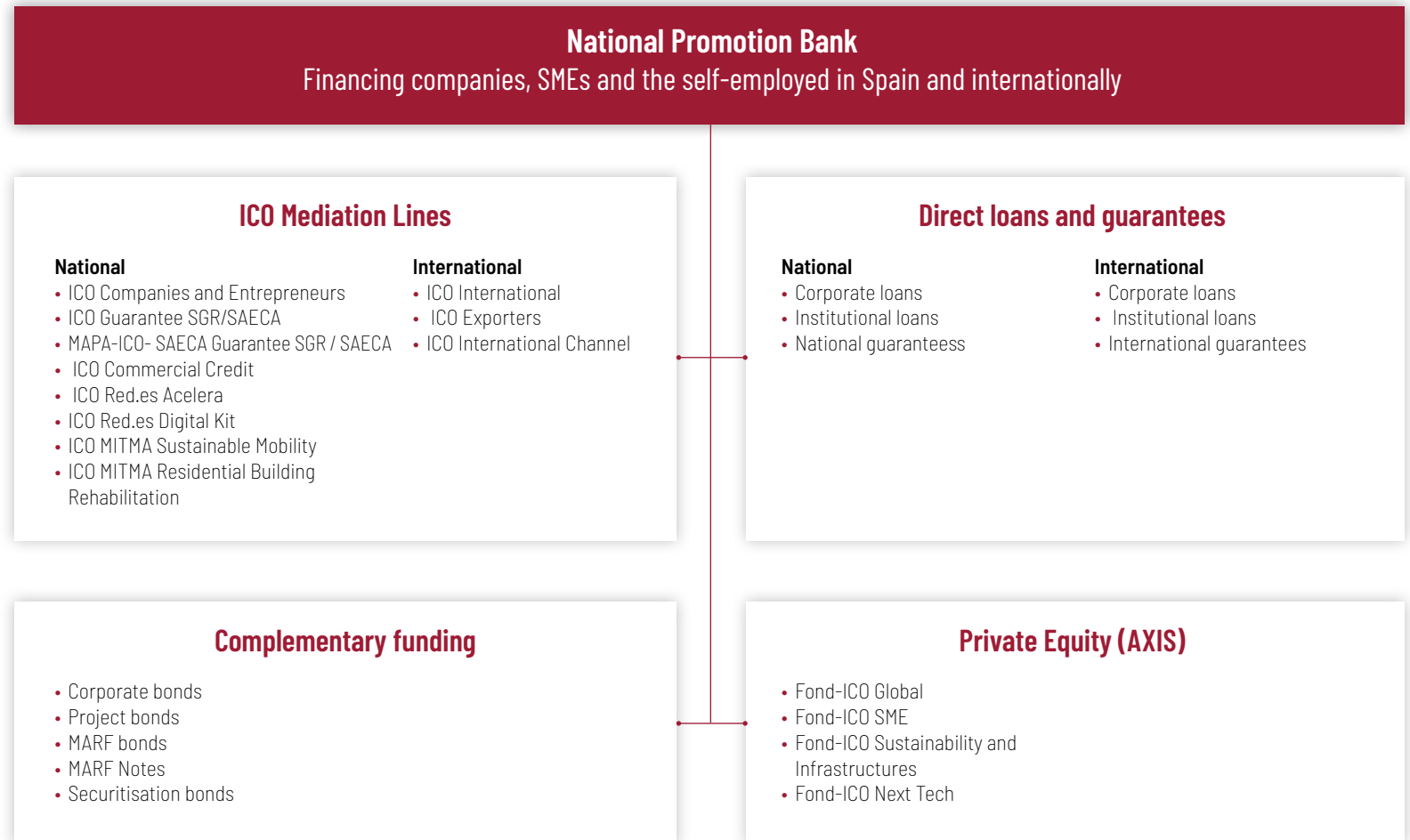


## 2.2 Its Financing Activity: Supporting The Productive Fabric

As part of its current strategy, ICO Group carries out its activities with significant positive impacts on the Spanish economy in general and on the productive fabric in particular. These positive effects are multiple, varied and interrelated. The most important of these are presented below.

### SUPPORTING ALL COMPANIES THROUGH ITS BROAD PORTFOLIO OF PRODUCTS AND INITIATIVES

## ICO GROUP PRODUCTS AND INITIATIVES







## Financial Instrument for Economic Policy

Channelling of EU resources and implementation of government economic policy measures

### Digital transformation

#### Through the traditional activity of the ICO Group:

- ICO-RED.es Line - Digital Kit (1st phase RTR Plan)
- ICO-RED.es - Acelera Line (1st phase RTR Plan)
- Fond-ICO Next Tech (included in 2nd phase RTR / RRM Plan)
- ICO-RTVE Agreement
- Implementing Partner CE: CEF-Connect, InvestEU Programme

#### Through allocated RTR Facilities (RTR Plan Addendum):

- ICO RRM-Enterprises and Entrepreneurs
- ICO-Tourism Line (Spanish tourism model, more digital)
- PERTE New Economy of the Language (Spanish universities)
- RRM Next Tech Funds
- ICO RRM Spain Audiovisual Hub
- Audiovisual Sector (Spain as a hub for audiovisual production)
- PERTE New economics of language (audiovisual industry)

### Sustainability

#### Through the traditional activity of the ICO Group:

- ICO-MITMA Sustainable Mobility Line/Programme (1st phase RTR Plan)
- Housing and Urban and Rural Regeneration Programme
- ICO-MITMA Line Building Rehabilitation Guarantees (1st phase of the RTR Plan)
- ICO Water Projects Financing Programme
- Implementing Partner CE: CEF-AFIF, InvestEU Programme

#### Through allocated RTR Facilities (RTR Plan Addendum):

- ICO RRM-Green
- ICO RRM-Enterprises and Entrepreneurs
- ICO-Tourism Line (Spanish tourism model, more sustainable)

### Social and territorial cohesion

#### Through the traditional activity of the ICO Group:

- Housing and Urban and Rural Regeneration Programme

#### Through allocated RTR Facilities (RTR Plan Addendum):

- ICO RRM-Social rented housing

### Business growth and competitiveness

#### Through the traditional activity of the ICO Group:

- ICO - Tourism FOCIT (Tourism Competitiveness Fund)
- MAP - ICO - SAECA / SRG/SAECA GUARANTEE

#### Through allocated RRM Facilities (RTR Plan addendum):

- ICO RRM Facilities: Green, EyE, Next Tech, Audiovisual, Housing

## State Finance Agency

Management of funds on behalf of the State (off-balance sheet)

**ICO COVID-19 Guarantee Lines** (on behalf of the Ministry of Economy, Trade and Enterprise)

**Guarantee Lines Ukraine** (on behalf of the Ministry of Economy, Trade and Entrepreneurship)

**ICO-MIVAU line Guarantees for the purchase of first homes by young people under 35 and families with dependent minors** (conditions approved by the Council of Ministers on February 13, 2024) (on behalf of the Ministry of Housing and the Urban Agenda)

**Internationalisation Support** (on behalf of the Ministry of Industry and Tourism)

- Fund for the Internationalisation of Enterprise - FIEM
- Reciprocal Interest Adjustment Contract - CARI

**Development Cooperation** (on behalf of the Ministry of Foreign Affairs, EU and Cooperation)

- Fund for the Promotion of Development - FONPRODE (FEDES, after the extinction of FONPRODE)
- Cooperation Fund for Water and Sanitation - FCAS

**Territorial Funds** (on behalf of the Ministry of Finance and the Civil Service)

- Financing Fund for Autonomous Communities - FFCCAA
- Financing Fund for Local Authorities - FFEELL





ICO Group has a comprehensive range of financing and guarantees through which it contributes to promoting viable business projects, encouraging the growth of companies, their long-term investments and their international activity, with the aim of fostering sustainable growth, job creation and the distribution of wealth. This broad offer is dynamic and adaptable to the needs of each moment, with the launch of new products or the modification of existing ones to best meet the needs of the productive fabric.

Through its extensive catalogue of products and financing initiatives, ICO Group supports companies of all sizes, especially SMEs, the self-employed and entrepreneurs, providing full geographical and sectoral coverage, with special attention to sectors and companies aligned with ICO's strategic axes, with the priorities of the Spanish Government's Recovery, Transformation and Resilience Plan (RTR), the Next Generation EU Programme and the European Union's Multiannual Financial Framework 2021-2027. ICO Group has added new financing facilities to its catalogue aimed at sustainability, energy transition, digital transformation and social and territorial cohesion.

During 2023, ICO Group managed a total balance of activity of just over 356,900 million Euros through its product catalogue, 10.7% higher than at 2022 closing, which includes both ICO loans and guarantees (accounted for on the ICO balance sheet) and funds and guarantees managed on behalf of the State (accounted for off the balance sheet) and Axis' private equity and venture capital activity.

With regard to the new activity generated, the following table shows the detail of the drawdowns made by companies and the self-employed during the period 2021-2023 through the various direct financing instruments and the ICO's Mediation Lines. Total direct financing and mediation drawdowns in 2023 have increased by 49% compared to 2022 (+97% in 2022 compared to 2021).

NEW ICO ACTIVITY Drawdowns. Figures in millions of Euros	2023	2022	2021
<b>DIRECT FUNDING</b>	<b>5,545</b>	<b>3,855</b>	<b>1,715</b>
<b>Direct loans and guarantees</b>	<b>3,264</b>	<b>1,916</b>	<b>1,066</b>
<b>National</b>	<b>2,324</b>	<b>1,145</b>	<b>489</b>
Corporate loans	1,366	829	456
Institutional loans	937	297	16
National guarantees	21	19	17
<b>International</b>	<b>940</b>	<b>771</b>	<b>577</b>
Corporate loans	796	633	
Institutional loans	6	16	
International guarantees	138	122	
<b>Complementary funding</b>	<b>2,281</b>	<b>1,939</b>	<b>649</b>
Corporate bonds	257	319	109
Project bonds	0	25	0
Securitisation bonds	536	383	235
MARF bonds	9	10	27
MARF Notes	1,479	1,202	278
<b>MEDIATION LINES</b>	<b>2,521</b>	<b>1,561</b>	<b>1,036</b>
<b>National</b>	<b>2,105</b>	<b>1,182</b>	<b>652</b>
<b>International</b>	<b>416</b>	<b>379</b>	<b>384</b>
<b>TOTAL</b>	<b>8,066</b>	<b>5,416</b>	<b>2,751</b>



From 2024 onwards, the channelling, in public-private collaboration, of loans under the **RTR Plan Addendum, within the Recovery and Resilience Mechanism (RRM)**, whose amount allocated to ICO Group totals **39,862 million Euros**, as detailed below, will take on special relevance for the ICO Group. The solid experience in public-private collaboration between ICO Group and the financial and business sector will allow mobilising greater resources and generating synergies and added value.

## CHANNELLING, IN PUBLIC-PRIVATE COLLABORATION, OF THE FUNDS FROM THE ADDENDUM TO THE RTR PLAN (RRM) TOWARDS THE SPANISH BUSINESS FABRIC.

- **39,862 million Euros managed by ICO for green and digital transition and social and territorial cohesion**

On October 17, 2023, the Council of the European Union approved the **Addendum to the RTR Plan (2nd Phase)**, which assigns ICO Group the task of channelling loans from the **Recovery and Resilience Mechanism (RRM)** for an amount of **39,862 million Euros until August 31, 2026**. These facilities will be processed through the ICO Group's mediation lines, direct financing products and venture capital to finance investment projects that facilitate adaptation to the dual green and digital transition, and social and territorial cohesion, under favourable conditions for Spanish companies.

**During 2023**, ICO Group has been working, together with other competent public bodies, on the design of the terms and conditions and on the **implementation of these facilities**. The amount of 39,862 million Euros to be channelled will be distributed as follows:





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GLOSSARY OF  
ABBREVIATIONS

Addendum to Spain's RTR Plan (approved by the EU Council on 17/10/2023)	Amount Allocated to ICO Group (to be channelled in 2024-2026) million
<b>ICO RRM-Green Facility</b>	<b>22,000</b>
Resources to increase the funding available for the green transition (sustainable transport, energy efficiency, renewable energy and energy storage and transmission, decarbonised industry and value chains, water treatment, circular economy, climate change adaptation, etc.). Beneficiaries: Public, private companies and households according to products.	Through Lines of Intermediation, Direct Financing, Bonds and Venture Capital
<b>ICO RRM-Enterprises and Entrepreneurs Facility</b>	<b>8,150</b>
Resources for financing business growth and resilience. Includes 7,000 million Euros to boost the business fabric, in particular SMEs; 1,000 million Euros from the ICO-Tourism Line for the transformation and improvement of the Spanish tourism model and 150 million Euros in financing for the PERTE of the New Language Economy). Beneficiaries: Business community (self-employed, SMEs, mid-caps, large companies, universities and start-ups).	Through Lines of Intermediation, Direct Financing, Bonds and Venture Capital
<b>RRM Next Tech Funds</b>	<b>4,000</b>
Resources to provide financial support to technology companies in their growth and scaling-up phase, promoting innovation and development in the technology sector in Spain.) Beneficiaries: Spanish growth companies in the Tech sector and funds that will be able to provide financing to companies.	Through Venture Capital/AXIS
<b>ICO RRM Spain Audiovisual Hub Facility</b>	<b>1,712</b>
Loans and other financial instruments aimed at financing companies in the audiovisual sector. Includes 212 million Euros from the New Language Economy EERP (OTT platforms "Over the Top" and companies in the cultural industries). Beneficiaries: Self-employed, SMEs, mid-caps, large companies, public companies and start-ups).	Through Lines of Intermediation, Direct Financing, Bonds and Venture Capital
<b>ICO RRM Facility for the Promotion of Social Rental Housing</b>	<b>4,000</b>
Resources to finance actions to promote social rental housing and improve existing social housing stock. Beneficiaries: Public and private developers of social/affordable rental housing, housing recipients, the residential rental market and the social housing community as a whole.	Through mediation and direct financing lines,
<b>TOTAL ALLOCATED TO ICO GROUP IN RRM</b>	<b>39,862</b>





In order to make these amounts available to the real economy, **public-private collaboration will be of great importance, especially with financial institutions**, to reach companies of all sizes and sectors of activity throughout Spain.

The channelling of these almost 40,000 million Euros by the ICO Group, in public-private collaboration, during the period 2024-2026 will promote, among others, investments by the Spanish productive fabric in renewable energies, energy efficiency, circular economy, technology companies, digital transformation of companies, transformation and improvement of the Spanish tourism model, audiovisual industry ecosystem, social housing for rent and improvement of the existing social housing stock.

The funds allocated to ICO Group in the Addendum to the RTR Plan (RRM) give it an even more important role, after the relevant role shown during the last health crisis, constituting a great opportunity for ICO Group to support the modernisation of the economy, increase long-term growth potential and boost Spain's strategic autonomy in the energy, agri-food, industrial, technological and digital scopes.

REINFORCING THE ROLE OF THE ICO IN MEETING THE FINANCING NEEDS OF COMPANIES, ESPECIALLY SMALLER ONES, IN AN ENVIRONMENT OF TIGHTER LENDING STANDARDS

- 12,111 operations financed in 2023 in Spain with ICO Mediation Lines
- 98% of operations to companies with less than 250 employees
- 63% of operations to companies with less than 10 employees

A significant part of the ICO Group's financing is aimed at small and medium-sized enterprises and the self-employed, given that most of the Spanish business fabric is made up of this type of company. Specifically, SMEs accounted for 99.8% of the total number of companies in Spain and generated 63% of total business employment at December 31, 2023.

In addition, smaller companies may have greater difficulties in accessing financing, so the ICO Group's support in financing these companies is very important for the start-up of their activities, their investments and their growth, providing improvements in prices, conditions and simplified procedures. This is an added value for small companies, especially in the current environment, in which the restrictive monetary policy has been transferred to the final interest rates borne by families and companies, moderating new lending operations in the sector.

Access to financing and entry to financial and capital markets with complementary sources of financing that ICO Group offers companies allows them to promote their growth and size in order to achieve higher levels of competitiveness, investment capacity, R&D, human capital and digitalisation, improved employment quality and productivity and, in general, greater resilience in the face of the evolution of the economic cycle. For this reason, ICO Group will pay special attention to financing SMEs in all sectors of activity, with the aim, among others, of promoting their larger size.

DRAWDOWNS ICO MEDIATION LINES IN SPAIN (*)				
COMPANY SIZE	2023		2022	
	NO. OF OPERATIONS	% OF TOTAL LOANS	NO. OF OPERATIONS	% OF TOTAL LOANS
Less than 10 employees	7,595	63%	8,659	70%
10 to 49 employees	3,011	25%	2,827	23%
50 to 149 employees	958	8%	603	5%
150 to 249 employees	253	2%	150	1%
More than 250 employees	294	2%	149	1%
Total	12,111	100%	12,388	100%

\* Not including International Channel

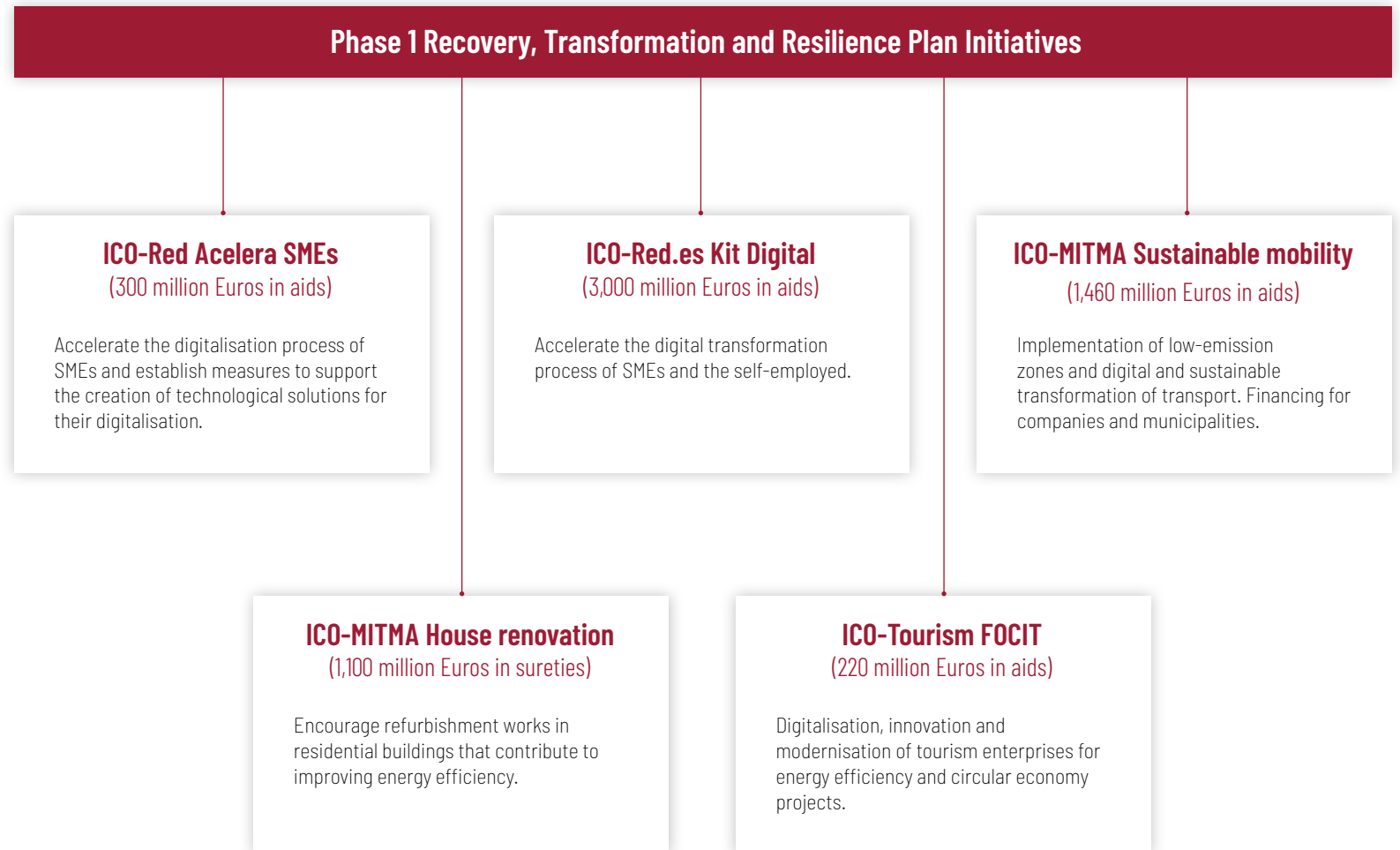




During 2023, the ICO has continued to work on the implementation of various sectoral policies and the deployment and channelling of part of the resources of the RTR Plan (from the 1st phase) and budgetary resources, as well as with bank financing from the ICO and other instruments in public-private collaboration with the banking sector, in coordination with the relevant sectoral Ministries, Autonomous Communities and their dependent bodies, focusing mainly on the digital transformation of Spanish SMEs, sustainable mobility, renewable energies and energy efficiency, environmental sustainability and territorial and social cohesion.

**ICO guarantee programme for SME portfolios** has also been approved for 2023 for a maximum amount of 1,000 million Euros, the purpose of which is to facilitate access to financing for SMEs in Spain. ICO will share 50% of the risk of the nominal amount of each operation with the originating financial institution, excluding ordinary interest, late payment interest and other items.

The following chart shows the different initiatives that ICO Group is carrying out to channel budgetary resources and European funds with the approval of the **1st phase of the Spanish Government's RTR Plan**: ICO Red.es-Acelera, ICO Red.es-Kit Digital, ICO MITMA Sustainable Movilidad, ICO Residential Building Rehabilitation and ICO Tourism FOCIT. In total, ICO Group will channel **more than 6,000 million Euros in aid and guarantees**, in public-private collaboration, which will mobilise additional financing.







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The catalogue of ICO Mediation Lines is constantly evolving and adapting to the needs of companies and the self-employed, with traditional lines such as Companies and Entrepreneurs, and other newly launched lines from the Addendum to the RTR Plan (ICO RRM Lines, of the 2nd Phase of the Plan), which will be of great importance in the coming years, both in terms of the volume of the amounts to be channelled towards the real economy and their objective of modernising the Spanish economy, making it greener, more digital and more socially and territorially cohesive.

During 2023, ICO Group has been working, together with other public bodies, on the implementation of the **ICO RRM Mediation Lines**, which during 2024-2026 will be made available to the Spanish productive fabric, **in public-private collaboration**, with **special attention to the smallest companies and the self-employed**. The following table shows the new ICO RRM mediation lines for a **total amount of 20,976 million Euros**, from the resources allocated to ICO in the **Addendum to the RTR Plan (2<sup>nd</sup> Phase of the Plan)**:

Period 2024-2026	
<b>ICO Green RRM Line</b> (financial support for green transition)	<b>12,505</b>
<b>ICO RRM Companies and Entrepreneurs Line</b> (General tranche up to 4,529 million Euros to boost the business fabric, particularly SMEs; Tourism tranche up to 1,000 million Euros for the transformation and improvement of the Spanish tourism model and PERTE New Language Economy tranche up to 150 million Euros)	<b>5,679</b>
<b>ICO RRM Audiovisual Hub Line</b> (General tranche up to 792 million Euros to finance the audiovisual sector; PERTE New Language Economy tranche up to 212 million Euros included in the General tranche)	<b>792</b>
<b>ICO RRM Social Housing Line</b> (finance actions to promote social rental housing and improve the existing social housing stock).	<b>2,000</b>
<b>TOTAL RRM FACILITIES IN ICO-RRM MEDIATION LINES</b>	<b>20,976</b>

Source: ICO's Management Budget approved on February 2024.

## CONSOLIDATING AND EXPANDING MAJOR PROJECTS AND STRATEGIC PROJECTS FOR ECONOMIC TRANSFORMATION AND RECOVERY

- **5,546 million Euros of drawdowns in 2023 in direct activity, largely covering major projects**
- **Strong support for direct financing of operations with a sustainable component**

ICO, as a national promotional bank, offers direct financing and complementary financing instruments on its own account to Spanish companies for the development of large investment projects and large long-term strategic projects, with high added value and with a tractor and catalytic effect on SMEs, both in Spain and abroad. To this end, ICO respects the principle of complementarity with private initiative, providing support to sustain and promote economic activities that contribute to growth and improve the distribution of national wealth, with special attention to projects related to water, waste, energy efficiency, health, renewable energy, urban and rural rehabilitation, sustainable mobility and social housing.

Internationally, ICO has become a benchmark in project finance associated with large infrastructures, and its relationship with financial shareholders is a key factor in the growth of its activity. In its support for the internationalisation of Spanish companies, ICO facilitates access to the guarantees required in international contracting operations, which include international public and private tenders and direct awards in projects abroad, among which the most common are: tender guarantee, performance guarantee, advance payment guarantee, defects or maintenance guarantee, equity guarantee and completion guarantee.

Likewise, ICO Group finances, preferably in public-private collaboration, those large projects and strategic projects that contribute to achieving the Spanish government's objective of focusing on strengthening strategic autonomy and security in five dimensions: energy, agri-food, industrial, technological and digital, which coincide with the orientation of the EU institutions and are in line with the strategic axes and action plans of the ICO Group's 2022-2027 Strategy. The European funds of almost





40,000 million Euros, allocated to ICO Group through the RTR Plan Addendum Facilities, are a great opportunity to achieve this objective.

Within the framework of the Addendum to the RTR Plan, ICO Group has been assigned the Strategic Project for Economic Recovery and Transformation (PERTE) New Language Economy, which will make funds of 362 million Euros available to the real economy from 2024, although it will mobilise additional public and private investment. The aim of this PERTE is to promote, among others, artificial intelligence, translation, learning, cultural dissemination, audiovisual production, research and science, in the process of the digital transformation of the Spanish economy worldwide.

The ICO's new own-account financing and guarantee issuance activity for companies, entrepreneurs and regional governments amounted to 8,066 million Euros (5,416 million Euros in 2022), of which 5,545 million Euros are direct activity drawdowns (3,855 million Euros in 2022), including direct loans, guarantees, corporate bonds, project bonds, MARF bonds and promissory notes, securitisation bonds, both nationally and internationally, largely for large investment projects and strategic projects.

NEW DIRECT ACTIVITY	Disposals 2023	Disposals 2022
Direct loans and guarantees	3,264 (Millones €)	1,916 (Millones €)
National	2,324	1,145
Corporate loans	1,366	829
Institutional loans	937	297
National guarantees	21	19
International	940	771
Corporate loans	796	633
Institutional loans	6	16
International guarantees	138	122
Complementary funding	2,281	1,939
Corporate bonds	257	319
Project bonds	0	25
Securitisation bonds	536	383
MARF bonds	9	10
MARF Notes	1,479	1,202
TOTAL	5,545	3,855

PRIORITISING MEDIUM-AND LONG-TERM FINANCING FOR THE SPANISH PRODUCTIVE FABRIC

■ 84% of new formalisations in 2023 are medium to long term

The promotion of longer-term financing allows, among other things, to foster a more sustainable growth model, as well as to promote the development of large long-term investment projects that support the





transformation of key productive sectors for the Spanish economy, such as energy, agri-food, industrial, technological and digital, giving impetus to Spain's strategic autonomy.

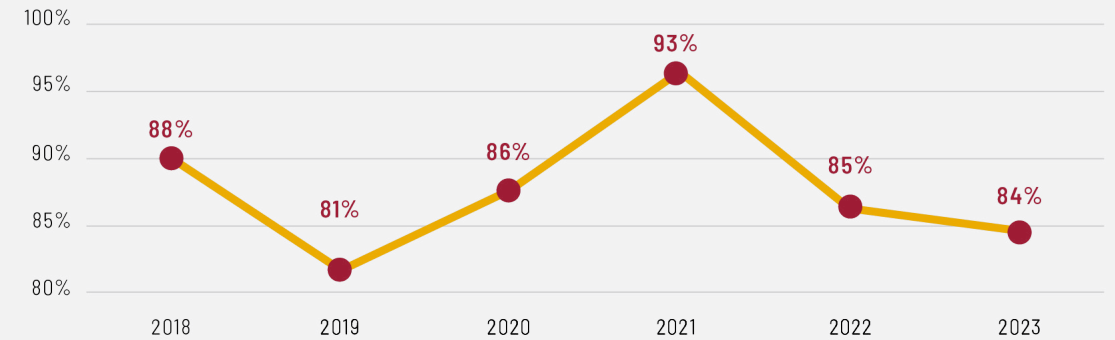
The ICO Group's financial instruments have a long-term vocation, which gives added value to companies of all sectors and sizes by providing them with sufficient financial leeway to carry out their projects, facilitating their growth and competitiveness and boosting their national and international activity.

ICO Group facilitates access to medium and long-term financing operations, supporting smaller companies that may encounter greater financing difficulties, by transferring competitive conditions for the mobilisation of greater resources.

The new direct financing (including own guarantees) and ICO Mediation formalised during 2023, at terms of 4 or more years, represents a high percentage of the total new lending activity formalised in the medium and long term, having reached 84% in 2023 and standing at over 80% in the last 6 years. This figure shows the strong contribution of the ICO in boosting long-term investment by Spanish companies that may find it more difficult to finance themselves at longer maturities.

It is worth noting that, overall, the drawdowns of the ICO Mediation Lines are particularly medium and long-term (97% of the total in 2023 and 94% in 2022), which defines the ICO's commitment to contribute to the financing of companies of all sizes with a long-term perspective.

**New lending activity entered into for terms of 4 years or more (including guarantees) over total new lending activity entered into for LT terms (including guarantees)**





## HIGH CAPILLARITY THAT CONTRIBUTES TO ECONOMIC DEVELOPMENT AND COHESION BETWEEN TERRITORIES

- **+2,300 municipalities in Spain financed with ICO Mediation Lines**
- **49% Mediation + Direct in Spain to Autonomous Regions with <GDP per capita**
- **33% Mediation + Direct in Spain to Autonomous Regions with >unemployment rate**

Taking advantage of the benefits and opportunities offered by collaboration and cooperation with other credit institutions is an important tool for ICO Group to maximise the scope of its activities. A significant part of the ICO Group's activity is instrumented through public-private collaboration with the banking sector, which provides the capillarity of the financial sector for the distribution of some ICO products,

both in terms of their reach to all types of companies, especially SMEs and the self-employed, in all sectors and in the services they provide throughout the country, favouring territorial cohesion.

The ICO Lines have become a well-established product in the market due to the advantages of the great capillarity that characterises these lending operations, which are mainly aimed at small-scale operations granted to micro-SMEs and the self-employed.

Within the framework of the priorities of the RTR Plan, ICO Group cooperates by channelling financial resources associated with economic policy measures together with Ministries, Autonomous Regions and Autonomous Communities and their dependent bodies, such as the ICO-RED.es-Kit Digital Line, the ICO-RED.es-Acelera, Fond-ICO Next Tech, ICO-MITMA Sustainable Mobility Line/Programme, ICO-MITMA Residential Building Rehabilitation Guarantees, ICO - FOCIT Line (Tourism Competitiveness Fund), MAPA - ICO - SAECA / SRG/SAECA GUARANTEE Line and various EU programmes (CEF - Alternative Fuels Infrastructure Facility, CEF - CONNECT, InvestEU). With this, ICO Group focuses mainly on the digitalisation of SMEs, sustainable mobility, renewable energies and energy efficiency, and environmental sustainability, as well as contributing to the fight against the depopulation of rural areas, supporting projects that guarantee, among others, the economic diversification of the most disadvantaged areas, the promotion of innovation, full digital connectivity, and the adequate provision of basic services, as well as the reduction of other gaps to promote social and territorial cohesion.

ICO Group's financing through the ICO Mediation Lines and direct financing in Spain has reached all Spanish regions during 2023. From the point of view of the contribution to economic development and cohesion between territories, it should be noted that 1,266 million Euros of the 2023 ICO Mediation Lines were channelled to companies located in Autonomous Regions with GDP per capita below the national average in 2022, representing 56% of the total drawn down (728 million Euros and 57%, respectively, with 2022 Mediation drawdowns). For regions with unemployment above the national average in 2023, the 2023 Mediation drawdowns were 794 million Euros, representing 35% of the total distributed in Spain (472 million Euros and 37%, respectively, with 2022 Mediation).



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ICO Mediation Lines*. Amounts drawn down	2023		2022	
	Amount millions of €	%/Total	Amount millions of €	%/Total
To regions with below-average GDP per capita	1,266	56%	728	57%
To regions with above-average unemployment rates	794	35%	472	37%

\* Not including International Channel

As for the regional distribution of ICO's direct financing to Spanish companies at 2023 closing, an amount drawn down of 1,814 million Euros, representing 45% of total financing drawn down, was allocated to Autonomous Regions with a GDP per capita below the national average (1,354 million Euros and 50% of the total, respectively, with data at 2022 closing) and an amount drawn down of 1,273 million Euros, representing 31% of the total, to those with an unemployment rate above the national average (938 million Euros and 35% of the total, respectively, with data at 2022 closing).

Direct Financing*. Amounts drawn down	2023		2022	
	Amount millions of €	%/Total	Amount millions of €	%/Total
To regions with below-average GDP per capita	1,814	45%	1,354	50%
To regions with above-average unemployment rates	1,273	31%	938	35%

\* Not including drawdowns of securitisation bonds or one-off loans. In the projects whose investment destination covers various autonomous communities, the amount drawn down has been distributed according to the weight of these communities in national GDP.

In the total amount of intermediated and direct financing drawn down at 2023 closing, an amount of 3,080 million Euros, representing 49% of the total amount drawn down, has been directed to regions with a GDP per capita below the average for Spain (2,082 million Euros and 52% of the total, respectively, with data at 2022 closing) and an amount of 2,067 million Euros, representing 33% of the total drawn down, to those with a higher than average unemployment rate (1,410 million Euros and 36% of the total, respectively, with data at 2022 closing).

ICO Lines of Mediation + Direct Financing*. Amounts drawn down	2023		2022	
	Amount millions of €	%/Total	Amount millions of €	%/Total
To regions with below-average GDP per capita	3,080	49%	2,082	52%
To regions with above-average unemployment rates	2,067	33%	1,410	36%

\* Not including drawdowns of securitisation bonds or one-off loans. In the projects whose investment destination covers various autonomous communities, the amount drawn down has been distributed according to the weight of these communities in national GDP.

## SUPPORT FOR TERRITORIAL AND SOCIAL COHESION THROUGH SOCIAL/ AFFORDABLE HOUSING PROGRAMMES

- **+16,000 million Euros to be mobilised to boost the supply of social housing in Spain and to improve the energy efficiency of the existing housing stock**

ICO has extensive experience in **financing projects to increase the stock of social or affordable rental housing** in various Spanish autonomous communities with the aim, among others, of offering **the most vulnerable social groups** better options for access to housing. Specifically, the ICO has been granting direct financing for the promotion of social housing (VPO) for rent since 1992 as a collaborating credit institution, in accordance with the regulations applicable under the Housing Plans in force and in accordance with the conditions of the various collaboration agreements signed between the ICO and the Ministry responsible for housing.

ICO also has specific programmes and initiatives to support **territorial cohesion and sustainable activity**. This includes the financing that ICO grants jointly with other public and private entities through the **ICO Housing and Urban and Rural Regeneration Programme 2022-2025** to increase the stock of social or affordable rental housing, improve energy efficiency, decarbonisation and sustainability of housing, conserve and improve accessibility in and to housing, and promote urban and rural regeneration and renewal. The granting of direct ICO financing is additional to the aid that, where appropriate, is granted under the State Housing Plan 2022-2025, the Programmes in force within the general framework of the RRT Plan or other Programmes that are approved in the field of housing.







During 2023, a total of 7 operations have been approved under this Programme for the construction of 594 social housing units for a total amount of 64 million Euros (5 operations for a total amount of 82.9 million Euros in 2022 for the construction and rehabilitation of more than 1,000 housing units for affordable rentals and a Plan for the Improvement of Accessibility and Urban Mobility). The Programme envelope is 250 million Euros/year, expandable to 500 million Euros/year.

In 2022, the agreement between MITMA and ICO was signed for the launch in 2023 of the **ICO-MITMA Residential Building Rehabilitation Line**, the purpose of which is to promote rehabilitation works in residential buildings that contribute to improving energy efficiency. The operations are 50% guaranteed by the State (through MITMA), with the amount of the **guarantee line** being **up to 1,100 million Euros**, which will mobilise **financing of up to 2,200 million Euros**, which will be granted to the beneficiaries of the NextGenerationEU funds.

The **Addendum to the RTR Plan**, ratified by the EU Council on October 17, 2023, has assigned to ICO Group a line of loans for the promotion of social housing - **ICO RRM Facility for the promotion of social rental housing** - amounting to **4,000 million Euros**, whose objective is to increase the stock of social or affordable rental housing, as well as to improve the existing housing stock. This line may finance the construction of energy-efficient rental housing or energy-efficient refurbishment by public or private developers and will be available to the real economy from 2024. The ultimate objective is to support the increase in the supply of rental housing through financing, with special attention to the territorial areas with the greatest tension in the residential market.

In addition, during 2023, the ICO has been collaborating with the MIVAU in the implementation of the **new line of guarantees**, with a maximum amount of **2,500 million Euros**, to facilitate financing for **the acquisition of first homes** for young people and families with dependent minors, which will be partially covered by the State to the tune of 20% or 25% if it has a minimum energy rating D.

During 2023, the ICO has approved a **green securitisation** operation for an issue amount of **490 million Euros**, the underlying portfolio of which is mortgage loans for the purchase of primary residences in different regions of Spain. The originator of the loans in the underlying portfolio undertakes to reinvest the amount financed by ICO in financing for the acquisition or refurbishment of homes that improve energy efficiency by at least 30% or for buildings with an A or B energy efficiency label.

All these financing activities of ICO Group have a positive social impact and contribute to the economic development of companies located in those Spanish geographical regions most affected by depopulation or with greater difficulties, intensifying, among others, social and territorial cohesion programmes such as the construction or rehabilitation of social rental housing with Autonomous Communities and Local Corporations, and promoting initiatives, in public-private collaboration, to finance projects that contribute to reducing the territorial divide.





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	ICO Group products	Purpose	Endowment millions of €
Direct and Complementary Financing (as National Promotional Bank)	ICO Housing and Urban and Rural Regeneration Programme (2022-2025)	The funding will go to projects in: <ul style="list-style-type: none"><li>• Construction of social or affordable housing for rent or lease,</li><li>• Refurbishment of social or affordable housing for rent or lease,</li><li>• Improving energy efficiency, decarbonisation and sustainability of housing,</li><li>• Preservation and improvement of accessibility in and to dwellings,</li><li>• Urban and rural regeneration and renewal.</li></ul>	250 M€/ year, extendable to 500 M€. Until 31/12/2025 Approved 64 M€ in 2023 (83 M€ in 2022)
	ICO-RRM Facility Social housing development [2nd phase RTR Plan]	Increase the stock of social or affordable rental housing, as well as improve the existing stock of social housing.	Up to 2,000 M€ (2024-2026)
	Securitisation bonds	Complementary financing operation through securitisation funds using the Use of Funds criterion. The underlying portfolio of the securitisation bonds includes, among others, mortgage loans for the purchase of primary residences. The objective is to use the proceeds to finance energy efficiency improvement projects and the acquisition of green housing in Spain.	Securitised portfolio in 2023 = 490M€
Mediation (as an EP Financial Instrument)	ICO-MITMA line Residential building refurbishment [1st phase RTR Plan]	The State guarantees up to 50% of the loans granted to finance refurbishment works that contribute to the energy improvement of residential buildings, within the framework of the RTR Plan. Future loans, which can only be granted to beneficiaries of NextGenerationEU funds, will be up to 2,200 million Euros and will be granted by financial institutions that adhere to the ICO guarantee line.	2,200 M€ financing and 1,100 M€ guarantees
	ICO-RRM Facility Social housing development [2nd phase RTR Plan]	Increase the stock of social or affordable rental housing, as well as improve the existing stock of social housing.	Up to 2,000 M€ (2024-2026)
Guarantee lines on behalf of the State (as State Financial Agency)	ICO COVID-19 Lease Surety Line (application deadline expired)	Article 9 of RDL 11/2020 of 31 March, which adopted urgent complementary measures in the social and economic sphere to deal with COVID-19, established the approval of a line of guarantees to cover, on behalf of the State, financing for tenants in a situation of social and economic vulnerability as a result of the expansion of COVID-19.	Guarantees of up to 1,200 M€. Guarantee balance of 28 M€ at 31.12.2023
	Line of guarantees for the purchase of a primary residence for young people under 35 years of age and families with dependent minors. (conditions approved by the Council of Ministers on February 13, 2024)	The term of the guarantee granted by MIVAU to the financial institution and managed by the ICO will be a maximum of 10 years from the date the transaction is formalised. In general, the ICO will guarantee up to 20% of the amount of the loan, unless the home purchased has an energy rating of D or higher, in which case up to 25% of this amount may be guaranteed. The deadline for formalising loans under this line of guarantees is 31/12/2025, which may be extended for a further two years.	Guarantees of up to 2,500 M€ (drawable from 10,000 M€ to 12,500 M€)





## BROAD SECTORAL DISTRIBUTION, WITH PARTICULAR ATTENTION TO THE SECTORS MOST AFFECTED BY THE ECONOMIC CONTEXT AT THE TIME

- All sectors of activity will be covered by ICO Group financing in 2023.
- 43% of total drawdowns are concentrated in Agriculture (affected by drought) and Capital goods, Food industry and Transport (affected by economic context)

The funds lent in 2023 through the ICO Mediation Lines have had a broad sectoral distribution, with a greater contribution to those sectors most affected by the consequences of the drought in Spain, such as Agriculture (12.5% of the total amount and 26.4% of the total number of operations at 2023 closing), or those most affected by the consequences of the current economic context of tightening financial conditions, high uncertainty and increased geopolitical risks, with more energy-intensive activities such as Transport (7.9% of the total amount and 11.1% of the total number of operations, at 2023 closing) or Capital goods and industrial products (11.5% of the total amount and 6.6% of the total number of operations, at 2023 closing).

The following six sectors account for 57% of the total amount drawn down and 61% of total operations at 2023 closing:

ICO MEDIATION LINES 2023 (drawdowns) BY SECTOR OF ACTIVITY	Amount (millions of €)	% S/ AMOUNT	Nº OPERATIONS	% S/ OPERATIONS
Agriculture. livestock and fisheries	279	12.5%	3,202	26.4%
Capital goods and industrial products	258	11.5%	799	6.6%
Food and beverage industry	245	10.9%	421	3.5%
Transport and logistics	177	7.9%	1,344	11.1%
Business. professional and administrative services.	165	7.4%	787	6.5%
Tourism. leisure and culture	162	7.2%	870	7.2%
Other sectors	955	42.6%	4,688	38.7%
<b>TOTAL</b>	<b>2,243</b>	<b>100%</b>	<b>12,111</b>	<b>100%</b>

\* Not including International Channel

ICO MEDIATION LINES 2022 (drawdowns) BY SECTOR OF ACTIVITY	Amount (millions of €)	% S/ AMOUNT	Nº OPERATIONS	% S/ OPERATIONS
Agriculture. livestock and fisheries	128	10.1%	2,325	18.8%
Capital goods and industrial products	127	10.0%	1,285	10.4%
Food and beverage industry	109	8.6%	1,285	10.4%
Transport and logistics	101	8.0%	1,021	8.2%
Business. professional and administrative services.	90	7.1%	817	6.6%
Tourism. leisure and culture	88	6.9%	180	1.5%
Other sectors	625	49.3%	5,475	44.2%
<b>TOTAL</b>	<b>1,268</b>	<b>100%</b>	<b>12,388</b>	<b>100%</b>

\*Not including International Channel



As for the distribution by sector through direct activity, in 2023 it also shows a wide diversity of economic activities, with a greater weight in activities that require large investment projects, as well as those that promote the energy transition, avoiding greenhouse gas emissions. Therefore, the ICO Group's direct activity at 2023 closing will focus on the following sectors of activity: Business, professional and administrative services, which provide ancillary and support activities for the achievement of large projects (24.1% of total direct financing drawdowns in 2023), Environment (15.0% of the total), Construction and infrastructures (13.5% of the total) and Energy (11.8% of the total).

DIRECT ACTIVITY 2023* (drawdowns) BY SECTOR OF ACTIVITY	Amount (millions of Euros)	% Total
Business, professional and administrative services	1,208	24.1%
Environment	751	15.0%
Construction and infrastructure	675	13.5%
Energy	592	11.8%
Other sectors	1,782	35.6%
<b>TOTAL</b>	<b>5,009</b>	<b>100.0%</b>

\* Not including securitisation bonds

DIRECT ACTIVITY 2022* (drawdowns) BY SECTOR OF ACTIVITY	Amount (millions of Euros)	% Total
Construction and infrastructure	717	20.6%
Energy	498	14.3%
Business, professional and administrative services	448	12.9%
Environment	426	12.3%
Other sectors	1,383	39.9%
<b>TOTAL</b>	<b>3,473</b>	<b>100.0%</b>

\* Not including securitisation bonds

## BOOSTING INTERNATIONALISATION IS ONE OF THE ICO GROUP'S PRIORITIES

- **2,523 million Euros approved in 2023 from direct activity + mediation (+24% vs. 2022)**
- **24% for outward investment on total new activity formalised in 2023**

Boosting internationalisation is one of the factors that allow companies to increase their size, supporting a greater presence abroad, improving their competitiveness and growth and, consequently, job creation.

One of the objectives of the Spanish Government's RTR Plan is to boost SMEs, which represent practically all (99.9%) of the Spanish productive fabric and play a fundamental role in the EU and in Spain. Currently, the average size of Spanish SMEs (measured by number of employees) is smaller than the average size of other European countries, and this has a negative impact on productivity, competitiveness, growth and employment generation in the Spanish economy.

One of the ICO Group's priorities is to promote the internationalisation of Spanish companies of all sizes, sectors and geographical coverage to finance their activities in Spain and in international markets, paying special attention to SMEs, the self-employed and entrepreneurs, facilitating credit and adapting to the needs of these companies to make investments abroad, helping to strengthen the foreign sector and consolidating its role as an engine for the growth, recovery and transformation of the Spanish economy. In fact, ICO Group is part of and actively contributes to the Strategy for the Internationalisation of the Spanish Economy 2017-2027, directed and coordinated by the Secretary of State for Trade.

The ICO Group's entire catalogue of products is aimed, among other things, at supporting the growth and expansion of companies both nationally and internationally, although it has **more specific financial instruments to promote the international activity** of Spanish companies, expanding and diversifying markets, currencies and financial products with traction effects, and adapting financing to the needs of the Spanish productive fabric according to the environment in which companies operate.



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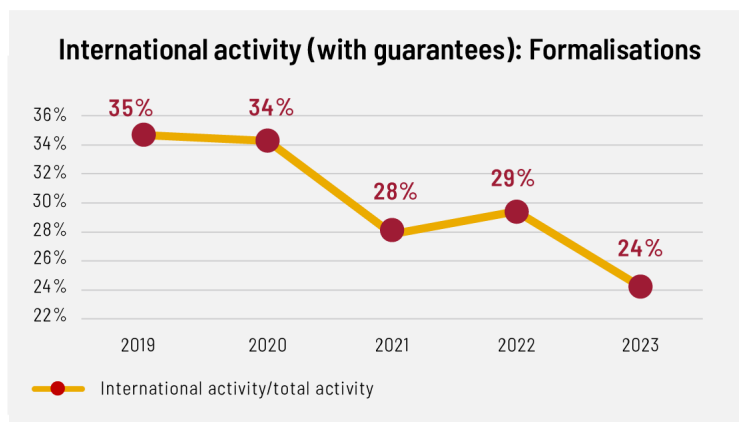
	ICO Group Product	Purpose
As NATIONAL PROMOTION BANK	<b>ICO Mediation Lines:</b> ICO International Line ICO Exporters Line ICO International Channel Line	<ul style="list-style-type: none"><li>• <b>ICO International line</b>, aimed at financing business activities and/or investment and general needs outside the national territory of the self-employed, companies and Spanish public and private entities, both those domiciled in Spain and those domiciled abroad with Spanish interest. Repayment terms up to 20 years.</li><li>• <b>ICO Exporters Line</b>, which provides short-term financing to the self-employed and companies for advances on invoices from the company's commercial activity abroad, as well as the company's liquidity needs to cover the costs of production and preparation of the goods or services to be sold abroad.</li><li>• <b>ICO International Channel Line</b>, which promotes the activity and financing of projects of companies with Spanish interest with international presence in third markets, through intermediation with institutions. This programme transfers the operating scheme of the ICO Lines to multilateral, public promotional or private banks located abroad. In this way, the application procedures are made easier for companies and the entity's knowledge of the local market is incorporated as an added value. It also allows Spanish companies operating in third markets to finance their projects in local currency in the countries where the investment projects or commercial activity is being carried out .</li></ul>
	<b>International direct financing</b>	This is an important part of ICO's activity, which promotes the development of companies' corporate activity and their investment projects abroad through various forms of direct financing. The financing is aimed mainly at mid-cap and large companies, to finance long-term operations in which ICO participates in a complementary manner together with other national or international private or public entities, under formulas such as corporate credits and loans, syndicated loans, project finance, corporate bonds and financial guarantees. At the international level, ICO has become a benchmark in project finance associated with large infrastructure projects, and its relationship with financial shareholders is a key factor in the growth of its activity.
	<b>International Guarantees Programme</b>	Relevance of ICO's role in international tenders, endorsements and guarantees through the International Guarantees Programme, through which ICO grants a bank guarantee to a company so that it can participate in international tender processes or formalise contracts awarded abroad in which the provision of guarantees is required.
	<b>Venture Capital / AXIS</b>	AXIS' activity is focused on promoting the growth, development and internationalisation of Spanish companies through capital and quasi-equity instruments through a public-private collaboration scheme. Currently, Axis has been approved by the ICO to manage 12,150 million Euros, of which 9,150 million Euros have already been allocated to its four funds.
As a FINANCIAL INSTRUMENT OF ECONOMIC POLICY	<b>Addendum to the RTR Plan (RRM):</b>  <b>Component 13:</b> <ul style="list-style-type: none"><li>• ICO RRM Green</li><li>• ICO RRM EYE</li><li>• RRM Next Tech Fund</li></ul> <b>Component 25:</b> <ul style="list-style-type: none"><li>• ICO MRR Spain Audiovisual Hub</li></ul>	<ul style="list-style-type: none"><li>• The objectives of <b>Component 13 of the Addendum to the RTR Plan</b> are to introduce reforms and investments aimed at facilitating, inter alia, business creation, growth and restructuring, and increasing productivity through digitalisation, innovation and internationalisation. Within Component 13, <b>the following Facilities</b> have been <b>allocated to the ICO Group: Green ICO RRM, ICO RRM EyE and RRM Next Tech Fund.</b></li><li>• The objectives of <b>Component 25 of the RTR Plan Addendum</b> are to carry out investments and reforms to strengthen the audiovisual sector, improve the investment environment, consolidate Spain as an international platform for audiovisual investment and make Spain a benchmark exporter of audiovisual products, video games and digital creation. This component also includes actions to promote the internationalisation of companies in the audiovisual sector and to improve innovation in the sector. Within <b>Component 25, ICO Group</b> has been <b>assigned the ICO RRM Spain Audiovisual Hub Facility.</b></li></ul>
As STATE FINANCIAL AGENCY	<b>Management of funds for the Internationalisation of companies (on behalf of the State):</b> FIEM CARI	<ul style="list-style-type: none"><li>• <b>Fund for the Business Internationalisation (FIEM):</b> The purpose of the fund is to promote the export operations of Spanish companies and Spanish direct investment abroad, by financing operations and projects of special interest for the internationalisation strategy of the Spanish economy. It will also be possible to finance the technical assistance that these operations and projects require in both developed and developing countries. In general, financing will be mainly in the form of loans, credits and credit lines, although technical assistance and consultancy services may be financed on a non-reimbursable basis, as well as projects and operations when the special circumstances so require.</li><li>• <b>Reciprocal Interest Rate Adjustment Contract (CARI):</b> A financial instrument that is similar to interest rate insurance, the aim of which is to promote Spanish exports by providing incentives for financial institutions to grant loans at fixed interest rates.</li></ul>





In terms of ICO's direct activity, new approvals of direct international financing (with international guarantees) amounted to 1,395 million Euros at 2023 closing (1,261 million Euros in 2022, +11%), the purpose of which is to promote projects abroad.

	Approved 2023 Millions of €	Approved 2022 Millions of €
Direct activity (with guarantees)	1,395	1,261
ICO Mediation Lines	1,129	778
<b>Internationalisation</b>	<b>2,523</b>	<b>2,039</b>



With regard to ICO's mediation activity through financial institutions, an amount of 1,129 million Euros was approved in 2023 (778 million Euros in 2022, +45%), earmarked for investments outside the national territory. Guarantees issued during 2023, have been aimed at Spanish companies developing projects in offshore wind farms, renewable energy in its different forms, roads, industrial plants and sustainable transport, all activities that are a cross-cutting pillar of the ICO Group. Overall, ICO's international

activity approvals (direct with guarantees and mediation) amounted to 2,523 million Euros in 2023, representing an increase of 24% compared to 2022; in terms of formalisations, 1,964 million Euros (+18% compared to 2022) and in terms of drawdowns, 1,357 million Euros (+18% compared to 2022). The weight of operations formalised for investment outside Spain (considering both direct activity and activity carried out through the ICO Mediation Lines) as a percentage of total ICO activity has remained above 24% over the last 5 years.

During 2023, ICO consolidated its support in different long-term currencies with the entry of new financing operations in Australia (wind farm) and Brazil (motorway), which have enabled ICO to finance (apart from issuing guarantees) projects in 8 different currencies in the medium and long term (GBP, AUD, EUR, USD, CAN, UF, COP, MXN).

During 2023, 8 financing agreements have been approved in the International Channel Line (compared to the approval of 6 agreements in 2022), for an amount of 991 million Euros, highlighting the start of collaboration with new shareholders that allow the opening of two new markets such as the Dominican Republic and Chile. In terms of formalisation, a total of 7 Financing Agreements have been reached (compared to 5 Agreements signed in 2022) for an amount of 830 million Euros at 2023 closing.

Since the launch of the ICO International Channel Line in 2015, a volume of 4,281 million Euros has been approved until the end of 2023 through 39 operations corresponding to 20 different counterparties. The cumulative amount formalised under the programme is 3,909 million Euros and the volume drawn down is 2,058 million Euros.

In addition, the ICO manages the FIEM and CARI funds on behalf of the State, whose objective is to support internationalisation. At 2023 closing,

the total balance of the activity managed by the ICO in these two funds was 5,881 million Euros (6,507 million Euros at 2022 closing).

## THE ICO, AS AN IMPLEMENTING PARTNER OF THE EUROPEAN COMMISSION, MANAGES EU FUNDS FOR SPANISH COMPANIES AND PROJECTS WITH SPANISH INTEREST

- **+1,000 million Euros drawable in initiatives to channel European resources from the NGEU and MFF 2021-2027 in public-private collaboration**

In 2020, ICO was accredited as an "Implementing Partner" to manage programmes under the EU's new Multiannual Financial Framework 2021-2027, such as Invest EU or Connecting Europe Facility-Alternative Fuels Infrastructure Facility (CEF-AFIF), in collaboration with the European Commission, Ministries and other regional and local bodies, to channel European resources, thus expanding its actions to support Spanish companies.

This accreditation also increases its capacity to channel and implement EU resources from the NextGenerationEU programme, among others, or in collaboration with the EIB, the European Investment Fund (EIF) and other European institutions to channel funds from EU programmes to Spanish companies' projects. In this regard, ICO Group has extensive experience in channelling European funds, such as the Juncker Plan in the 2016-2020 period, working with the European Commission, the EIB and the EIF to



mobilise European resources for companies and projects of Spanish interest.

During 2023, the ICO continued to implement and promote blending programmes that combine bank financing with the granting of aid, subsidies or guarantees from European bodies through direct financing, with a multiplier effect in the mobilisation of financial resources towards the real economy.

The ICO, as Implementing Partner of the EC, published on June 5, 2023 the terms and conditions of the call called “ICO InvestEU Green Funds” to channel 150 million Euros, backed by a guarantee package of 75 million Euros, under the InvestEU Programme, into up to three venture capital/private equity funds investing in sustainable infrastructure and its industrial ecosystem in the EU and preferably in Spain. The resources channelled by the ICO with the InvestEU guarantees will contribute to mobilise, with the participation of private investors, a minimum of 300 million Euros towards projects to be developed in the energy, sustainable transport, environment and resources, critical infrastructure and social infrastructure sectors, in accordance with the parameters set out in the InvestEU programme. Proposals for participation in these funds were submitted to the InvestEU Investment Committee on December 2023.

Until November 2023, the ICO had an InvestEU Guarantee Agreement for up to 112.25 million Euros to guarantee its investment in four funds for up to 224.5 million Euros (124.5 million Euros InvestEU Green Funds and 100 million Euros Marguerite III Infrastructure Fund - approved and established in 2022). On December 2023, the ICO's decision-making bodies approved the four-year renewal of the InvestEU Guarantee Programme, extending its validity until December 31, 2027. They also approved to increase the maximum amount of ICO's participation in the guarantee to a maximum guarantee amount of up to 500 million Euros and to include the new Strategic Technology Europe Platform (STEP) window. Therefore, 275 million Euros of guarantee is added to the 225 million Euros already approved, of which 112.25 million Euros have been consumed in 2023. The amount available for the various calls for the period 2024-2027 will be 387.75 million Euros.

EU PROGRAMMES		Approvals 2023
CEF- Alternative Fuels Infrastructure Facility (AFIF)	AFIF combines ICO financing in the form of capital or debt up to 100% of the project with a minimum of 10 million Euros and a subsidy granted by the EC up to 30% of the investment to finance projects related to the change to less polluting alternative fuels and without dependence on the outside of the EU, within the framework of sustainable and multimodal mobility for the modernisation of the European transport network (Ten-T). Projects may be financed, among others, for alternative charging infrastructures (hydrogen, liquefied natural gas and electricity) and the production, storage and transport of green hydrogen, within the framework of the Ten-T network.	<ul style="list-style-type: none"><li>72 M€ of new funding for smart electrification of operations centres; hydrogen as alternative fuel for transport; electric superchargers; fast charging points on road network.</li><li>The blending programme for 2024-27, which will give continuity to the current AFIF, is under negotiation and Spain is participating in the negotiations through MITMA.</li></ul>
CEF - CONNECT	It combines ICO funding up to 100% of the project with a minimum of 5 million Euros and a grant awarded by the EC for projects related to digitisation in the framework of the EU digital interconnection. The total amount of the CEF-Connect Programme 2021-2027 amounts to 2,000 million Euros and will target, among others, widespread 5G access, fibre interconnections, high-speed networks and integrated data centres.	<ul style="list-style-type: none"><li>Total amount of the CEF-Connect Programme 2021-2027: 2,065 million Euros. ICO amount: 100 million Euros.</li></ul>
InvestEU Programme	EC guarantee for equity or quasi-equity products, intermediation financing or direct financing to facilitate access to financing for Spanish companies through 5 windows of action: sustainable infrastructure, research, innovation and digitisation, SMEs, social investment and training, and Strategic Technology Europe Platform (STEP). The maximum EC guarantee will be 50% of the investment in direct operations, up to 75% in equity and 80% in mediation.	<ul style="list-style-type: none"><li>125 M€ of Invest EU Green Funds (with 50% InvestEU guarantee).</li><li>Renewal for 4 years of the InvestEU Guarantee Programme, extending its validity until 31/12/2027.</li><li>Increase by 275 M€ the maximum amount of ICO participation in the guarantee (from 225 M€ to 500 M€).</li><li>Of the 500 M€, 112.25 M€ has been consumed until 2023. 388 M€ available in 2024-2027.</li><li>The new Strategic Technology Europe Platform (STEP) window is included.</li></ul>



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## STRONG SUPPORT FOR THE DIGITAL TRANSFORMATION OF SPANISH COMPANIES, ESPECIALLY FOR SMALLER ONES

- **+13,000 million Euros drawable, in public-private collaboration, towards Spanish companies investing in digital transformation**

### Through the traditional activity of the ICO Group

One of the strategic axes of ICO Group is to provide financing to the Spanish productive fabric to make the investments they need in their digital transformation process, which will allow them to increase their competitiveness, productivity, resilience and territorial and social cohesion, in line with the EU Digital Strategy and the Digital Spain Agenda 2026.

Within the ICO Group's extensive catalogue of products and initiatives, the following, more specific to digital transformation, should be highlighted:

Product of ICO Group (traditional activity of the ICO Group)	Purpose	Endowment Millions of Euros
<b>ICO-Red.es Digital Kit Line</b> Non-repayable aid to small enterprises, micro-enterprises and self-employed persons.	Collaboration between Red.es and the ICO to promote access to ICO financing through financial institutions for beneficiary companies and digitalisation agents, for those projects that have received aid from Red.es within the Digital Kit Programme.	<b>3,000 M€</b> (aids)
<b>ICO-Red.es Acelera Line</b> ICO will finance up to 100% of the amount of the project approved by Red.es minus the amount of the grant advance.	Loans through an ICO Mediation Line in collaboration with financial institutions to finance the digitalisation process of SMEs and establish measures to support the creation of technological solutions for their digitalisation.	<b>Up to 300 M€</b> (aids)
<b>Next Tech Fund (included in RRM)</b> Holdings and underwriting commitments in companies and funds specialising in digital and artificial intelligence sectors.	Venture capital fund to promote the development of innovative, high-impact digital projects and investment in scale-ups in collaboration with SEDIA, with the potential to mobilise up to 8,000 million Euros in public-private collaboration with the Spanish venture capital sector.	<b>4,000 M€</b> (VC funds: drawable x2 with private sector)
<b>ICO-RTVE Agreement</b>	ICO direct financing programme for the production of new audiovisual works, such as feature and short films, films for television, documentaries and animated series and other European works of a cultural nature.	<b>Up to 100 M€</b> (direct funding)

In addition, ICO's accreditation in 2020 as an "Implementing Partner" of the European Commission has since enabled it to finance projects through various instruments, including the following, as they are related to digital transformation:

- **CEF- CONNECT:** It combines ICO financing up to 100% of the project with a minimum of 5 million Euros and a grant awarded by the EC for projects related to digitisation in the framework of the EU digital interconnection. The total amount of the CEF-Connect Programme 2021-2027 amounts to 2,000 million Euros and the amount allocated to ICO is 100 million Euros, which will be used, among

others, for widespread 5G access, fibre interconnections, high-speed networks and integrated data centres.

- **Programa InvestEU:** EC guarantee for equity or quasi-equity products, intermediation financing or direct financing to facilitate access to financing for Spanish companies through 5 action windows, one of which is Research, Innovation and Digitalisation (DIW) and a new window to incorporate the European strategic investment initiative Strategic Technologies for Europe Platform (STEP). The maximum EC guarantee will be 50% of the investment in direct operations, up to 75% in equity and 80% in mediation.





## Through the allocation to ICO Group of Facilities of the Addendum to the RTR Plan: RRM

According to the European Commission's Commission Staff Working Document of October 2, 2023, the **amended RTR Plan (with Addendum) will contribute 25.8% to the digital transformation** of society and the economy, amounting to **just over 40,000 million Euros**.

The **Addendum to the RTR Plan (RRM)**, approved on June 6, 2023 by the Council of Ministers and, subsequently, on October 2 by the European Commission and on October 17 by the EU Council, includes the **channelling through the ICO Group, in public-private collaboration, of 39,862 million Euros up to 2026 through** its mediation lines, direct financing programmes and venture capital (Axis). Of this amount, it is estimated that at least **5,862 million Euros will be earmarked** for financing projects aimed at the companies' digital transformation, as explained below. All this, without prejudice to the financing that may be granted in any of the facilities (green, companies and entrepreneurs...) that may be used for **digital transformation** without the product being specifically for this purpose.

During 2023, ICO Group has been working, together with other public bodies, on the implementation of the Facilities assigned in the Addendum to the RTR Plan. **The RRM Facilities that more specifically support the digital transformation** of companies are:

- **ICO Facility ICO RRM-Enterprises and Entrepreneurs (C13.I6):** This facility includes the **ICO-Tourism Line**, endowed with **1,000 million Euros**, which will finance under the preferential conditions of the RRM under the four European objectives (ecological transition, digital transformation, smart growth, and social and territorial cohesion). It therefore includes, among others, those investment projects of tourism companies that promote the **digital transformation of the Spanish tourism model, modernising and digitising the tourism** business fabric mainly through the digitisation of processes, investment in technological equipment (hardware or software) and the retraining of human resources. In addition, this facility also incorporates funding from the **PERTE New Economy of the Language** (endowed with **150 million Euros**), to grant funding to Spanish universities with the aim of deepening digitisation and artificial intelligence and carrying out transformative projects that allow them to achieve technological sovereignty.

- **RRM Next Tech Funds (C13.I7): FOND-ICO Next Tech** invests directly in Spanish growing companies in the technology sector through equity and quasi-equity investments (mezzanine, convertible loans, convertible notes, etc.), as well as funds (venture capital funds or corporate funds). This Fund is endowed with **4,000 million Euros** under the RRMF and, in addition, will be able to mobilise a further 4,000 million Euros through private investors in public-private collaboration with the Spanish venture capital industry. The objective of the Fund is to strengthen financing to facilitate the expansion of companies with a high innovative and technological content, and the promotion of digital entrepreneurship in digital enabling technologies to boost the digital transformation of the Spanish productive fabric. It will also strengthen the creation of high added value by the invested companies, through digitisation and the use of disruptive technologies, which will boost research, development and innovation in the Spanish economy. As part of the ICO Group's strong commitment to supporting digital transformation, it is worth highlighting its participation in the European Tech Champions Initiative (ETCI), a new fund of funds to finance innovative start-ups in Europe. During 2023, ICO Group has formalised an amount of 400 million Euros in this initiative through FondICO Next Tech and plans to raise up to 1,000 million Euros in a second phase.
- **ICO RRM Spain Audiovisual Hub (C25.I3):** This facility is endowed with 1,712 million Euros, of which 1,500 million Euros will go to the audiovisual sector and 212 million Euros to actions under the PERTE New Economy of the Language. It will be channelled through mediation lines, direct financing programmes and capital injections (direct and/or through equity funds). The objective of this facility is to make Spain a hub for audiovisual production, to support the audiovisual and cultural industries as strategic sectors and to support the growth of SMEs operating in the audiovisual sector. This facility incorporates funding from the PERTE of the New Language Economy, which aims to boost the audiovisual and cultural industry in Spanish and in the co-official languages.



Facility RRM-Digital Transformation	RRM Facility Amount millions of Euros	Justification RRM Facility-Digital Transformation
<b>ICO RRM-Enterprises and Entrepreneurs</b> ICO-Tourism Line PERTE of the New Economics of Language	Up to 1,000 150	<ul style="list-style-type: none"><li>To contribute to the transformation and improvement of the Spanish tourism model, making it more digital.</li><li>To further the digitalisation and artificial intelligence of Spanish universities.</li></ul>
<b>RRM Next Tech Funds</b>	4,000	<ul style="list-style-type: none"><li>Facilitate the expansion of companies with a high innovative and technological content.</li><li>Strengthen the creation of high added value by invested companies / Boost R&amp;D&amp;i.</li></ul>
<b>ICO RRM Spain Audiovisual Hub</b> Audiovisual sector PERTE of the New Economics of Language	1,500 212	<ul style="list-style-type: none"><li>To turn Spain into a hub for audiovisual production.</li><li>To promote the audiovisual and cultural industry in Spanish and in the co-official languages.</li></ul>

## CONSOLIDATING NEW FUNDING THROUGH COMPLEMENTARY FUNDING PROGRAMMES

- **Around 2,300 million Euros in additional funding to be made available in 2023**

ICO has become a major investor in the MARF market, catalysing other investors in support of companies seeking alternative financing in this market through the issuance of fixed income securities and, in particular, through commercial paper programmes, which cover the short-term financing needs of the issuing companies. In addition, longer-term bond issues in this market help these companies to raise funds to finance their general corporate needs, especially new investment projects and the adaptation of their financial structure.

For this reason, ICO continues to promote complementary sources of financing, whose presence in the MARF market, both in promissory notes and bonds, as well as in securitisations, is very important as it allows diversification of financial resources with other alternative sources to banking with the aim of supporting the growth of companies in all sectors and of all sizes, with special attention to small and medium-sized enterprises.

In addition, the recent approval of the Addendum to the RTR Plan, for the channelling of the loans allocated under the Recovery and Resilience Mechanism (RRM), allocates ICO Group almost 40,000 million Euros, part of which will be made available to the real economy during 2024-2026 through the purchase by the ICO of medium and long-term senior fixed income securities issued on organised markets, such as AIAF or MARF, issued by companies to finance their investment plans. Of the five facilities approved with RRM funds managed by ICO, the ICO-RRM Green, ICO-RRM Enterprises and Entrepreneurs and ICO-RRM Spain Audiovisual Hub facilities include, among others, the purchase of debt securities by ICO as a financial instrument to channel these funds.

Complementary sources of ICO funding include:







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#### Disposals of 2,281 million Euros in 2023

CORPORATE BONDS	PROJECT BONDS	MARF BONDS AND NOTES	SECURITISATION BONDS
<b>Direct financing programme for companies through the acquisition of bonds and debentures</b> issued by Spanish companies to finance their medium and long-term investment plans. Preference will be given to companies certified as responsible issuers or listed on sustainability indices, favouring activities and projects that improve environmental performance.	<b>Project bond purchase programme</b> as a medium and long-term financing instrument especially linked to large infrastructure financing operations.	<b>ICO's direct financing programme for companies through the subscription of MARF promissory notes and bonds</b> to inject liquidity and finance the medium and long-term investment plans of Spanish companies with issuance programmes registered in the Alternative Income Market (MARF).	<b>General framework for investing in securitisation assets</b> to encourage the diversification of financing for SMEs and entrepreneurs in Spain. The ICO requires as a condition for its participation an explicit commitment from the originating institution to generate new financing for companies and the self-employed in Spain. In this way, it ensures that the impact of ICO's investment will be reflected in new credit in general and credit for the productive fabric in particular.

DIRECT ACTIVITY. ADDITIONAL FUNDING	Drawdown 2023 Millions of Euros	Drawdown 2022 Millions of Euros
Corporate bonds	257	319
Project bonds	0	25
MARF bonds	9	10
MARF Notes	1,479	1,202
Securitisation bonds	536	383
<b>TOTAL</b>	<b>2,281</b>	<b>1,939</b>

## MANAGING LINES OF GUARANTEES ON BEHALF OF THE STATE

- **ICO-Covid19 guarantee line (Liquidity + Investment):** 107,187<sup>3</sup> million Euros of guarantees granted in 1,192,484 operations to almost 675,000 companies and self-employed workers since its launch, causing a positive impact on the maintenance of activity and employment.
- **Ukraine Guarantee Facility:** 4,499 million Euros of guarantees granted and mobilised financing of 5,803 million Euros during 2023, granted to 26,840 operations of more than 22,000 companies, avoiding liquidity tensions due to price increases.
- **Line of guarantees for the purchase of first homes by people under 35 years of age or families with dependent minors** for a maximum amount of up to 2,500 million Euros (conditions approved by the Council of Ministers on February 13, 2024).

The ICO, as part of its function of managing public funds on behalf of the State as the State Financial Agency, has continued to carry out the financial management of the amounts guaranteed by the ICO-Covid19 guarantee lines and the Ukraine guarantee lines, and will soon launch the new line of guarantees approved by the Council of Ministers on February 13, 2024 for the partial coverage on behalf of the State of financing for the acquisition of the first home intended for habitual and permanent residence by young

<sup>3</sup> This amount corresponds to the ICO-Covid19 guarantee lines for investment and liquidity support, but does not include the amount of guarantees for MARF promissory note issues, whose guarantee since inception is 859 million Euros, corresponding to 119 issues and financing of 1,255 million Euros.



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people under 35 years of age and families with dependent minors.

The **ICO-Covid19 line of guarantees** to support liquidity and investment by companies and the self-employed, launched in 2020 by the Spanish government to alleviate the consequences of the health crisis by Covid-19, and the subsequent measures to make the conditions of the guaranteed loans more flexible, have been efficiently managed by the ICO, helping to maintain activity and employment in the Spanish economy. This line of guarantees has been a successful model of public-private collaboration in its use and extension in the productive fabric, ranking as the most effective in the EU in terms of GDP. The deadline for granting guarantees under this line was June 30, 2022, although the ICO continues to carry out the financial management of the amounts guaranteed during the term of the loans granted. According to data as of June 30, 2022 (the end date for the granting of these guarantees), 140,737 million Euros have been injected in business financing, spread over 1,192,484 operations, with 107,187 million Euros guaranteed for liquidity and investment. The default ratio, defined as the proportion of the net principal outstanding (guaranteed and non-guaranteed part) of transactions with defaults with respect to the total principal of the loans formalised, was 2.81% with the default data reported in the October 2023 window (latest available data).

The ICO has also continued to promote the management associated with public guarantees through the **Ukraine Guarantee Facility**, a measure launched at the beginning of 2022 by the Spanish government to strengthen economic recovery and protect the activity of Spanish self-employed workers and companies affected by the liquidity tensions arising from the increase in energy and other raw material prices as a result of the war in Ukraine. The Agreement of the Council of Ministers of December 5, 2023 approved the launch of the third tranche of the Ukraine Guarantee Facility for the self-employed and companies for up to 4,500 million Euros, thus making available all of the 10,000 million Euros previously approved (5,000 million Euros launched on March 2022 and 500 million Euros as a specific reinforcement for the gas intensive industry on December 2022) that are already helping to strengthen the liquidity of companies. The Agreement also extends the maximum application period for guarantees subject to section 2.1 of the Temporary Framework from December 1, 2023 to June 1, 2024, and raises the maximum amounts of guarantees that can be granted under this section. In addition, the aforementioned Agreement instructs the ICO to extend, even after the expiry of the Temporary Framework (June 30, 2024), when the conditions set out in the Agreement are met, the maturity of the guarantees granted to companies and the self-employed under the facility. Up to December 31, 2023,

26,840 operations have been formalised, requested by 22,259 companies and the self-employed. The amount of guarantees requested totals 4,499 million Euros, which has enabled resources to be mobilised through new loans and other forms of financing amounting to 5,803 million Euros. A total of 96% of the operations were subscribed by the self-employed and SMEs.

On June 2023, the Spanish Government approved a **line of guarantees managed by ICO** for the partial coverage on behalf of the State of financing for **the acquisition of the first home** intended for habitual and permanent residence by young minors and families with dependent minors for a maximum amount of up to 2,500 million Euros. On February 13, 2024, the Council of Ministers approved the agreement establishing the conditions for the Ministry of Housing and the Urban Agenda (MIVAU) to sign this line of guarantees with the ICO. In general, the ICO will guarantee up to 20% of the amount of the loan, unless the home purchased has an energy rating of D or higher, in which case it may guarantee up to 25% of this amount. The term of the guarantee granted by MIVAU to the financial institution and managed by the ICO will be a maximum of 10 years from the formalisation of the operation, regardless of the repayment of the loan.

STATE GUARANTEE LINES. Closing date 2023

LINE OF GUARANTEES	REQUESTED GUARANTEE Millions of Euros	MOBILISED AMOUNT Millions of Euros	NO. OF OPERATIONS	NO. OF COMPANIES
ICO- Covid19 Guarantee Lines [Liquidity + Investment] (from start of Line)	107,187	140,737	1,192,484	674,922
Guarantee Facility Ukraine	4,499	5,803	26,840	22,259
Line of Loans for the purchase of first homes for young people and families with dependent minors	Line endowed by maximum amount of 2,500 million Euros (conditions approved by the Council of Ministers on February 13, 2024)			





## MANAGING FUNDS ON BEHALF OF THE STATE

- **210,684 million Euros managed by ICO on behalf of the State at 2023 closing (+5.8% compared to 2022), in addition to the State guarantee lines.**
- **Support for the internationalisation of Spanish companies, Spanish development cooperation and the financial sustainability of Autonomous Regions and local authorities.**

In addition to managing the aforementioned ICO-Covid19 guarantee line, the Ukraine guarantee line and, soon, the line of guarantees for the purchase of first homes for groups with greater access difficulties, the ICO, as the State Financial Agency, provides financial services to manage, off-balance sheet and

on behalf of other ministries, certain funds and instruments aimed at **supporting internationalisation** (through FIEM and CARI), **development cooperation** (through FONPRODE and FCAS) and facilitating the **sustainability of regional and local administrations** (through FFCCAA and FFEELL). At 2023 closing, ICO had managed resources on behalf of the State (including lines of guarantees and State funds) with a total balance of **322,370 million Euros (+5% compared to 2022 closing)**.

State Finance Agency Management of funds on behalf of the State (off-balance sheet activity)	Initial guarantee 2023 Millions of €	Initial guarantee 2022 Millions of €
COVID-19 ICO Guarantee Lines (Liquidity + Investment)	107,187	107,187
Ukraine Guarantee Lines	4,499	649
<b>Guarantee Lines on behalf of the State</b>	<b>111,686</b>	<b>107,836</b>
	<b>Balance 2023 Millions of €</b>	<b>Balance 2022 Millions of €</b>
Internationalisation (FIEM + CARI)	5,881	6,507
Development Cooperation (FONPRODE + FCAS)	551	413
Territorial Funds (CCAA + CCLL)	204,252	192,031
<b>Funds on behalf of the State</b>	<b>210,684</b>	<b>198,951</b>
<b>Total</b>	<b>322,370</b>	<b>306,787</b>

At 2023 closing, the most relevant amounts of the total activity managed by ICO on behalf of the State were those corresponding to the Autonomous Community Financing Fund (197,968 million Euros, 61% of the total managed on behalf of the State) and the Covid-19 Guarantee Lines (107,187 million Euros, 33% of the total managed on behalf of the State).



### SUPPORT FOR INTERNATIONALISATION

ICO acts on behalf of and under the instructions of the Secretary of State for Trade of the Ministry of Industry, Trade and Tourism. Within this framework, ICO manages:

#### Business Internationalisation Fund (FIEM)

It promotes the export operations of Spanish companies, as well as Spanish direct investment abroad, by financing operations and projects of special interest for the internationalisation strategy of the Spanish economy. It may also finance the technical assistance that these operations and projects require in both developed and developing countries.

#### Reciprocal Interest Adjustment Contract (CARI)

A financial instrument that is similar to interest rate insurance, the aim of which is to favour Spanish exports by encouraging financial institutions to grant loans at fixed interest rates.

### SUPPORT FOR DEVELOPMENT COOPERATION

ICO acts under the instructions of the Secretary of State for International Cooperation of the Ministry of Foreign Affairs, EU and Cooperation, managing:

#### Fund for the Promotion of Development (FONPRODE\*)

Its purpose is the eradication of poverty, the reduction of inequalities and social inequities between people and communities, gender equality, the defence of human rights and the promotion of human and sustainable development in impoverished countries.

\* Law 1/2023, of 20 February, on Cooperation for Sustainable Development and Global Solidarity, has been published in the Official State Gazette, creating the Spanish Fund for Sustainable Development (FEDES F.C.P.J.), which will assume the rights and obligations of FONPRODE once the latter has been extinguished.

#### Cooperation Fund for Water and Sanitation (FCAS)

Its purpose is to grant aid, mainly non-refundable and, where appropriate, loans to finance projects in the fields of water and sanitation, under the co-financing regime with the national authorities of Latin America and the Caribbean.

### FINANCIAL SUSTAINABILITY OF REGIONAL AND LOCAL GOVERNMENTS

ICO manages in the name and on behalf of the Ministry of Finance:

#### Financing Fund for Autonomous Communities (FFCCAA)

Its purpose is to provide these administrations with liquidity. Among the functions of the ICO as financial manager of the fund are the formalisation of financial operations with the Autonomous Regions and the provision of technical instrumentation, accounting, cash, paying agent and monitoring services.

#### Local Entities Financing Fund (FFEELL)

Its function is to provide liquidity and guarantee the financial sustainability of municipalities by meeting their financial needs.

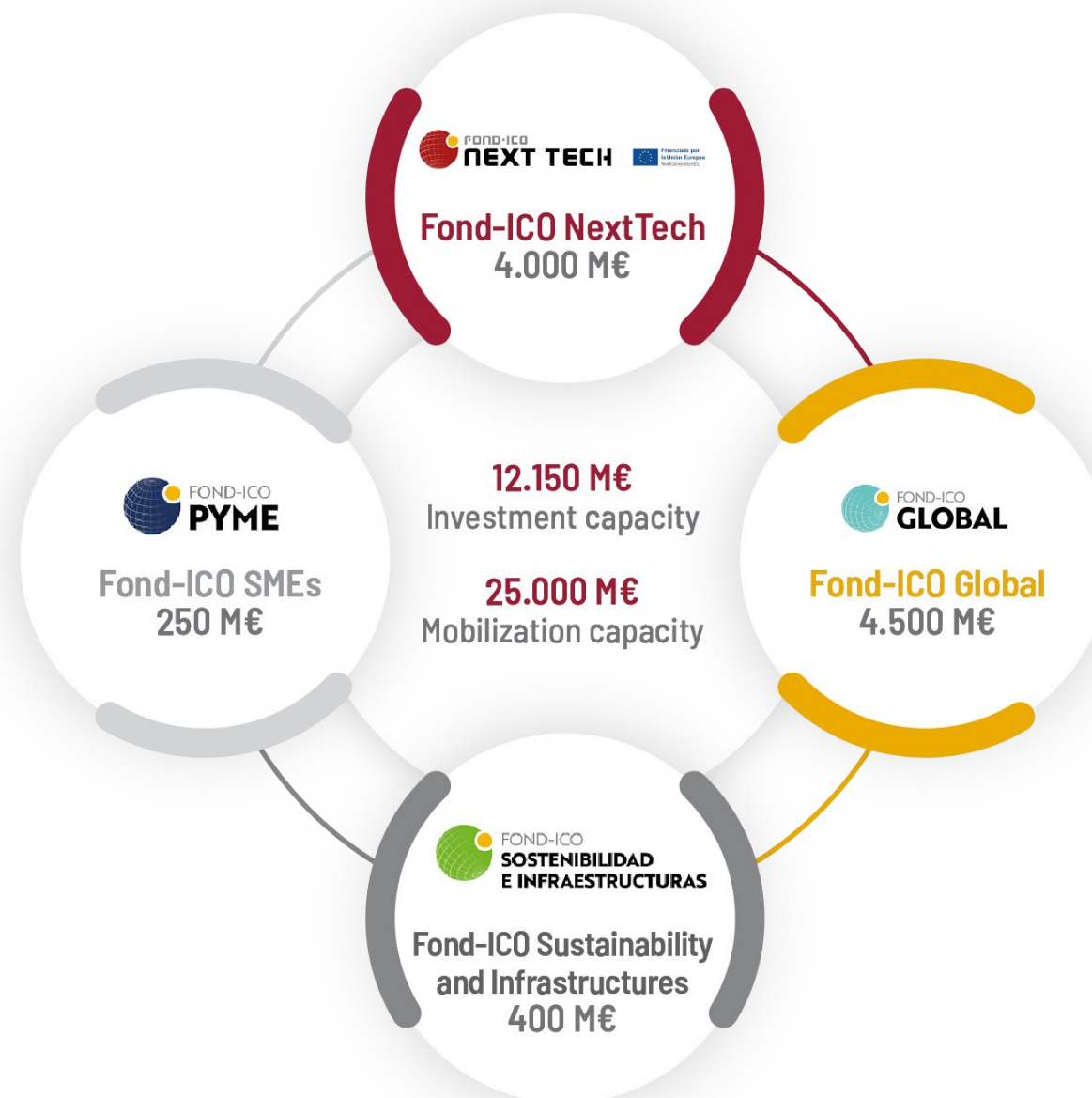


## PROMOTING VENTURE CAPITAL THROUGH ITS SUBSIDIARY AXIS, AS AN ALTERNATIVE FINANCING VEHICLE

- **Axis has been approved by the ICO to manage 12,150 million Euros, of which 9,150 million Euros have already been allocated to its four funds**

ICO promotes complementary financing for companies through Axis, its 100%-owned venture capital managing company, in public-private collaboration. AXIS' activity is carried out through investments in private equity and venture capital funds aimed at promoting the creation and growth of companies throughout the entire investment life cycle, from the early stages (Business Angels, incubation, technology transfer) to start-ups, scale-up, expansion and growth capital (equity) and debt.

Axis has currently been approved by the ICO to manage 12,150 million Euros, of which 9,150 million Euros are already allocated to the four funds it manages at 2023 closing, registered with the CNMV and whose sole participant is the ICO (7,150 million Euros at 2022 closing), in public-private collaboration:







**Fond-ICO Next Tech**, endowed with **4,000 million Euros**, is a joint initiative of the ICO and Axis with the

Secretary of State for Digitalisation and Artificial Intelligence (SEDIA), included in the National Recovery, Transformation and Resilience Plan, with the aim of promoting the development of innovative, high-impact digital projects and investment in scale-ups.



**Fond-ICO Global**, endowed with **4,500 million Euros**, is the first public venture capital/private equity “fund of funds” created in Spain and

aims to promote the creation of privately managed venture capital funds that invest in Spanish companies at all stages of their development. Through the 15 calls of Fond-ICO Global until the end of 2023, investments in Spanish companies have been approved for an amount of 3,427 million Euros with an invested volume of 11,474 million Euros (multiplier of 3.3x). On November 2023, the launch of the **16th Call** of this Fund was approved, the largest of Fond-ICO Global so far, to select 12 funds/managers in three categories: incubation and technology transfer, venture capital and expansion in which **up to 900 million Euros** will be invested. **The resources will come**, depending on the type of project, from one of the following facilities managed by ICO Group in the **Addendum to the RTR Plan**: ICO RRM Green, ICO RRM Enterprises and Entrepreneurs and ICO RRM Spain Audiovisual Hub.



**Fond-ICO PyME**, endowed with **250 million Euros**, aims to invest in funds that invest in strategic or innovative segments of activity such

as sustainability and social impact or the entrepreneurial ecosystem, also promoting complementary financing to banking through business angels or diversified debt (crowdlending/crowdfunding).



**Fond-ICO Sostenibilidad e Infraestructuras**, endowed with **€400 million**, is focused on participation in sustainable infrastructure

projects in the transport, energy, social and services sectors, seeking a clear positive impact on people, the climate and the environment. The Council of Directors of AXIS also approved the change of name from Fond-ICO Infraestructuras II, F.I.C.C.C. to Fond-ICO Sustainability and Infraestructuras, F.I.C.C.C. and the adaptation of the prospectus and other legal documentation of the fund to Regulation (EU) 2019/2088 of the European Parliament on sustainability disclosures to achieve its classification within its article 8 (financial products promoting environmental or social characteristics). Once filed with the CNMV, it has already been registered with the CNMV.

During 2023, the number of formalisations in all funds under management increased compared to the previous year. Certain aspects (main investment vehicles, project selection process and investment policy) of the Entrepreneurship and Startups Initiative were also approved in response to the Startups Act and the Crea y Crece Act accompanying the RTR Plan.

In addition, the Facilities assigned to ICO Group within the framework of the **Addendum to the RTR Plan** for channelling the loans allocated to the **Recovery and Resilience Mechanism (RRM)** include the **ICO Next Tech Fund**, already in existence prior to the approval of the Addendum but with an increase in the size of the fund during the year 2023. The current size of the fund is 4,000 million Euros and its main objective is to provide financial support to technology companies in their growth and scaling phase, promoting innovation and development in the technology sector. On February 2023, ICO Group formalised its participation in the **European Tech Champions Initiative (ETCI)**, a new fund of funds to finance leading innovative start-ups in Europe, for 400 million Euros through FondICO Next Tech, which plans to reach up to 1,000 million Euros in a second phase. All these actions demonstrate the ICO Group’s strong commitment to supporting digital transformation, in public-private collaboration.

Likewise, of the five **Facilities approved with RRM funds** and managed by ICO to be made available to the real economy during the period 2024-2026, the Facilities ICO-RRM Green, ICO-RRM Enterprises and Entrepreneurs and ICO-RRM Spain Audiovisual Hub **include, among others, venture capital as a financial instrument** to channel these funds, as shown in the following table:



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	Venture Capital Amount (millions of €) 2024-2026
Green ICO RRM Facility	2,200
ICO RRM Facility for Enterprises and Entrepreneurs	815
ICO RRM Audiovisual Hub Facility	171
FondICO Next Tech	4,000
<b>TOTAL RRM FACILITIES IN VENTURE CAPITAL</b>	<b>7,186</b>

Source: ICO's Management Budget approved on February 2024

By the end of 2023, the ICO has already begun to mobilise the loans from the Addendum to the RTR Plan with 900 million Euros in venture capital investment for sustainable and digital projects, in the largest call of Fond-ICO Global. The resources will come from three of the lines managed by the ICO in the RTR Plan Addendum (ICO-RRM Green, ICO-RRM Companies and Entrepreneurs, and ICO-RRM Spain Audiovisual Hub) and will boost investments that foster business growth and green and digital transformation.

**During 2023, Axis has approved commitments of 1,206 million Euros across** its four funds (1,790 million Euros in 2022, which mainly stems from the approval of up to 1,000 million Euros for participation in the European Tech Champions Initiative):

DIRECT ACTIVITY: Private Equity AXIS	Fund size (**) Millions of €	Approved commitments 2023 Millions of €	Approved commitments 2022 Millions of €
Fond-ICO Next Tech	4,000	244	1,290
Fond-ICO Global	4,500	900 (*)	410
Fond-ICO SME	250	30	35
Fond-ICO Sustainability and Infrastructures	400	32	55
RRM contribution - to be distributed	3,000		
<b>Total</b>	<b>12,150</b>	<b>1,206</b>	<b>1,790</b>

(\*) The launch of the 16th Call has been approved for up to 900 million Euros / 12 funds. Pending resolution at 2023 closing. (\*\*) Axis has been approved by the ICO to manage 12,150 million Euros, of which 9,150 million Euros have already been allocated to its four funds.

## 2.3 Positive macroeconomic impact in the Spanish economy

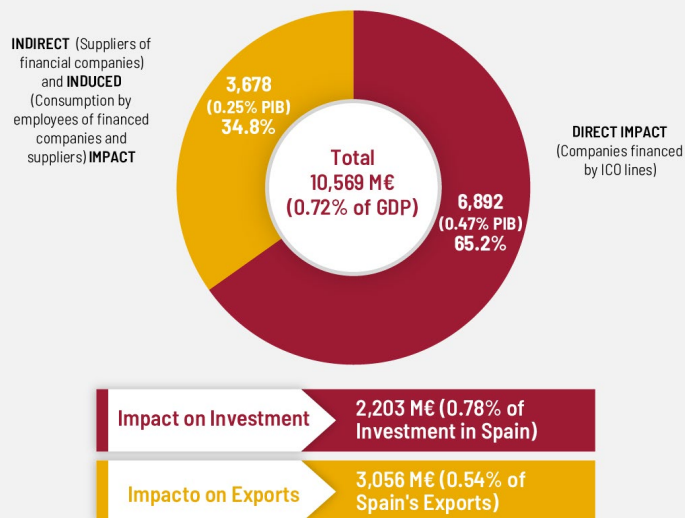
### MEDIATION ACTIVITY: IMPACT ON GDP AND EMPLOYMENT

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

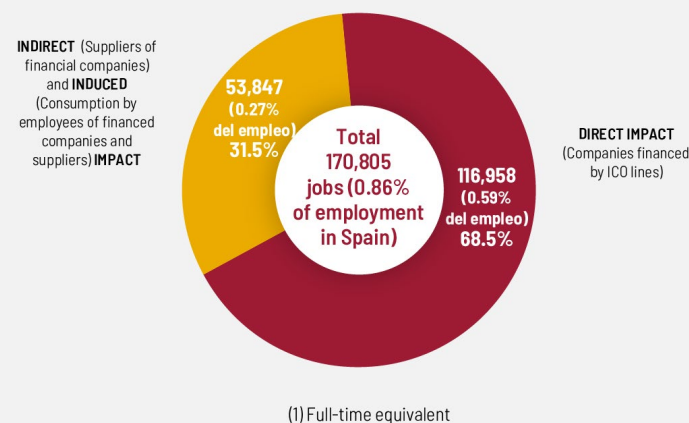
With regard to the impact on economic activity of the financing distributed by the ICO in 2023 through the Mediation lines, estimates place it, in terms of GDP, at 10,569 million Euros, equivalent to 0.72% of GDP. Similarly, this financing activity has led to 2,203 million Euros in investment, which represents 0.78% of total gross fixed capital formation (GFCF) in Spain last year. In relation to exports, the impact generated by ICO financing, estimated at 3,056 million Euros, represented 0.54% of the total volume of Spanish exports.



### ICO Mediation Lines 2023 (second-floor facilities) Contribution to GDP: 10,569 M€ (0.72% of GDP)



### ICO Mediation Lines 2023 (second-floor facilities) Contribution to Employment: 170,805 jobs created and/or maintained (0.86% of total employment in España)<sup>1</sup>



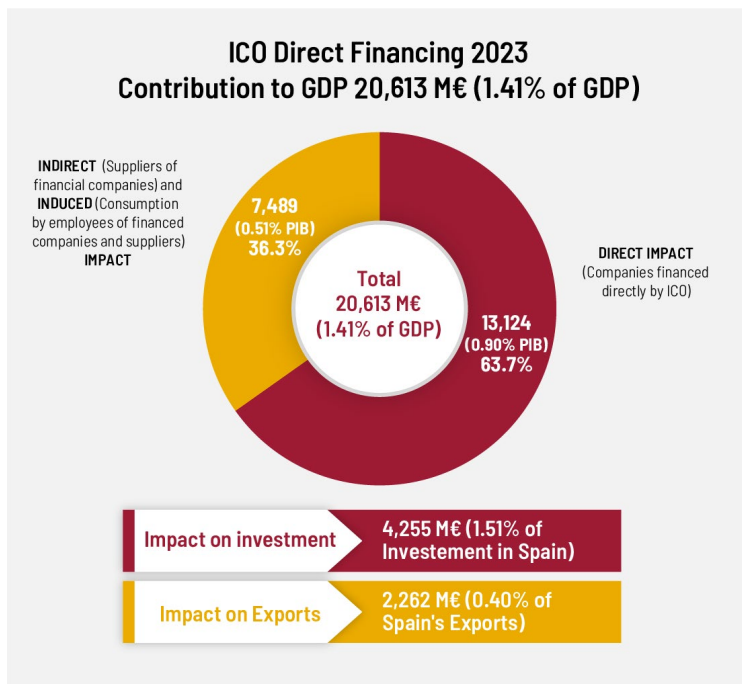
## DIRECT FINANCING ACTIVITY: IMPACT ON GDP AND EMPLOYMENT

Using the same methodological procedure, the ICO estimates the impact on certain macroeconomic variables of its activity as a direct financier.

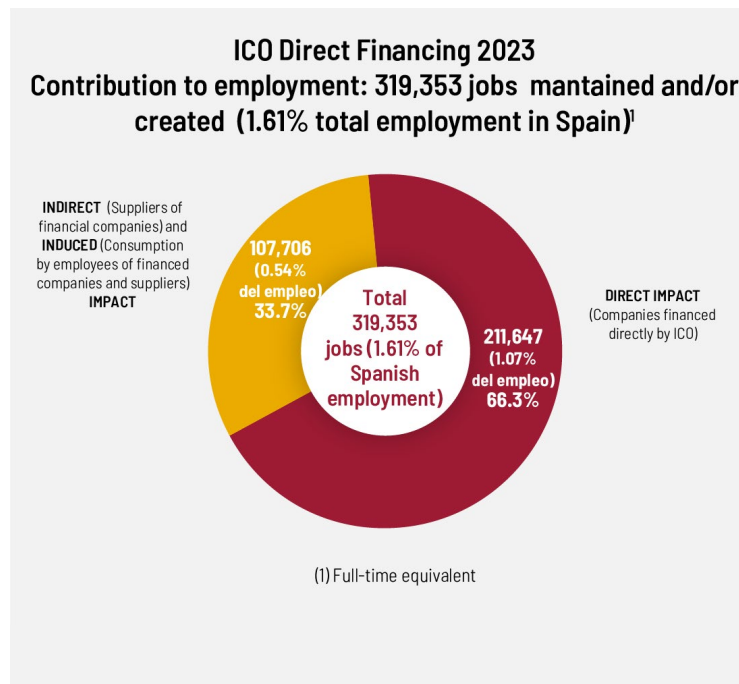
The estimated impact on economic activity generated by the ICO's direct financing operations formalised in 2023 is estimated, in terms of GDP, at 20,613 million Euros, equivalent to 1.41% of GDP.

There is also a significant impact on employment. The estimated employment generated and/or maintained as a result of ICO activity in 2023 through Mediation lines is 170,805 jobs, which represents 0.86% of the total volume of full-time equivalent employment.





Similarly, these direct financing operations have led to 4,255 million Euros in investment, which represents 1.51% of total gross fixed capital formation (GFCF) in Spain in 2023, and have generated an impact on exports, estimated at 2,262 million Euros, which represents 0.40% of the total volume of Spanish exports.



The quantification, in terms of employment generated and/or maintained as a result of these direct financing operations, amounts to 319,353 jobs, which represents 1.61% of the total volume of full-time equivalent employment.

## 2.4 Promoting sustainability in our activity as funders

ICO Group contributes to long-term sustainable development, seeking to achieve balanced economic development, social development and environmental protection. ICO Group promotes growth through the financing of business activities that contribute to the generation of employment and economic development, both in Spain and in third countries, aligning itself, among others, with the 17 Sustainable Development Goals of the United Nations 2030 Agenda, with the Paris Climate Agreement (COP 21), with the United Nations Guiding Principles on Business and Human Rights and with the EU Sustainable Finance Action Plan, all signed by Spain and implemented at European and national level.

The ICO Group's sustainable financing is part of the European context of promoting sustainable finance and is aligned with the European sustainability priorities set out in the EU New Green Deal, which have subsequently been transferred to the European Climate Law. Likewise, ICO Group endorses the environmental objectives included in the European regulation on sustainable investment when focusing its activity and is working to incorporate these criteria across the council in the institution.

ICO Group has a Sustainability Policy, which is updated in response to events that make it necessary to adapt it to reflect the current situation, and whose main lines of action are as follows:



- Acting as a signpost in the design and implementation of all ICO's sustainability actions by encouraging stakeholders to share the objectives and commitments in this area.
- Combating climate change and protecting natural capital, following the international best practice and, in particular, the principle of no significant harm of the European Union.
- Promoting just and inclusive transition, so that the ICO is a key player in the change process, making new opportunities available to all.

The ICO Group's Sustainability Policy establishes a general framework for action and is complemented by the other internal policies that govern the Institute's activity, such as the Environmental Policy, the Quality Policy, the Policy for the Prevention of Money Laundering and the Financing of Terrorism, the Anti-Fraud Action Plan and Institutional Anti-Fraud Declaration, the Direct Financing Policy, the CSR Policy, the Equality Plan, the Data Protection Policy, the Code of Ethics and Conduct and the Internal Code of Conduct in the Securities Market, among others.

The ICO, as the National Promotional Bank, faces two major challenges. On the one hand, to promote and accelerate the transformation of the economic model towards a more environmentally and socially sustainable model. On the other hand, taking into account the structure of the business fabric, which is mainly made up of SMEs and the self-employed, to accompany the main players in the economy in this transition, leaving no one behind.

The ICO Group's strategic focus is the promotion of environmental and social sustainability, and it has set itself the target that at least 40% of all new financing in the period 2022-2027 should be sustainable. To this end, internal sustainability assessment procedures have been implemented in line with the main international standards, with the aim of identifying operations with an environmental and social contribution.

In recent years, ICO Group has given a strong boost to financing companies for sustainable projects -environmental and social- as a means of driving the transformation of the Spanish economy towards a more sustainable and fairer model. As can be seen in the following table, which covers the period 2021-2023, ICO Group has gone from approving new sustainable (environmental and social) direct financing

activity for an amount of 1,810 million Euros in 2021 to an amount of 2,846 million Euros in 2023 (+57%). The same trend is observed in both International Channel and AXIS activity, whose new sustainable activity has increased from 597 million Euros in 2021 to 694 million Euros in 2023 in International Channel (+16%), and from 77 million Euros in 2021 to 274 million Euros in 2023 (x 3.6 times).

In **2023**, ICO continued to promote sustainability by approving operations with a positive environmental and social impact, resulting in a percentage of **direct sustainable approvals** representing **46% of total new approvals of ICO direct activity** (55% in 2022, higher than in 2023 due to a lower amount of total direct financing in 2022 compared to 2023) and a volume of **2,846 million Euros approved** (2,223 million Euros in 2022), **mobilising an investment of 16,314 million Euros** (15,931 million Euros in 2022) and an **investment of 16,314 million Euros** (15,931 million Euros in 2022). In the international sphere, 12 operations have been approved (9 loans and 3 guarantees) classified as sustainable for an amount granted of more than 800 million Euros and an estimated mobilised investment of 7,200 million Euros.

During 2022, the reporting of information on sustainable activities and projects was voluntary on the part of financial institutions, becoming mandatory from 2023, in order to encourage awareness and identification of sustainability in the SME segment, as well as to ensure alignment with the ICO's strategic objectives.

The **Addendum to Spain's RTR Plan**, approved by the EU Council on October 17, 2023, provides for the channelling through the ICO Group, in public-private collaboration, among others, of an **ICO-Green Facility amounting to 22,000 million Euros** for financial support to the green transition. The financing will be channelled in the form of Mediation Lines, direct financing, purchase of corporate bonds and capital injections (direct and/or through equity funds). Beneficiaries will be private sector companies, public sector and households.

The Addendum to the RTR Plan also assigns ICO Group a **4,000 million Euros Facility** for the promotion of social housing - the **ICO RRM Facility for the promotion of social rental housing** - whose objective is to increase the stock of social or affordable rental housing, as well as to improve the existing housing stock. This Facility will be able to finance the construction of energy-efficient rental housing or energy-efficient refurbishment by public or private developers and will be available to the real economy from 2024. The ultimate objective is to support the increase in the supply of rental housing through financing, with a special focus on territorial areas with the greatest tension in the residential market.





	Total amount			Sustainable			Environment			Social			Sustainability Quota		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Balance Direct Financing (Portfolio)	11,329	11,417	14,014	4,702	4,946	6,181	3,379	3,721	5,375	1,323	1,225	806	42%	43%	44%
New Activity Direct Financing	2,531	4,066	6,184	1,810	2,223	2,846	1,463	1,407	2,652	347	816	194	72%	55%	46%
International Channel (cum. disbursements) <sup>(1)</sup>	1,508	1,805	2,036	597	625	694	480	503	569	117	122	125	40%	35%	34%
AXIS (assets under management) <sup>(2)</sup>	229	242	385	76	94	160	69	82	143	7	12	17	33%	39%	41%
AXIS (new activity, approvals) <sup>(3)</sup>	93	380	306	77	294	274	50	196	191	27	98	83	83%	77%	90%

(1) Cumulative disbursements since the start of the Facility at 2023 closing.

(2) Assets managed by Axis (amounts disbursed minus redemptions for each fund) in FondICO-SMEs, Fond-ICO Sustainability and Infrastructures and Fond-ICO Next Tech.

(3) Approvals in FondICO-SMEs, Fond-ICO Sustainability and Infrastructures and Fond-ICO Next Tech

It is estimated that from 2024 onwards the channelling of these European funds, in public-private collaboration, will further increase the ICO Group's new activity in the field of sustainability.

For its part, the **ICO RRM Business and Entrepreneurs Facility** includes a **tranche for the tourism sector of up to 1,000 million Euros** to finance projects that promote, among other things, the sustainability of the sector.

## CONTRIBUTING TO SUSTAINABLE BUSINESS FINANCING

- **At least 40% new sustainable financing by 2022-2027.**
- **6,181 million Euros of net balance of direct sustainable operations at 2023 closing (+25% compared to 2022) with positive environmental and social impact, 44% of the total direct portfolio.**
- **51,292 million Euros of investment mobilised by the end of 2023, in public-private collaboration .**

ICO finances directly, or through financial institutions or Axis (its venture capital manager), projects that promote the ecological transition and the environmental, social and governance (ESG) sustainability of the business fabric. The purpose of the operations to be financed focuses, among others, on sustainable mobility, development of renewable energies, renewable hydrogen, energy efficiency, circular economy, water treatment, improved energy efficiency and sustainability of buildings, improved accessibility in buildings and housing, urban and rural regeneration and renovation, transport infrastructure projects, hospitals, homes for the elderly or education with public and private companies and construction and rehabilitation of social or affordable housing.

Detail of the Direct Financing portfolio, total and sustainable, at 2023 closing:



Sustainability Categorisation	No. Operations	Net balance (millions of €)		Mobilised Investment (millions of €)
<b>Environment</b>	<b>152</b>	<b>5,375</b>	<b>38.4%</b>	<b>44,772</b>
Climate Change	136	5,032	35.9%	42,404
Blue Economy	11	78	0.6%	808
Circular Economy	5	265	1.9%	1,560
<b>Social</b>	<b>254</b>	<b>806</b>	<b>5.8%</b>	<b>6,520</b>
COVID measures	19	382	2.7%	1,110
Housing	223	180	1.3%	761
Health and Social Inclusion	11	225	1.6%	4,514
Development Cooperation	1	19	0.1%	135
<b>Sustainable</b>	<b>406</b>	<b>6,181</b>	<b>44.1%</b>	<b>51,292</b>
Not determined	491	7,833	55.9%	65,564
<b>Total</b>	<b>897</b>	<b>14,014</b>	<b>100%</b>	<b>116,856</b>



The ratios calculated as at December 31, 2023 are as follows:

- % exposure to eligible economic activities (CAPEX): **15.12%**.
- % exposure to eligible economic activities (VN): **14.52%**.
- Green Asset Ratio (CAPEX): **7.93%**.
- Green Asset Ratio (GAR): **7.48%**.

## Green Asset Ratio - Alignment with European Taxonomy at 2023 closing

### Voluntarily reported

ICO Group promotes sustainability as one of the pillars of its strategy, implementing sustainable criteria in all its areas of activity. For this reason, ICO has considered it good practice to carry out an analysis of the taxonomic alignment of its loan portfolio. The methodology applied is an approximation to the

criteria set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a Taxonomy to facilitate sustainable investments.

In this regard, it has been considered of interest to disclose the proportion of exposures to aligned economic activities relative to the total assets covered in the GAR.





## Contextualisation of GAR information

The information reported is voluntary, but is more closely aligned with the criteria defined in Regulation (EU) 2021/2178. The criteria and procedures implemented for the calculation of the Green Asset Ratio (GAR) are set out below:

This is the first exercise in reporting alignment information. In order to obtain the most accurate information possible, publicly disclosed information has been compiled and, in some cases, clients have been contacted to:

- Confirm whether the counterparty is an undertaking subject to Articles 19a and 29a of Directive (EU) 2013/34 (public interest entities with more than 500 employees).
- In generalist activities, ask for the Taxonomy dissemination tables.
- In finalist activities, confirm their alignment.

In the coming years, work will be done to complete the alignment information and, where necessary, obtain supporting documentation from the partners.

In this exercise only stock information is reported as no alignment information is available from the previous exercise. Efforts are being made to disseminate flow information from next year onwards.

For the calculation of the ratio, the total assets covered by the GAR (denominator) have been considered. However, the eligibility and alignment analysis has only been applied to the loan portfolio (numerator).

For the intermediation portfolio, the end-customer has been considered to be entirely composed of small and medium-sized enterprises, counterparties that are not subject to NFRD.

For green bond transactions where no client information has been obtained, the eligibility and alignment ratios reported in the Taxonomy Tables disclosed by the counterparties have been applied.

Due to the availability of information, a breakdown of the amount for enabling and transition activities has not been incorporated.

## New sustainable direct activity in 2023

- **46 sustainable operations approved in 2023.**
- **2,846 million Euros approved with positive environmental and social impact, 46% of total new direct operations.**
- **16,314 million Euros of investment to be mobilised, in public-private collaboration.**

Within the framework of direct financing to companies with Spanish interest, ICO Group relies on the following financial instruments to encourage investment in activities that contribute to the achievement of sustainability objectives: green and social loans, loans linked to sustainability objectives, acquisition of sustainable bonds and green securitisations.





During 2023, ICO Group continued to promote sustainability by approving operations with a positive environmental and social impact. The **sustainable percentage** represents **46% of the new direct operations approved**, which translates into a volume of 2,846 million Euros in approved financing and a mobilised investment of 16,314 million Euros.

The amount of operations approved in 2023 with an **environmental impact** totals **2,652 million Euros**, with a **mobilised investment of 15,437 million Euros**. The largest volume of funding is concentrated in support for the fight against climate change, with a total amount of 2,483 million Euros allocated.

The amount of operations approved with a **social impact** totals **194 million Euros**, with a **mobilised investment of 877 million Euros**. Of the 194 million Euros, an amount of 64 million Euros corresponds to seven operations of the ICO Housing and Urban and Rural Regeneration Programme 2022-2025, whose objective is the promotion of social housing stock. A loan amounting to 50 million Euros has also been approved in line with the Sustainability Linked Loan Principles, which has been linked mainly to social inclusion objectives, such as the deployment of fibre optics in rural areas or gender equality. An 80 million Euros operation was approved for the electrification of rural areas in Senegal, which contributes to social objectives.



Detail of new approved direct activity, total and sustainable, at 2023 closing:

Sustainability Categorisation	No. Operations	Amount (millions of €)			Mobilised Investment (millions of €)
<b>Environment</b>	<b>37</b>	<b>2,652</b>	<b>43%</b>		<b>15,437</b>
Climate Change	34	2,483	40%		14,581
Circular Economy	3	169	3%		856
<b>Social</b>	<b>9</b>	<b>194</b>	<b>3%</b>		<b>877</b>
Housing	7	64	1%		98
Social inclusion	2	130	2%		779
<b>Sustainable</b>	<b>46</b>	<b>2,846</b>	<b>46%</b>		<b>16,314</b>
Not determined	733	3,338	54%		14,071
<b>Total</b>	<b>779</b>	<b>6,184</b>	<b>100%</b>		<b>30,385</b>

During 2023, the standardisation of sustainability information included in the proposal for direct operations continued, including, among other fields, identification of the contribution to taxonomy and SDG objectives, compliance of sustainable financing with international standards, compliance with Equator principles, as part of the process of continuous improvement of information in this area. Likewise, clauses continue to be incorporated and improved in asset transaction contracts to include sustainability reporting obligations.



## New direct activity aligned with SDGs by 2023

- **Impact of operations on 8 SDGs.**
- **Decent Work, Climate Action and Affordable Clean Energy are the most important ones.**

ICO Group is firmly committed to the United Nations 2030 Agenda for Sustainable Development, and through its direct financing activity contributes to the achievement of the Sustainable Development Goals (SDGs).

During 2023, the main purpose of ICO's direct activity has been the contribution to the SDG 8. Decent work and inclusive and sustainable economic growth, with approved direct financing of 3,167 million Euros, linked to SDG 8 and mobilised investment of 11,087 million Euros.

The contribution to the energy and climate transition is also notable, through SDG 7. Affordable and clean energy, and SDG 13. Climate action, with a volume of direct financing approvals of 2,159 million Euros and a mobilised investment of 13,001 million Euros. These objectives have been driven by the ICO through renewable energy projects, sustainable mobility, green bond underwriting and Sustainability Linked Loans with climate KPIs.


Finally, it is worth highlighting the boost during 2023, to SDG 11. Sustainable cities and communities with an amount of 606 million Euros and a mobilised investment of 4,633 million Euros. This objective has been promoted through sustainable mobility and social housing projects.



Detail of new direct activity approved according to SDG at 2023 closing:

SDG		Approvals (millions of €)	%
SDG 1	End of poverty	-	-
SDG 2	Zero hunger	-	-
SDG 3	Health and well-being	-	-
SDG 4	Quality education	-	-
SDG 5	Gender equality	38	0.6%
SDG 6	Clean water and sanitation	-	-
SDG 7	Affordable and clean energy	893	14.4%
SDG 8	Decent work and economic growth	3,167	51.2%
SDG 9	Industry, innovation and infrastructure	63	1.0%
SDG 10	Reducing inequalities	50	0.8%
SDG 11	Sustainable cities and communities	606	9.8%
SDG 12	Responsible production and consumption	102	1.6%
SDG 13	Climate action	1,266	20.5%
SDG 14	Underwater life	-	-
SDG 15	Terrestrial life and ecosystems	-	-
SDG 16	Peace, justice and strong institutions	-	-
SDG 17	Partnerships to achieve the objectives	-	-
TOTALS		6,184	100%

<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>X3.5</b>		Mobilised investment (millions of €)
	SDG 8	Decent work and economic growth	11,078

<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>X6.02</b>		Mobilised investment (millions of €)
	SDG 7+13	Affordable and clean energy Climate action	13,001

<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>X7.6</b>		Mobilised investment (millions of €)
	SDG 11	Ciudades y comunidades sostenibles	4,633





## ICO Sustainability mediation lines

- **3,880 million Euros drawable for sustainable investments, in public-private collaboration.**
- **Around 15,500 million Euros in new ICO RRM Lines contributing to the green transition.**

In the area of sustainability, during 2023, the ICO has continued to work on channelling budgetary resources by making available to companies and the self-employed lines that promote sustainable mobility and the refurbishment of residential buildings, which have grants or guarantees from the Ministry of Transport, Mobility and the Urban Agenda (MITMA).

The ICO also provides financing to the agri-food and fisheries sector with the aim of supporting economic sectors affected by drought and other climatic risks, offering aid from the Ministry of Agriculture, Fisheries and Food (MAPA). During 2023, the deadline for applying for aid under the ICO-MAPA-SAECA line has been extended to September 15, 2024, the aid limits per customer have been raised from 10% to 15%, and the MAPA aid allocation has been increased from 20 million Euros to 60 million Euros.

The aid and guarantees of these three lines will mobilise around 3,900 million Euros, in public-private collaboration. ICO's objective in managing the lines, in public-private collaboration, is to boost financing for Spanish companies for sustainable projects.





In addition, during 2023, ICO has collaborated with MIVAU in the implementation of a **new line of guarantees to facilitate financing for the acquisition of the first habitual residence for young people** under 35 and families with dependent minors for a maximum amount of **2,500 million Euros**, which will be partially covered by the State to the tune of 20% or 25% if it has a minimum energy rating D. Following the approval by the Council of Ministers on February 2024 of the conditions of the line, during 2024 MIVAU and ICO will process the signing of the agreement to implement and manage this line of guarantees, whose potential beneficiaries will be able to apply for the guarantee through the participating financial institutions.

During 2023, ICO Group has been working, together with other public bodies, on the implementation of the **ICO RRM Mediation Lines from the resources assigned to ICO in the Addendum to the RTR Plan (2nd Phase of the Plan)**, which will be made available to the Spanish productive fabric during 2024-2026, **in public-private collaboration**. Of the total amount of 20,976 million Euros of the new ICO RRM mediation lines, an **amount of up to 15,505 million Euros** is earmarked for the contribution to improving **energy efficiency** and supporting **climate objectives**:

The **International Channel Line** fosters the financial support of sustainable projects, enabling ICO, as one of the leading national promotional banks at European level, to play a key role by working in public-private collaboration in the development of sustainable finance. In this way, the Institute can align financing activity with the economic policy objectives included in the green transition pillar of the Recovery and Resilience Mechanism, enabling the transition to a climate-neutral economy in the areas of energy efficiency, renewable energy production, sustainable transport and industrial decarbonisation.

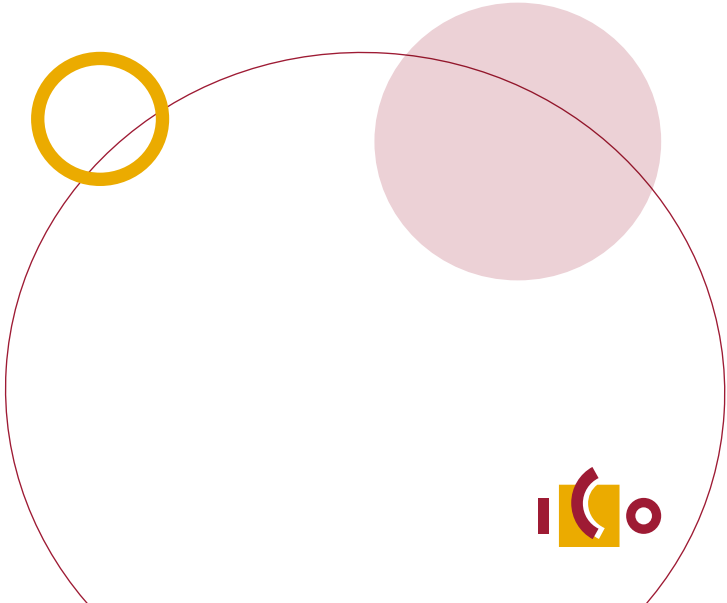
In addition, following the adoption of the Granada Declaration on October 2023, a strategic line of action is established for the common future for the benefit of all the countries of the European Union, which will enable closer links with LATAM and Caribbean countries. Between January and December 2023, through the ICO International Channel Line, new disbursements were made and/or justified for 17 sustainable projects, amounting to 81 million Euros, financed through CABEL, FONPLATA and Santander Brazil. In addition, six of these projects were allocated to the Clean Oceans Initiative (COI), in which ICO participates together with the EIB and

KfW to support projects in Asia, Africa and Latin America to reduce ocean pollution, with a special focus on plastics and other solid waste through projects for the collection, treatment, recovery and recycling of this waste.

The activity of the ICO International Channel Line is aligned with the ICO Group's strategy and with ICO's various cross-cutting priority lines of action, including environmental and social sustainability. In **terms of commitment to sustainability**, it should be noted that 34% of the cumulative disbursements of the ICO International Channel Line have been categorised as sustainable at 2023 closing (35% in 2022), of which 28% is environmental and 6% is social (28% and 7%, respectively, in 2022). The main contributions to the SDGs have also been categorised, as shown below.

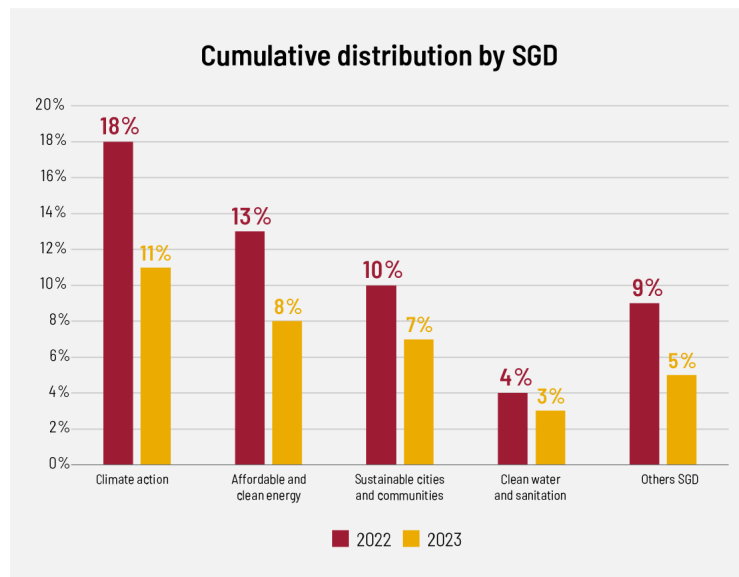
	Period 2024-2026
<b>ICO RRM Green Line</b>	
Investment projects contributing to the climate objectives of the RRM Regulation	12,505
<b>ICO RRM Enterprises and Entrepreneurs Line / Tourism Tranche</b>	
Tourism sector projects promoting sustainability	1,000
<b>ICO RRM Social Housing Line</b>	
Construction of energy efficient buildings. Refurbishment of existing buildings where an improvement in energy efficiency can be demonstrated.	2,000
<b>TOTAL ICO-RRM SUSTAINABILITY MEDIATION LINES</b>	<b>15,505</b>

Source: ICO management budget approved on February 2024



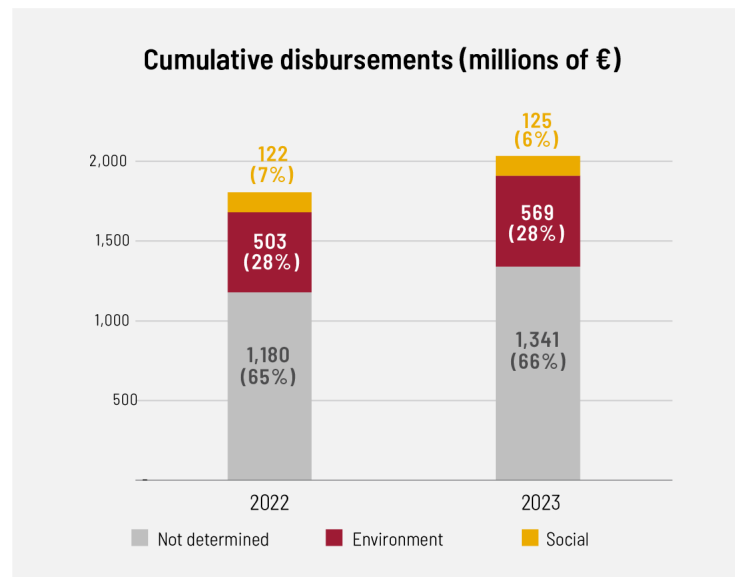


## ICO International Channel Line: Cumulative disbursements and distribution by SDGs



ICO continues to increase its efforts to improve the information available on sustainability in its intermediated activity, where the low average size of the companies financed and the intermediation model make it a major challenge.

During 2023, the Sustainability Annex in the ICO Mediation Lines implemented in 2022 has become mandatory. This makes it possible to obtain information on the sustainability of SMEs in a very capillary manner. This information should enable companies



and projects to be better identified in terms of sustainability, although this is a new process in which it is still necessary to continue introducing improvements to ensure the highest standards of information quality.



### AXIS (venture capital manager of the ICO Group) in the field of sustainability

- **90% sustainable of new AXIS approvals by the end of 2023.**
- **274 million Euros of approved amount in sustainable investments in 2023.**
- **900 million Euros call launched in 2023 for sustainable and digital investments to mobilise loans from the RTR Plan Addendum.**

Axis' actions complement those of the Institute and reinforce the ICO Group's clear positioning in favour of sustainability. In 2023, Axis has approved a total amount of 274 million Euros in sustainable investments through its venture capital activity.

Axis implements sustainability criteria through the following financial instruments:



Fund	Target achieved in 2023	Approvals / Calls 2023
Fond-ICO Global	<p>In its latest calls for proposals, the digitalisation and ESG sustainability criteria of companies and projects have been included as qualitative criteria to be assessed for the selection of funds.</p> <p>On December 2023, the ICO has begun to mobilise the RTR Plan loans with 900 million Euros in venture capital investment for sustainable and digital projects, in the largest call of Fond-ICO Global. The resources will come from three of the lines managed by the ICO in the Addendum to the Recovery Plan -ICO Green, ICO Enterprises and Entrepreneurs, and Spain Audiovisual Hub - and will boost investments that foster business growth and green and digital transformation.</p>	<b>900 million Euros* (16th call for proposals)</b>
Fond-ICO Sustainability and Infrastructures	<p>In 2023, the change of name from Fond-ICO Infrastructures II, F.I.C.C.C. to Fond-ICO Sustainability and Infrastructures, F.I.C.C.C. and the adaptation of the prospectus (and other legal documentation) of the fund to Regulation (EU) 2019/2088 of the European Parliament on sustainability disclosures, for classification under article 8 (financial products promoting environmental or social characteristics), were approved. To date, the changes have already been registered with the CNMV.</p> <p>This fund is focused on participation in sustainable investment projects in the energy, sustainable mobility, environment and social infrastructure sectors, seeking a positive impact for people, the climate and the environment. During 2023, a total of 30 million Euros has been invested in a fund for the development of a renewable energy project.</p>	<b>30 million Euros</b>
Fond-ICO Next Tech	<p><b>In 2023, the following has been approved:</b></p> <ul style="list-style-type: none"><li>Investment of 89 million Euros in 5 companies whose activities contribute to the objectives of Climate Change Mitigation and Circular Economy.</li><li>70 million investment in three funds under Article 8 of the SFDR Regulation (EU), the assets of which will be used for environmental and social impact projects.</li><li>55 million investment in an Article 9 SFDR fund, the assets of which will be allocated to projects that develop innovative solutions that promote the achievement of the goal of zero net carbon emissions.</li></ul>	<b>214 million Euros</b>
Fond-ICO SME	<p><b>In 2023, the following has been approved:</b></p> <ul style="list-style-type: none"><li>20 million investment in two European Social Entrepreneurship Funds (EuSEF) under Article 9 SFDR Regulation (EU).</li><li>10 million investment in an Article 9 SFDR fund, the assets of which will be allocated to different sustainable impact sectors such as food and healthy lifestyles, health sciences, education, energy efficiency, renewable energy, waste management and circular economy, among others.</li></ul>	<b>30 million Euros</b>

\* The date of publication of the rules of the 16th call was December 14, 2023 and the deadline for submission of documentation is January 23 and 24, 2024.





## Channelling European funds on a sustainable basis: InvestEU, CEF and RRM Addendum

- **72 million Euros of funding approved under the European Connecting Europe Facility-Alternative Fuels Infrastructure Facility (CEF-AFIF) programme for the promotion of alternative fuels infrastructure.**
- **It also invests in green infrastructure venture capital funds.**

ICO, as an **Implementing Partner** of the European Commission, collaborates with various ministries, organisations and entities channelling resources from European programmes, including the European Commission's InvestEU programme. Through this European programme, based on guarantees and which includes sustainable infrastructure (SIW) as one of its main lines of action, ICO will be able to facilitate Spanish companies' access to financing for sustainable investments.

The ICO, as a collaborating entity (Implementing Partner-IP) of the European Commission for channelling European resources, will continue to provide blending financing (long-term ICO financing and EU CEF grant) for projects under the CEF (Connecting Europe Facility) programme. At present, the ICO, together with MITMA, is studying and contributing to the search for eligible projects in the CEF-AFIF (Alternative Fuels Infrastructure Facility) programme, within the MFF 2021-2027, with a budget of 1,575 million Euros for the whole of Europe. This programme promotes the participation of private sector investors and financial institutions in projects that contribute to the environmental sustainability and efficiency of the transport sector in Europe, promoting alternative fuels supply infrastructures.

ICO, as IP of the EC, published on June 5, 2023 the terms and conditions of the call called "ICO InvestEU Green Funds" to channel 150 million Euros, backed by a guarantee package of 75 million Euros under the InvestEU programme, into up to three venture capital/private equity funds investing in sustainable infrastructure and its industrial ecosystem in the EU and preferably in Spain. The resources channelled by the ICO with the InvestEU guarantees will contribute to mobilise, with the participation of private investors, a minimum of 300 million Euros towards projects to be developed in the energy, sustainable transport, environment and resources, critical infrastructure and social infrastructure sectors, in accordance with the parameters set out in the InvestEU programme. Proposals for participation in these funds were submitted to the InvestEU Investment Committee on December 2023.



At 2023 closing, the ICO has an InvestEU Guarantee Agreement for up to 112.25 million Euros to guarantee its investment in four funds for up to 224.5 million Euros (124.5 million Euros Invest EU Green Funds and 100 million Marguerite III Infrastructure Fund - approved and constituted in 2022).

On December 2023, the **4-year renewal of the InvestEU Guarantee Programme** was approved, extending its validity until December 31, 2027, increasing the maximum amount of ICO's participation in the guarantee by 200 million Euros, from 225 million Euros to 500 million Euros, and including the **new Strategic Technology Europe Platform (STEP) window**, which will reinforce various European programmes (including InvestEU) with the aim of investing in strategic sectors for Europe.

During 2023, ICO has continued to approve new financing operations for long-term sustainable projects for a **total amount of 72 million Euros**, which will be submitted to the European Commission to obtain the CEF-AFIF facility grant. These operations consist of the approval of a 36 million Euros financing for the **smart electrification of two operations centres** in a public utility company (total investment of 51.5 million Euros), the approval of a 3 million Euros financing for the production, storage and supply of **hydrogen as an alternative fuel for transport** in the Community of Madrid (total investment





of 26.3 million Euros), the approval of funding of 4 million Euros for the construction of 80 **electric superchargers** in 10 different locations across Spain (total investment of 40 million Euros), the approval of funding of 29 million Euros for the installation of more than 1,200 **fast charging points on the road network** in Spain and Portugal (total investment of 117 million Euros).

In addition, as mentioned above, in the period 2024-2026 ICO Group will channel around 40,000 million Euros, in public-private collaboration, from the loans of the Addendum to the RTR Plan, including specific resources to finance investments that support the green transition of companies. These resources will be made available to the Spanish productive fabric through mediation lines, direct financing instruments and risk/private capital funds.

## TO CONTINUE TO PROMOTE AND EXPAND THE SPANISH AND EUROPEAN SUSTAINABLE BOND MARKET

- **15 emissions issues until 2023 (5 green and 10 social) for an amount of 7,550 million Euros.**
- **Promote projects that generate a positive social and environmental impact.**



The Institute finances its medium and long-term activity mainly through debt issues on the capital markets and through bilateral loans from multilateral or private financial institutions. The ICO is not financed through the General State Budget, nor does it take deposits from private individuals. During 2023, medium and long-term funds of 7,314 million Euros were raised, of which **1,000 million Euros were sustainable issues (13.7% of the total)**. ICO channels the funds raised through these operations towards the business fabric through its direct financing programmes, the ICO Mediation Lines and funds managed by AXIS.

ICO issued its first social bond in early 2015 when guidelines had not yet been established. Since this first issue, ICO has demonstrated its leadership in the social bond market. ICO has issued its **tenth social bond** on June 2023 for an amount of **500 million Euros** maturing on October 31, 2028, to finance, in public-private collaboration, projects of the self-employed, SMEs and Spanish companies that promote social and territorial cohesion and generate a positive impact on employment, also in line with the objectives of the National RTR Plan. This **issue** brings the volume of funds raised in the **social bond market** by ICO issues to **5,050 million Euros**.

ICO reinforced its commitment to the sustainable bond market with its first issue in the green bond market in 2019. ICO has issued its **fifth green bond** on February 2023 for an amount of **500 million Euros** to finance projects carried out by Spanish companies that contribute to boosting the ecological transition and the development of sustainable finance, in line with the objectives of the National RTR Plan. The fifth green bond is part of the ICO's strategy to contribute to the growth of the sustainable bond market, which guarantees the channelling of funds to finance projects linked to sustainability from a social and environmental point of view. **This new operation brings the volume of green bonds issued by the ICO to 2,500 million Euros** and strengthens its commitment to the development of the market for this type of transaction. With the funds raised in these operations, the ICO has so far promoted **37 renewable energy and clean transport projects** by Spanish companies, which **will prevent the emission of more than 900,000 tonnes of CO<sub>2</sub> per year**.

Transparency towards investors remains a cornerstone for ICO. **In 2023, the impact reports corresponding to the social bond and the green bond issued in 2022 were published.** Through these reports, ICO provides investors with information on the destination of the funds raised and the impact generated. Funds raised through the **social bond reported in 2023** (ninth social bond, issued



in 2022) financed **3,875 projects**, mobilised a total of **705 million Euros** and enabled the **creation or retention of 34,586 jobs in regions with below-average GDP per capita**. In addition, funds have also been earmarked to finance health care in places facing health difficulties, to provide access to basic infrastructure and, finally, to social housing. **With the green bond reported in 2023** (fourth green bond, issued in 2022), **14 projects** were financed in the categories of **renewable energy and clean transport**, which will **avoid the emission of 184,712 tonnes of CO<sub>2</sub>**.

With the two new issues made in 2023, the ICO consolidates its position as a benchmark issuer in the European sustainable bond market, with **15 sustainable operations (10 social operations totalling 5,050 million Euros and 5 green operations totalling 2,500 million Euros)**, with **a total amount issued of 7,550 million Euros**, which are channelled towards projects of Spanish companies to promote sustainable growth.

ICO has also carried out other initiatives to promote this sustainable debt issuance market. On June 2023, ICO brought together international investors and issuers at the 7th ICO Sustainable Bond Forum, now in its seventh year, a benchmark event for analysing the evolution of green, social and sustainable bond markets. The event was organised by ICO in collaboration with BBVA, Crédit Agricole, HSBC, ING and Santander.

## PROMOTING SEVERAL SUSTAINABILITY INITIATIVES

### ■ Ensuring a more sustainable and inclusive economic growth model

#### Equator Principles

The Equator Principles (EP) are the financial industry's framework for identifying, assessing and managing potential environmental and social risks in project finance. Published in 2003, they are based on the International Finance Corporation (IFC) Performance Standards and the World Bank's Environmental, Health and Safety (EHS) Guidelines.



In keeping with its values and its mission to promote a more sustainable economy, ICO joined the SP on October 2016 with the intention of improving its risk management system for large financing projects and in order to identify and mitigate the possible negative impacts on the environment, people and the climate that these projects could cause.

In 2023, following the Equator Principles Partnership's proposal for the implementation of a new legal structure and governance framework, ICO has reaffirmed its commitment to the Principles by signing a new adherence agreement. This update ensures that the EPs are applied and managed in a robust and consistent manner, strengthening the Institute's commitment to the sustainable management of large projects.

In the projects it finances, both nationally and internationally, ICO categorises projects according to risk and encourages the implementation of environmental and social management systems and plans by clients and borrowers in the planning and execution of projects.

ICO voluntarily adopts the Equator Principles and undertakes to be a benchmark in their management and compliance, including the publication of all projects financed within its scope, on an annual basis and following the reporting guidelines indicated in the Principles themselves.



ICO's annual reports are available at the following link: <https://www.ico.es/quienes-somos-ico/transparencia-y-buen-gobierno/principios-de-ecuador>

### Progress in measuring the carbon footprint of our portfolio – PCAF

In its commitment to decarbonisation, and aware of the weight that greenhouse gas emissions financed by a credit institution represent, ICO Group has made significant progress in its process to calculate the scope 3 carbon footprint of its credit and investment portfolio, as a first challenge to be able to set targets for reducing its CO2 emissions.

To quantify these financed emissions, ICO has an internal tool based on the PCAF (Partnership for Carbon Accounting Financials) methodology, based on the GHG Protocol. PCAF is an initiative created in 2015 by Dutch financial institutions that over the years has been consolidated internationally. The aim of this initiative is to develop a globally accepted standard for the measurement and disclosure of greenhouse gas emissions associated with loans and investments.

The work carried out in 2023 has made it possible to obtain the first quantitative data, identifying, by CNAE code, the sectors with the greatest exposure in the entity's portfolio in terms of absolute CO2 equivalent emissions. Specifically, these sectors were "A-Agriculture, livestock, forestry and fishing; C-Manufacturing industry; D-Supply of electricity, gas, steam and air conditioning; H-Transport and storage".

Formal accession to PCAF as a committed entity is also expected in 2024.

### International Climate Finance Strategy

It should also be noted that the ICO is part of the Spanish International Climate Finance Strategy approved by the Council of Ministers, which aims to meet Spain's commitments in terms of international climate finance, specifically in countries defined as non-Annex 1 in the United Nations Framework Convention (developing countries). The budgets prepared by ICO for the coming years identify the item that will be allocated to this ICO commitment to finance climate mitigation and adaptation in these countries.

### Annual participation in the elaboration of the SDG Budget Alignment Report

The ICO participates annually, along with other public bodies, in the preparation of the Report on the alignment of the 2024 General State Budget with the Sustainable Development Goals of the 2030 Agenda, which is carried out by the Ministry of Finance. The ICO has submitted the contribution of its initiatives to the Sustainable Development Goals, assessing them in accordance with the methodology proposed by the Ministry of Finance in the ministerial order laying down the rules for the preparation of the General State Budget for 2024. (Order HFP/1254/2023 of 23 November).



## Joint initiatives with other National Promotional Banks

- **Joint Initiative for the Circular Economy (JICE):** ICO is part of this initiative from 2019, together with other national promotional banks (BGK in Poland, CDC in France, CDP in Italy and KfW in Germany) and the EIB, aiming to prevent and eliminate waste, increase resource efficiency and foster innovation by promoting circularity in all sectors of the economy. JICE involves a joint funding commitment to the initiative for the period (2019-2023) of 10,000 million Euros (2,000 million Euros/year). As of June 2023, the initiative has jointly reached a committed amount of 8,887 million Euros and plans to potentially extend the initiative in amount and timeframe, while bringing in new shareholders in 2024.
- **Clean Oceans Initiative (COI):** Since 2020, ICO has been participating in this initiative together with the EIB, AFD, KfW, CDP and EBRD (new shareholder from 2022) to support projects in Asia, Africa and Latin America that reduce ocean pollution, with a special focus on plastics and other solid waste through projects to collect, treat, recover and recycle this waste. The initiative was extended to 4,000 million Euros at the beginning of 2022 (more than double the initial amount). By December 2022, 60 transactions have been formalised between the six shareholders of the initiative for 2,432 million Euros of financing, which represents 61% of the target achieved with 3 years to go (2025). By sector, 65% is wastewater treatment, 18.8% solid waste treatment and 16% stormwater treatment.
- **European Long Term Investors Association (ELTI):** In 2023, ICO brought together Europe's national promotional banks at the 10th anniversary of the European Long Term Investors Association (ELTI), which brings together 32 national promotional banks and institutions in the European Union, including ICO, two international financial institutions and the European Investment Bank (EIB) as a permanent observer. The entities that make up ELTI have channelled new financing amounting to 320,000 million Euros in 2022 - of which more than 30% is qualified as sustainable financing - into projects in the fields of energy, digitalisation and the fight against climate change, in line with the priorities of the EU and the different Member States. At the meeting held in 2023, the ELTI members validated the new Strategic Framework 2023-2033, with which the national promotional banks reaffirm their commitment to continue working, in public-private collaboration, to promote long-term financing for companies, paying special attention to

SMEs, and projects in the fields of innovation, sustainable finance, infrastructure development, education and housing.

- **Water Finance Coalition (WFC):** ICO became a member of the WFC coalition in 2021. The aim is to promote and improve the financing of the water and sanitation sector to meet SDG 6 of the Paris Treaty and to contribute to the protection of biodiversity through the establishment of a network of national and international National Promotional Banks. The coalition meets quarterly to collaborate, research and exchange knowledge. The founding members are AFD, CAF, EIB, World Bank and Sanitation and Water for All (SWA), with CAF acting as chair. At the Finance in Common Summit on September 2023, the WFC Declaration signed in 2021 was renewed and expanded. This declaration has been endorsed by ICO and has defined objectives aimed, among others, at contributing to attracting finance for climate commitments and increasing financing for water security.





### 3. COMMITMENT WITH THE SOCIETY: BEYOND OUR FINANCIAL ACTIVITY

ICO Group's activity is eminently financial and therefore projects its effects on society and the Spanish economy mainly through its financial initiatives. These impacts are those described above. However, not all of the Group's contribution to society is through its financial products. Through various initiatives and projects, ICO Group contributes directly to the sustainable development and prosperity of communities, economically, socially and culturally. The Corporate Social Responsibility Policy and the Sustainability Policy specify the Group's strategic guidelines.

The bulk of the Group's non-financial activities with an impact on society are carried out through the Fundación ICO, whose activity is summarised in the specific section, which has an impact on multiple fronts of support for culture, knowledge and sustainability in general. In 2024, Fundación ICO will celebrate its 30th anniversary. Its activity contributes to disseminating the ICO Group's actions, supporting environmental, economic and social initiatives that share the Group's objectives and facilitating society's knowledge of ICO's activity, as well as collaboration and social interaction with individual actors and with other public and private entities. The Foundation's activities add value by complementing and complementing those of the rest of the Group.

But these actions are not exhausted here, as there are positive contributions through policies on Human Rights, the treatment of customers and suppliers or specific initiatives such as corporate volunteering. Lastly, ICO Group also contributes to sustaining public spending through the generation of profits from its activities and the payment of the corresponding taxes in Spain.







## 3.1 Fundación ICO. Promoting culture and knowledge

### A. Area of art and sustainable architecture (AP 2023<sup>4</sup> : €1,221,500.16)

#### ICO COLLECTIONS

ICO Collections represent the most important artistic contributions of the 20th century in Spain. The loan of its works to national and international cultural institutions was maintained in 2022 to further consolidate the dissemination of this exceptional collection. A comprehensive review of the ICO Collections was also undertaken and the usual preventive conservation actions were carried out.

#### COLLABORATION AGREEMENT WITH MUSEO NACIONAL CENTRO DE ARTE REINA SOFÍA

In the framework of the collaboration agreement signed by the Fundación ICO and Museo Nacional Centro de Arte Reina Sofía (MNCARS) on August 30, 2012, which was extended twice, seven works from the ICO Collections have been on deposit at the MNCARS since July 9, 2013. In 2023, the loan agreement with the MNCARS was renewed for a period of five years.

#### TEMPORARY LOANS

During the year 2023, four requests for temporary loans from the ICO Collections were dealt with:

Juan Muñoz, *Raincoat Drawing*, 1992-93: exhibition Juan Muñoz. *En la hora violeta*, CA2M, Museo Centro of Arte two of Mayo, Mostoles (from June 17, 2023 to January 7, 2024).

Pablo Ruiz Picasso. *Femme debout*, 1961: exhibition Las edades de Pablo, Museo Casa Natal Picasso, Málaga (from June 23 to October 1, 2023).

Antonio López, *Calabazas*, 1992-93: exhibition Antonio López, Fundació Catalunya La Pedrera Barcelona (from September 22, 2023 to January 14, 2024) and Drents Museum, Assen, Holland (from January 28 to June 2, 2024).

Contemporary Spanish Painting Collection (19 works): exhibition *The Eighties*, Benalmadena Málaga Exhibition Centre (from September 28, 2023 to January 7, 2024).

#### ICO COLLECTIONS ON THE CER.ES NETWORK

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

#### ICO MUSEUM EXHIBITIONS

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

Throughout 2023, the exhibition activity offered to the public at the ICO Museum was as follows:

Pablo Palazuelo. *The line as a dream of architecture* (February 15 - May 7, 2023).

Bleda y Rosa (PHE23). (May 31 - September 10).

Balkrishna Doshi. *Architecture for all* (Oct 5, 2023 - Jan 14, 2024).

A catalogue was published for all these exhibitions.

The ICO Museum received a total of **42,995** visits in 2023, the second best year in the Museum's history.

<sup>4</sup>AP is Action Plan for 2023. Amounts budgeted in the Action Plan for the main activities of the Fundación ICO during 2023 are included.



## 20/XXI. IMAGES OF SPAIN

In 2022, the conceptual phase of this wide-ranging photographic project was completed, which aims to open a debate on the current situation in Spain and generate a new and important public heritage. In addition, as a pilot project, the photographer Juan Baraja was commissioned to add 16 works from his series “Y vasca / Euskal Y” to the ICO Collections. As a continuation of the above, in 2023 a new commission was made to the photographers Bleda and Rosa and meetings were held with several institutions to try to concretise the implementation of the project).

## COMPLEMENTARY ACTIVITIES AND INCLUSION AND ACCESSIBILITY

This section includes guided tours and cultural mediation, workshops for schools, families and young people, and workshops for people with cognitive disabilities. All these activities are offered to the interested public free of charge.

Special attention has been devoted to inclusion and accessibility issues, working on activities especially with deaf people and those with cognitive diversity, aimed at facilitating access to the ICO Museum for all types of public. Special mention should also be made of the Empower Parents programme, aimed at families with children with Autism Spectrum Disorder.





## B. Sustainable economy and finance area (AP 2023: €777,800)

The Economy Area promotes activities aimed at generating and disseminating knowledge in economic and financial matters, mainly through shared reflection and debate between experts and agents in these fields, with a special focus on Circular Economy and sustainable finance. The activities within this area are classified into four main sections: publications, training, collaborations and discussion platforms.

### PUBLICATIONS (AP 2023: €208,000)

#### Classics of Spanish Economic Thought

As part of the international Classics collection, promoted by the Foundation itself, the work “Resources, Opportunities and Welfare” by the economist Amartya Sen was published, with a translation and introductory study by Professor Carmen Herrero.

With regard to the collection published in collaboration with the Royal Academy of Moral and Political Sciences, “Escritos de Francisco de Cabarrús. Economista ilustrado” (Writings of Francisco de Cabarrús. This work, published in two volumes, was presented at the headquarters of Bank of Spain, with the participation of its governor, the president of the Fundación ICO and academics Benigno Pendás, Alfonso Sánchez Hormigo and Pedro Schwartz.

#### EURO 2023 Yearbook

Published under the title “The Union in a Fragmented World, A yearbook on the Euro 2023”.

<https://www.fundacionico.es/economia/anuarios/anuario-del-euro>

The presentation of this edition took place on March 2, 2023 at the Uría Menéndez auditorium in Madrid. The event was attended by Salvador Sánchez Terán, Managing Partner of Uría Menéndez, Lola Solana, President of the Spanish Institute of Analysts, José Carlos García de Quevedo, President of the ICO Group, and Fernando Fernández, Director of the Yearbook. At a subsequent round table, the Secretary of State for the Economy and Business Support, Gonzalo García, the President of the AEB, Alejandra Kindelán, the Director General for Economics and Statistics of the Bank of Spain, Ángel Gavilán, and the Deputy Director of the European Commission Representation Office in Madrid, Lucas Gómez Ojeda, took part.

#### Sustainable Finance Notebooks

Three issues of the new publication, “Cuadernos de finanzas sostenibles y economía circular de la Fundación ICO”, coordinated by Analistas Financieros Internacionales (Afi), have been published. During 2023, one issue focused on the impact of climate risks on the financial sector, another on the various aspects of the Blue Economy and, finally, a third on sustainable investments.

The Notebooks are conceived as a biannual publication on relevant and topical issues relating to sustainable finance and the circular economy in Spain and the EU, with a practical and useful approach for the different audiences, institutions and sectors concerned. The three notebooks have been presented at public events held in Madrid (at the AFI headquarters and the ICO) and in Santander, at the UIMP.

#### Fundación ICO 2022 Report

As in previous years, the Fundación ICO’s 2023 Annual Report, corresponding to the financial year 2022, has been published.

#### Other publications

In addition to the Euro Yearbook, the Fundación ICO has also maintained the website of the Competition Yearbook with the repository of all the issues published from 1996 to 2019, culminating in the transfer of the Yearbook to the National Markets and Competition Commission (CNMC) in 2023.

Two books have also been published in 2023: “Finance and Public Banking in the 21st century: proposals from the Spanish economy” and “Valuation of companies and other assets” in collaboration with the Fundación de Estudios Bursátiles y Financieros. In addition, a Study on the impact of the Circular Economy on Construction has been commissioned and will be delivered on January 2024.



## TRAINING (AP 2023: €329,800)

### FUNDACIÓN ICO PROGRAMME – CHINA SCHOLARSHIPS. Call for applications 2022-23

The Foundation's China Scholarship Programme, launched in 2003, has trained approximately 400 young Spanish professionals in Chinese language, culture and economy through an academic and immersion programme, with very good results. As of March 2020, the Programme was affected by restrictions on international mobility, with the courses being held *online* and it not being possible to travel to Beijing. The Council of Trustees of the Fundación ICO decided that the last call for this programme would be for the academic year 2022-2023.

The 12 students of the 2022-23 call for applications started *online* classes on September 2022 at the three universities with which agreements were in place. During the second semester, from January to June 2023, they were finally able to travel and continue their studies in person. As mentioned above, the programme ended in 2023.

### MUSEOGRAPHY SCHOLARSHIP

It has existed as such since 2006. It is aimed at graduates in Art History, with knowledge of English and, preferably, specialised training in museology and museography.

The last call for applications took place in 2022, the year in which the entire process was managed. The new grantee chosen as a result of this process joined the Art Area on March 2023 and will complete her training period on February 2024.

### NEW SUSTAINABLE FINANCE TRAINING PROGRAMME

In 2023, a contract has been signed with the Spanish Chamber of Commerce to initiate a programme to raise awareness among SMEs of the impact of sustainable finance on their activity. This programme will be carried out in collaboration with the territorial Chambers of Commerce and will consist, in this first phase, of awareness-raising workshops and the publication of a Guide for SMEs on sustainable finance, with an eminently practical approach. The conferences will be held in 2024 and, after them, a training programme for SMEs will be planned.

## FINANCIAL EDUCATION

It has been articulated through the following activities:

- **e-FP Programme**

In 2023, this collaboration was maintained with the Créate Foundation, through the contracting of the Programme Coordination services, in order to ensure the quality of the contents, the fluidity of the contacts between the agents involved, the elaboration and analysis of indicators and the attention to the mentoring network.

- **Financial Education Plan**

We collaborated with the organisation of a conference on training for primary education teachers, within the framework of the activities for the celebration of Financial Education Day 2023, and by participating in the conference organised by the entities promoting the Plan in Seville.

- **Training course on financial education for primary school teachers**

Through an agreement signed with the Universitat de Barcelona and the Universitat Autònoma de Barcelona, the design and creation of an online course for primary school teachers has been completed, with the aim of providing them with the knowledge and tools that will enable them to teach the essential concepts of financial education to their students. The course had its first "pilot" edition on June 2023 and was presented at the ICO on September 2023.

- **Student visits to the ICO**

In 2023, Fundación ICO has taken on the coordination of student visits to ICO, having carried out three such visits for a total of more than 200 students (two visits by vocational training and secondary education students and one visit by Master's students).



## CIRCULAR ECONOMY

### • MOOC on circular economy

On December 2022, the MOOC opened on March of that year, aimed at SMEs and carried out together with the UNED (corresponding to the 2021 budget), was closed. 542 people enrolled in that first edition, of which 18.82% completed it (considered a very good completion rate). The final survey showed a high level of satisfaction, so the course has been updated during 2023, in order to keep open a second edition until the end of 2024.

### • ICO Circular Programme

In 2023, a training programme on Circular Economy for primary schools in the Community of Madrid was contracted through a public tender. The programme has been conceived jointly with the CSR area of ICO and will be implemented throughout 2024.

## PARTNERSHIPS (AP 2023: €180,000) AND DISCUSSION PLATFORMS (AP: €60,000)

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

Under the heading of **partnerships**, the main activities in 2023:

### • Carolina Foundation

Fundación ICO collaborates with the Carolina Foundation in an annual programme whose objective is to hold a seminar related to the different aspects of relations between Spain, the EU and Latin America. A seminar was planned for 2023 focusing on the possible application of a taxonomy of sustainable finance in Latin America, in line with what has been approved in the EU; however, this seminar did not take place in 2023 and has been moved to 2024.

### • BRUEGEL Foundation

Fundación ICO is a member of this Brussels-based non-profit organisation, whose mission is to contribute to improving the quality of economic policies through research, analysis and open debate.

### • Ibero-American Business Foundation (VIII Meeting of Multilatin Companies)

In 2023, Fundación ICO collaborated with the Ibero-American Business Foundation (FIE) in the organisation of the VIII Meeting of Multilatin Companies, which was held at the headquarters of the UIMP in Santander on July 13, 14 and 15, 2023. These annual meetings are dedicated to analysing the global panorama and the main challenges facing Ibero-America and its relations with Spain and the EU, highlighting the fundamental role of Multilatin companies in the development and integration of the region.

### • Complutense Institute of International Studies (ICEI)

The Fundación ICO collaborates with the ICEI of the Complutense University of Madrid (ICO is a trustee of the ICEI). In 2023, the collaboration materialised in the financing of the seminar *"2<sup>nd</sup> EIBA EU CatChain Summer School Innovation and Catching-Up Along the Global Value Chains: Research MethSDG and New Approaches in International Business Joint event EIBA-CATCHAIN EU Project"*, which took place at the UIMP in Santander from August 28 to September 1, 2023.

### • SERES Foundation (Society and Responsible Business Foundation)

The Fundación ICO collaborates with the SERES Foundation as a shareholder. SERES activities and products are designed to promote and measure the social impact of business activity, contributing to the promotion of corporate social commitment. Thus, the [SERES Social Footprint Index®](#) is a methodology that allows companies to identify the relevant (material) social contributions of their projects, the identification of metrics that enable their comparability and, above all, provides a framework of transparency in the criteria for awarding NextGen grants linked to valuing not only the environmental impact of projects but also their objective social contribution.





### • Collaboration with the Spanish Global Compact Network and ICEX in the Training Programme: Sustainable Suppliers

During 2023, Fundación ICO collaborated with the Spanish Network of the United Nations Global Compact and ICEX in the development and implementation of a sustainable supplier training programme. This programme was designed by the [UN Global Compact Spain \(UN Global Compact\)](#), Fundación ICO and [ICEX](#) España Exportación e Inversiones.

This is an international programme aimed at training the supply chains of large Spanish companies, partners of the initiative in Spain, in the field of sustainability, taking as a reference the Ten Principles of the UN Global Compact and the Sustainable Development Goals (SDGs). This first edition of the programme closed on November 2023, with the participation of more than 2,000 SMEs.

### • CRE100DO Foundation

In 2023 the Fundación ICO has started its collaboration with the CRE100DO Foundation, becoming part of its Council of Trustees. The CRE100DO Foundation was created in 2014 as a country programme promoted by the Bankinter Foundation for Innovation, ICEX and the Círculo de Empresarios, with the aim of supporting the growth of medium-sized companies, and was set up as a foundation in 2019. The Fundación ICO and the CRE100DO Foundation share the objective of fostering excellence in medium-sized Spanish companies, promoting best management practices, the adoption of new technologies, collaboration between companies, and social and environmental responsibility.

Within the **debate platforms** section, during 2023, the Fundación ICO has promoted the holding of several days of reflection and dialogue related to its priority areas of action. Thus:

**In the area of Sustainable Art and Architecture**, it has promoted several conferences on the dissemination of Architecture, related both to the temporary exhibitions of the ICO Museum and to the work of prominent Spanish architects. It also organised a conference to mark the 10th anniversary of its "Empower Parents" programme and a conference in collaboration with the Higher Council of Spanish Architects' Associations (CSCAE) to discuss the role and prospects of the circular economy in the construction and architecture sector. Also, as in previous years, it participated, together with the Arquia Foundation, in the presentation of the Barcelona International Architecture Festival in Madrid.

**In the area of Sustainable Economy and Finance**, in 2023 Fundación ICO sponsored and participated in:

- The presentation of the Euro 2023 Yearbook
- The presentation of the book, published jointly with the Royal Academy of Moral and Political Sciences, on the work of Francisco de Cabarrús, which took place at the Bank of Spain.
- The presentation of the book, published jointly with the Fundación de Estudios Bursátiles y Financieros, "Valoración de empresas y otros activos", which took place in the ICO
- The presentation of the three issues of the Cuadernos de Finanzas Sostenibles y Economía Circular, which took place in Madrid and Santander, Spain.
- The presentation of the financial education course for primary school teachers, in conjunction with the Autonomous University of Barcelona and the University of Barcelona.
- The VIII Meeting of Multilatinas Companies, which was held at the UIMP in Santander on July 2023.
- The EIBA seminar, jointly with the Complutense Institute of International Studies, which took place at the UIMP in Santander.
- The presentation, together with the Spanish Global Compact Network and ICEX, of the results of the sustainable supplier training course, which was held on November at ICEX.



## 3.2 Our role in the society

### 3.2.1 Human rights

ICO recognises that respect for human rights and, therefore, the protection of people's dignity, well-being and development, is a basic and unavoidable pillar on which to build and manage all its activities.

As explained in point 4 of this document, in its internal management, ICO Group ensures the protection of Human Rights by integrating mechanisms for the Prevention of Money Laundering and Terrorist Financing, the Internal Code of Conduct in the Securities Market and the Group's Code of Ethics and Conduct, as well as multiple internal procedures to prevent any type of corruption or bribery.

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

The Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Freedom of association and effective recognition of the right to collective bargaining.

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

The reconciliation of work, family and personal life.

Professional development and training.

Health and safety at work.

Reconciling professional activity with respect for the environment.

The socio-occupational inclusion of groups with functional diversity.

Corporate volunteering.





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

As a signatory to the Equator Principles, it relies on due diligence processes to determine and avoid the human rights impact of its major funding projects.

In its relationship with suppliers and in compliance with the requirements of the Public Sector Contracts Act, ICO prohibits the contracting of individuals or legal entities convicted of terrorism, setting up or joining a criminal organisation or group, illicit association, illegal financing of political parties, human trafficking, corruption in business, influence peddling, bribery, fraud, offences against the Treasury and Social Security, offences against workers' rights, prevarication, embezzlement, negotiations prohibited to civil servants or money laundering. Procurement systems make it possible to ensure compliance with procurement conditions without the need for a specific supplier monitoring and auditing system. No supply chain non-compliance has been detected in 2023.

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

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

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

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

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

In 2023, no complaints were received in relation to human rights violations in the course of ICO's business, from its shareholders or its suppliers, nor in the previous year.





## 3.2.2 Suppliers

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

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

For its part, AXIS is not a contracting authority, and is governed by the provisions of articles 321 and 322 of the aforementioned Law. In compliance with the same, it has approved the Internal Procurement Instructions that regulate the contracting procedures, guaranteeing the effectiveness of the principles of publicity, concurrence, transparency, confidentiality, equality and non-discrimination.

In accordance with the provisions of Law 9/2017, of 8 November, on Public Sector Contracts, ICO Group analyses the incorporation of environmental and social requirements in accordance with the object of the contract. In this regard, each procedure includes a report from the human capital and CSR area that analyses the relevance of the possible incorporation of this type of clauses.

The economic and technical solvency of suppliers is analysed in accordance with the provisions of the Contracts Act and the specifications for each contract, and due diligence procedures are carried out with suppliers in accordance with current regulations. Contracts expressly include the obligation to

abide by ICO's code of conduct. Each contract has a person responsible for ensuring that it is properly complied with. Work is underway to establish some kind of formal control procedure in the future. All tenders and contracts signed are accessible through the Public Procurement Platform.

In 2023, 54 tendering processes were launched for the procurement of goods and services for a total amount of 26.3 million Euros, of which 24.2 million Euros corresponded to the 20 tendering processes subject to harmonised regulation. In 2022 these figures were 48 tendering processes for a total amount of 35.8 million Euros, of which 33.8 million Euros corresponded to the 11 tendering processes subject to harmonised regulation.

32.15 million Euros were paid to suppliers during the financial year 2023, of which 31.90 million Euros were paid to suppliers resident in Spain (99.2%), compared to the total of 30.6 million Euros paid in 2022 (99.3% to residents).





## 3.2.3 Customers

### Consumer health and safety measures

ICO Group, due to its financial services activity, does not have a significant impact on the health of consumers. Therefore, given the nature of the ICO Group's activity, in 2023 there were no significant impacts on customer health through any of the categories of products and services offered, as in 2022. Therefore, there were no incidents or cases of non-compliance in this area either.

In terms of consumer safety, the only area identified is the protection of consumers' personal data as described in point 4.3 above.



### Reporting systems, complaints received and their resolution

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

The ICO Group, through the centralised action of its information area, has three channels for communication with the public:

- Written attention is provided through the corporate website (<https://www.ico.es/contacto>), where interested parties can request further information on products or express their complaints or suggestions. This tool also enables customers to find out about the activities and information that the institutions' offices have on the ICO Group's lines of credit. This tool also enables customers to obtain information on other ICO Group activities that are not necessarily related to financing products.
- There is a call centre, managed by the firm Konecta, which communicates through telephone calls, the Click to Call application, and through Web Chat, a communication channel with customers implemented in 2020.
- ICO Group has implemented an on-site customer service to cover all customers who decide to request information or make their complaints and suggestions directly at the Institute's premises.

In 2023 there was a general increase in the number of telephone contacts and letters sent by citizens compared to the previous year, as a result of the interest aroused by the announced line of guaranteed financing for the purchase of homes for young people and families. Complaints fell by 51%, as most of them related to the different lines of guarantees, the relevance of which has been decreasing.





Face-to-face care remained stable in 2023, following an increase in 2022 due to the end of health restrictions.

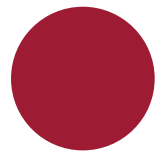
Service Channel	2023	2022	Variation (%)
IN WRITING	4,185	3,831	+9%
Complaints	140	289	-52%
Information Requests	4,033	3,536	+14%
Suggestions	12	6	+100%
CALL CENTRE	22,313	17,799	+25.4%
Call Centre	13,282	13,708	-3%
Click to Call	5,535	1,713	+223%
Web Chat	3,496	2,378	+47%
DIRECT SERVICE	566	567	0%
Total	27,064	22,197	+22.4%

Despite not yet being in force, citizens have shown interest in finding out about the conditions and dates of the line of guarantees for home purchases by under 35s and families with dependent children, with more than 9,000 **enquiries** on the subject. Requests for information from the self-employed and companies regarding the ICO lines, mainly Companies and Entrepreneurs, also continued.

With regard to **complaints**, a total of 140 complaints were received in 2023 (289 in 2022), which were responded to within an average of 2.7 working days (well below the maximum time limit of 15 working days). By December 31, 2023, all complaints for the year had been resolved. Of the total, 66% related to

credit operations under the COVID-19 Guarantee Lines, so many of them were passed on to the financial institutions. Of these, 30% related to the Mediation Lines and the remaining 4% concerned other issues not related to the products or services managed by ICO.

In addition, an annual survey is conducted among credit institutions mediating ICO loans to ascertain their expectations of demand for these products, the reasons for their evolution, and opportunities for improvement. The last wave of the survey revealed that the institutions expect a certain stability in the demand for credit from the Spanish business community and a certain increase in the use of ICO products.





### 3.2.4 Partnership with sustainability associations

Specifically, and apart from the joint initiatives mentioned in point 2.4 (Equator Principles, JICE and CEO), it plays an active role in several associations or groups that promote sustainability in different areas, as a demonstration of its commitment to sustainability.

Among the agreements with national and international institutions in the field of sustainability, it is worth highlighting its collaboration with the **Spanish Network of the United Nations Global Compact**, of which it has been a shareholder since 2005 and signatory of its principles and has been a member of its executive committee for 8 years, to promote the important work of this organisation in the dissemination of the SDGs and the Ten Principles of the Global Compact in the areas of human rights, labour, the environment and anti-corruption.

ICO is also an active member of associations aimed at promoting sustainable finance. Since 2021, the Institute has been a member of the Spanish Sustainable Finance Observatory (**OFISO**), a forum for meeting, information and debate for companies, financial institutions, public administrations, investors and other agents in the financial industry, as well as a platform to give visibility and notoriety to its commitment to Sustainable Finance. It also forms part of **SPAINSIF**, where in 2023 ICO continued to form part of the Council of Directors and Executive Committee, holding the vice-presidency of Group I, which represents the group of financial institutions, and participated in various activities such as the “Corporate Engagement” round table at its annual event. We also participate in **FINRESP** (Centre for Responsible and Sustainable Finance), which aims to address the difficulties and needs of the business community, particularly Spanish SMEs, to contribute positively to the commitments of the 2030 Agenda.

ICO is also a member of **FORETICA**, where ICO led the launch of the CSR Action Group for public companies. In 2023, ICO continued to co-lead the working group, which has 30 public entities with a vocation to advance towards the achievement of the 2030 Agenda, in which public companies exchange knowledge, implement individual and joint actions for the integration of the SDGs and promote best management practices in the field of Sustainability and CSR. As an additional objective, this Group

aims to serve as an example and guide to act as a driving force and lever for change for the rest of the economic and social actors. In 2023, the Group’s work has focused on understanding the challenges and opportunities of Scope 3 emissions, focusing on measuring and reducing this type of indirect emissions that occur in the value chain to contribute to the “Net Zero” objective. In addition, it has addressed the regulatory developments on sustainability reporting and the most important aspects reflected in the new European Directive on Corporate Sustainability Reporting (CSRD), in addition to the reporting standards that accompany it (ESRS).

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ICO is one of the 18 public companies that signed the **collaboration agreement** with the Secretary of State for the 2030 Agenda in 2021. This collaboration agreement facilitates the exchange of good practices in the implementation of the SDGs and their targets, and the development of joint projects in this area, including the certification of goods and services. In addition, this alliance also serves to support outreach and awareness-raising activities for the achievement of the 2030 Agenda. Throughout 2023, through this Working Group, ICO has been involved in promoting relevant issues such as responsible public procurement, human rights and due diligence, sustainability indicators and reports, circular economy, among others.





ICO is firmly committed to the important role that women and female talent must play in the development of our economy, which is why in 2019 ICO is joining the **“Women and Internationalisation”** working group promoted by the Secretary of State for Trade with the aim of promoting the role of women in the development and internationalisation of the Spanish economy and laying the foundations to advance in a committed, firm and coordinated manner in the incorporation of women in international trade.

In 2023, the second edition of the roundtables was held under the title **“The role of women in the internationalisation of the Spanish economy”**, which took place in thematic roundtables. ICO Group participated in the roundtables on Visibility and Leadership and Training, Financing Instruments and Support.

Within the framework of this working group, in 2023 ICO has presented different initiatives to strengthen the role of women in its different fields of action:

- Endorsement of the European Parliament’s **#WhereAreThey** ICO is committed to the promotion of female talent and the participation of women in conferences and debates.

As of 2022, it is agreed that all ICO Group collaboration or sponsorship agreements will include a clause to encourage the participation of women in the conferences and debates organised within the framework of each sponsorship or agreement, promoting gender equality in the different events organised, with greater importance being given to those in which ICO Group representatives participate.

- **Collaboration in the visibility of the Womenalia event** in its event for the day of the enterprising woman.
- **ASCRI Diversity Club.** The ICO Group, through AXIS, its Venture Capital manager, is a member of this initiative whose objective is to promote measures in the Venture Capital & Private Equity industry that promote gender equality, diversity, parity and talent.

- **Level 20.** The ICO Group, through AXIS, its Venture Capital manager, is part of the Spanish Committee of Level20. A non-profit organisation **that meets on a monthly basis** to pursue the goal of having women occupy 20% of management positions in the private equity industry. It represents a network with a presence in several countries through its 12 committees.

The objective of the Spanish Committee is to work with the private equity industry in Spain to:

- Attract more women to the sector.
  - Ensure that there is support to retain as many women as possible in the industry.
  - To help those women who have the ability and determination to reach the highest levels of the profession.
- **UN Women’s Empowerment Principles** (Global Compact and UN Women).
  - **Promoting gender equality in SMEs.** Through the [icopymeods.ico.es](https://icopymeods.ico.es) initiative.





In addition, ICO's participation in the sustainable bond market is not only limited to that of issuer of this type of debt instruments, but also actively collaborates in the development and promotion of the market for these bonds as an active member of the working groups of the **International Capital Market Association (ICMA)**, to whose principles we adhere. Since its launch in 2019, ICO has been a member of the Advisory Council of the GBP and SBP Executive Committee of ICMA.

ICO Group hosted the *ICMA Women's Network Iberia* committee meeting on February 2, 2023. It is a global, non-partisan forum that seeks to encourage and inspire women of all positions to address gender equality in the capital markets. The aim is to create a networking platform where different generations and different levels of seniority discuss equality issues. At this event, several speakers from the industry discussed the role of diversity in establishing best practices and value for the future in the financial and technology industries. The event was attended by 83 representatives. Topics covered included diversity: active listening to new recruits, an inclusive mindset for LGBTI groups and different cultures and/or nationalities. In addition, a debate was opened among senior staff on diversity and the incorporation of male panellists.

Updated information on the different initiatives and commitments can be found on the website: <https://www.ico.es/web/guest/sostenibilidad/compromisos-y-estrategias>

### 3.2.5 CORPORATE VOLUNTEERING

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

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

Throughout 2023, this commitment materialised in a set of activities carried out in collaboration with the following entities:

- **Leukaemia and Lymphoma Foundation** - collaboration in the 14th edition of the Leukaemia and Lymphoma Foundation Basketball Tournament and the Gifts with Heart campaign, both organised to raise awareness in society of the need to take an active role in the fight against leukaemia, lymphoma and myeloma by donating bone marrow. In total, a contribution of 2,000 Euros was made.
- **Gmp Foundation** - participation in the 23rd Solidarity Paddle Tennis Tournament for Companies, to raise funds for the implementation and equipping of a new Early Intervention Centre in Benejúzar (Alicante). The project would reduce waiting lists for families in the province of Alicante. A contribution of 1,750 Euros was made.
- **Madrid Golf Federation** - participation in the 2023 edition of the Adapted Golf Tournament to promote awareness and participation in support activities that favour the social integration of people with intellectual disabilities and disadvantaged groups. A contribution of 1,000 Euros was made.



- **Rafael del Pino Foundation** - workshops given by ICO employees in schools in the Community of Madrid to raise awareness of the 10 Global Compact Principles and the SDGs among high school students. No monetary contribution was made.
- **Children's Christmas party** - In 2023, a children's Christmas party was organised for the children of ICO Group employees. The Juan XXIII Foundation, which promotes the social and occupational inclusion of people in a situation of psychosocial vulnerability, and the Juegaterapia Foundation, which helps children suffering from cancer through play, collaborated in the organisation and details of the party.
- **International Cooperation** - ICO Group took part in the 11th Inter-company Charity 7-a-side Football Tournament organised by International Cooperation in favour of children at risk of social exclusion. This project focuses on promoting the comprehensive socio-educational development of minors through educational reinforcement activities and the development of skills that favour healthy lifestyle habits, social inclusion and child and youth participation, through prevention and intervention actions complementary to standardised educational, leisure and social services. A contribution of 1,600 Euros was made.







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### 3.2.6 Results, tax and subsidy information

ICO Group is only taxed in Spain. Profit before tax in 2023 (consolidated data for ICO and AXIS): 356.98 million Euros, profit earned in Spain. Corporate income tax accounted for amounted to 104.7 million Euros. In 2022, the profit was 203.9 million Euros and the corporate income tax was 57 million Euros.

There is a tax management procedure on which the approach to tax compliance is based. The ICO is taxed under all the applicable tax headings, with no specialisation as a credit institution and as a public law entity. The tax strategy consists of complying with all legal obligations.

#### GRI INDICATORS - YEAR 2023 (ICO and AXIS):

Millions of €	2023	2022
<b>Economic value generated</b> (gross margin)	384.8	233.5
<b>Economic value distributed</b> (including staff costs, other administration costs, contributions and taxes)	152.6	102.4

ICO's contribution to the Fundación ICO was 2.82 million Euros in 2023, the same as the previous year, which is the only relevant contribution to foundations and non-profit entities, as the rest of the payments to non-profit entities amounted to 27,000 Euros in different social responsibility actions such as those detailed in section 3.2.5.

The Fundación ICO prepares its accounts separately from the other entities of the ICO Group, The profit for the year in 2023 was 343,629 Euros (732,950 Euros in 2022). The Foundation does not pay tax on the profits arising from its foundational activities, by virtue of the provisions of Law 49/2002, of 23 December, on the Tax Regime for Non-Profit Entities and Tax Incentives for Council of Trustees.

In 2022, the Fundación ICO received a grant of 60,000 Euros from the Ministry of Transport, Mobility and Urban Agenda under the General State Budget Law for 2022, which was executed during 2023. There has been no subsidy in the General State Budget for 2023. The ICO and AXIS have not received any public subsidies.





## 4. OUR WAY OF DOING THINGS: RESPONSIBLE MANAGEMENT

ICO Group is a modern organisation with internal management systems that enable it to meet the challenges it faces. ICO Group has developed management and corporate governance tools that ensure the ethical behaviour, sustainability and transparency of ICO's activity in all its areas of activity and internal management.

As a credit institution, risk management is a core element of its activity, with an approach that goes beyond traditional credit risk management to adopt a much more comprehensive approach that takes into account the impacts that the Group's operating and financial activity has on society and the economy, as well as the impacts that the environment may have on the Group. In this respect, all due diligence procedures are applied to our activity under the terms provided for in the applicable legislation and our internal regulations.

Sustainability is of particular relevance, where environmental, social and corporate governance factors are taken into account, and which constitutes a basic pillar integrated in all the activity in a transversal manner, both in its asset and liability operations as well as in the internal management of the organisation, from the perspective of governance and corporate social responsibility.

In recent years, ICO has made progress in sustainability and its integration into its governance, strategy, business model and risk management, adapting its organisational structure and internal organisation to the ever-increasing demands of sustainability.





## 4.1 Risk management: identification and monitoring

The identification, management and control of risks is a priority task for the Instituto de Crédito Oficial. This section describes the main instruments available to ICO Group for identifying and monitoring the different types of risk, as well as the management mechanisms that enable them to be kept under control. ICO's status as a credit institution means that it is subject to certain regulatory requirements; however, the policies and procedures are not exhausted by regulatory mandates, but rather there are a series of elements that ICO adopts voluntarily as a commitment to best management practices.

### COMPLETE RISK MANAGEMENT SYSTEM

- **Involvement of the General Council**
- **The Risk Map sets out the guiding principles in this area**
- **Coherence between risk treatment instruments**

In 2022, the General Council of ICO approved the **ICO's Strategic Risk Management Framework (Risk Map)**, with the aim of setting the guiding principles for risk control, housing the risk map and establishing guidelines to ensure the alignment of all the risk control tools of ICO Group as a whole. The Risk Map is in any case in line with the provisions of the Capital and Liquidity Self-Assessment Report (CLAR) and the Risk Appetite Framework (RAF). ICO Group is exposed to financial (credit, liquidity and market) and **operating risks**. Other types of risk are also considered, such as **reputational risk, strategic risk, business risk, environmental risk and technological risk**.

At a general level, risks are characterised on the basis of the so-called "three lines of defence":

- **1st line of defence.** The units of the Directorate General Business have the main responsibilities for risk identification, recognition and management.
- **2nd line of defence.** The risk management function should oversee the effectiveness of risk management, being responsible for identifying, measuring, monitoring and disclosing risk at the enterprise level, independently of the first line of defence. It also includes the compliance function, which is responsible, among others, for ensuring that the bank operates with integrity and in accordance with applicable laws, regulations and internal policies.
- **3rd line of defence.** The internal audit function conducts both risk-based and more general audits and reviews to ensure that the overall governance framework, including the risk governance framework, is effective and that policies and processes are in place and consistently applied, providing independent and objective advice.

### Financial risks

ICO has appropriate methodologies and procedures adapted to its specific nature that enable the identification, management, monitoring and control of financial risks, allowing them to be monitored and followed up. In particular, ICO has a Risk Policy Manual approved by the General Council in 2013 and amended periodically (most recently on November 2023) which sets out in detail the treatment of these risks, which in this manual are grouped into three main categories: liquidity, market and credit (which is the one that receives the most detailed treatment). This treatment of risks is carried out in accordance with existing regulations, both in terms of the Bank of Spain's circulars and recommendations, and in terms of international standards, such as the Basel II Capital Accord.



## Operating risks

With regard to operating risk, ICO has monitoring policies and activity indicators, also adapted to its specificities, relating to the development of internal processes and procedures, the definition of policies for monitoring customers and operations and internal control of incidents, and the existing contingency plan. In addition, there are also a series of periodic controls on procedures and operations, which are carried out by the various internal and external auditing services.

## Sustainability risks

So far, the focus has been on climate and environmental risks, as these are the most developed, and in line with the ICO's strategic plan, sustainability is gradually being transferred to risk management. Of note, for example, is the implementation and incorporation of the environmental performance ratio and the average emissions intensity ratio in the electricity production, transmission and distribution sector in the Risk Appetite Framework. These level III indicators (in accordance with the classification included in the RAF as described below) are not linked to capital, so the thresholds are defined according to the Institute's strategic criteria that enable the development of a business plan aligned with international and national commitments in environmental matters, seeking to promote the sustainable economic growth of companies and achieve a portfolio in which the sectors with the greatest environmental risk gradually lose weight, limiting the physical and transition risk of the portfolio. For the categorisation of operations that can be included as environmental, categories are identified according to internal criteria, including, among others, the approximation to the Taxonomy<sup>5</sup> of the objectives developed to date, and internationally recognised standards such as the *Green Loan Principles* (Loan Market Association and Asia Pacific Loan Market Association) and the *Sustainability Linked Loan Principles* (Loan Syndications and Trading Association). There is also a social categorisation.

As part of this commitment to identifying and managing climate risks, in 2023 the ICO carried out an exercise to calculate average GHG emissions intensities by sector of the Spanish economy, based on global data and accepted methodologies. This resulted in a ranking of all sectors in which the most polluting sectors are electricity and gas supply, manufacture of other non-metallic mineral products,

extractive industries and maritime transport.

Using these data, a **transition risk** assessment was carried out through the ICO portfolio classification.

With regard to **physical risk** and based on the INFORM Risk indices (a multi-stakeholder forum for developing quantitative analyses relevant to humanitarian crises and disasters, whose scientific lead is the European Commission's Joint Research Centre), the "natural hazard" category was selected from the components representing physical risks (earthquakes, floods, tsunamis, cyclones and droughts) for the 191 countries included in the INFORM database and cross-referenced with the outstanding stocks of the ICO portfolio.

The outcome of these exercises is used internally as input for monitoring and assessing climate-related physical and transitional risk.

The ICO is working on the development of a model for the assessment of ESG risks that can be included in a more formalised way in the analysis of direct financing operations affecting credit risk, in accordance with the applicable regulations and market practice.

Internally, the management of environmental risks is integrated in the Environmental Management System explained in section 4.4.5, but the management of this type of risks is done in an integrated manner for all the Institute's activity through the management mechanisms explained in this section.

<sup>5</sup>The methodology for the Taxonomy will be incorporated into the categorisation as and when the Taxonomy regulation comes into force.





## REGULATORY RISK MANAGEMENT TOOLS: CAPITAL AND LIQUIDITY SELF-ASSESSMENT REPORT (CLAR) AND RISK APPETITE FRAMEWORK (RAF)

### ■ Required by Bank of Spain in accordance with banking supervision regulations.

Without prejudice to the other mechanisms and policies discussed below, the following two instruments stand out as key elements in risk management.

The **Capital and Liquidity Self-Assessment Report (CLAR)** is one of the existing tools in this area. The ICO is obliged to prepare the CLAR, a document in which institutions identify, measure and aggregate their risks in order to determine the capital and liquidity needed to cover them and in which they plan their capital and liquidity levels in the medium term. Since 2016, a multidisciplinary ICO team has been responsible for preparing the Institute's CLAR every year. In recent years, ICO's risk profile has remained at low to medium-low levels. This report includes three stress tests (macroeconomic, business and liquidity) on ICO's baseline scenario, with a 3-year time horizon. The tests are used to determine ICO's capital needs in the event of the different scenarios envisaged in the tests, determining its capacity to face crisis situations. In addition, the liquidity stress scenario will also analyse the evolution of different metrics related to the Institute's liquidity. Elements related to sustainability and its management are also introduced. Once this has been done, the ICO's General Council must be informed of and approve the CLAR, which is then submitted to the Bank of Spain.

The **Risk Appetite Framework (RAF)** defines a series of indicators at three different levels depending on the importance within the management of the Institute. According to the latest update approved by the General Council on July 2023, 30 indicators are considered:

- **3 Tier I indicators:** two of them required by the Regulator, which measure the capital and liquidity position, and a third one, which measures the impact on the income statement in a stress scenario on ICO's 5 main direct borrowers.
- **6 Tier II indicators:** regulatory or basic indicators that develop the previous ones for the most

relevant risks of ICO, whose objective is to measure the impact on capital and liquidity and their evolution.

- **21 Tier III indicators:** monitoring and management indicators, which allow the evolution of the ICO's current activity to be monitored, including those related to environmental risk (two indicators) and technological risk.

The RAF is reviewed annually and adapted on the basis of the results of the CLAR. The General Council receives regular information on the evolution of the indicators through a scorecard.

## 4.2 General instruments for responsible management

All of the ICO Group's internal regulations are focused on the correct monitoring of the various types of risks it faces and on appropriate management in accordance with the best standards. The approach is always holistic and the entire organisation is involved to ensure that management is always carried out in accordance with the highest ethical and corporate social responsibility standards, applying due diligence in its actions. Both the General Council and senior management receive regular information on these matters and are involved in their areas of competence. The most relevant policies are approved at the General Council level and the General Council receives regular information on performance in the areas of activity, sustainability, internal control and anti-fraud. There are units and collegiate bodies with specific functions, the most important of which are detailed below, in addition to those described in the previous section.





## ICO STRUCTURE INCLUDES APPROPRIATE RISK MANAGEMENT UNITS

- **The Internal Audit and Compliance units cover functions that are fundamental to the treatment of risks.**
- **The General Council has an important role to play.**

- **Internal Audit Department and Audit Committee.** The ICO has a policy, called “Internal Control Functions”, which sets out the internal control bodies of the Institute and the internal control functions performed by them. As set out in the policy, the ICO has risk measurement methodologies that enable it to analyse the various risk factors to which it is exposed in an appropriate manner. Likewise, the identification, quantification, control and continuous monitoring of risks enable an appropriate relationship to be established between the profitability obtained from the transactions carried out and the risks assumed, and an adequate internal control environment.

In accordance with the Basel Committee on Banking Supervision’s Principles of Corporate Governance for Banks, the ICO has in place a robust corporate governance framework with well-defined organisational responsibilities for risk management, commonly referred to as “the three lines of defence” mentioned above:

- The Business line.
- A Risk Management and Compliance function, independent of the first line of defence.
- An Internal Audit function independent of the first and second line of defence.

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

In accordance with the Audit Guidelines approved by the General Council, the Internal Audit Function in the ICO is exercised by the Audit and Compliance Committee and the Internal

Audit Department. The Internal Audit Department audits the business and operational procedures, risk management and the internal control system on an ongoing basis. The internal control carried out by the Internal Audit Department is reinforced by the work of the Audit and Compliance Committee, whose functions include proposing measures to speed up and facilitate compliance with recommendations. In order to comply with article 43.2 of Royal Decree 84/2015, of 13 February, which implements Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, the Internal Audit function reports periodically to the ICO’s General Council on the verification work carried out by the Internal Audit function.

Externally, ICO Group periodically submits its actions to the control of external experts and various national bodies (General State Comptroller’s Office -IGAE, Inspectorate of the Services of the Ministry of Economy, Trade and Business, Court of Auditors, Bank of Spain and, more recently, the Independent Authority for Fiscal Responsibility - AIReF) and those EU bodies that are competent to do so. In 2023, 22 audit reports were issued (26 in 2022), with no significant incidents arising from them.

- **Regulatory Compliance Area and Regulatory Compliance Technical Committee.** The Regulatory Compliance Area was created to protect the reputation and integrity of the Institute, to promote the ethical standards applicable to it and to reinforce responsibility and transparency. It is also responsible for identifying and assessing compliance with regulations related to the prevention of money laundering and the financing of terrorism, and for coordinating the internal policies and procedures implemented in this field. It is also involved in identifying, assessing and controlling the risks that may affect the integrity and reputation of the ICO Group, generated as a result of non-compliance or non-observance of the rules or measures recommended by the ICO Group’s internal policies or regulations, or by external recommendations or regulations that may affect it.

The Technical Committee for Regulatory Compliance also deals with issues related to the prevention of money laundering and the financing of terrorism and due diligence measures, as well as matters related to the correct application of the data protection policy. It is also aware of and analyses any new regulations that may be applicable to the ICO and proposes relevant training actions in this area. Finally, it also oversees the implementation of the decisions adopted by the Audit and Compliance Committee.



## 4.3 Specific ethics and responsible management tools

Without prejudice to the global nature of the measures and tools described so far and the interrelation between them, the main tools available for ethical and responsible management are grouped below by topic. ICO Group has developed management and corporate governance tools that ensure ethical behaviour, sustainability and transparency in all its areas of activity and internal management.

### FIGHT AGAINST FRAUD, CORRUPTION, MONEY LAUNDERING AND TERRORIST FINANCING

- **In compliance with applicable regulations and with a cross-cutting approach for the entire organisation.**

In all the Group's actions, undesirable conduct such as those described above is prevented through due diligence. Prior to approval, all direct transactions are analysed for these risks. Specific tools include the following:

- **Code of Ethics and Conduct,** Internal Code of Conduct for the Securities Market. The purpose of the ICO Code of Ethics and Conduct is to define and develop the basic foundations of behaviour and the necessary guidelines for action so that the Institute's principles are manifested in the individual actions of its employees, managers and directors, in internal and external relations established with customers, suppliers and third parties, as well as in its actions in the markets. The Code of Ethics and Conduct is therefore applicable to all ICO staff and directors of the General Council, and to trainees undergoing training at the Institute; 100% of them receive it when they join. In the case of suppliers, the company providing the service will be required to comply with the code for those of its collaborators who provide services for the ICO. This section regulates ethical conduct and includes internal policies on, among other

issues, Social Responsibility, Corporate Gifts, Travel, Representation Expenses and Corporate Credit Cards.

The Internal Rules of Conduct for Securities Markets identify the units of ICO Group that carry out securities market-related activities and define the separation they must adopt to avoid potential conflicts of interest or insider trading. The version in force was approved by the General Council on February 2017 and was last revised on February 2022. In 2023, there were no incidents of non-compliance with the regulations, as in the previous year.

The Code of Conduct and the Internal Code of Conduct of the Securities Market are public and accessible through the website<sup>6</sup>.

- **Ethics Channel.** The ICO Group's Ethics Channel is an internal information channel for reporting breaches or omissions of applicable regulations, set up in accordance with Law 2/2023, of 20 February, regulating the protection of persons who report breaches of regulations and the fight against corruption. This is an obligation derived from the aforementioned Law and which ICO Group has adopted during 2023.

The channel is implemented through an on-line tool external to the domain of the Instituto de Crédito Oficial. The message is transmitted to an external provider's tool in order to guarantee total objectivity and transparency in the communication management process. Communications may be anonymous, with identification of the informant not being obligatory, and will be answered through the same channel through which they were received. Communications may be followed up by means of the tracking code assigned in the message in which the report was received.

This channel may be used by any employee of the Instituto de Crédito Oficial or any other third party envisaged in the scope of the regulation, who may have knowledge of unethical, fraudulent or unlawful conduct within the ICO Group. The use of the Ethics Channel requires that users act in good faith and that the information provided is truthful.

<sup>6</sup><https://www.ico.es/en/web/guest/pol%C3%ADticas-internas-de-funcionamiento>  
<https://www.ico.es/en/web/guest/sostenibilidad/compromisos-y-estrategias>



The channel is accessible via the following address: <https://www.ico.es/canal-etico>.

In 2023, no complaints were received either through the previous IT system or through the newly implemented functionality of the ethics channel. In 2022 there was one labour-related complaint, which was processed and resolved.

- **Prevention of money laundering and terrorist financing.** ICO Group is aware of the important role that financial institutions play in prevention and therefore collaborates with the competent authorities and joins forces with the rest of the Spanish financial system in the fight against all forms of money laundering and terrorist financing. The Prevention of Money Laundering Policy, the latest version of which was approved by the General Council on December 2022, sets out the rules of action and control and communication systems to prevent access to the institution by undesirable persons or groups, and establishes the criteria for accepting customers. The aforementioned Policy is developed in a procedure called Management Procedure for the Prevention of Money Laundering and Financing of Terrorism, incorporating the latest regulatory developments at national and European level, the latest revision of which took place on June 2023 and which incorporates specific forms on the knowledge of customers. In compliance with the aforementioned Policy and the Group's Training Plan, two training sessions were held in 2023, given by the AML/CFT TRAINING CENTRE, attended by a total of 160 people, with special emphasis on training people who have recently joined the ICO.

In addition, following the recommendations of the External AML/CFT Expert, a physical mailbox was installed at the ICO's headquarters, managed by the Regulatory Compliance area, to facilitate the anonymous submission of internal complaints and reports of irregularities, which, should they occur, would be handled either directly through the Regulatory Compliance area or by communication to the Ethics Channel. This mailbox is located in an accessible area of the ICO's headquarters, but is free of security cameras and is not directly associated with the Compliance area. No notifications were received through this mailbox in 2023, as in the previous year.

- **Anti-Fraud Measures Plan.** ICO Group has adopted a new Anti-Fraud Measures Plan for 2023 that reflects its commitment to the prevention of fraud and corruption, through a robust control system in which all its employees participate.

The entities that make up ICO Group have a zero tolerance policy towards fraud and corruption, which is exercised through a robust control system specially designed to prevent and detect, as far as possible, acts of fraud and to correct their impact, should they occur. The purpose of the ICO Group's Anti-Fraud Plan is to prevent fraud and detect irregularities that could constitute a first indication of fraud or any other illegal act covered by Order HFP/1030/2021. The aim of this Plan is to systematise the internal regulations (policies, procedures, processes and instructions) applicable in the entities that make up the ICO Group, regulations that are geared towards transparency in operations, and which must serve as a guarantee of integrity and for the prevention of fraud in its activity.

This Plan is complemented by the Institutional Declaration on the Fight against Fraud, signed by the President on May 2023.

Both the Plan and the Declaration are accessible through the website: <https://www.ico.es/pol%C3%ADticas-internas-de-funcionamiento>.

In order to improve staff awareness of their obligations in this area, several training actions were organised in 2023 for the entire workforce and specifically for the areas most involved, which were held in the first months of 2024.

All internal regulations are in line with the general aim of preventing fraud or other undesirable conduct. For example, the Direct Financing Policy includes a series of exclusions from financing to potential customers operating in non-cooperative jurisdictions in tax matters, subject to sanctions or in other cases such as human rights violations.

## DATA PROTECTION AND CYBERSECURITY

### ■ To comply with legal obligations and to ensure the highest standards of protection.

- **Protection of personal data.** The ICO has approved a personal data protection policy adapted



to EU Regulation 2016/679 and Law 3/2018, which is developed and implemented in the internal processes and processing carried out at the Institute itself. It also has a Register of Processing Activities and its website provides information on ICO's personal data protection policy. Furthermore, ICO Group has a data protection officer who supervises, confidentially and independently, compliance with personal data protection regulations within the Group. There were no data protection incidents in 2023, as in the previous year.

- **Information Security Committee. Information Security Policy.** Information security is managed in an integrated and coordinated manner with the requirements inherent to the nature of the ICO Group's activity in order to prevent potential threats. All of this is in accordance with current legislation and, in particular, with the National Security Scheme. Specifically, the National Security Status Report (INES) periodically assesses the security status of the systems as a method of security governance, and no significant deficiencies have been detected.

## SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

### ■ Sustainability is an overarching principle for the whole of activity.

In accordance with the ICO Group's Strategy 2022-2027, the Group's actions seek to transform the growth model of the Spanish economy in order to achieve a more sustainable and digital growth pattern with a greater capacity to generate quality employment. In this way, sustainability is a strategic pillar that permeates the ICO Group's activity as a whole. Consequently, sustainability is reflected both in terms of assets and liabilities and in any aspect of the Group's activity. This commitment to sustainability at all levels includes continuous reporting to the General Council on regulatory developments, frameworks, actions and metrics.

- **Sustainability Policy.** The Sustainability Policy, approved by the General Council on February 2020, establishes sustainability as a basic guiding pillar of the ICO Group's actions, both for its asset and liability operations, as well as in the internal management of the organisation, also from the perspective of governance and Corporate Social Responsibility (ESG - CSR).

It therefore involves all areas of the organisation and its activity, acting as a management foundation that enables it to fulfil its mission as a public and promotional bank. The effects of this orientation spill over into other policies, such as direct financing, which contemplates the impossibility of financing projects with possible negative social or environmental impacts where there is no adequate mitigation. During 2023, work has been carried out on a review of this policy with a view to its approval during 2024. This revision will maintain the ICO Group's commitment to sustainability, clearly establishing the presence of sustainability in the Group's mission, strategy and values.

- **Sustainability Committee.** This committee meets ordinarily every four months, without prejudice to other meetings at the discretion of the President of ICO Group when any matter so requires. The functions of this committee include defining the concept of sustainability adopted by the ICO Group, as well as raising awareness and communicating it to the entire workforce. This body, chaired by the President of ICO and made up of members from all the General Directorates, AXIS and the Fundación ICO, is also responsible for drawing up and monitoring ICO's position with regard to the activity considered sustainable by the ICO Group. It also identifies the regulatory developments on sustainability that affect ICO Group and, where appropriate, is responsible for the implementation of such standards. Finally, it also promotes and coordinates the sustainability initiatives carried out in the ICO Group, as well as any other sustainability issues that may arise outside the scope of the aforementioned.
- **Environmental policy.** In order to guarantee environmentally friendly and preventive action, ICO Group has approved and documented an environmental policy fully adapted to the requirements of the ISO 14001 Environmental Management Systems standard since 2020 and a code of good environmental practices. ICO, as a signatory of the 10 Principles of the Global Compact, the Equator Principles and the Spanish Collective Commitment to Climate Action signed with the AEB, CECA and other Spanish financial institutions, and in its alignment with the 17 Sustainable Development Goals for the 2030 Agenda and the Paris Climate Agreement (COP-21), is committed to controlling and managing its direct and indirect environmental impacts. Since 2021, the Environmental Management System has been certified by European Quality Assurance as detailed in section 4.4.5.



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

## PERSONNEL MANAGEMENT

### ■ With respect for workers' rights.

- **Labour relations.** The personnel policies applied in ICO Group are based on respect for the human and labour rights of employees, and the implementation of actions to facilitate and enhance their professional aptitude and development. Equal opportunities, non-discrimination policies, diversity and work-life balance are fundamental principles in the development and implementation of labour relations between ICO Group and its staff. The following chapter gives details of the ICO Group's personnel management.
- **Management by objectives.** management model implemented to effectively direct and improve ICO's performance, establishing strategic and general objectives and contributing to the valuation of employees' professional merits, rewarding effort and the achievement of objectives. Management by objectives is of great value due to its uniqueness within the

Administration, as it allows the efforts of the different areas to be aligned with the roadmap, and to improve the quality of work and professional performance. The approval of the strategic objectives proposed by the Management Committee is subject to the approval of the Ministry of Economy, Trade and Enterprise. All employees receive an annual performance appraisal.

The Management by Objectives System, which allows variable remuneration to be linked to the achievement of objectives, incorporates transversal objectives in the organisation related to the four strategic axes, allowing this system to be aligned with the provisions of the Group's Strategy and fostering the integration of the strategic axes into the culture of the organisation. Thus, in 2023, in line with the Strategy for the period 2022-2027, for example, a sustainable direct activity objective and a digitalisation and governance objective were established, which, as in previous years, were met.





## ORGANISATION AND QUALITY

### ■ To ensure effective and accountable management.

- **Quality Policy.** ICO has implemented a process management model and approved a Quality Policy fully adapted to the ISO 9001 standard. This Policy is the appropriate framework for the development of the procedures and tools necessary for the establishment of quality objectives and the implementation of an effective Quality Management System, based on the requirements of the ISO 9001 standard. It aims to identify and satisfy the needs and requirements of ICO's internal and external customers and stakeholders. It also aims to guide ICO towards operational excellence, with the implementation and application of efficient processes and products, carried out with the full involvement of all employees.
- **Regulatory roadmap.** ICO Group has a complete, coherent and systematic body of regulations, aimed at ensuring that the overall operation of the ICO is in line with the best standards in the sector and with all the ethical and responsible management practices addressed in this section.

## TRANSPARENCY

### ■ To provide society with information on its activities.

- **Transparency.** ICO Group provides its stakeholders with all relevant information on its organisational structure and activity. In addition, and in accordance with the provisions of the Transparency Act, it provides direct access to the Spanish Government's Transparency Portal, via a link available on the ico.es website. This makes it easier for users to consult all the available data. Every year, the Audit Report on the "Consolidated Financial Statements and Consolidated Management Report" is prepared and published on the website, with all the

economic information and information relating to its activity as a financial institution, including this Non-Financial Information Statement (NFS). The financial statements are audited by an independent expert. This NFS is prepared in accordance with the GRI Standards and the requirements of Law 11/2018 on non-financial information and diversity. This annual report is also subject to verification by an independent expert in order to increase stakeholder confidence. Along the same lines, ICO Group prepares the Progress Report in relation to the 10 Principles of the United Nations Global Compact.

In addition, in order to raise public awareness of the Group's activities, intense communication and dissemination work is carried out, as detailed in section 4.4.4





## 4.4 Main internal management results

All of the above with respect to internal management is reflected in the results discussed in this section. The ICO Group, like any other entity, consumes resources, which are included below, including the estimated carbon footprint for 2023. The communication of the activity is also mentioned and, finally, the certifications obtained that demonstrate the effectiveness of the current management systems.

### 4.4.1 Responsible use of natural resources

ICO Group identifies the following environmental aspects in the development of its activity in its corporate facilities:

- **Efficiency in the consumption of resources and adaptation to climate change.** ICO Group carries out regular awareness-raising campaigns on the consumption of electricity, water and paper in order to ensure the responsible use of these resources by employees in the workplace and that these habits can be transferred to the personal sphere. Thus, the objective of maximising efficiency in the use of resources is transversal in the ICO Group. In order to achieve greater efficiency in the use of resources, an awareness campaign has been implemented during 2023, which has taken the form of the installation of posters at ICO headquarters reminding of the importance of reducing the consumption of materials as far as possible. In addition, during 2023, lighting systems at the end of their useful life have been replaced with LED technology, with the consequent lower consumption, as well as the replacement of some electric water heaters with less energy-consuming equipment. Work is also underway to undertake a comprehensive refurbishment of the ICO headquarters that will result in an overall improvement in the efficiency of the facilities. In order to adapt to climate change, an energy efficiency study has been carried out and will be taken into account in this refurbishment, which will also lead to a better adaptation of working conditions to the foreseeable consequences of climate change.
- **Atmospheric emissions.** An important objective for ICO is to avoid and reduce greenhouse gas emissions as much as possible. It does this through the implementation of energy saving

measures and the use of energy from renewable sources in the heating and air conditioning of its offices: since November 2023, the electricity supplier has been subject to a guarantee of origin commitment certifying that all consumption comes from renewable sources. In addition, in order to reduce its carbon footprint per employee, it promotes the use of alternative means of travel, such as videoconferencing, and ensures that each trip is kept to a minimum.

- **Waste generation.** ICO has the necessary means at its facilities to segregate and recycle the waste generated in the course of its activities and endeavours to use ecological and recycled materials.
- **Biodiversity protection:** ICO only operates in Madrid in locations that do not generate negative impacts on biodiversity and land use.

With regard to the consumption of natural resources, ICO Group consumes the resources necessary to carry out its activity, with a lower impact than other sectors of activity. In any case, annual consumption is measured in order to analyse the impact of the measures implemented. The consumption of the Group's two main buildings is taken into account, in line with the certified environmental management system.

The environmental management system determines the functions and responsibilities in the area of environmental risk prevention, led by the General Services and Assets area, without these resources being dissociated from the rest of the functions they perform.

In 2021, the return of employees to a higher level of attendance led to an increase in electricity consumption. In 2023, the moderation in electricity consumption that began in 2022 continued, so that electricity consumption in 2023 was lower than in 2020, in contrast to 2021 and 2022. All energy consumption comes from electricity consumption. As a measure to promote sustainable mobility through the use of electric vehicles as opposed to fossil fuel vehicles, in 2023 ICO maintained 8 electric vehicle charging points located in the parking spaces made available to ICO employees. These 8 charging points can serve up to 19 vehicles in shifts. For the allocation of the parking spaces, the criterion of the environmental categorisation of the vehicle is included in the scoring scale.



On the other hand, ICO Group does not have fleet cars, so it does not generate fuel consumption, except for the fuel used in the generator set , whose consumption is residual as it is only used in the event of an occasional power cut or for maintenance work.

Water consumption decreased during 2023, compared to 2022 although it remained above the 2020 and 2021 data, due to variations in the degree of personal attendance. All water consumption comes from the public network of Canal de Isabel II.

Paper consumption in 2023 maintained the downward trend of previous years due to the increased use of digital formats to the detriment of physical formats in work documentation.

NATURAL RESOURCE	UNIT	2023	2022	2021
Electricity	kWh	1,728,122	1,997,767	2,204,474
Water	m3	1,697	2,274	1,352
Paper	kg	3,755	4,229	5,613

4.4.2 Circular economy and waste management

Waste segregation at the plant is one of the objectives defined by ICO Group within its environmental management system. Since 2021, ICO Group has had environmental islands equipped with containers for waste segregation. These areas are installed on the office floors. In each of them there are 3 islets that allow the proper segregation of waste generated in the workplace. These areas have been completed with containers for the collection of waste related to Covid-19 (masks, gloves, etc.) installed since 2020 and present until April 2023, when they were removed in accordance with the measures established at a general level by the health authorities. Due to the activity carried out by the ICO Group, food waste is not relevant and there are no specific measures in this respect.

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

- Signature digitisation processes in day-to-day operations.
- The allocation of laptops to all staff, allowing dual monitors at workstations and reducing the need for paper documents.
- Programming printers to print double-sided by default, and restricting colour printers to centralised services.
- Use of recycled paper in all printers available in each plant.
- Printer equipment that incorporates a standby power saving system, which allows for greater energy efficiency.

The figures for waste managed in 2023 and the two previous years are given below:

MANAGED WASTE	UNIT	2023	2022	2021
Paper and cardboard	Estimated litres. kg (from Oct)*	28,800 l 98.60 kg	38,400 l	38,400 l
Plastic and packaging	Estimated litres. kg (from Oct)*	28,800 l 81.10 kg	38,400 l	40,000 l
Organic waste	Kg (estimated)	288	288	288
Toner and ink cartridges	Units	132	99	63
Fluorescent tubes	Units	175	310	305
Batteries	Units	192	384	694
Batteries	Units	6	3	127

\*For the consumption of paper and cardboard and plastic and packaging, an estimate is given in litres from January to September 2023, while from October to December 2023 data is available for the actual weight in kg, since from October onwards the waste actually generated has been weighed instead of being estimated on the basis of the number of collections as was done until then.



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Data are also provided on the evolution of waste generated per employee (as in the case of total general waste, this calculation per employee includes, for paper and cardboard and for plastic and packaging, the estimated calculation per employee up to September and the actual kilos per employee from October to December), taking the data on employees for ICO Group as a whole presented in the chapter on Human Resources in this report:

MANAGED WASTE	UNIT	2023	2022	2021
Paper and cardboard	litres per employee kg empl. (from Oct)	75 l 0.26 kg	109 l	109 l
Plastic and packaging	litres per employee kg empl. (from Oct)	75 l 0.21 kg	109 l	113 l
Organic waste	kgs. per employee	0.75	0.81	0.82
Toner and ink cartridges	Units per employee	0.34	0.28	0.18
Fluorescent tubes	Units per employee	0.46	0.88	0.86
Batteries	Units per employee	0.50	1.09	1.97
Batteries	Units per employee	0.02	0.01	0.36

In relation to the consumption of paper and cardboard, as well as plastics and packaging, on October 2023, weighing of the waste actually collected has begun, so that the tables presented reflect this change in the data. For the months between January and September an estimate of the litres of waste generated is presented based on the number of waste collections and the number of containers, while from September onwards data can be provided on the kilograms of waste weighed. In relation to other consumption during 2023, the consumption of toners increased slightly while the downward trend in fluorescent tubes and batteries continued. In relation to these consumptions, they are largely conditioned by the placing of orders of different amounts due to the less uniform nature of their consumption, which has an impact on the figures presented. With regard to the data per employee, the increase in the number of employees in 2023 has to be taken into account, which influences the overall decrease in waste per employee during 2023.

### 4.4.3 Pollution. Emissions. Internal carbon footprint

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

With regard to pollution, the products and services offered by ICO Group do not generate noise pollution that could substantially affect the environment. Neither does it generate light pollution that could substantially affect the environment. Therefore, there are no specific measures in these matters.

The ICO's scope 1 and 2 emission sources are mainly located in the offices of its only headquarters in Madrid, located at Paseo del Prado, 4, and in its annex building, Calle los Madrazo 36, 38, so the emissions generated correspond mainly to electricity consumption, maintenance and recharging of air conditioning equipment and fuel for a generator set. In addition, the building has an installation of photovoltaic panels on its roof, but this has not been considered to reduce the calculation of emissions, as the energy produced is discharged into the electricity grid and is not for self-consumption. In 2023, this installation produced 5,973 kWh, up from the figure for 2022, which was 2,243 kWh due to a breakdown of the installations that prevented production for several months of the year. Production in 2023, once the 2022 breakdown had been rectified, was in line with 2021 production (5,830 kWh).

The ICO Museum (Calle Zorrilla 3 - Madrid 28014) hosts different exhibitions, and the management of this activity and space also generates electricity and refrigerant gas consumption.

In addition, the ICO has a warehouse located in the Gitesa Industrial Estate in Daganzo de Arriba (Madrid), which serves as logistical support and documentation archive, and which generates emissions from electricity consumption and refrigerant gases.





Finally, ICO Group does not have a fleet of vehicles, nor does it need one to carry out its activities, which are mainly carried out at the offices at Paseo del Prado, 4 - 28014 Madrid. However, it does have a vehicle that Parque Móvil del Estado (State Vehicle Fleet) makes available to the President of the ICO for his business trips, the management, maintenance and fuel of this vehicle being the responsibility of Parque Móvil del Estado, and therefore this vehicle has been excluded from the calculation of ICO's emissions to avoid double-counting.

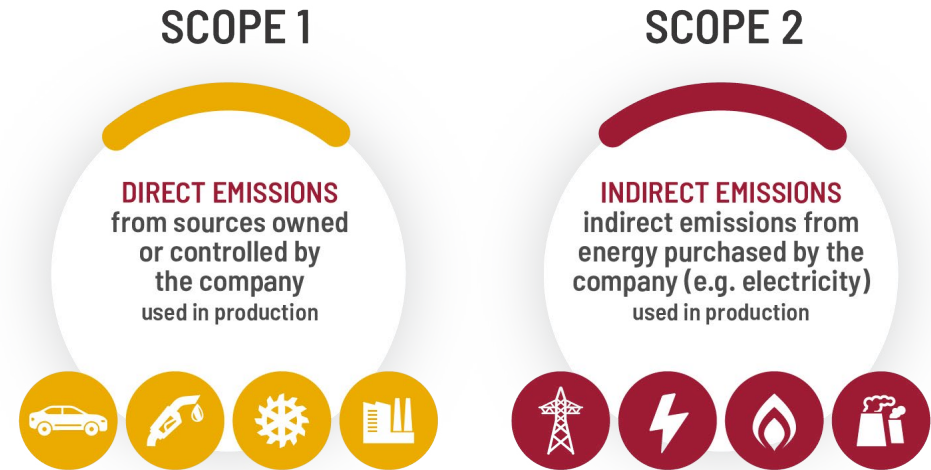
Below is an estimate of the total emissions for the year 2023 and their comparison with the year 2022. All calculations have been made in accordance with the indications published by the Ministry for Ecological Transition and the Demographic Challenge (MITECO), using the calculator published by MITECO for scopes 1 and 2.

For 2023, a provisional calculation of the carbon footprint including scopes 1 and 2 has been made. The calculation is provisional for 2023 as the tools available for 2022 have been used, as discussed below.

Work is underway to calculate the internal scope (staff travel, urban commuting, etc.), in order to design and apply a methodology to measure this scope in the best possible way.

EMISSIONS (t CO2e)	2022	2023
Direct emissions (Scope 1)	168.20	94.76
Indirect emissions purchased energy (Scope 2)	561.44	420.44
Total	729.64	515.20

The evolution of emissions (referring to scopes 1 and 2) shows a reduction of the carbon footprint of 29.39% in 2023 compared to the previous year.



This significant reduction is due to the implementation of the measures put in place by ICO Group as part of its carbon footprint registration process with MITECO. Indeed, ICO Group has a Carbon Footprint Reduction Plan for the period between 2022 and 2025 that has been submitted to MITECO, which includes, among other things, ICO's commitment to contract an electricity supplier with a Guarantee of Origin for renewable energy, and this measure was effectively implemented in 2023. One of its objectives was to reduce emissions by at least 20%, which has already been achieved with the aforementioned Guarantee of Origin contracting. Furthermore, as part of these measures, an energy efficiency study of the building and a study on low-carbon technologies were carried out in 2023, focusing on the decision-making process for a comprehensive refurbishment of the ICO's headquarters. This eventual refurbishment will aim to increase the functionality of the current facilities as well as their energy efficiency and adaptation to climate change.





On the other hand, the teleworking policies applied by ICO Group linked to energy saving have also led to lower energy consumption per employee. The tCO2e / ICO Group staff ratio shows a reduction of 35.27% compared to 2023. A considerable reduction, taking into account the increase in the ICO Group's workforce in 2023:

	2022	2023
Carbon footprint (t CO2e). Scopes 1 and 2	729.64	515.20
Footprint per employee (t CO2e)	2.0728	1.3417

ICO Group's organisational carbon footprint includes direct and indirect emissions, according to location and determined emission sources:

Location	Emission sources	Scope 1	Scope2
Paseo de Prado Building, 4 - 28014 Madrid	Air conditioning equipment	Possible refrigerant gas recharges	
	Electricity		Electricity consumption
	Generating set	Diesel B	
Los Madrazo Building 36, 38 - 28014 Madrid	Air conditioning equipment	Possible refrigerant gas recharges	
	Electricity		Electricity consumption
	Generating set	Diesel B	
ICO Museum -Calle Zorrilla 3 - 28014 Madrid	Air conditioning equipment	Possible refrigerant gas recharges	
	Electricity		Electricity consumption
Gitesa Industrial State - Daganzo de Arriba (Madrid)	Air conditioning equipment	Possible refrigerant gas recharges	
	Electricity		Electricity consumption

ICO has the "Calculation" seal and the "Certificate of Registration of carbon footprint, offsetting and CO2 absorption projects of the Ministry for Ecological Transition and the Demographic Challenge" for the years 2018, 2019, 2020, 2021 and 2022, with the final calculation of the HC for 2023 (scope 1 and 2) pending publication of the new emission factors by the MITECO and the CNMC, so this report presents a provisional calculation that has taken into account the emission factors for 2022.



4.4.4 Communication for sustainable growth

ICO Group's 2022-2027 strategy focuses on promoting activities that contribute to the transformation of the Spanish production model, boosting business growth, innovation and digitisation, internationalisation and environmental, social and governance sustainability.

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





Moreover, ICO and Axis, its venture capital subsidiary, are particularly relevant in the second phase of the Recovery, Transformation and Resilience Plan, approved by the European Commission on October 2023, as they are entrusted with managing almost 40,000 million Euros in loans to finance projects for the self-employed, SMEs and companies, paying special attention to those that promote the green transition and digitalisation.

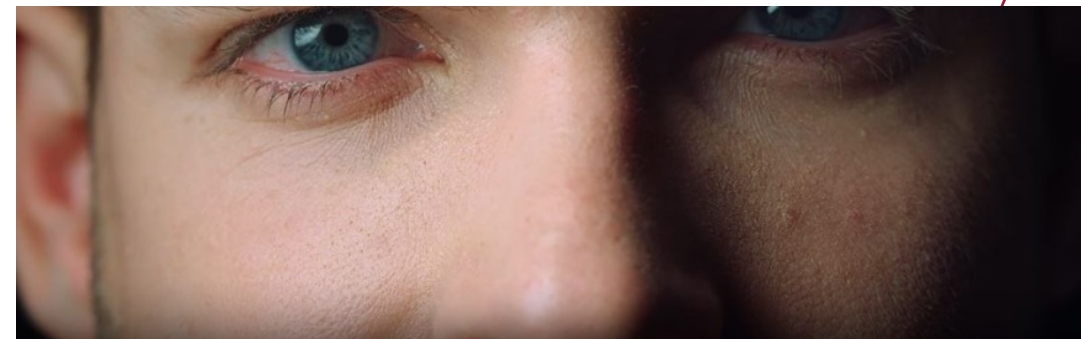
ICO's communication policy integrates these strategic objectives as a priority focus of action and during the year 2023, in addition to the Institute's usual communication actions, efforts have been focused on the following:

- **Strengthen and enhance Axis' communication and corporate identity.** To increase society's knowledge of the activity carried out by the entity and support its image as a benchmark player in the Spanish venture capital sector. To this end, we have carried out various actions:

**Create a corporate identity for the 4 funds managed by AXIS:** a logo has been designed for each of the funds managed by AXIS, aligned with the AXIS logo design. In this way, the 4 funds acquire their own identity but with common elements associated with the AXIS corporate identity.



**Produce an Axis corporate video.** The objective of the video is to increase the knowledge that the business sector, and society as a whole, have about AXIS. The video explains in a visual and summarised way the different aspects of its operation. The video outlines the performance in public-private collaboration with the venture capital sector in all areas of activity, with a special focus on high-impact, sustainable projects and in the field of technology through its four funds. The video has been produced in both English and Spanish, has been disseminated on social networks and has been placed in a prominent position on the homepage of the Axis website.



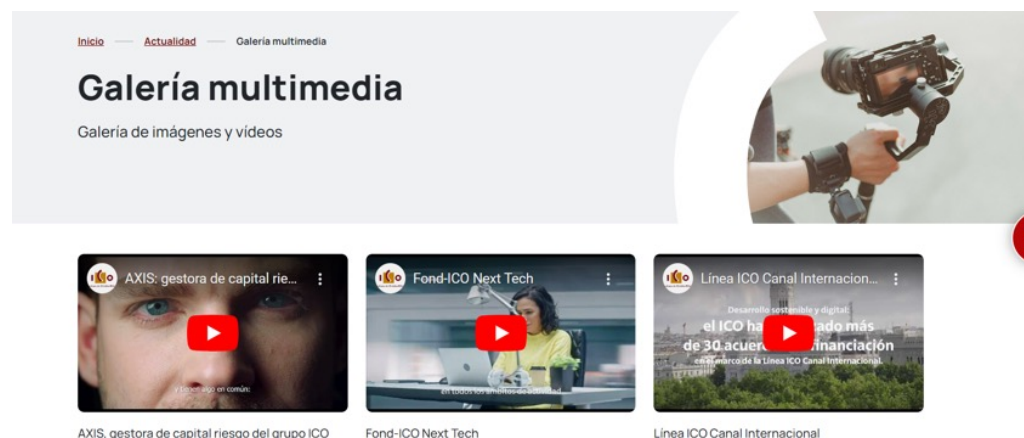
**Produce a product video on Fond-ICO Next Tech.** Work has also been done on the creation of a specific video on **Fond-ICO Next Tech**, highlighting its activity in promoting high-impact innovative digital projects and investment in growth companies (scale-ups). This video has been used as support material at various Fund promotion events, on the AXIS website and on social networks.



**Renew the architecture and content of the AXIS website.** During 2023, work has been carried out to expand and improve the architecture and content of the AXIS website, **reinforcing and creating specific and more visual content**, with the aim of communicating more effectively the features of the various Axis products.



- **Enhance ICO's audiovisual communication.** During 2023, the ICO Group's audiovisual and digital material was considerably expanded to reinforce the communication of our strategic objectives and complement the written messages. Various interactive videos and infographics have been produced for use on the website, social networks, etc.



In this sense, and in line with **ICO Group's commitment to the Financial Education initiative**, two new videos have been produced for use as audiovisual teaching material during student visits to ICO's headquarters. These videos explain in a simple and attractive way the different aspects of ICO's activity, using a visual and communication code specific to the target group at which they are aimed: young students.

## Other communication actions carried out in 2023

- **Renewal of ICO's Institutional Presentation.** In order to help maintain the ICO Group's positive brand image, the Institutional Presentation has been revamped, updating and modernising its design and content.

Its collective use by employees will help us to project a homogeneous identity of the Institute, AXIS and Fundación ICO to the outside world.

The presentation includes all the new features of the Addendum to the Recovery Plan. The Institutional Presentation is published on the ICO Group's website, both in Spanish and English, and also in editable format on the intranet to facilitate its use by employees in all presentations, conferences and any public event of the ICO Group.

- **International advertising campaign.** "ICO GREEN AND SOCIAL BONDS. Supporting Sustainable Growth in Spain".

The ICO carries out publicity actions in the international arena with the dual objective of supporting the Institute's role as an issuer in the capital markets and reinforcing ICO's identification as one of the benchmark players in the development of the social and green bond market.

The campaign was concentrated in two waves during June and September 2023. The campaign included on-line and off-line advertisements in economic magazines, magazines specialising in the financial sector, with a special focus on issues dedicated to sustainable financing. In the on-line part, the ICO's presence in specialised information terminals and international economic sites was boosted.

- **Information seminars.** During 2023, ICO participated in 231 workshops and was a speaker on 318 occasions. Participation in these conferences was carried out in collaboration with various institutions, sectoral associations and collaborating agents, covering the entire country.

Of the total number of interventions, the President of ICO participated as a speaker in 63 of them. Of the remaining 255, in 149 cases (58% of the total) it was women who participated on behalf of ICO, reaffirming ICO's commitment to give visibility to female talent in the European Parliament's #dóndeEstánellas initiative.

- **On-line communication channels.** One of ICO's priority objectives in recent years has been to increase the Institute's presence in the various online communication channels.

**ICO GREEN AND SOCIAL BONDS**  
Supporting sustainable growth in Spain



Investing in ICO Green and Social Bonds provides the opportunity to take part in the transition of the Spanish economy to a more sustainable growth model. ICO is playing a key role on the current recovery and transformation process and has been a pioneer in the Sustainable Bond market in Spain, getting extensive experience and providing confidence and attractive results.





- **ICO Newsletter.** In recent years (in 2023 it continued to be distributed normally), the use of the electronic newsletter has been consolidated as a channel of communication between ICO and the self-employed and SMEs to publicise the activity, the main products and financing programmes of the ICO Group, as well as success stories of our client companies.

It is distributed by e-mail to the ICO's database (approximately 380,000 contacts), with an **average open rate of around 39.8%** and an average click rate of 13%. The newsletter is among the top 10 most visited content/pages on the ICO website.

- **Newsletter for investors.** This quarterly newsletter provides up-to-date information of interest to investors. This newsletter continued to be published on a regular basis throughout 2023. It is published in English, posted on the ICO website and sent by email to the ICO's investor database (more than 1,500 records).
- **Social networking.**

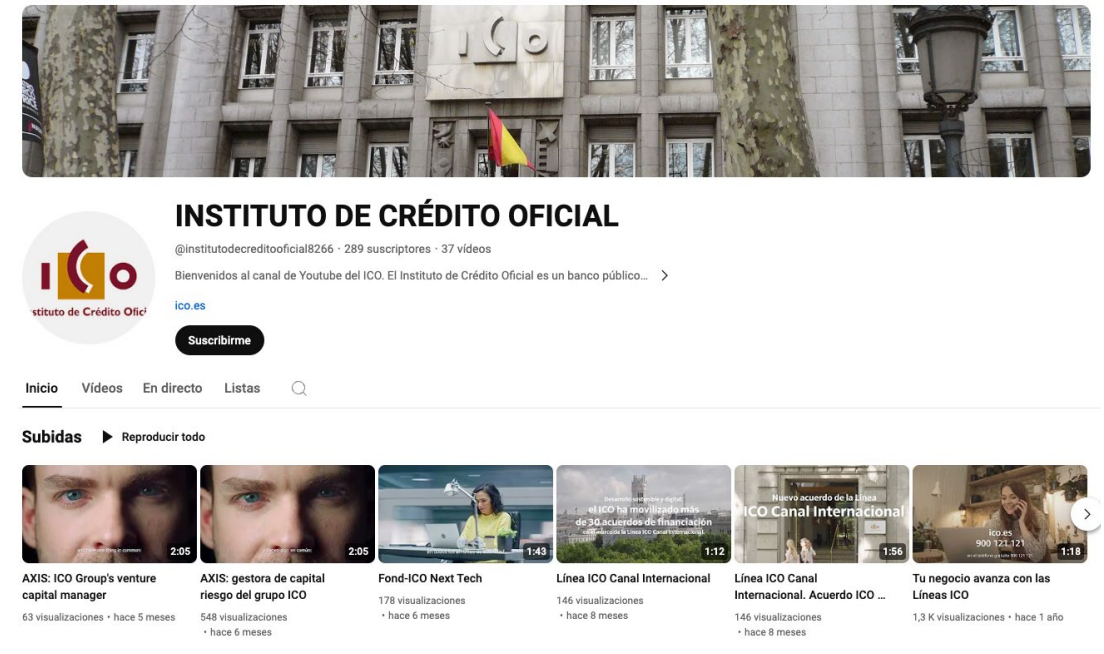
**X @IC0gob.** X (formerly Twitter) has become one of the ICO's main online channels for publicising its activities.

In 2023, the **number of followers** of the verified @IC0gob account stood at 7,780, an increase of 2.14% over the previous year. This growth has been recorded progressively throughout the year.

Of the total number of publications in 2023, **9 out of 10 were** accompanied by graphic or audiovisual material (photographs, infographics, videos).

The **interaction rate** stood at 3.91%, 5.11% higher than the previous year.

**ICO YouTube channel.** ICO maintains its YouTube channel active to promote audiovisual communication of the ICO Group's activities. At 2023 closing, this channel had a total of 254 subscribers and a total of 62,960 views, with the publication of a total of 37 videos.







## 4.4.5 Certifications and other mentions

As a result of the application of the entire policy structure and management instruments, ICO has obtained several certifications confirming compliance with the highest standards.

- A certification of its **Environmental Management System** was obtained in 2021, in accordance with the requirements of **ISO 14001**. This certification guarantees to third parties that ICO follows standards of good practice to help protect and respect the environment at all levels of its activity. The certification of the environmental management system is an objective established in the Environmental Policy of Instituto de Crédito Oficial, and affects the procedures for identifying and evaluating environmental aspects, the identification and treatment of environmental risks and opportunities, as well as the procedures for management, control, monitoring and evaluation of environmental performance in the development of our activity. The ICO Group's Environmental Management System develops the Environmental Policy, which, in order to guarantee environmentally friendly action, includes the following commitments, among others:



Identify environmental aspects and control the associated environmental impact.

Identify and assess compliance with legal and other environmental and biodiversity protection requirements voluntarily subscribed to by ICO (Equator Principles, 10 Global Compact Principles, Paris Agreement).

Identify and assess the environmental risks and opportunities of its activity and its products and services.

Measure GHG emissions and carry out prevention, reduction and remediation actions.

To facilitate the segregation and management of the waste generated in its facilities, and to promote awareness among its professionals so that waste segregation practices are also applied in their daily lives.

Formalise agreements that promote circular economy practices for the reuse of waste.

Implement tools for environmental protection and pollution prevention.

Promote sustainable and responsible consumption of natural resources, and define energy efficiency and improvement plans.

**Precautionary Principle:** ICO has implemented an environmental management system that complies with the requirements of ISO 14001. This management system is certified by European Quality Assurance (EQA). The control and monitoring of the management system is the responsibility of the general services and assets unit, which is equipped with the necessary resources to carry out this function. As the environmental impact is not significant, there is no specific provision or guarantee in the income and expenditure budget to cover environmental damage.

- On April 2022, a certification was obtained that its **quality management** system complies with the requirements established in the **ISO 9001** international standard. The quality management system applies to the development of all activities carried out by the ICO, both management and support, in its triple role as National Promotion Bank, Financial Instrument for Economic Policy and State Financial Agency. The international ISO 9001 standard regulates the quality process in all areas of development, implementation and improvement, and is consistent with the ICO's Quality Policy. This certification, also issued by EQA, demonstrates to stakeholders ICO's commitment to quality and to the procedures established in this ISO 9001 standard.







## ICO International Channel Line distinguished with the ALIDE 2023 Award

On June 2023, the ICO International Channel Line was distinguished with the **ALIDE 2023 Award in the “Extra-regional Banks” category**. This award recognises **best practices in development financial institutions**, including the contribution of the Instituto de Crédito (ICO) in the internationalisation process of companies through the financing and support of their activities.

The award received by the Institute highlights one of the financial instruments specialised in internationalisation included in the ICO product catalogue: the ICO International Channel Line, a **benchmark in the promotion of international investment and foreign trade activity of Spanish and Latin American companies**, with Spain’s position as a **window of entry between Europe and Latin America and the Caribbean** being relevant.

The International Channel line has promoted projects with the participation of Spanish companies that improve people’s **quality of life in collaboration with multilateral and development banks in LATAM**. Some of the sustainable projects financed include the agreement between ICO and FONPLATA to expand and modify two wastewater treatment plants in Uruguay; the construction of several wind farms in Brazil, under the Institute’s agreement with BNDES; the construction of the Nicaraguan hospitals of Bilwi and Chinandega thanks to the agreement signed between ICO and CABEL; and the construction of the first metro line in Quito (Ecuador), following the agreement reached between ICO and CAF.



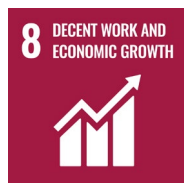


- As mentioned in chapter 2, ICO Group plays a very important role in the management of various instruments within the framework of the European Union. Much of this activity is done thanks to the accreditation obtained by ICO in 2020 as **Implementing Partner of the European Commission** for the management of European programmes, in particular InvestEU. This accreditation followed a comprehensive review of ICO's policies, processes and actions in the 9 pillars defined by the European Commission (Pillar Assessment), which include aspects such as internal control, accounting, external audit, management of financial instruments, procurement procedures, data protection or exclusions from funding, among others. This examination was passed by ICO in its entirety, which on the one hand allows the management of European funds and guarantees and on the other hand demonstrates that it complies with EU management standards.
- There are also extra-financial ratings by specialised and independent rating agencies that categorise ICO's ESG performance and risk and whose ratings can be found at: <https://www.ico.es/web/guest/sostenibilidad/evaluacion-divulgacion-y-trasnparencia>
- ICO is also certified as a **Family-Responsible Company (EFR)** by the Másfamilia Foundation. This EFR certificate demonstrates the ICO Group's firm commitment to advancing in the area of work-life balance to improve the quality of life of its employees, and it is one of the first companies in the public sector to hold this certificate. In order to obtain the certificate, a thorough process of diagnosis and external audit was carried out to accredit the implementation of processes that promote quality employment, equal opportunities or cohesion between family and professional life, based on the legislation in force. This certification is also subject to periodic review, the last renewal having taken place on December 2022, valid until 2025.





## 5. HUMAN TEAM AND DIVERSITY MANAGEMENT



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

In its relationship with the professionals who make up the organisation, ICO Group is committed to:

- The Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.
- Freedom of association and effective recognition of the right to collective bargaining.
- Equal treatment and opportunities for men and women and the fight against all forms of discrimination.
- The reconciliation of work, family and personal life.
- Professional development and training.
- Health and safety at work.
- Reconciling professional activity with respect for the environment.
- The social and labour inclusion of groups with functional diversity.
- Corporate volunteering, developed through collaboration agreements with social entities.

These commitments made to its staff are set out in the Sustainability Policy approved in 2020 and renewed by the ICO Council on January 2024, and are embodied in the personnel policies and procedures and in the actions carried out in each area.

ICO also guarantees its observance of equality between women and men through the 2nd Equality Plan, negotiated with its Works Committee, which incorporates more than 45 measures and certifies its commitment to the welfare of its employees through the Family-Responsible Company seal awarded by the Masfamilia Foundation since 2014. The milestones for 2023 include the approval of a formal policy on Safety, Health and Wellbeing at work, as well as the approval of the Digital Disconnection Policy, which consolidates the process of implementing teleworking as a service provision method and enables progress in efficiency, flexibility and contributes to creating an optimal working environment while favouring a work-life balance.

Throughout this section, we explore how these core values have been integrated into our corporate culture, contributing to the well-being of our employees and progress towards a more equitable and sustainable future.







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## 5.1 Payroll information

### DISTRIBUTION OF ICO GROUP STAFF BY AGE, GENDER AND PROFESSIONAL GROUPS

At 2023 closing, the Group's staff numbered 396, an increase of 28 compared to the previous year. Of these, 93% work at ICO, 5% at AXIS and 2% at the Fundación ICO. The distribution by age, professional group and gender is as follows:

ICO GROUP	December 31, 2023				December 31, 2022			
	Under 30 years old	Between 30 and 50 years old	Over 50 years old	TOTAL	Under 30 years old	Between 30 and 50 years old	Over 50 years old	TOTAL
<b>Senior Management</b>		5	11	16		5	13	18
Women		4	3	7		4	3	7
Men		1	8	9		1	10	11
<b>Middle Management</b>		31	28	59		35	23	58
Women		20	13	33		24	8	32
Men		11	15	26		11	15	26
<b>Technical Staff</b>	40	113	110	263	18	110	103	231
Women	21	70	66	157	9	67	62	138
Men	19	43	44	106	9	43	41	93
<b>Administrative staff</b>		8	50	58		14	43	57
Women		7	45	52		13	38	51
Men		1	5	6		1	5	6
<b>TOTAL GROUP ICO</b>	<b>40</b>	<b>157</b>	<b>199</b>	<b>396</b>	<b>18</b>	<b>164</b>	<b>182</b>	<b>364</b>
<b>Total Women</b>	21	101	127	249	9	108	111	228
<b>Total Men</b>	19	56	72	147	9	56	71	136

In terms of annual average, the number of staff rose to 384 in 2023, compared to 352 in 2022.

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

In addition, ICO Group had the support of an average of 10 young university students participating in the SEPI Foundation's practical training scholarship programme. 100% were under 30 years of age and 50% were women. This number has decreased by 18 young people compared to 2022. In addition, the Fundación ICO has one person who has a Museography grant, this year 2023 as in 2022.

The high specialisation of the products and services offered by ICO Group institutions is reflected in the distribution of the workforce by professional group. Thus, 66% of the workforce is included in the professional group of Technicians, 3 percentage points more than in 2022.

With regard to the distribution of the workforce by age, the majority of employees are in the "Over 50" age bracket, with 50% of the total. This is due to the fact that ICO Group is a consolidated institution that offers its employees a stable working environment and conditions, which means that 36% of the workforce has more than 25 years' seniority.

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

In 2023, there has been an increase of 22 people over the previous year in the group of technicians under 30 years of age, with the consequent gradual rejuvenation of the workforce and promotion of youth employment. ICO Group also participates in initiatives described in sections 5.9 and 5.10 to facilitate access to employment for young people.





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# ICO GROUP STAFF ADDITIONS AND DEPARTURES

Staff additions and departures have been the following:

ICO Group 2023	TOTAL	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Men	Women
No. of discharges	68	35	28	5	33	35
Contracting rate	17.2%	87.5%	17.8%	2.5%	17.6%	14.1%
No. leaves	34	6	21	7	20	14
Rotation rate	8.6%	15.0%	13.4%	3.5%	10.7%	5.6%

ICO Group 2022	TOTAL	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Men	Women
No. of discharges	47	15	32	0	22	25
Contracting rate	12.9%	83.3%	19.5%	0.0%	16.2%	11.0%
No. leaves	34	4	24	6	18	16
Rotation rate	9.3%	22.2%	14.6%	3.3%	13.2%	7.0%

The hiring rate is the number of new hires compared to the total number of staff at year-end for each category and the turnover rate is the number of departures compared to the total number of staff at year-end for each category.

Among the departures in 2023, the most common cause is leave of absence (50%) granted to employees to take up other jobs in the public sector. In 2023 and 2022, there were no departures due to dismissal.

# EMPLOYEES WITH DISABILITIES

There are 5 persons with recognised disabilities (functional diversity/physical disability) in the workforce at December 31, 2023, all of whom are women. In 2022 there were also 5 persons, 80% of whom were women.

In addition, ICO has signed an agreement with the A LA PAR Foundation through which 1 person with a disability completed their studies by doing work experience at ICO during 2023, (one less than in 2022).

Also, since November 2021, ICO has been authorised by the Regional Ministry of Economy, Finance and Employment of the Community of Madrid to comply with the disability quota on an exceptional basis by adopting alternative measures by contracting with Special Employment Centres to provide certain services. During 2023, 6 contracts were maintained with these centres. The services associated with these contracts are provided by 13 people with disabilities working at the ICO Group's headquarters, of whom 5 are women and 8 men, compared to 8 women and 8 men in 2022.







5.2 Contract modalities

TOTAL NUMBER AND DISTRIBUTION OF TYPES OF EMPLOYMENT CONTRACTS. AVERAGE ANNUAL NUMBER OF PERMANENT, TEMPORARY AND PART-TIME CONTRACTS BY GENDER, AGE AND OCCUPATIONAL CLASSIFICATION.

In 2023, 93% of the ICO Group's workforce had permanent contracts (356 people), the same percentage as the previous year, proving once again that ICO provides stability to its employees. In the case of temporary jobs (5%), these were for very specific reasons: to cover temporary disability leave, maternity/paternity leave, relief contracts associated with partial retirements and vacancies until they are filled indefinitely through a public job offer. Staff working part-time due to retirement represent 2%.

ICO GROUP	AVERAGE 2023			AVERAGE 2022		
	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Under 30 years old	Between 30 and 50 years old	Over 50 years old
INDEFINITE	16.8	146.4	192.4	9.3	145.1	171.8
Women	8.3	93.1	121.5	5.3	95.5	103.7
Men	8.6	53.3	70.9	4.0	49.6	68.2
Senior Management		5.1	12.8		5.0	12.3
Women		4.0	3.0		3.3	3.0
Men		1.1	9.8		1.7	9.3
Middle Management		29.3	28.8		32.2	24.5
Women		19.1	13.0		21.8	8.3
Men		10.3	15.8		10.3	16.2
Technical Staff	16.8	106.8	104.4	9.3	97.8	99.3
Women	8.3	65.8	64.1	5.3	61.2	61.4
Men	8.6	41.0	40.3	4.0	36.6	37.9
Administrative staff		5.3	46.4		10.2	35.7
Women		4.3	41.4		9.2	30.9
Men		1.0	5.0		1.0	4.8

ICO GROUP	AVERAGE 2023			AVERAGE 2022		
	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Under 30 years old	Between 30 and 50 years old	Over 50 years old
PART-TIME			8.2			8.6
Women			5.2			4.7
Men			3.0			3.9
Technical Staff			4.9			3.9
Women			1.9			2.9
Men			3.0			3.7
Administrative staff			3.3			3.3
Women			3.3			1.8
Men			0.0			0.3
TEMPORARY	10.7	8.9	1.30	2.2	11.1	3.4
Women	5.2	6.1	1.10	1.6	9.4	2.7
Men	5.5	2.8	0.2	0.6	1.7	0.8
Technical Staff	10.7	6.6	0.2	2.2	7.8	1.3
Women	5.2	3.8	0.0	1.6	6.1	0.6
Men	5.5	2.8	0.2	0.6	1.7	0.8
Administrative staff		2.3	1.1		3.3	2.1
Women		2.3	1.1		3.3	2.1
Men						





## 5.3 Average remunerations and salary gap

### AVERAGE SALARIES

#### Average earnings and their evolution by gender, age and occupational classification.

The calculation of this data takes into account the total remuneration (salary, in kind and non-wage) of the workforce as at December 31, 2023, annualised, to avoid deviations due to the date of incorporation, including the variable remuneration for meeting objectives regardless of its accrual, and is broken down by professional group, age and gender.

GENERAL METRICS (EUROS)	2023	2022
Salary expenditure ICO	18,656,521	17,540,886
Average ICO remuneration	53,304	52,205
ICO median remuneration	48,007	47,649
Minimum wage	15,120	14,000

In 2023, monetary remuneration was increased by 3.5% for management and middle management, and by 3.7% for the wage bill of the employees covered by the collective labour agreement, in accordance with current regulations. On the other hand, in accordance with current budgetary regulations, the increases do not affect remuneration in kind or non-wage remuneration. In any case, the process of setting remuneration is subject to the applicable budgetary regulations.

Both the figures for 2022 and 2023 take into account base salary, variable salary and salary and fringe benefits.

In overall terms, the change in the average remuneration of ICO employees as a whole has been influenced by the incorporation of newly created posts as envisaged in the new Strategic Plan 2022-

2027, whose entry, in accordance with the collective bargaining agreement, is generally through the lower levels of each professional group. The median, as the average value of the set of remuneration ordered from lowest to highest, is in turn influenced not only by the new incorporations to newly created posts (as in the average), but also by the incorporations derived from the filling of posts generated by the replacement of departures or retirements from the previous year, given that, like the newly created posts, in general, they are also covered by the entry remuneration levels of each professional group.

AVERAGE ICO REMUNERATION (EUROS)	2023	2022	% growth	WOMEN 2023	MEN 2023	DIFFERENCE (Women compared to average)
Average remuneration of senior management	101,434	98,150	3.4%	101,275	101,592	-0.2%
Average remuneration Head of Department	88,423	85,755	3.1%	88,377	88,450	-0.1%
Average remuneration Head of Area	70,903	68,561	3.4%	70,068	72,016	-1.2%
Average remuneration ICO Technical staff	49,810	48,846	2.0%	51,118	47,890	2.6%
Average remuneration ICO Administrative staff	38,831	38,129	1.8%	38,824	38,900	0.0%

Note1: For the calculation, the salary expenditure of the President and Senior Management has not been taken into account as this information can be found in section 1.3. Governance and Management Structure. Neither are the training contracts of the First Experience in Administration Programme, which are financed by their specific programme and are governed by their own regulations.

Note 2: The amounts include variable remuneration linked to the achievement of objectives paid in each financial year, remuneration in kind and non-wage remuneration.

Note 3: In all cases the individual increase in monetary remuneration has been at least 3.5% authorised by the LPGE 2023, applied to all remuneration items except for remuneration in kind and non-wage remuneration. However, the % variation in average remuneration is influenced by the incorporation of staff to newly created posts, which have always occurred at entry levels.



MINIMUM ANNUALISED ICO REMUNERATION BY OCCUPATIONAL GROUP (EUROS)	2023	2022	% growth
Entry level Technicians	38,909	37,804	2.9%
Entry level Administrative	26,868	26,102	2.9%

Note: The calculation takes into account the remuneration received by all employees, including the minimum variable remuneration subject to meeting targets.

GRI INDICATORS:

- The President’s salary is 3.2 times the median salary of the rest of the organisation.
- The remuneration increase for the president in 2023 was identical to that of all employees.
- The ratio between the minimum annualised entry level pay and the average pay is (for managers and executives the technical group is used as a reference):

145% for women and 145% for men in administrative groups  
131% for women and 123% for men in technical groups  
180% for women and 185% for men in area headships  
227% for women and 227% for men in heads of departments  
260% for women and 261% for men in managerial positions

ICO	AVERAGE 2023			
	Average ICO	Under 30 years old	Between 30 and 50 years old	Over 50 years old
Senior Management	101,434		101,157	101,618
Women	101,275		100,943	101,773
Men	101,592		101,799	101,541
Department Heads	88,423		88,377	88,450
Women	88,377		87,982	89,561
Men	88,450		89,560	88,265
Area Heads	70,903		68,559	75,122
Women	70,068		67,095	76,013
Men	72,016		70,687	74,104
Technical Staff	49,810	35,154	43,301	60,027
Women	51,118	35,431	44,471	61,856
Men	47,890	34,822	41,436	57,457
Administrative staff	38,831		30,744	40,207
Women	38,824		31,007	40,096
Men	38,900		28,905	41,398
TOTAL ICO	53,304	35,154	49,836	58,569

The average remuneration of the groups reflected in this table in 2023 was 53,304 Euros. Comparatively, this is 3.5 times higher than the Spanish Minimum Interprofessional Wage, which is 15,120 Euros in 2023.





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The average remuneration of the Foundation in 2023 was 41,367 Euros, and that of AXIS was 58,481 Euros. These figures were 40,086.16 Euros and 61,227.93 Euros in 2022, respectively. The difference in the average salary in the Axis workforce is due to an increase in junior profiles. A breakdown is provided for AXIS in 2023, but no breakdown is provided for the Foundation due to its small size, in accordance with data protection regulations.

AXIS	Year 2023
Senior Management	117,237
Intermediate Command	90,273
Technical Staff	40,351
Administrative staff	38,692

AXIS	Year 2023
Men	62,629
Women	60,768

AXIS	Year 2023
Under 30s	22,189
Between 30 and 50 years old	51,710
Over 50 years old	83,667

## SALARY GAP

From the analysis of the salary record data, it can be concluded that **there are no significant salary differences between men and women** at ICO.

In compliance with the provisions of art. 28.2 of the Workers' Statute and Royal Decree 902/2020, of 13 October, on equal pay for men and women, and in line with the commitments made in the 2nd Equality Plan, the ICO has drawn up a salary register at the end of 2023.

This wage register makes it possible to analyse the wage gap between women and men and thus determine whether there is a gender pay gap.

The concept of positions of equal value is reflected in the calculation of the pay gap, which compares the total remuneration received by men and women in positions of equal value at ICO. For this purpose, staff subject to collective bargaining agreements have been classified according to professional group and salary level, following the job structure agreed with the legal representation of workers. With regard to staff excluded from the scope of application of the collective agreement, a distinction was made between middle management, area manager and

department manager posts. Likewise, a comparison has been made of the salaries of management staff (Management, General Management and President's Office).

For each of the above positions, the median of the total pay received by all men and women in these positions is calculated. The pay gap for the job is calculated as the percentage by dividing the difference of the median pay for men minus the median pay for women by the median pay for men. The total pay gap is the weighted average of the pay gaps for each job.

At December 31, 2023, the ICO pay gap for positions of equal value is -1.7%.

The regulations governing the remuneration policy for management and middle management positions are set by the Ministry of Finance and guarantee equal pay for men and women. Likewise, the collective agreement establishes pay levels for staff covered by the agreement (belonging to the professional groups of Technicians and Administrative staff) that guarantee equal pay for people with the same pay level. The promotion of pay levels is linked to performance appraisal.





## 5.4 Work organisation

### Working time arrangements

The collective bargaining agreement determines the working day and hours of staff, who may choose between continuous or split working hours, in accordance with the terms of the agreement itself.

In 2023, the average number of ICO Group employees working split working day regime was 363.4 (94.6% of the group's total). 0.78% of the Group worked a continuous working day and 4.73% worked a reduced working day due to reasons of conciliation for partial retirement, relief contract, and/or care of ascendants or descendants.

ICO GROUP	AVERAGE 2023			AVERAGE 2022		
	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Under 30 years old	Between 30 and 50 years old	Over 50 years old
<b>SPLIT</b>	<b>27.5</b>	<b>146.8</b>	<b>189.1</b>	<b>11.3</b>	<b>142.8</b>	<b>169.9</b>
Women	13.4	91.8	120.3	6.8	92.5	103.0
Men	14.1	55.1	68.8	4.5	50.3	66.9
<b>Senior Management</b>		5.0	10.9		5.0	12.3
Women		4.0	3.0		3.3	3.0
Men		1.0	7.9		1.7	9.3
<b>Middle Management</b>		27.3	23.8		32.2	24.5
Women		17.1	9.0		21.8	8.3
Men		10.3	14.8		10.3	16.2
<b>Technical Staff</b>	27.5	96.9	96.3	11.3	94.1	96.5
Women	13.4	57.1	59.1	6.8	55.8	59.8
Men	14.1	39.8	37.2	4.5	37.3	36.7
<b>Administrative staff</b>		6.6	43.2		12.5	36.6
Women		5.6	39.2		11.5	31.8
Men		1.0	4.0		1.0	4.8

ICO GROUP	AVERAGE 2023			AVERAGE 2022		
	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Under 30 years old	Between 30 and 50 years old	Over 50 years old
<b>CONTINUED</b>			<b>3.0</b>			<b>3.0</b>
Women			1.0			1.0
Men			2.0			2.0
<b>Technical Staff</b>			3.0			3.0
Women			1.0			1.0
Men			2.0			2.0
<b>Administrative staff</b>						
Women						
Men						
<b>REDUCED</b>		<b>8.4</b>	<b>9.8</b>		<b>13.4</b>	<b>8.9</b>
Women		0.0	0.0		12.4	4.3
Men		0.0	0.0		1.0	4.6
<b>Technical Staff</b>		7.4	5.2		11.4	3.9
Women		6.4	1.9		11.4	0.3
Men		1.0	3.3		1.0	3.7
<b>Administrative staff</b>		1.0	16.5		1.0	5.0
Women		1.0	16.5		1.0	4.1
Men		0.0	0.0		-	0.9





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Teleworking has proven to be a key tool in the modernisation and flexibility of work management. For its effective operation, ICO Group is subject to the rules and regulations that govern it in the State Administration. In 2023, ICO Group continues with its Remote Work Plan implemented in 2022 within the framework of energy saving and efficiency measures for the General State Administration and state public sector entities approved by the Council of Ministers Agreement of May 24, 2022. Under this system, after accrediting compliance with the targets set for 2022, ICO Group resolved to implement the maximum regime of up to three days of remote working, as opposed to the maximum of two days allowed in 2022.

At December 31, 2023, 383 employees had joined, of whom 36.1% were men and 63.9% women, or 84.5% of the total staff, an increase of 58 people over the previous year at ICO.

	Employees who are members of the Remote Work Plan		
	No. of applications	Total number of employees (December 31, 2023)	% applications
ICO	361	369	97.8%
AXIS	17	20	85%
FUNDACIÓN ICO	5	7	71%
<b>TOTAL GROUP ICO</b>	<b>383</b>	<b>396</b>	<b>84.5%</b>

## 5.5 Work-life balance

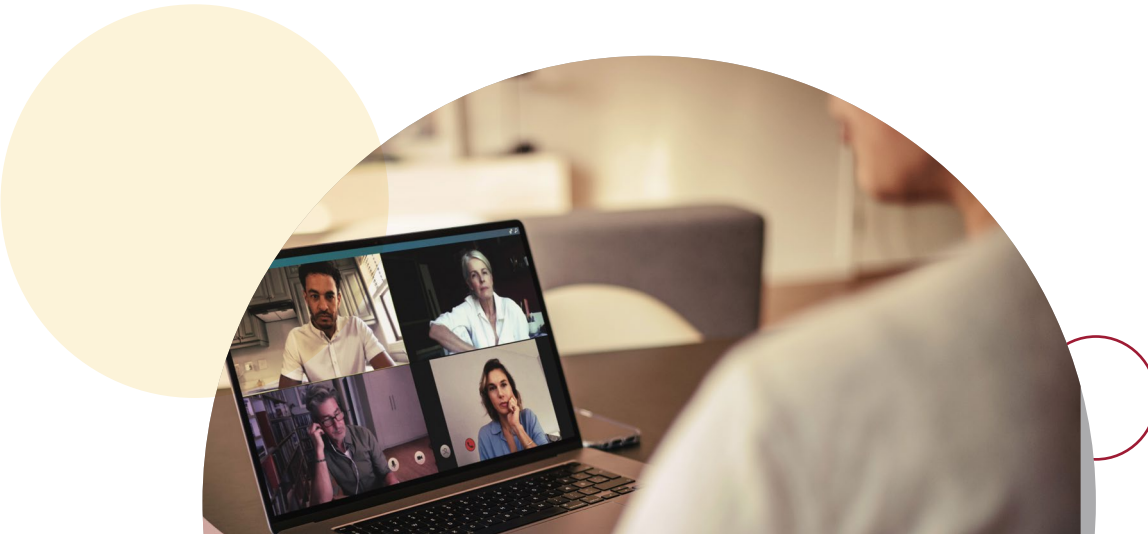
### Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of these measures by parents

The Institute's commitment to work-life balance responds to the search for the well-being of the people who form part of ICO, our main source of value. Work-life balance seeks to balance the achievement of work and private life objectives through flexible formulas that allow for the development and success of both. Therefore, it is not just about paid leave. It is a way of organising the working environment that makes it easier for men and women to carry out their work, personal and family responsibilities.

ICO has been certified as a Family-Responsible Company by Fundación Másfamilia since December 2014, in accordance with the efr 1000-1 standard, a certification that was renewed on December 2022 for an additional period of 3 years, until 2025. This management and work organisation model provides a simple and effective work-life balance methodology and enables progress to be made in the implementation of a social, work and business culture based on flexibility, respect and mutual commitment. In order to effectively implement this model, ICO has an efr Model Work-Life Balance and Equality Management Procedure.

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

- Contribute through its policies to the elimination of barriers that hinder the participation of women and men in their personal lives and in the company's processes.
- To promote a working environment that is compatible with personal development, allowing its professionals to balance the fulfilment of their work responsibilities in a public institution such as the ICO with the needs of their personal and family life.





Below there is a breakdown of the work-life balance measures related to reduced working hours adopted by ICO Group employees in 2023 and 2022 (average figure).

ICO GROUP	AVERAGE 2023			AVERAGE 2022		
	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Under 30 years old	Between 30 and 50 years old	Over 50 years old
Upstream care			1.00			1.0
Administrative staff			1.00			1.0
Women			1.00			1.0
Offspring care		10.42	0.08		12.4	
Administrative staff		1.00	0.08		1.0	
Women		1.00	0.08		1.0	
Technical Staff		9.42			11.4	
Women		8.42			11.4	
Men		1.00			1.0	
Partial retirement			8.67			7.9
Administrative staff			3.50			4.0
Women			3.50			3.1
Men			0.00			1.3
Technical Staff			4.50			3.9
Women			1.25			1.0
Men			3.25			3.7

Note: Data from ICO and Axis, as there is no person with a reduction in the Foundation.

To guarantee and ensure proper compliance with the values and principles that underpin ICO's commitment to conciliation, an external communication channel has been set up so that ICO staff, as an entity certified under the efr model, can express their complaints and claims regarding conciliation directly to the Fundación Másfamilia. The latter guarantees the absolute confidentiality of the information received through this channel. In 2023, the Fundación Másfamilia did not receive any claims or complaints through this channel, as it did in 2022.

ICO has 90 work-life balance measures divided into 8 blocks, 67 of which provide an improvement over current legislation and are therefore considered work-life balance measures of the family-friendly company (efr) certification.

ICO GROUP	Data 2023			Data 2022		
	Men	Women	Total	Men	Women	Total
Total number of employees entitled to parental leave	6	6	12	6	8	14
Total number of employees who have taken parental leave	6	6	12	6	8	14
Total number of employees who have extended their parental leave with parental leave in 2023	0	1	1	1	4	5
Return to work rate (employees who returned to work after parental leave in the year over total number of those who were due to return)(%)	100%	100%	100%	100%	100%	100%
No. of employees who returned to work	6/6	5/5	11/11	5/5	7/7	12/12
Retention rate (employees retained 12 months after return over total number of returnees)(%)	100%	100%	100%	100%	100%	100%
No. of employees retained	5/5	7/7	12/12	7/7	3/3	10/10





ICO also has an ethics channel available to its staff for reporting breaches of its code of conduct and a Compliance Committee that keeps a record of all reports received through the ethics channel or any other means that the person making the report considers appropriate. The Compliance Committee guarantees the confidentiality of the complaints received. In 2023 no complaints were received, during 2022 one complaint was received which was dealt with and resolved in accordance with the procedure.

In 2023, the Group updated the Ethics Channel to comply with the requirements of Law 2/2023 of 20 February, which regulates the protection of persons who report breaches of regulations and the fight against corruption. With these adaptations, the internal reporting channel makes it possible to report, even anonymously, facts that may involve a serious criminal or administrative offence or a breach of EU law, and may be used both by ICO Group employees and by third parties who may be aware of unethical, fraudulent or unlawful conduct within the ICO Group. The law, as well as the Code of Ethics, guarantees that there will be no retaliation against those who use the Ethics Channel in relation to reports of breaches of the internal rules of conduct and conduct that may constitute a criminal or administrative offence. The Works Council was informed of the establishment of this new internal information channel, which is accessible through the external website of the ICO, AXIS and the Foundation.

## Implementing digital disconnection policies in the workplace

In the remote work plan approved in ICO Group in 2022, the right to digital disconnection outside working hours is recognised in accordance with article 88 of Organic Law 3/2018 of 5 December on the Protection of Personal Data and Guarantee of Digital Rights. Following the implementation of the remote working regime, in 2023 the **digital disconnection policy** was created and approved and announced on the intranet, including the principles of action and a decalogue of good practices for better management of working time and respect for rest time.

### The purpose of this policy is to:



The establishment of measures to ensure **respect for their rest time** leave and holidays.



Respect for **their personal** and family **privacy**.



**Promoting the reconciliation** of work and personal and family life.



Optimising the **occupational health** of all workers.



## 5.6 Security and health

According to the World Health Organisation (WHO), a healthy company is one where management and employees work together to develop continuous improvement processes to protect and promote occupational health, safety and well-being.

In this sense, ICO Group understands that a healthy organisation is one that, understanding the importance of health for the proper functioning of its activity, makes systematic, planned and proactive efforts to improve the organisation and design of workplaces, operational processes and the strategy of work-life balance, health and safety at work. In this way, employee wellbeing is positioned as a strategic element of strength, essential for the achievement of company objectives.

This is reflected in the Safety, Health and Wellbeing Policy approved by ICO Group in 2023, which develops the commitments established at the highest level in the Sustainability Policy, which includes occupational health and safety as a commitment to employees.

The ICO Group's Health, Safety and Wellbeing Policy defines ICO's general principles in this area, taking as a reference the recognition of good practices established by international guidelines (WHO), the EU's strategic framework for health and safety at work 2021-2027 and the Spanish Strategy for Health and Safety at Work 2023-2027, as well as the Sustainable Development Goals, specifically SDG 3, referring to health and well-being, with the aim of ensuring the health, safety and well-being of ICO professionals, promoting healthy lifestyles and creating long-term value, both for employees and their families, as well as for society in general.

The policy develops the ICO Group's corporate action principles on human resources, aligning ICO's concern for the health and well-being of its employees with the EU Strategic Framework for Health and Safety at Work 2021-2027 and its three main axes:

- Anticipate and manage the shift to new jobs and occupations resulting from the ecological, digital and demographic transitions.
- Improve the prevention of accidents and illnesses in the workplace.
- Increase preparedness for possible future health crises.

Furthermore, ICO Group understands that it is the responsibility of everyone, staff, employees and management, to contribute to building and maintaining an environment of health, safety and well-being. Accordingly, the Health, Safety and Wellbeing Policy sets out the following general objectives:

- To achieve a healthy working environment and well-being that allows employees to carry out their work in the best physical, psychological and social conditions, promoting the participation of its employees and worker representation through the channels provided.
- To achieve an optimal level of occupational safety beyond mere compliance with occupational risk prevention regulations.

The management of health and safety in the workplace affects 100% of the workforce, and is developed through two main lines of action: (A) technical prevention referring to the specialities of occupational safety, industrial hygiene, ergonomics and applied psycho-sociology, which includes occupational risk assessments,

action plans to eliminate or minimise the risks detected, monitoring the implementation of action plans, the preparation and implementation of emergency and evacuation plans, health and safety training and the coordination of preventive activities; and B) occupational medicine, with the performance of medical examinations of personnel, the protection of particularly sensitive employees and the adaptation of work stations with specific ergonomic material, as well as programming preventive activities and campaigns with the aim of maintaining and improving the health of workers and promoting the development of both a preventive culture and healthy habits among the workforce.

During 2023, the prevention service was carried out with the collaboration of two companies: the MPE Group during the first half of the year and the Preving Group during the second half. Since June 2023, we have unified the external prevention service for the entire Group. There is a procedure for the coordination of business activities in compliance with R.D. 171/2004, which details the functions and measures to be adopted in the relationship with companies for the prevention of occupational risks.



Control of health and safety at work is the responsibility of the Health and Safety Committee, made up of 3 representatives from the Company and 3 from the Workers' Legal Representation, and by the Medical Service (company doctor) and the External Prevention Service (prevention technician). The Health and Safety Committee meets quarterly. In 2023, 4 meetings were held, recorded in minutes, which dealt with issues related to the appointment of alarm and evacuation teams and first intervention teams, training in occupational risk prevention for office staff (including teleworking) and accidents at work. This body participates in the elaboration, implementation and evaluation of risk prevention plans and programmes in the company. No major injury risks have been identified and no such events have occurred. Workers can report any risks or incidents directly to HR or through union representatives.

In 2023, 208 medical examinations were performed in the ICO Group, representing 54% of the Group's average workforce. This represents an increase of 15 check-ups compared to the previous year. In addition, a course entitled "prevention of occupational risks for office staff" was given to 64 people and "a practical course on fire prevention and handling fire extinguishers" was given to 17 people, all of them from ICO.

On the other hand, as part of its commitment to the health of its employees, ICO Group has a medical service available to all its employees at the work centre, from Monday to Friday mornings, for medical, nursing and physiotherapy consultations. The health service for the medical care of ICO staff is authorised by the Health Department of the Community of Madrid. This measure promotes health care, conciliation, flexibility and the reduction of absenteeism by facilitating medical consultation and assistance for ICO staff in the workplace.

During the year 2023, 760 assistances have been provided, which means an average of 63 assistances per month, 29% to men and 71% to women. Of the assistances, 51% were provided by the medical professional, 36% by the nursing professional and 13% by the physiotherapist. An average of 51 workers per month have been assisted. By type of assistance, 69.9% was due to common illness, 0.2% to non-occupational accidents and the remaining 29.9% to health campaigns.

During the year 2022, 1,565 assistances have been provided, which means an average of 130 assistances per month, 32% to men and 68% to women. Forty-eight percent of the assistance was provided by medical professionals, 42% by nurses and 10% by physiotherapists. An average of 82 workers per month

have been assisted. By type of assistance, 84% was due to common illness, 1% to non-occupational accidents and the remaining 15% to health campaigns.

Two health campaigns were carried out in 2023, one for seasonal flu vaccination and the other for health promotion to prevent cardiovascular risk. These campaigns, aimed at the entire workforce, benefited 117 professionals and 66, respectively.

In addition, ICO collaborates annually in the blood donation campaign promoted by the Red Cross. In 2023, two campaigns were held, one on March with 41 donors and another on September with 34, a total of 75 volunteers who were able to donate blood at the work centre. This contributed to improving the lives of 225 people, as each donation saves 3 lives.

## Sick leave and absenteeism

On the other hand, 4,383 days of sick leave were recorded, 82.2% for common illness, 15.6% for maternity or paternity and 1.6% for accidents.

In addition, there were 2 occupational accidents, 1 of which was in itinere, both involving women, with medical leave. Due to the nature of the ICO Group's activities, there is no risk of occupational illnesses as defined in current legislation, as assessed by the prevention service.

The number of absence hours recorded in 2023 was 32,173 (in 2022 it was 26,442), bringing the absence rate at ICO to 4%. This is a decrease from 5% in 2022.





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ICO	2023			2022		
	Total	Men	Women	Total	Men	Women
Number of days off work	4,383	1,642	2,741	4,368	1345	3023
Number of absence hours	32,173	10,140	22,033	26,442	5,899	20,543
Number of total occupational accidents	2	0	2	6	1	5
Number of occupational accidents in itinere	1	0	1	6	1	5
Number of occupational accidents requiring time off work	2	0	2	2	0	2
Frequency rate (%)	3.31	0	3.31	0	0	0
Incidence rate (%)	0.56	0	0.56	0.62	0	0.62
Severity rate (%)	0.32	0	0.32	0.24	0	0.24
Absenteeism rate (%)	4	3.75	4.71	5	3	6

Note: Frequency rate = number of lost time accidents per million hours worked.  
Severity rate = number of days lost out of 1 million hours worked.  
The frequency rate does not include accidents on the way to and from work. The calculation is based on one million hours.  
At AXIS and Fundación ICO, there were no occupational accidents or occupational diseases in 2023.

Health certifications

During 2023, ICO has been preparing intensively for the ISO45001 Occupational Health and Safety certification, which it expects to obtain during 2024 and thus integrate all ISOs obtained into a single Management System.

5.7 Social relations

Organisation of social dialogue

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

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

In order to carry out its functions, the ICO has provided the Works Council with its own physical space to meet and store documentation, as well as its own e-mail address to receive queries and a space on the intranet to publish its information.





## Procedures for informing, consulting and negotiating with staff through their representatives. Implementation of the Collective Bargaining Agreement

- **Percentage of employees covered by collective bargaining agreements by country**

At present, the VI Collective Bargaining Agreement remains in force, published in the BOCM on January 11, 2014 ([http://w3.bocm.es/boletin/CM\\_Orden\\_BOCM/2014/01/11/BOCM-20140111-3.PDF](http://w3.bocm.es/boletin/CM_Orden_BOCM/2014/01/11/BOCM-20140111-3.PDF)), which applies only to ICO staff and whose scope of application is the Community of Madrid, where the work centre is located.

Social benefits are stipulated in the Collective Bargaining Agreement and apply to all staff on equal terms, and there is no distinction by type of working day.

The Agreement applies to 82% of the ICO staff, excluding the President, the management team and the professional group of middle managers, whose employment relationship is governed by the terms of their individual contracts.

- **Review of collective agreements, particularly in the field of occupational health and safety at work**

The ICO Works Council has 13 members. On March 29, 2023, elections to the Works Council were held, with 71% of the ICO staff participating. As a result, the Committee consisted of 3 different trade union sections and 13 members. 31% of the Works Council members are women.

During 2023, 8 meetings of the Joint Commission and the Health and Safety Committee were held and documented in the minutes. In addition, roundtables were set up with employee representatives to address issues relating to the working conditions of greatest concern to the workforce.

## Mechanisms and procedures to promote employee involvement in terms of information, consultation and participation.

With regard to the existing means of informing staff, the ICO, in addition to sending general and personalised communications by e-mail, has a channel for announcements, new developments and news related to the institution's activity on its intranet. The intranet also contains all applicable internal regulations, as well as information on training, work-life balance, the works council, institutional and other activities. All employees are encouraged to participate in the evolution of the institution, either by commenting on the news published or by making suggestions in the Contribute Your Idea channel. In addition, the employee portal has been revamped and allows more interaction between the company and employees for the communication of requests and visibility of training.

In addition, the Presidency holds meetings open to all staff to explain matters of general interest such as the Strategy, results or the management of European funds. The last meeting of this type was held on November 2023 to explain the role of the ICO in the management of the European funds of the Recovery and Resilience Mechanism, giving staff the opportunity to ask questions.

Unit managers maintain a constant open dialogue with employees to receive their concerns, which is formalised annually through performance appraisal and Management by Objectives interviews, where impressions, expectations and other work-related issues can be discussed, in addition to the quarterly monitoring of progress in meeting objectives.

In addition, regular surveys are also conducted, for example on the Group's material topics or on satisfaction with work-life balance measures. In the area of training, there is a training coordinator in each Directorate-General as a point of reference for employees and an interlocutor with HR to convey the training needs of the teams, and satisfaction surveys are conducted on the training courses given.



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## 5.8 Training

### Policies implemented in the field of training

Training and empowering staff is key to contributing to Sustainable Development Goal 8: “Decent work and economic growth”. ICO Group promotes the improvement of knowledge, skills and abilities of its human and intellectual capital and, at the same time, in accordance with its mission to promote the growth and development of the country, it responds to the training needs of other groups, such as young people and people with intellectual disabilities, to achieve their integration into the labour market.

This commitment of ICO Group to professional development and training is included in the Sustainability Policy, and is materialised in the Training Policy and in the Training Plan on which planned and unplanned training actions are developed annually in response to needs identified throughout the year.

In 2023, ICO Group has reinforced its demanding level of staff training hours, which has been increased by 6% compared to 2022. This has increased from 16,083 to 17,022 hours from 2022 to 2023, respectively. The investment has increased by 38%, from 115,052 to 159,121 Euros from 2022 to 2023, respectively.

This commitment to the professional development of ICO’s human and intellectual capital is reflected in the fact that investment in training represents 1.42% of ICO’s salary expenditure in 2023 compared to 1.10% of ICO’s salary expenditure in 2022. The same can be seen in the average number of hours per employee, which stands at 44 hours in 2023 compared to 42 hours in 2022, 10% more than in 2022 for the ICO Group.

The Training Plan includes the training objectives for the number of hours and investment in: training in sustainability, in the Systems Plan, on-the-job training related to the ICO’s activity and regulations, language learning and improvement, and the development of personal skills useful for the job.

In line with the Training Plan, this year’s highlights were, in this order, on-the-job training, language training and training in sustainability. The Systems Plan, which focuses on training in new technologies, was also maintained in order to help the team adapt to the new technological tools needed to implement the projects developed by the ICO.

In 2023, there has been an increase in the investment dedicated to the workplace, which represents 42% compared to 16% the previous year, while investment in language learning and improvement has decreased to 37% of the investment, 15% has been allocated to training in sustainability compared to 7% in 2022, 3% to training in the Systems Plan, which remains stable compared to 2022, and 2% to training in skills and postgraduate training and certifications.

DISTRIBUTION OF TRAINING HOURS BY OCCUPATIONAL GROUP - GROUP ICO						
HOURS	2023	2022	WOMEN 2023	MEN 2023	Hours per person (total)	Hours per person (women)
Directors	694.86	758	279.85	415.01	40.87	39.98
Middle management	2,272	1,693	1,138.02	1,133.73	39.17	35.56
Technicians	11,903	11,458	7,404.59	4,498.9	47.61	49.70
Directors	1,272	2,050	1,264.86	7	21.56	23.87
Scholars	70	124	31	39		
TOTAL	16,212	16,083	10,118	6,094		





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## DISTRIBUTION OF INVESTMENT IN TRAINING BY TRAINING AXIS - ICO GROUP

EUROS	2023	2022	Variation s/2022	WOMEN	MEN
Languages	58,595	74,384	-21%	42,275	16,320
On-the-job training	67,184	18,966	254%	46,571	20,613
Sustainability	24,540	8,003	207%	17,543	6,998
Systems plan	5,177	3,600	44%	1,234	3,943
Skills training	1,646	327	403%	1,645.6	0
Academic training, postgraduate studies and certification	1,979	9,772	-80%	266	1,713
<b>TOTAL</b>	<b>159,121</b>	<b>115,052</b>	<b>38%</b>	<b>109,534</b>	<b>49,587</b>

The differences between women and men must be interpreted in relation to the weight of each sex in the overall workforce or category.

Lastly, it should be noted that ICO Group plans to provide voluntary access to the training activities contained in its Training Plan to professionals who are on childbirth and childcare leave, breastfeeding leave or leave of absence to care for children or family members, so that absence is not a barrier to professional progress. In fact, of the 12 people who took any of these leaves in 2023, 75% of the professionals took part in some training activity during this period.

## 5.9 Universal accessibility of persons with disability

### Accessibility for people with disabilities

ICO Group has facilities, tools and workstations adapted to allow accessibility for people with reduced mobility or other types of functional disability who carry out their professional activity at ICO or who visit the facilities. Thus, there are 5 people with recognised disabilities (functional diversity/physical disability) on the staff, 80% of whom are women. In addition, in 2023, we have a person with a disability on a grant from the A LA PAR Foundation.

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

The ICO corporate portal is designed to comply with [Royal Decree 1112/2018](#), of 7 September, on Accessibility of Public Sector Websites and Applications for Mobile Devices. A practical and accessible corporate portal is made available to society, guaranteeing access to the information and services on its pages to all users without restriction due to disability, medium or context through which this portal is accessed.

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





## Integration of people with disabilities

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

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

Since the collaboration with the ALAPAR Foundation began, ICO has taken in 14 students; 7 have found employment, 3 of them are preparing for competitive examinations and the rest are continuing their training to improve their employability.

## 5.10 Equality and diversity

### Equality

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

The above sections show the breakdown of the workforce by gender, and how women have a greater participation in practically all professional groups. In terms of female representation on governing bodies, the ICO General Council (50% women and 50% men), the Council of Directors of AXIS (50% women and 50% men) and the Council of Trustees of the Fundación ICO (40% women and 60% men) stand out.

## Managing diversity and combating inequalities and discrimination

- **Measures for the empowerment of women.**

In the fourth year of the II Equality Plan, approved at the end of 2019, actions were carried out in the seven axes that structure the Plan. Of the 45 measures included in the II Equality Plan, 43 (96%) have been fulfilled by 2023 and another 2 are in progress. In total, more than 100 actions have been carried out, and the number of actions carried out in previous years of the Plan has been greatly surpassed. In 2023, the negotiating table for the III Equality Plan was set up, with the aim of approving it in 2024.

In 2020, ICO joined the Where Are They? Manifesto, an initiative launched by the European Parliament to promote and enhance the presence of women in discussion forums and conferences. During 2023, ICO participated in 231 conferences as a speaker (both in person and online), organised in collaboration with various institutions, sectoral associations and collaborating agents, covering the whole of Spain. Of the total number of conferences, the President of ICO participated as a speaker in 63 of them. In the remaining 255 conferences, 149 women participated in representation of the ICO (58%).

- **Protocols against sexual and gender-based harassment.**

With regard to the prevention of sexual and gender-based harassment, the 2nd ICO Equality Plan has a procedure against harassment in the workplace available to all employees that specifically incorporates the prevention of sexual and gender-based harassment. To date, this has not been activated at any time. No complaints have been received regarding discrimination.

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





- **Measures taken to promote employment.**

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

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

In addition, the Instituto de Crédito Oficial has signed a collaboration agreement with the SEPI Foundation whose objective is to organise and develop a programme of practical training scholarships in the work centres of the ICO Group, under the supervision of suitable tutors, aimed at young people with recent university degrees in order to facilitate and prepare them for their access to the world of work, ensuring that they acquire practical knowledge, maturity, employability, status and vision of the business world. In 2023, ICO Group welcomed 24 scholarship holders from the SEPI Foundation, whose scholarships have a maximum duration of 18 months.

At the end of the fellowship, the ICO conducts a survey to find out their degree of satisfaction. In 2023, the average level of satisfaction of the scholarship holders who completed their scholarship at ICO was 8.24 out of 10, highlighting the success of the programme. Many of them, after completing their scholarship, participate in the selection processes published by ICO Group to hire permanent staff. In fact, in the last three ICO job offers, 8 of the selected candidates were previously ICO scholarship holders at Fundación SEPI.

Collaterally, there are further advantages in broadening the framework of participation in the company by involving the professionals in the successful implementation of the Fellowship

Programme. Although some act as tutors and others as trainers, all can have the opportunity to participate in the orientation and integration of the trainees. In addition to the practical training, they are offered the possibility of attending training actions tailor-made for ICO staff if places are available.

During 2023, 18 young people have had the opportunity to join the "First Professional Experience Programme in Public Administrations", a grant obtained by the ICO within the framework of the Transformation and Resilience Recovery Plan, whose purpose is to promote the hiring of young unemployed people in the form of a 12-month internship contract, so that they can acquire their first experiences in public employment, and training for the job, as well as develop social and professional skills and competences. Of these, 44% (8/18) are women.

All of this is part of ICO's social commitment to offer real opportunities for the integration of young people into the labour market by increasing their employability.





## 6. ABOUT THE REPORT

This **Non-Financial Information Statement** is part of the Management Report of the Consolidated Financial Statements of the ICO Group, in accordance with article 44.1 and 6 of the Commercial Code, as amended by Law 11/2018 on Non-Financial Information and Diversity.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) standard for the preparation of sustainability reports, as well as taking into account the reference frameworks described throughout the document and, in particular, the Sustainable Development Goals. The GRI methodology allows reporting on the most relevant issues in relation to the sustainability of the company and its management.

Point 8 of the document details in table form the concordance of the different reporting requirements of GRI, Law 11/2018, the Global Compact Principles and their relationship with the SDGs.

For the drafting of the Non-financial information statement, information has been gathered from all available and timely internal and external sources, and internal organisational documents such as the Strategic Plan, relevant Policies and Procedures, as well as all internal reporting and monitoring information have been taken into account to give a true picture of the company's performance in terms of sustainability and social responsibility.





## SCOPE AND APPROVAL

The Non-financial information statement forms part of the management report of the consolidated financial statements of ICO Group and therefore follows the same approval procedure, i.e. it is drawn up by the President on March each year and subsequently approved by the Operations Committee, the highest governing and management body of the ICO Group, and endorsed by the General Council in its capacity as the Institute's highest governing body.

The information in this document refers, inter alia, to the sustainability performance of ICO Group in a broad sense between January 1 and December 31, 2023, based on the materiality study described in section 1.4. Wherever possible, the data has been provided on a consolidated level. Where the information does not refer to all the companies included in the scope, this is expressly stated. This report is prepared on an annual basis.

## PRINCIPLES FOR THE PREPARATION OF THE NON-FINANCIAL INFORMATION STATEMENT

The principles set out in the European Commission's guidelines (2017/C 215/01) have been taken into account in the preparation of this NFIS, in particular the principles that the information disclosed should be meaningful; accurate, balanced and understandable; and complete but concise.

In this respect, the ICO Group's NFI contains the information necessary to understand its evolution, results and situation, as well as the impact of its activity, relating at least to environmental and social issues, as well as to personnel, respect for human rights and the fight against corruption and bribery. The non-financial information provided gives a true and fair view of the issues developed, providing information that is comparable with other entities or with previous years where appropriate.

Likewise, the content of the non-financial information statement has been defined taking into account

the stakeholders and the material aspects identified. In this respect, ICO Group has carried out a materiality study through an exhaustive process of internal and external analysis to identify the relevant aspects. The study has been carried out from a dual materiality and impact assessment perspective, and includes the different aspects ordered by priority, with more specific explanations as to why they are relevant.

The ICO Group's financial statements and financial information have been audited by the General State Comptroller's Office (Intervención General de la Administración del Estado, IGAE) through Mazars Auditores, S.L. In relation to the Non-financial information statement, ICO Group has submitted its content to verification by independent experts in order to increase the confidence of stakeholders, having also been carried out by Mazars Auditores, S.L. During the verification process, it has been verified that the non-financial indicators selected by ICO Group comply with the principles of comparability, materiality, relevance and reliability and the information is accurate, comparable and verified by an independent verification service provider. The independent assurance report, which includes the objectives and scope of the process, as well as the review procedures used and its conclusions, is attached as an annex to this report.

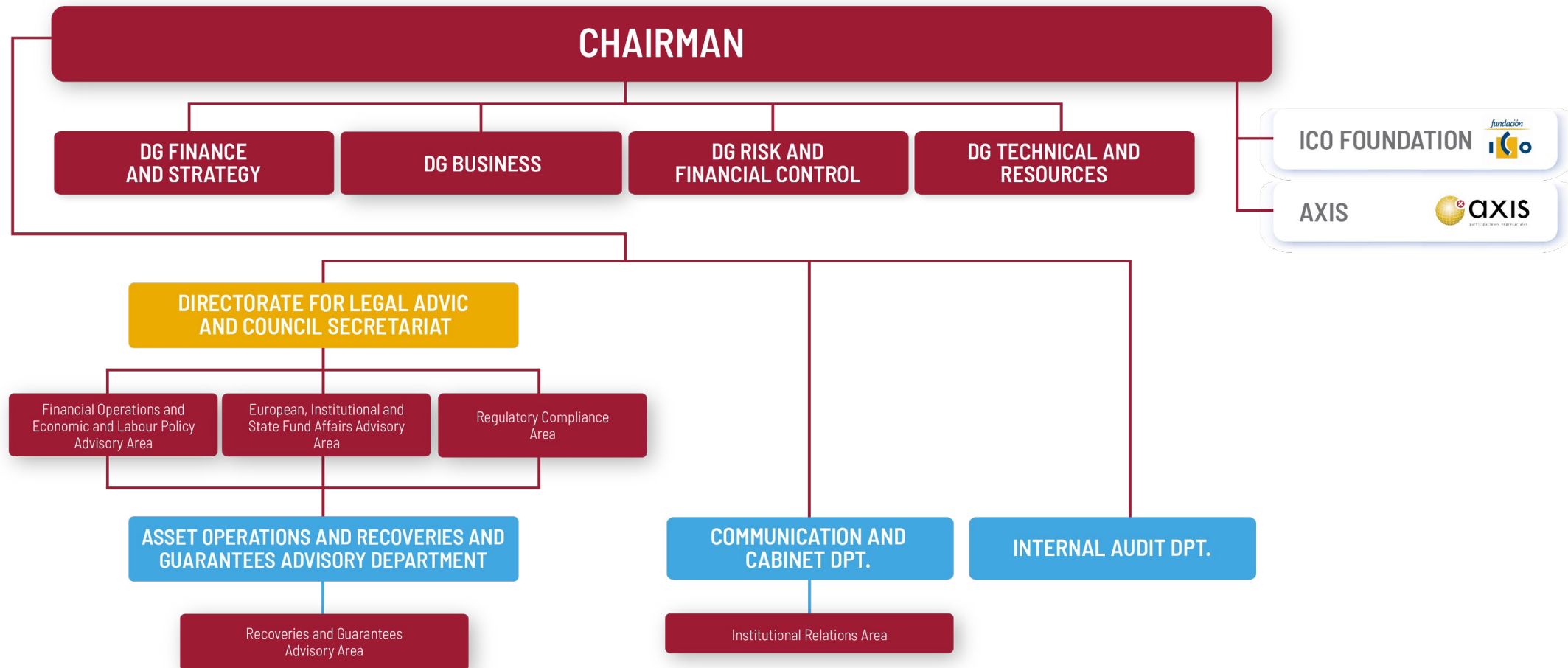
## CONTACT

For any questions regarding the content of this report, please contact:  
[estudios.evaluacion@ico.es](mailto:estudios.evaluacion@ico.es).



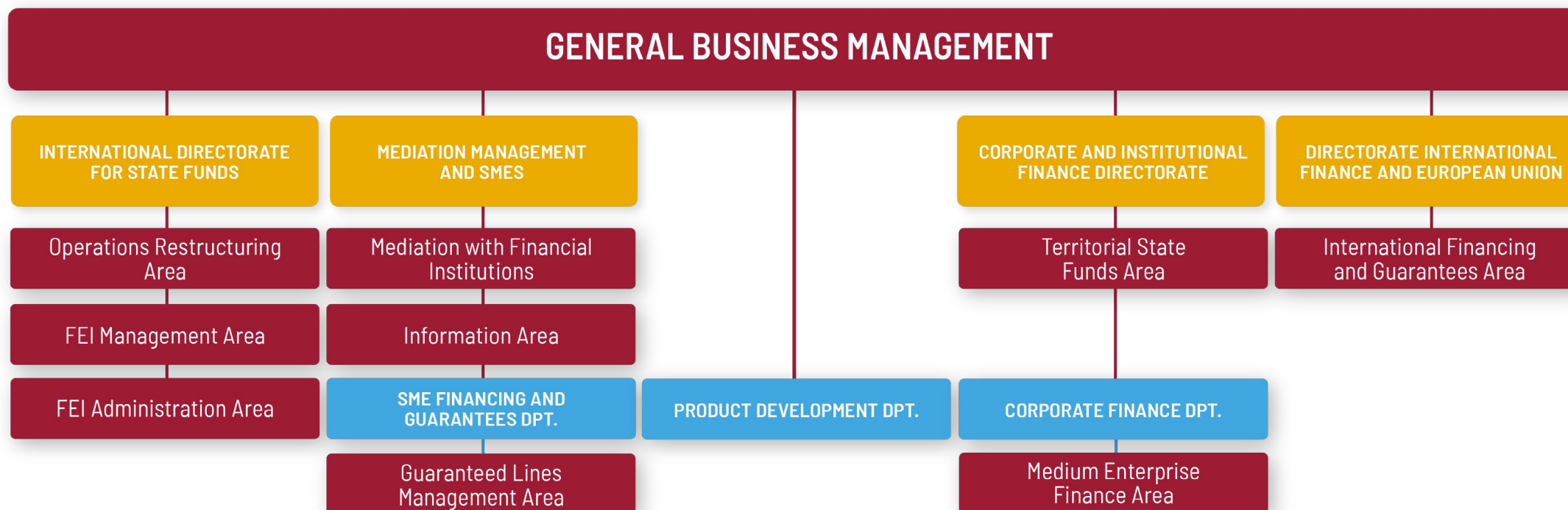
## 7. ORGANISATION CHART

The organisational structure of ICO Group entities is as follows:

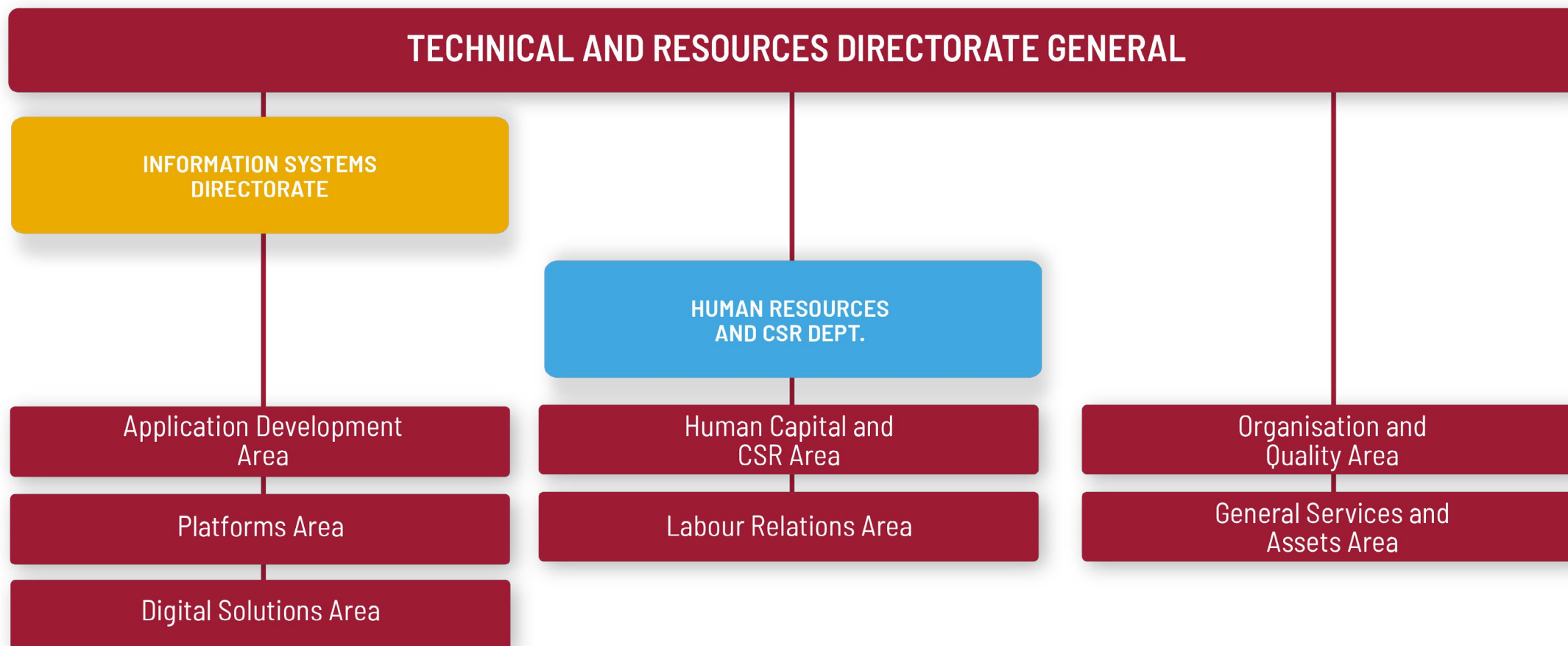


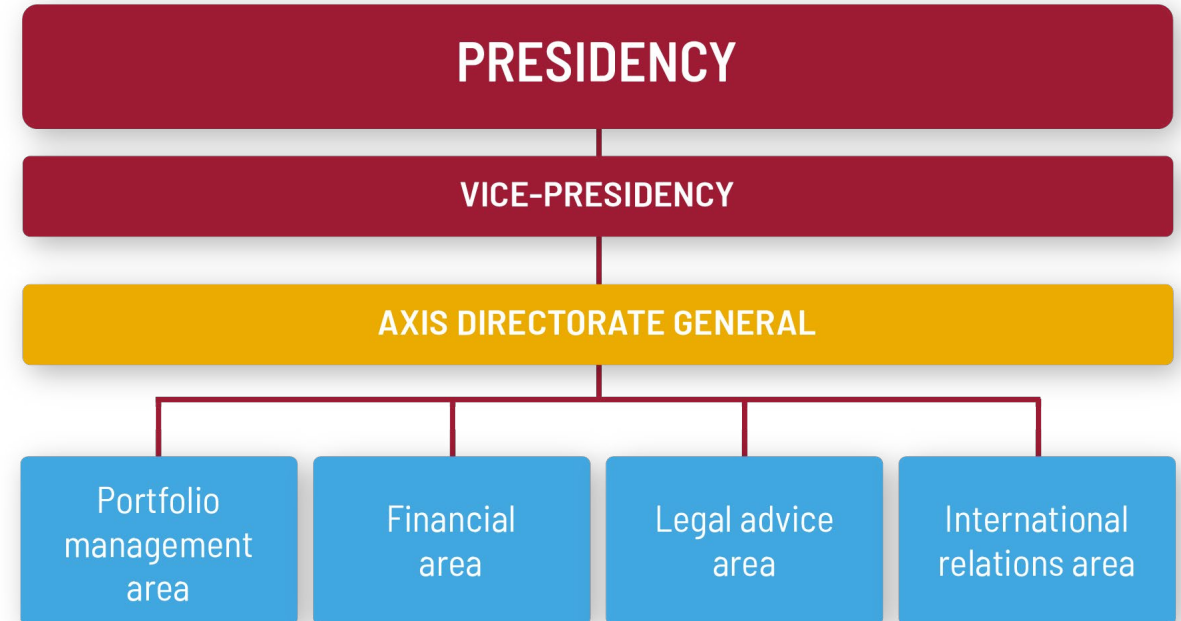














## 8. TABLE OF CONTENTS LAW 11/2018 AND GRI

Table of contents Law 11/2018		
	Description Law 11/2018	Chapter
Business Model	<ul style="list-style-type: none"><li>- Brief description of the group's business model.</li><li>- Business environment.</li><li>- Organisation and structure.</li><li>- Markets in which it operates.</li><li>- Objectives and strategies.</li><li>- Factors and trends that may affect its future development.</li></ul>	1. ICO Group, its strategy and its environment
Applied Policies	<ul style="list-style-type: none"><li>- Policies applied by the group on non-financial aspects, due diligence procedures applied and measures taken.</li><li>- Results of these policies accompanied by non-financial key performance indicators.</li></ul>	4.3. Specific ethics and responsible management tools. 4.4 Main internal management results.
Main Risks	<ul style="list-style-type: none"><li>- Main risks related to non-financial aspects linked to the group's activities.</li><li>- Procedures used to identify, assess and manage these risks.</li><li>- Impacts identified on the main risks in the short, medium and long term.</li></ul>	4.1. Risk management: identification and monitoring. 4.2. General instruments for ethics and responsible management.
Non-Financial KPIs	<ul style="list-style-type: none"><li>- Reference in the report to the national, European or international reporting framework used for the selection of non-financial key performance indicators that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability.</li></ul>	1.4. Materiality analysis. 2.1. Reference frameworks. 2. Our model of value contribution to the society: promoting sustainable growth. 6. About the report.
Environmental Management	<ul style="list-style-type: none"><li>- Current and foreseeable environmental, health and safety impacts of the company's activities.</li><li>- Environmental assessment/certification procedures.</li><li>- Resources devoted to the prevention of environmental risks.</li><li>- Application of the precautionary principle.</li><li>- Amount of provisions and safeguards for environmental risks.</li></ul>	4.1 Risk management: identification and monitoring. 4.4. Main internal management results.
Pollution	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution.	4.4.3. Pollution. Emissions. Internal carbon footprint.

Circular Economy and Waste Prevention and Management	<ul style="list-style-type: none"><li>- Measures for prevention, recycling, reuse, reuse or other forms of waste recovery and disposal.</li><li>- Actions to combat food waste.</li></ul>	4.4.2. Circular economy and waste management.
Sustainable Use of Resources	<ul style="list-style-type: none"><li>- Water consumption and water supply according to local constraints.</li><li>- Consumption of raw materials and measures taken to improve efficiency of their use.</li><li>- Direct and indirect energy consumption.</li><li>- Measures taken to improve energy efficiency.</li><li>- Use of renewable energies.</li></ul>	4.4.1. Responsible use of natural resources. 4.4.2. Circular economy and waste management. 4.4.3. Pollution. Emissions. Internal carbon footprint.
Climate Change	<ul style="list-style-type: none"><li>- Significant elements of GHG emissions generated as a result of the company's activities, including the use of the goods and services it produces.</li><li>- Measures taken to adapt to the consequences of climate change.</li><li>- Voluntary medium- and long-term reduction targets set to reduce GHG emissions.</li><li>- Means implemented to reduce GHG emissions.</li></ul>	2.4. Promoting sustainability in our activity as funders. 4.4.1. Responsible use of natural resources. 4.4.3. Pollution. Emissions. Internal carbon footprint.
Protection of Biodiversity	<ul style="list-style-type: none"><li>- Measures taken to conserve or restore biodiversity.</li><li>- Impacts caused by activities or operations in protected areas.</li></ul>	2.4. Promoting sustainability in our activity as funders. 4.4.1. Responsible use of natural resources.





Table of contents Law 11/2018		
	Description Law 11/2018	Chapter
Employment	<ul style="list-style-type: none"><li>- Total number and distribution of employees by gender, age, country and job classification.</li><li>- Total number and distribution of employment contracts, average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and job classification.</li><li>- Number of dismissals by gender, age and job classification.</li><li>- Average remuneration and its evolution broken down by gender, age and job classification,</li><li>- Average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments disaggregated by sex.</li><li>- Implementation of policies to disconnect from work.</li><li>- Employees with disabilities.</li></ul>	<ul style="list-style-type: none"><li>5.1. Payroll information.</li><li>5.2. Contract modalities.</li><li>5.3. Average remunerations and salary gap.</li><li>1.3. Governance structure and management.</li><li>5.5 Work-life balance.</li><li>5.9. Universal accessibility of persons with disability.</li></ul>
Work organisation	<ul style="list-style-type: none"><li>- Organisation of working time.</li><li>- Number of hours of absenteeism.</li><li>- Measures aimed at facilitating the enjoyment of work-life balance and encouraging co-responsibility of both parents.</li></ul>	<ul style="list-style-type: none"><li>5.4. Work organisation.</li><li>5.5. Work-life balance.</li><li>5.6. Security and health.</li></ul>
Health and Safety	<ul style="list-style-type: none"><li>- Health and safety conditions at work.</li><li>- Accidents at work (frequency and severity) and occupational diseases, disaggregated by sex.</li></ul>	<ul style="list-style-type: none"><li>5.6. Security and health.</li></ul>
Social Relations	<ul style="list-style-type: none"><li>- Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.</li><li>- Percentage of employees covered by collective agreements by country.</li><li>- Balance of collective agreements, particularly in the field of occupational health and safety at work.</li><li>- Involvement of workers in the management of the company (Law 5/2021).</li></ul>	<ul style="list-style-type: none"><li>5.7. Social relations.</li></ul>

Training	<ul style="list-style-type: none"><li>- Policies implemented in the field of training.</li><li>- Total number of hours of training by professional category.</li></ul>	5.8. Training.
Universal Accessibility Persons with Disabilities	Measures implemented by the organisation to facilitate accessibility (physical and digital) for persons with disabilities.	5.9. Universal accessibility of persons with disability.
Equality	<ul style="list-style-type: none"><li>- Measures taken to promote equal treatment and equal opportunities between women and men.</li><li>- Equality plans.</li><li>- Measures taken to promote employment.</li><li>- Protocols against sexual and gender-based harassment.</li><li>- Integration and universal accessibility of persons with disabilities.</li><li>- Anti-discrimination and diversity management policy.</li></ul>	5.10. Equality and diversity.
Respect for Human Rights	<ul style="list-style-type: none"><li>- Implementation of human rights due diligence procedures.</li><li>- Prevention of risks of human rights abuses and measures to mitigate, manage and redress possible abuses.</li><li>- Reporting of human rights abuses.</li><li>- Promotion and enforcement of the provisions of the International Labour Organisation's core conventions related to respect for freedom of association and the right to collective bargaining.</li><li>- Elimination of discrimination in respect of employment and occupation.</li><li>- Elimination of forced or compulsory labour.</li><li>- Effective abolition of child labour.</li></ul>	3.2.1. Human rights.
Combating Corruption and Bribery	<ul style="list-style-type: none"><li>- Measures taken to prevent corruption and bribery.</li><li>- Measures taken to combat money laundering.</li><li>- Contributions to foundations and non-profit entities.</li></ul>	<ul style="list-style-type: none"><li>3.2.1. Human rights.</li><li>3.2.5. Corporate volunteering.</li><li>3.2.6. Results, tax and subsidy information.</li><li>4.3. Specific ethics and responsible management tools.</li></ul>



	Table of contents Law 11/2018	
	Description Law 11/2018	Chapter
Company Commitments to Sustainable Development	<ul style="list-style-type: none"><li>- Impact of the company's activity on employment and local development.</li><li>- Impact of the company's activity on local populations and on the territory.</li><li>- Relations maintained with local community stakeholders and the modalities of dialogue with them.</li><li>- Partnership or sponsorship actions.</li></ul>	<ul style="list-style-type: none"><li>2.2. Its financial activity: supporting the productive fabric.</li><li>2.3. Positive macroeconomic impact in the Spanish economy.</li><li>2.4. Promoting sustainability in our activity as funders.</li><li>3.1. Fundación ICO. Promoting culture and knowledge.</li><li>3.2.4. Partnership with sustainability associations.</li><li>3.2.5. Corporate volunteering.</li></ul>
Subcontracting and Suppliers	<ul style="list-style-type: none"><li>- Inclusion in procurement policy of social, gender equality and environmental issues.</li><li>- Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.</li><li>- Monitoring and auditing systems and audit results.</li></ul>	<ul style="list-style-type: none"><li>3.2.2. Suppliers.</li></ul>
Consumers	<ul style="list-style-type: none"><li>- Consumer health and safety measures.</li><li>- Complaints systems, complaints received and resolution of complaints.</li></ul>	<ul style="list-style-type: none"><li>3.2.3. Customers.</li></ul>
Tax Information	<ul style="list-style-type: none"><li>- Profits earned country by country.</li><li>- Taxes on profits paid.</li><li>- Public grants received.</li></ul>	<ul style="list-style-type: none"><li>3.2.6. Results, tax and subsidy information.</li></ul>





## GRI Content Index with references to Global Compact Progress Report and SDGs

Declaration of use	ICO Group has prepared the report in accordance with the GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 used	GRI 1: 2021 Fundamentals
Applicable GRI Sector Standards	Not applicable as there is no sectoral standard developed for the banking sector.

Standards GRI	Description	Ref. Global Compact Progress Report	Ref. SDG	Chapter / Link / Omissions
General Contents				
The organisation and its reporting practices				
GRI2: General contents 2021	GRI 2-1	Organisational details	General information	1.1. Composition – pag.4 1.2. Nature and Functions – pag.4
	GRI 2-2	Entities covered by sustainability reporting	General information	1.1. Composition – pag.4 6. About the report – pag.134
	GRI 2-3	Reporting period, frequency and contact point	General information	6. About the report – pag.134
	GRI 2-4	Updating of information	General information	4.4.3. Pollution, Emissions, Internal carbon footprint – pag. 106
	GRI 2-5	External verification	General information	6. About the report – pag.134
Activities and workers				
GRI2: General contents 2021	GRI 2-6	Activities, value chain and other business relationships	General information	1.2. Nature and Functions – pag.4 1.5. ICO Group's strategy – pag. 22 2.2. Its financial activity: supporting the productive fabric – pag.36 2.4. Promoting sustainability in our activity as funders – pag.63 3.2.2. Suppliers – pag.87 3.2.3. Customers – pag.87

GRI2: General contents 2021	GRI 2-7	Employees	Principle no.6	8	5.1. Payroll information – pag.116 5.2. Contract modalities – pag.118
	GRI 2-8	Non-employed workers	Principle no.6	8	5. Human team and diversity management – pag.115
Governance					
GRI2: General contents 2021	GRI 2-9	Governance structure and composition	General information	5, 16	1.3. Governance structure and management – pag.7
	GRI 2-10	Appointment and selection of the highest governance body	General information	5, 16	1.3. Governance structure and management – pag.7
	GRI 2-11	President of the highest governing body	General information	16	1.3. Governance structure and management – pag.7
	GRI 2-12	Role of the highest governance body in overseeing sustainability reporting	General information	16	1.3. Governance structure and management – pag.7 4.1. Risk management: identification and monitoring – pag.94 4.2. General instruments for responsible management – pag.97
	GRI 2-13	Delegation of responsibility for impact management	General information		1.3. Governance structure and management – pag.7 4.1. Risk management: identification and monitoring – pag.94 4.2. General instruments for responsible management – pag.97 4.3. Specific ethics and responsible management tools – pag.98
	GRI 2-14	Role of the highest governance body in sustainability reporting	General information		6. About the report – pag.134
	GRI 2-15	Conflicts of interest	General information	16	1.3. Governance structure and management – pag.7
	GRI 2-16	Communication of critical concerns	General information		4.1. Risk management: identification and monitoring – pag.94 4.2. General instruments for responsible management – pag.97 4.3. Specific ethics and responsible management tools – pag.98



Standards GRI	Description		Ref. Global Compact Progress Report	Ref. SDG	Chapter / Link / Omissions
	Governance				
GRI2: General contents 2021	GRI 2-17	Collective knowledge of the highest governance body	General information	4	1.3. Governance structure and management – pag.7
	GRI 2-18	Performance evaluation of the highest governance body	General information		1.3. Governance structure and management – pag.7
	GRI 2-19	Remuneration policies	General information		1.3. Governance structure and management – pag.7
	GRI 2-20	Process for determining remuneration	General information	16	1.3. Governance structure and management – pag.7 5.3. Average remunerations and salary gap – pag.119
	GRI 2-21	Total annual compensation ratio	General information		1.3 Governance structure and management – pag.7
	Strategy, policies and practices				
GRI2: General contents 2021	GRI 2-22	Sustainable Development Strategy Statement	General information		1.5. La Estrategia del Grupo ICO – pág.22
	GRI 2-23	Commitments and policies	General information Principle no. 10	16	1.5. ICO Group's strategy – pag.22 4.1. Risk management: identification and monitoring – pag.94 4.2. General instruments for responsible management – pag.97 4.3. Specific ethics and responsible management tools – pag.98 3.2.1. Human rights – pag.85
	GRI 2-24	Incorporation of commitments and policies	General information		4.1. Risk management: identification and monitoring – pag.94 4.2. General instruments for responsible management – pag.97 4.3. Specific ethics and responsible management tools – pag.98

GRI2: General contents 2021	GRI 2-25	Processes to remedy negative impacts	General information	12, 13, 14, 15	3.2.3. Customers – pag.87 4.1. Risk management: identification and monitoring – pag.94 4.2. General instruments for responsible management – pag.97 4.3. Specific ethics and responsible management tools – pag.98 5.5 Work-life balance – pag.123
	GRI 2-26	Mechanisms for seeking advice and raising concerns	Principle no. 10	16	3.2.3. Customers – pag.87 4.3. Specific ethics and responsible management tools – pag.98
	GRI 2-27	Compliance with legislation and regulations	Principles no. 7,8,9	12, 13, 14, 15, 16	4.3. Specific ethics and responsible management tools – pag.98
	GRI 2-28	Membership of associations	General information		1.7. Public-private partnerships and collaboration – pag.27 3.2.4. Partnership with sustainability associations – pag.89
Stakeholder involvement					
GRI2: General contents 2021	GRI 2-29	Approach to Stakeholder Engagement	General information		1.4. Materiality analysis – pag.17 3.2.3. Customers – pag.87
	GRI 2-30	Collective bargaining agreements	General information	8	5.7. Social relations – pag.128



Standards GRI		Description	Ref. Global Compact Progress Report	Ref. SDG	Chapter / Link / Omissions
MATERIAL TOPICS					
GRI3 Material topics 2021	GRI 3-1	Process of determining the material topics	General information		1.4. Materiality analysis – pag.17
	GRI 3-2	List of material topics	General information		1.4. Materiality analysis – pag.17
	MT1 – Good Corporate Governance, Transparency and Business Ethics				
GRI3 Material topics 2021	GRI 3-3	Management of material topics	Principle no. 10	16	1.2. Nature and Functions – pag.4 1.3. Governance structure and management – pag.7 4.1. Risk management: identification and monitoring – pag.94 4.2. General instruments for responsible management – pag.97 4.3. Specific ethics and responsible management tools – pag.98
GRI 205 Anticorruption 2016	GRI 205-1	Operations assessed for corruption-related risk	Principle no. 10	16	4.3. Specific ethics and responsible management tools – pag.98
	GRI 205-2	Communication and training on anti-corruption policies and procedures	Principle no. 10	16	4.3. Specific ethics and responsible management tools – pag.98
GRI 207 Fiscalty 2019	GRI 207-1	Fiscal approach	General information	16	3.2.6. Results, tax and subsidy information – pag.92
	GRI 207-2	Fiscal governance, control and risk management	General information	16	3.2.6. Results, tax and subsidy information – pag.92
	MT2 – Management of financial and non-financial risks				
GRI3 Material topics 2021	GRI 3 – 3	Management of material topics	Principle no. 7, 8 and 9	16	4.1. Risk management: identification and monitoring – pag.94
GRI 201 Economic performance 2016	GRI 201 – 2	Financial implications and other risks and opportunities arising from climate change	Principle no. 7, 8 and 9	13	2.4. Promoting sustainability in our activity as funders – pag.63 4.1. Risk management: identification and monitoring – pag.94 4.2. General instruments for responsible management – pag.97

TM3 - Sustainable financing linked to ESG criteria					
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	Principle no. 7, 8 and 9	7, 8, 9, 10, 11, 13, 14, 15	1.5. ICO Group's strategy – pag.22 2.1. Reference frameworks – pag.32 2.4. Promoting sustainability in our activity as funders – pag.63
GRI 203 Indirect economic impacts 2016	GRI 203-1	Investments in infrastructure and services supported	Principle no. 7, 8 and 9	7, 8, 9, 10, 11, 13, 14, 15	2.2. Its financial activity: supporting the productive fabric – pag.36 2.4. Promoting sustainability in our activity as funders – pag.63
MT4 - Solvency and economic resilience					
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	General information	8, 16	2.2. Its financial activity: supporting the productive fabric – pag.36 2.4. Promoting sustainability in our activity as funders – pag. 63
GRI 201 Economic performance 2016	GRI 201-1	Direct economic value generated and distributed	General information	8, 16	3.2.6. Results, tax and subsidy information – pag.92
MT5 - Privacy, data protection and cyber-security					
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	General information	16	4.3. Specific ethics and responsible management tools – pag.98
GRI 418 Customer privacy 2016	GRI 418-1	Substantiated complaints regarding breaches of customer privacy and loss of customer data	General information	16	4.3. Specific ethics and responsible management tools – pag.98
MT6 - Digital transformation and innovation					
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	General information	9, 16	1.5. ICO Group's strategy – pag.22 2.2. Its financial activity: supporting the productive fabric – pag.36





Standards GRI	Description		Ref. Global Compact Progress Report	Ref. SDG	Chapter / Link / Omissions
MATERIAL TOPICS					
	MT7 - Public-private collaboration				
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	General information	16, 17	1.7. Public-private partnerships and collaboration – pag.27
	MT8 - Support for the productive fabric and value creation				
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	General information	1, 2, 3, 8, 10, 17	2. Our model of value contribution to the society: Promoting sustainable growth – pag.31
GRI 203 Indirect economic impacts 2016	GRI 203-2	Significant indirect economic impacts	General information	1, 2, 3, 8, 10, 17	2.3. Positive macroeconomic impact in the Spanish economy – pag.62
	MT9 - Respect for Human Rights				
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	Principle no. 1 and 2	16	3.2.1. Human rights – pag.85
	MT10 - Customer experience and satisfaction				
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	General information	16	3.2.3. Customers – pag.87
	MT11 - Talent management, training and development of your professionals				
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	Principle no. 3, 4, 5 and 6	4, 5, 8	5. Human team and diversity management – pag.115
GRI 401 Employment 2016	GRI 401-1	Recruitment of new employees and staff turnover	Principle no. 3, 4, 5 and 6	5, 8	5.1. Payroll information – pag.116
	GRI 401-3	Parental leave	Principle no. 3, 4, 5 and 6	5, 8	5.5. Work-life balance – pag.125
GRI 404 training and Education 2016	GRI 404-1	Average hours of training per employee per year	Principle no. 3, 4, 5 and 6	4, 5, 8	5.8. Training – pag.131
	GRI 404-2	Programmes to develop employee skills and transition assistance programmes	Principle no. 3, 4, 5 and 6	8	5.8. Training – pag.131

GRI 404 training and Education 2016	GRI 404-3	Percentage of employees who receive regular performance and career development appraisals	Principle no. 3, 4, 5 and 6	5, 8	4.3. Specific ethics and responsible management tools – pag.98
	MT12 - Safety, health and well-being				
GRI 403 Health and Security in the work 2019	GRI 3-3	Management of material topics	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-1	Occupational health and safety management system	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-2	Hazard identification, risk assessment and incident investigation	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-3	Occupational health services	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-4	Worker participation, consultation and communication on occupational health and safety at work	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-5	Training of workers on occupational health and safety at work	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-6	Promoting workers' health	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-8	Coverage of the occupational health and safety management system	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-9	Injuries due to accidents at work	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126
	GRI 403-10	Ailments and illnesses	Principle no. 3, 4, 5 and 6	3, 8	5.6. Security and Health – pag.126



Standards GRI	Description		Ref. Global Compact Progress Report	Ref. SDG	Chapter / Link / Omissions
MATERIAL TOPICS					
	MT13 - Diversity, inclusion and equal opportunities				
GRI3 Material topics 2021	GRI 3-3	Management of material topics	Principle no. 1, 2, 3, 4, 5 and 6	5, 8, 10, 16	5. Human team and diversity management – pag.115
GRI 401 Empleo 2016	GRI 401- 2	Benefits for full-time employees that are not provided to part-time or temporary employees.	Principle no. 3, 4, 5 and 6	8	5.7 Social relations – pag.128
GRI 405 Diversity and equal opportunities 2016	GRI 405-1	Diversity of governing bodies and employees	Principle no. 3, 4, 5 and 6	5, 8	1.3. Governance structure and management – pag.7 5.1. Payroll information – pag.116 5.10. Equality and Diversity – pag.132
	GRI 405-2	Ratio between basic salary and remuneration of women and men	Principle no. 3, 4, 5 and 6	5, 8, 10	5.3. Average remunerations and salary gap – pag.119
GRI 406 No discrimination 2016	GRI 406-1	Cases of discrimination and remedial action taken	Principle no. 3, 4, 5 and 6	5, 8, 16	3.2.1 Human rights – pag.85
	MT14 - Financial education				
GRI3 Material topics 2021	GRI 3-3	Management of material topics	General information	4	3.1. ICO Foundation. Promoting culture and knowledge – pag.79
	MT15 - Social engagement and community impact				
GRI3 Material topics 2021	GRI 3-3	Management of material topics	General information	4, 12	2. Our model of value contribution to the society: Promoting sustainable growth – pag.31 3. Commitment with the society: Beyond our financial activity – pag.79
GRI 204 Supply practices 2016	GRI 204-1	Proportion of expenditure on local suppliers	General information	12	3.2.2 Suppliers – pag.86

MT16 - Protecting the environment, combating climate change and energy transition					
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	Principle no. 7, 8 and 9	7, 11, 13, 14, 15	2.1. Reference frameworks – pag.32 2.4. Promoting sustainability in our activity as funders – pag.63 4.4. Main internal management results – pag.103 3.2.4 -Partnership with sustainability associations– pag.89
MT17 - Just ecological transition					
GRI 3 Material topics 2021	GRI 3-3	Management of material topics	Principle no. 7, 8 and 9	7, 11, 13, 14, 15	2. Our model of value contribution to the society: Promoting sustainable growth – pag.31 3. Commitment with the society: Beyond our financial activity – pag.79



## APPENDIX. GLOSSARY OF ABBREVIATIONS

<b>AEB</b>	Spanish Banking Association
<b>AFD</b>	French Development Agency
<b>AFIF</b>	Alternative Fuels Infrastructure Facility
<b>AIReF</b>	Independent Fiscal Accountability Authority
<b>ALIDE</b>	Latin American Association of Development Finance Institutions
<b>AML/CFT</b>	Prevention of Money Laundering and the Financing of Terrorism
<b>ASCRI</b>	Capital, Growth and Investment Partnership
<b>BGK</b>	The National Promotional Bank of Poland
<b>BIS</b>	Bank for International Settlements
<b>CABEI</b>	Central American Bank for Economic Integration
<b>CAPE</b>	Coalition of Finance Ministers for Climate Action
<b>CAPEX</b>	Capital Expenditure
<b>CARI</b>	Reciprocal Interest Adjustment Contract
<b>CDC</b>	Caisse des dépôts et consignations
<b>CDP</b>	Cassa Depositi e Prestiti
<b>CECA</b>	Spanish Confederation of Savings Banks
<b>CEF</b>	Connecting Europe Facility
<b>CERSA</b>	Spanish Counter guarantee Company
<b>CDP</b>	Cassa Depositi e Prestiti – Banco Nacional de Promoción de Italia
<b>CE</b>	Comisión Europea
<b>CECA</b>	Confederación Española de Cajas de Ahorros
<b>CEF</b>	Connecting Europe Facility
<b>CERSA</b>	Compañía Española de Reafianzamiento

<b>CESCE</b>	Spanish Export Credit Insurance Company
<b>CLAR</b>	Capital and Liquidity Self-Assessment Report
<b>CNMV</b>	Spanish Securities and Exchange Commission
<b>COFIDES</b>	Spanish Development Finance Company
<b>COI</b>	Clean Oceans Initiative
<b>COP</b>	United Nations Climate Change Conferences
<b>COPER</b>	Operations Committee
<b>CSCAE</b>	Spanish Higher Council of Architects' Associations
<b>CSRD</b>	Corporate Sustainability Reporting Directive
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EC</b>	European Commission
<b>ECB</b>	European Central Bank
<b>EDW</b>	European Datawarehouse, GmbH
<b>EFR</b>	Family-Responsible Company
<b>EFRAG</b>	European Financial Reporting Advisory Group
<b>EIB</b>	European Investment Bank
<b>ELTI</b>	European Long-Term Investors Association
<b>EPA</b>	Labour Force Survey
<b>EQA</b>	European Quality Assurance
<b>ESG</b>	Environmental, Social and Governance
<b>ESMA</b>	European Securities and Markets Authority
<b>ETCI</b>	European Tech Champions Initiative
<b>EU</b>	European Union
<b>EuSEF</b>	European social entrepreneurship funds
<b>FCA</b>	Financial Conduct Authority





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<b>FCAS</b>	Water and Sanitation Cooperation Fund
<b>FEI</b>	European Investment Fund
<b>FFCCAA</b>	Financing Fund for Autonomous Communities
<b>FFEELL</b>	Financing Fund for Local Authorities
<b>FIEM</b>	Internationalisation of Enterprise Fund
<b>FINRESP</b>	Centre for Sustainable and Responsible Finance in Spain
<b>FOCIT</b>	State Financial Fund for Tourism Competitiveness
<b>FONPRODE</b>	Development Promotion Fund
<b>FSB</b>	Financial Stability Council
<b>GHG Protocol</b>	Greenhouse Gas Protocol
<b>GRI</b>	Global Reporting Initiative
<b>ICEI</b>	Complutense Institute of International Studies
<b>ICEX</b>	Spanish Institute for Foreign Trade
<b>ICMA</b>	International Capital Market Association
<b>IFC</b>	International Finance Corporation
<b>IGAE</b>	General State Administration Comptroller's Office
<b>INES</b>	National State of Security Report
<b>JICE</b>	Joint Initiative on Circular Economy
<b>KFW</b>	Kreditanstalt für Wiederaufbau
<b>MAP</b>	Ministry of Agriculture, Fisheries and Food
<b>MARF</b>	Alternative Fixed Income Market
<b>MITECO</b>	Ministry for Ecological Transition and the Demographic Challenge
<b>MITMA</b>	Ministry of Transport, Mobility and Urban Agenda
<b>MIVAU</b>	Ministry of Housing and Urban Agenda
<b>MOOC</b>	Massive Online Open Courses or massive open online courses
<b>NEFI</b>	Network of European Financial Institutions for Small and Medium Sized Enterprises

<b>MRR</b>	Mecanismo para la Recuperación y la Resiliencia
<b>NEFI</b>	Network of European Financial Institutions for Small and Medium Sized Enterprises
<b>NFIS</b>	Non-financial information statement
<b>NFRD</b>	Non-Financial Reporting Directive or Directive on non-financial information
<b>NGEU / NextGen</b>	Next Generation EU
<b>NGFS</b>	Network of Central Banks and Supervisors for Greening the Financial System
<b>OFISO</b>	Spanish Sustainable Finance Observatory
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>PERTE</b>	Strategic Projects for Economic Recovery and Transformation
<b>PNACC</b>	National Climate Change Adaptation Plan
<b>PNIEC</b>	National Integrated Energy and Climate Plan
<b>RAF</b>	Risk Appetite Framework
<b>RRM</b>	Resilience and Recovery Mechanism
<b>SAECA</b>	State Agricultural Guarantee Company
<b>SDG</b>	Sustainable Development Goals
<b>SEDIA</b>	Secretary of State for Digitalisation and Artificial Intelligence
<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>SGR</b>	Mutual Guarantee Societies
<b>SIW</b>	Sustainable Infrastructure Window
<b>STEP</b>	Strategic Technology Europe Platform
<b>SWIFT</b>	Society for Worldwide Interbank Financial Telecommunication
<b>UIMP</b>	Menéndez Pelayo International University
<b>UNED</b>	National University of Distance Education
<b>UNEP</b>	UN Environment Programme or United Nations Environment Programme
<b>VPO</b>	Social Housing



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