



Together  
we pave  
the way  
for the **future**

Integrated Report 2019



Instituto de Crédito Oficial



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**Chairman's  
letter**

# CHAIRMAN'S LETTER

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ICO: Together we pave the  
way for the **future**

I am writing this letter introducing the *Integrated Report* for 2019 in May 2020, in a scenario marked by the economic effects of the global health crisis caused by COVID-19, which we were unable to predict a few months ago at the end of the year.

I would like my first words to be ones of encouragement for all those affected and of recognition for the professionals from all sectors who are working hard every day to deal with the effects of this pandemic.

In view of the economic and social impact caused by COVID-19, the Spanish Government has approved various packages of urgent economic measures to protect families, workers, the self-employed and businesses; minimise the impact on the economy and facilitate a swift recovery once the health emergency is over. At ICO we are working hard to contribute to this.

We are currently focusing our resources on the management of the Guarantee Line of the Ministry of Economic Affairs and Digital Transformation - with a budget of up to **100 billion Euros** - to guarantee the liquidity of the self-employed and businesses, with the aim of mitigating the economic effects generated by the health crisis and maintaining employment. Under a public-private partnership and co-responsibility scheme, this programme allows the self-employed, SMEs and companies to maintain access to credit and meet their working capital and liquidity needs for their ordinary activities, covering salary payments, supplier invoices or rent and other running costs. The eligibility, conditions, limits and purpose of the Guarantee Line established in the regulations are delimited by the financial legislation and by the State Aid schemes that the European Union has expressly established in this respect.

ICO is also working with the Ministry of Transport, Mobility and the Urban Agenda on managing a Guarantee Line to cover financing for socially and economically vulnerable tenants as a result of the spread of COVID-19.



ICO was also the first Spanish issuer to launch a public social bonds issue - worth **500 million euros** - specifically aimed at alleviating the economic effects of COVID-19.

In a very short time, measures have been implemented through ICO that are allowing a large amount of resources to be mobilised for companies and the self-employed. This has been possible thanks to the joint work and public-private co-responsibility between the Government, companies and workers.

In this regard, I would like to highlight the efforts of the team of professionals who make up ICO's staff, who, thanks to their involvement and talent, are making it possible for the institution over which I have the honour of presiding to offer an effective and efficient response, ready to meet the challenges posed by the current context. They are totally dedicated and committed.

In 2019, this involvement and joint work were equally decisive in achieving the good results obtained by ICO in all areas of activity, as detailed in the contents of this *Report*.

In 2019 ICO's activity was marked by the development of all the business areas in accordance with the action plans established in the "*Strategic Realignment 2019-2021*" and the various cross-cutting priorities: digitalisation, environmental sustainability, complementary financing for SMEs and social sustainability.

The measures adopted for flexibility and adaptation to the needs of SMEs, *midcaps*, the self-employed and entrepreneurs have enabled ICO's lending activity to grow by more than **90% to 6.5 billion euros** channelled through nearly **64,000** financing operations, of which **90%** went to SMEs with less than 50 workers. This dynamism has boosted activity both in Spain and in international markets, especially in the European Union and Latin America, covering the entire catalogue of financial products, both in ICO Second-floor Facilities in collaboration with financial institutions, and in direct financing. Likewise,

investments in entrepreneurship, innovation and venture capital through ICO's subsidiary, AXIS, attracted attention with the launch of the twelfth call of Fond-ICO Global, a fund that at the end of 2019 had approved commitments of 1,734 million euros in 82 funds and subscribed 1,242 million euros, mobilising around 4.7 billion euros of investments in Spain.

In line with the Sustainable Development Goals of Agenda 2030, sustainability has been decisively integrated as a horizontal principle of action in its various environmental, social and governance aspects, involving the entire organisation, both in liability operations, raising finance on international markets, and in its channelling into asset operations, financing companies and projects, as well as in its corporate social responsibility policy.

In fact, the 10 Principles of the United Nations Global Compact - with which ICO has renewed its links - and the standards of the Global Reporting Initiative (GRI) have been followed in preparing this *Integrated Report*, offering the highest standard of transparency, clarity, and integrity on the economic, environmental, and social impact of ICO's activity.

Within the strategic axis of sustainability, ICO has hit multiple milestones in 2019. These include our first issue of green bonds; the growing participation in the financing of sustainable infrastructure and renewable energy projects; investment in social impact funds through AXIS; the signing of commitments with various European counterpart banks such as the Joint Initiative for the Circular Economy; or the

active role played by ICO at the COP-25 summit in Madrid, which resulted in particular in the signing of the Collective Commitment to Climate Action with the entire Spanish banking sector, with the aim of reducing the carbon footprint of their portfolios.

However, probably the most noteworthy aspect of ICO's activity in 2019 is that the work carried out by ICO has meant that, in the current circumstances, consolidated collaboration systems have been in place that have made it possible to mobilise financing for companies and the self-employed:

- The public-private partnership scheme of the Second-floor Facilities and the technological platform used in the framework
- of these programmes has facilitated the implementation of the ICO- COVID Guarantee Line in a rapid, reliable and efficient manner to guarantee access to liquidity for the self-employed and companies. ICO has been able to provide immediate support to those financial institutions that have made their loans available to their clients most quickly.
- ICO's role as a benchmark in the sustainable bond market has led it to be the first Spanish issuer to launch a public transaction of
- COVID-19 social bonds. The funds raised by this issue, 500 million euros, will finance operations for Spanish self-employed workers, SMEs and companies aimed at easing the economic and social impact caused by the pandemic. With this operation, ICO has made eight sustainable bond issues to date with an issued volume of more than **4.05 billion euros**.

- Like its counterparts in the EU, ICO has worked in 2019 to become accredited as a national promotional bank authorised to implement the EU budget within the 2021-2027 Multiannual Financial Framework, especially the new Invest EU programme which, together with other programmes, will have a significant role in financing the recovery and growth process at EU level over the coming years. Already in 2019 the progress made in the accreditation process allowed ICO to participate in the programme Connecting Europe Facility - Transport Blending Facility, facilitating the channelling of financing towards Spanish companies' sustainable mobility projects. Once the full accreditation process has been completed, ICO would be in a position to start managing the guarantees of Invest EU and other European programmes to support Spanish companies' projects in 2021.

At ICO we remain committed to contributing to achieving our main objective: promoting economic activities that contribute to sustainable growth, job creation and wealth distribution.

Today more than ever, in the complex context we are experiencing, we are working in collaboration with the financial sector to provide, within the scope of our actions, the necessary resources to companies and the self-employed in order to boost activity in all sectors and make economic recovery and the return to activity and job creation as fast and sustainable as possible.



**With the publication of this report we contribute to the United Nations target 12.6 by 2030, for all companies to incorporate sustainability data in their reports**

**JOSÉ CARLOS GARCÍA DE QUEVEDO RUIZ**

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Highlights

CTR  
14.65%

↑ 18.6%

Cost per conversion  
673.27

Quality Score  
9.38  
↓ -0.1%

# HIGHLIGHTS

## 1 GOVERNANCE

ICO's General Board approves the Shareholder Policy, which establishes the guidelines for investment in financial institutions and funds.



## 2 ACTIVITY



### First green bond issue

- We launched our first green bond issue which, together with the social bond issues, consolidates us as one of the leading sustainable bond issuers in the European market.
- We joined the Advisory Council of the Green Bond Principles and Social Bond Principles Executive Committee of the International Capital Market Association (ICMA). We are the only Spanish entity and the only European National Promotional Bank that participates in this category of the Advisory Council.
- We are part of the working group for the development of the *Social Bonds Principles* guide. Up to 31 December 2019, ICO has issued **3.55 billion euros** in sustainable bonds.

### State Financial Agency

We granted a loan to the Republic of Uzbekistan to finance a high-speed electric train project. The financing was provided by the Fondo para la Internacionalización de la Empresa (Fund for the Internationalisation of Business - FIEM).

## ILUNION



We granted a **35 million euro loan to ILUNION to finance 50%** of the investments in improving energy and environmental efficiency, as part of its 2018/-2021 Investment Plan for the creation of jobs for people with disabilities. This financing complements that granted by the European Investment Bank through the *Juncker* Investment Plan for Europe. **This is the first loan granted to a social economy company in Spain under this Plan.**

We participated in the launch of the Joint Initiative for the Circular Economy (JICE) which supports the development and implementation of circular economy projects and programmes in the EU.

## Internationalisation of Spanish companies

We formalised agreements amounting to **641 million euros** to incorporate 6 more international financial institutions into the ICO International Channel Facility. This product provides financing to Spanish companies for investment projects and liquidity needs abroad, currently focusing on the region of Latin America and the Caribbean.

## Financing of innovation

Through AXIS we signed an agreement with the European Investment Fund to launch the EAF Spain II investment fund to finance innovative companies in Spain. This is a co-investment fund with *Business Angels*, with a volume of **40 million euros**, which will finance investment in Spanish technology companies with a high innovative component.

## Green financing



- **Loan to Iberdrola for hydroelectric storage.**  
We granted a 400 million euro green loan to Iberdrola to finance the construction of the Tãmega hydroelectric storage complex in Portugal. This installation will increase Portugal's total electrical power by 6% and will make it possible to supply 440,000 homes with renewable energy.
- **Endesa loan.**  
We granted a 300 million euro loan to Endesa to finance 15 wind farms and 3 photovoltaic plants in six autonomous communities.
- **Financing the construction of a photovoltaic plant.**  
Through FOND-ICO Infraestructuras II we are investing in the construction of a photovoltaic plant in Cáceres, which will be one of the largest in Spain and will contribute to the fight against climate change.

## Investment platform for midcaps

We signed an agreement with the European Investment Bank for the creation of a shared risk investment platform for the financing of midcaps, Spanish mid-capitalisation companies (between 250 and 3,000 employees).

The aim is to help these companies to have the necessary resources for their investments in innovation and sustainability, facilitating their growth and job creation.

### Investment in Creas Impacto

Through Axis, we invested **5 million euros** in Creas Impacto, Spain's first impact investment institutional fund with a target size of 30 million euros, which will be used to support social enterprises in the growth phase focused on health and welfare, environmental sustainability, education and social innovation.

### Financing the circular economy

We participated in the launch of the Joint Initiative for the Circular Economy (JICE), which supports the development and implementation of circular economy projects and programmes in the EU.

### CEPYME500 Initiative

We joined the CEPYME500 project to support the growth of the initiative through the promotion and provision of financing solutions adapted to the needs of the more than 800 companies that participate and contribute to the growth of the economy and employment.

### Carbon footprint reduction

On the occasion of the United Nations Climate Change Conference (COP25), we signed an agreement with the main Spanish banks, to reduce the carbon footprint in their credit portfolios, in a way that can be measured with internationally approved criteria and in line with the objectives of the Paris Agreement.

## 3 STRATEGIC

### ALIDE Assembly

ICO hosted the 49th ALIDE Assembly that met in May in Madrid with the Development Bank of the European Union, Latin America and the Caribbean. The organisation of these conferences shows the importance of the alliances between Europe and Latin America and reinforces the role of Spain as a bridge between both regions.



## 4 EMPLOYMENT

### Approval of the II Equality Plan

We approved the II Equality Plan, effective from January 1, 2020, which will allow us to consolidate and continue to make progress in equal treatment and opportunities for all employees.

## 5 HEALTH AND SAFETY

### Approval of a new version of the Emergency Plan

We updated the alert system for the employees that make up the Alarm and Evacuation Teams in order to increase the effectiveness of the response to emergency situations.



## 6 COMMITMENT TO SUSTAINABLE DEVELOPMENT

### Action Group for Social Responsibility in public companies

In 2019, we renewed our leadership in the Action Group for Social Responsibility in public companies. Together with ADIF, we promoted this working group involving 28 Spanish public companies under the coordination of Forética. During 2019, the group worked on 3 lines of action: transparency, Agenda 2030, and responsible public procurement.



## 7 SOCIETY

### ICOPYMEODS project

Together with the Spanish Network of the United Nations Global Compact, we launched a website ([www.icopymeods.es/#/](http://www.icopymeods.es/#/)) where SMEs and the self-employed can access all the information on Agenda 2030, the United Nations' Sustainable Development Goals and the business opportunities arising from these goals. The aim of this project is to disseminate the SDGs and to align SMEs and the self-employed with Agenda 2030.



### Financial education



We continued with our programme of conferences aimed at young students in order to raise awareness of the ICO Group's activity in society, promote citizens' financial culture and collaborate with schools in the economic and financial training of their students.

### Inicia 2 Project

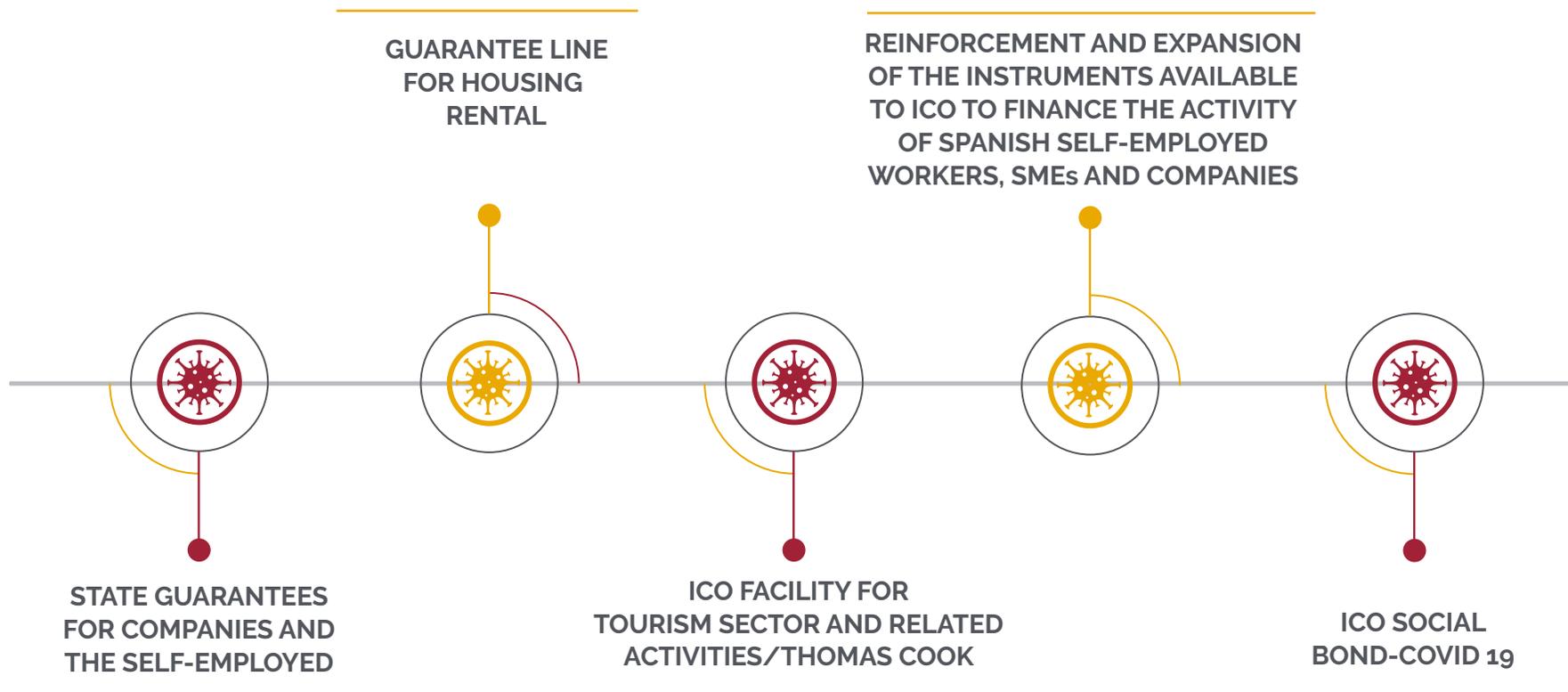


We continued to participate in the Inicia 2 project of the Rafael del Pino Foundation and the Spanish Network of the United Nations Global Compact, to disseminate the 10 Principles of the Global Compact and the Sustainable Development Goals among high school students in the Community of Madrid.

## 2020. A YEAR MARKED BY COVID-19

In view of the economic and social impact caused by COVID-19, the Government has approved various packages of urgent economic measures to protect families, workers, the self-employed and businesses; minimise the impact on the economy and facilitate a swift recovery once the health emergency is over.

The ICO Group is working hard to implement and manage measures mandated by the Council of Ministers to help achieve this goal:



 **State guarantee line for companies and the self-employed of the Ministry of Economic Affairs and Digital Transformation.**

Approved by Royal Decree-Law 8/2020, with a budget of up to 100 billion euros, managed by ICO through the financial institutions that grant financing to companies and the self-employed in all sectors to alleviate the economic effects of COVID-19, guaranteeing liquidity and covering the working capital needs of the self-employed, SMEs and companies, in order to maintain productive activity and employment.

The agreements of the Council of Ministers of 24 March, 10 April, 5 May and 19 May have activated tranches amounting to **84.5 billion euros**, of which **60 billion euros (more than 70%)** are intended to guarantee operations for the self-employed and SMEs and 20 billion for non-SME companies.

**Data as of June 1:**

- **Guarantees** have been granted for **48,224 million euros** in 509,429 operations that have mobilised **63,162 million euros** of financing.
- For the self-employed and SMEs, with a guarantee of **80%**:

- Operations: **500,035**, 98% of the total
- Amount guaranteed: **€35,268 M**
- Financing mobilised: **€44,148 M**

- For the rest of the companies, with a guarantee coverage of **70%** for new loans and **60%** for renewals, the following amounts have been registered:

- Operations: **8,990**
- Amount guaranteed: **€12,965 M**
- Financing mobilised: **€19,005 M**

- To encourage the maintenance of the sources of liquidity provided by the capital markets, on 5 May the Council of Ministers agreed to establish a tranche of **4 billion euros** of guarantees managed by ICO for issues of promissory notes by non-financial companies with registered offices in Spain, under a programme of promissory notes incorporated into the Alternative Fixed Income Market (MARF). The conditions between the parties and their respective functions are set out in a framework agreement signed between ICO and Bolsas y Mercado Españoles Renta Fija S.A.U (as the governing company of the MARF market) with each of the beneficiary companies and the underwriters participating in the promissory note issuance programmes.
- On 5 May, the Council of Ministers also approved the allocation of **500 million euros** to reinforce the guarantees granted by Compañía Española de Reafianzamiento (CERSA), which specialises in SMEs, and to increase the capacity of the Mutual Guarantee Societies of the Autonomous Communities.



 Collaboration with the Ministry of Transport, Mobility and Urban Agenda, in the management of the **Guarantee Line for housing rental** for people in socially and economically vulnerable situations as a result of the spread of COVID-19. Budget of **1.2 billion euros**.

 **ICO facility for the tourism sector and related activities/ Thomas Cook:** This was urgently increased at the Council of Ministers on 12 March with a budget of **400 million euros**, which were distributed in full in more than 4,700 operations to finance companies in the sector to alleviate the initial effects of the health crisis.

Likewise, companies in the tourism sector and related activities can access financing under the Guarantee Line, set up by the Ministry of Economic Affairs and Digital Transformation to guarantee liquidity for companies and the self-employed in all sectors of activity. Until June 1, more than 102,000 operations for companies in the tourism, leisure and culture sector have been guaranteed, for a total of **7,893 million euros**, which has mobilised more than **10,524 million euros** of financing.

 **Reinforcement and expansion of the instruments available to ICO to finance the activity and projects of Spanish self-employed workers, SMEs and companies: ICO second-floor facilities, direct financing programmes and complementary financing channels** through AXIS, its venture capital subsidiary. Among these measures, it is worth highlighting the agreement approved by ICO's Board of Directors in April 2020 to develop the **direct subscription programme for promissory notes listed on the MARF**. Up to 3 June ICO participated in the subscription of promissory notes for 20 issues for an amount of **270 million euros** and a **total mobilisation of resources of around 580 million euros**.

 **ICO Social Bond-COVID 19:** ICO was the first Spanish issuer to launch a public transaction - amounting to **500 million euros** with the aim of financing operations for Spanish self-employed workers, SMEs and companies aimed at mitigating the economic and social impact of COVID-19.





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**The ICO Group**

# ABOUT US

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

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

The ICO Group is made up of:



The Institute, the Group's dominant entity, accounts for 99% of the Group's consolidated balance sheet.

**Section 5.11** describes the holdings in which ICO is not the controlling company.



## Instituto de Crédito Oficial

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

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

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

### CORPORATE NAME

#### **INSTITUTO DE CRÉDITO OFICIAL, CORPORATE STATE-OWNED ENTITY**

##### **(ICO)**

Tax Code: Q-2876002-C

Paseo del Prado, 4, 28014 MADRID

[www.ico.es](http://www.ico.es)

Twitter [@ICOGob](https://twitter.com/ICOGob)

Contact in relation to this report: [rse@ico.es](mailto:rse@ico.es)



### MISSION

The purpose of the Instituto de Crédito Oficial is to sustain and promote economic activities that contribute to growth and improve the distribution of national wealth, especially those that, due to their social, cultural, innovative or ecological importance, deserve to be promoted.



### VISION

These objectives are carried out by the Institute in its triple facet as a national promotional public bank for financing companies, a financial instrument of economic policy, and a State Financial Agent.

ICO works to strengthen its position as a leading international body and a national institution of reference in transparency, solvency and credibility, and to be recognised, especially by SMEs and financial institutions, as an ally for the growth of wealth and employment. It is made up of a highly qualified, motivated, efficient and committed team that performs its duties in an atmosphere of trust and collaboration.



### FUNCTIONS

- ✔ To help alleviate the economic effects of serious economic crises, health crises natural disasters or other similar events, in accordance with the instructions of the Council of Ministers or the Delegate Commission of the Government for Economic Affairs.
- ✔ To act as an instrument for the implementation of certain economic policy measures in accordance with the fundamental lines that are established by the Council of Ministers, the Delegate Commission of the Government for Economic Affairs or Ministry of Economic Affairs and Digital Transformation and subject to the rules and decisions agreed upon by its General Board.



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

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

The Company acts in the interest of the funds it manages and of the participants in the investments and assets of these funds, in accordance with the provisions of Law 22/2014. It also acts in the interest of its shareholders (in this case its sole shareholder).

## CORPORATE NAME

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

Tax Code: A-78290269

C/ Los Madrazo, 38 2ª planta - 28014 MADRID

[www.axispart.com](http://www.axispart.com) - Contact in relation to this report: [rse@ico.es](mailto:rse@ico.es)



## MISSION

AXIS's aim is to help businesses to grow at the same time as maintaining the financial balance of the funds we manage to ensure their continuity.



## FUNCTIONS

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

*fundación*



Fundación ICO is a state-owned public sector foundation created in 1993 with a permanent character and non-profit making aim that develops its activity with the main sponsorship of ICO. It has corporate status and its own assets.

ICO contributed **2,800,000 euros** to Fundación ICO in 2019.

## CORPORATE NAME

### FUNDACIÓN ICO

Tax Code: **G-80743503**

Paseo del Prado, 4, 28014 MADRID

[www.fundacionico.es](http://www.fundacionico.es)

Contact in relation to this report: [rse@ico.es](mailto:rse@ico.es)



## MISSION

Fundación ICO's mission is to contribute and support the development of society through the promotion of culture and knowledge, with an international vocation, in the areas of economy and contemporary art.



## VISION

Fundación ICO aims to become a leader in the promotion and dissemination of knowledge, with an international vocation and in two areas: economics and contemporary art.



## FUNCTIONS

- ✓ **Art area:** To manage and preserve ICO Collections. To help promote España Global and the ICO brand by lending these collections for exhibition in other spaces. To organise educational and inclusive activities to make the Museo ICO a learning space for everyone.
- ✓ **Economics area:** To promote activities aimed at generating and disseminating knowledge in economic and financial matters through the development of studies and the creation of spaces for debate and the exchange of knowledge on matters of interest referring to the environment in which ICO operates.
- ✓ **Internationalisation area:** To promote and strengthen relations with China in the economic and cultural fields through the Fundación ICO Becas-China Scholarships Programme. To promote the exchange of knowledge through the development of alliances with prestigious institutions. To carry out and sponsor specialised courses to broaden knowledge.

# GOOD GOVERNANCE

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Instituto de Crédito Oficial

## GOVERNANCE STRUCTURE

ICO's governance structure is defined in its Statutes, approved by Royal Decree 706/1999, as amended by Law 40/2015 on the Legal Framework of the Public Sector, Royal Decree 1149/2015 and Royal Decree 390/2011. It is completed by the operating and internal control bodies, approved by ICO's Chairman within the scope of the powers conferred on him by the Statutes. The internal regulation in force in the 2019 financial year was the Circular 4/2018 of 14 September, which defines the Institute's collegial bodies and forms, together with the Circular 3/2018 of 29 August, on the organisational structure.



## ORGANISATIONAL CHART



## STEERING BODIES

### GENERAL BOARD

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

Law 40/2015 and Royal Decree 1149/2015 incorporate and develop the role of the General Board's independent directors, reinforcing the Institute's autonomy and its alignment with the best European standards. Independent directors play a key role in the Board's operation, as they have a double voting rights for the Institute's financial business operations, which means they have the majority.

#### Structure and composition

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

Through the amendment made by Law 40/2015 in Royal Decree-Law 12/1995 and Royal Decree 1149/2015, of 18 December, the appointment and dismissal of the General Board's Members is the responsibility of the Council of Ministers, by Agreement, at the proposal of the Ministry of Economic Affairs and Digital Transformation, which shall choose them from persons of recognised standing and professional competence in ICO's field of activity.

Members shall be appointed in accordance with the following terms:

**4** members shall be independent, understood as those that are not public sector staff. The independent members' mandates will be three years, and they can only be re-elected once.

**6** members shall be appointed who are public sector staff with recognised competence. A maximum of two members will come from the Ministry of Treasury, while at least two public members will come from the Ministry of Economic Affairs and Digital Transformation.

## Composition of ICO's General Board at 31.12.2019

Name	Role	Body	Appointment
José Carlos García de Quevedo Ruiz	<b>CHAIRMAN OF THE BOARD</b> ICO's Chairman	Instituto de Crédito Oficial (ICO)	Royal Decree 683/2018 (BOE 23.06.2018)
Jaime Iglesias Quintana	<b>DIRECTOR</b> Director General of Budgets	Ministry of Finance	15.02.2012
Luis Martí Álvarez	<b>DIRECTOR</b> Director General of Economic Policy	Ministry of Economy and Business	06.07.2018
María del Carmen García Franquelo	<b>DIRECTOR</b> Director General of Economic Programming and Budgets	Ministry of Transport, Mobility and Urban Agenda	31.08.2018
César Veloso Palma	<b>DIRECTOR</b> Member of the Cabinet of the Minister of Finance	Ministry of Finance	05.10.2018
Pablo de Ramón-Laca Clausen	<b>DIRECTOR</b> Deputy Director General of Financing and Public Debt Management	Ministry of Economy and Business	16.11.2018
Óscar Vía Ozalla	<b>DIRECTOR</b> Head of the Support Unit of the General Directorate of International Trade and Investments	Ministry of Industry, Trade and Tourism	16.11.2018
José Manuel Reyero García	<b>DIRECTOR</b> Independent	-	30.10.2015 Re-election: 16.11.2018
Silvia Iranzo Gutiérrez	<b>DIRECTOR</b> Independent	-	16.11.2018
Clara García Fernández Muro	<b>DIRECTOR</b> Independent	-	16.11.2018
María Teresa Santero Quintillá	<b>DIRECTOR</b> Independent	-	14.12.2018
Juan Alfonso Domenech Gil	<b>NON-DIRECTOR SECRETARY</b> ICO Director of Legal Counsel	Instituto de Crédito Oficial (ICO)	16.02.2018
Gerardo Harguindey Valero	<b>NON-DIRECTOR DEPUTY SECRETARY</b> Head of the Asset Operations Advisory Department	Instituto de Crédito Oficial (ICO)	25.01.2016

## Changes to the composition of the General Board in 2019

During the year 2019 there have been no dismissals or appointments of Directors, so the composition of ICO's General Board at 31 December 2019 is the same as at the end of 2018.

## Diversity in the General Board

On 31 December 2019 there were 4 women on ICO's General Board (36.4%). However, 75% of the Independent Directors are women.

In terms of age, 5 Directors are under 50, while 4 are over 60. The average age of the Directors at the end of the year was 54 years (53.5 years in the case of female Directors and 54.9% as the average age of the Directors).

“

Because Independent Directors have double voting rights in major decision making, women's votes represent 46.7% of the total votes on the Board.

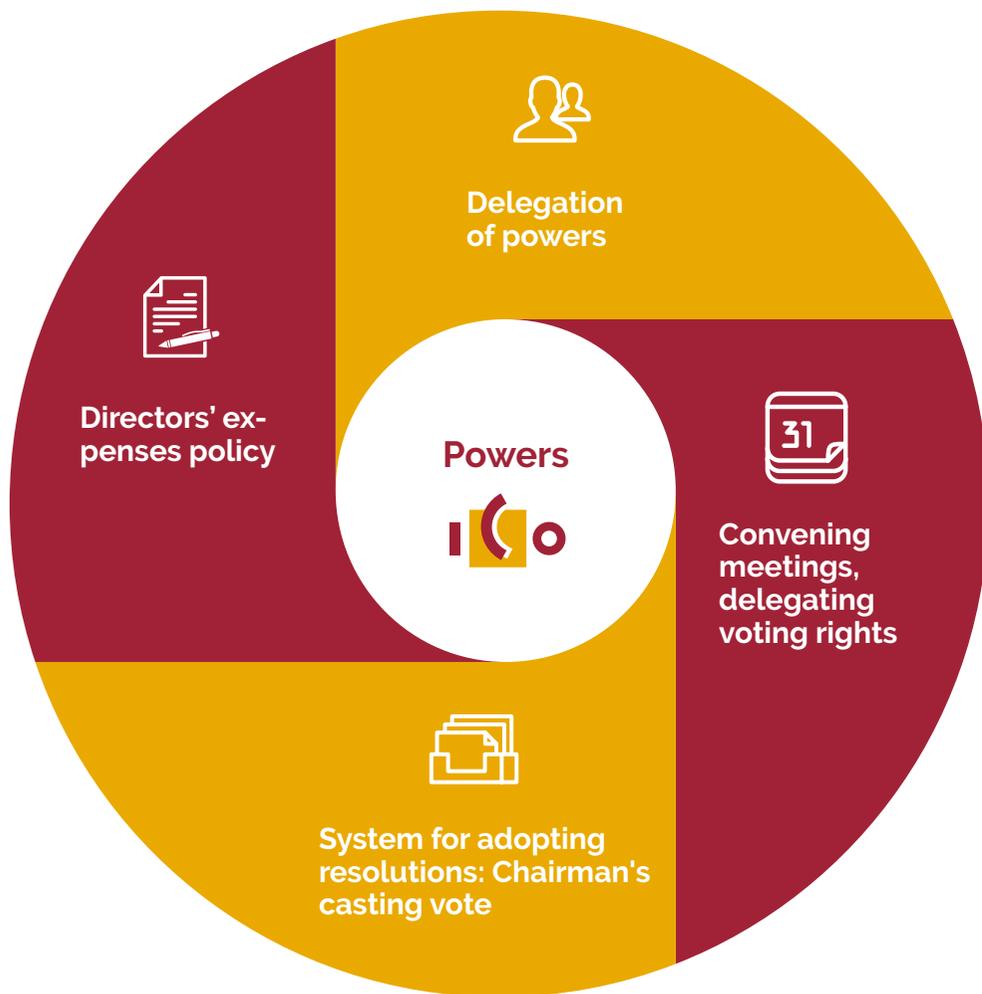
Although the Independent Directors represent 36.7% of the Board, they have double voting rights in major decision making. Consequently, in these cases, the Independent Directors represent 53.3% of the total possible votes. In this context, women's votes represent 46.7% of the total votes on the Board. Taking into account age and considering the double value of the Independent Directors' vote, those under 50 years of age hold 40% of the total votes.



## Responsibilities

According to article 7.1 of the Statutes, the General Board is responsible for representing and managing ICO, and especially, but not limited to, the following powers:

- A** Dictating internal regulations and the functioning of the Board itself in all matters not foreseen in the Statutes. 
- B** Proposing any modification of the Statutes to the Ministry of Economic Affairs and Digital Transformation. 
- C** Approving the Institute's annual accounts, the report and the management report. 
- D** Adopting the relevant regulations and decisions for the implementation of specific economic policy measures. 
- E** Approving collaboration agreements that the Institute must enter into with other bodies or entities belonging to different Spanish public organisations and the European Union, as well as with any other public or private, domestic or foreign organisations. 
- F** Approving ICO's creation or participation in financial corporations directly or indirectly related to its activities. 
- G** Deciding on the implementation and conditions of the operations belonging to the entity's activity and anything directly or indirectly related to this and, in particular, granting, modifying and resolving credit operations, as well as authorising the issuance of securities, the granting loans and the granting of guarantees of any kind or class. 
- H** Authorising any act of administration, disposition or acquisition over any kind of goods. 
- I** To approve annually, and with reference to December 31 of the previous year, the inventory of goods and rights, own or assigned to the Institute. 
- J** Agreeing on the exercise of the jurisdictional or administrative actions and resources that correspond to the entity to defend its interests before the Law Courts and other Public Administrations. 
- K** Deciding how many issues are submitted to it by the Chairman. 



### Delegation of powers

The General Board can delegate powers, temporarily or permanently, to its Delegated Committees, the Chairman and the Operations Committee, in the terms it deems appropriate, except for the powers referred to in headings a), b), c) and d) of Article 7.1 of the Statutes.

### Convening meetings, delegating voting rights

The General Board generally meets once a month, at the request and on the initiative of the Chairman, or at the request of at least half of its Directors.

Except in urgent cases as assessed by the Chairman, the General Board shall be convened at least forty-eight hours in advance and the agenda will be set in this notice. The Board is validly constituted when the simple majority of its components attend the meeting, including those present and represented.

The members of the General Board can be represented by the Chairman or by any other Director, having communicated the conferred representation to the Chairman in writing.

## System for adopting resolutions. Chairman's casting vote

The agreements are decided by a majority of the Directors present and represented. In the event of a tie, the Chairman shall have the casting vote. However, within the system, resolutions relating to financial operations of the Institute's own business assets and liabilities, each independent member shall have two votes, as provided for in Royal Decree 1149/2015, in its single article. It is not possible to vote via a representative when adopting resolutions relating to the exercise of the Board's powers, which, according to paragraph 2 of article 7 of the Statutes, cannot be delegated in any case.

## Directors' expenses policy

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

In accordance with Article 10 of Royal Decree 706/1999 adapting the Instituto de Crédito Oficial to Law 6/1997 of 14 April 1997 on the organisation and operation of the General State Administration and approving its Statutes, the members of the General Board, the Secretary and the Deputy Secretary of the Board shall have right

to receive the corresponding financial compensation for attendance at its meetings, which will be determined by the Board itself, in accordance with the provisions of the regulations on compensation for service to public administration staff.

However, regarding the foregoing, when the Director holds a high office the remuneration for attending Board meetings will be given to the Public Treasury. The total accrued in 2019 by all ICO directors (excluding the Chairman) was **119,842.80 euros**, the same figure as in the previous year.

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**The allowance for attending the Board was 1,089.48 euros, with no difference between genders.**

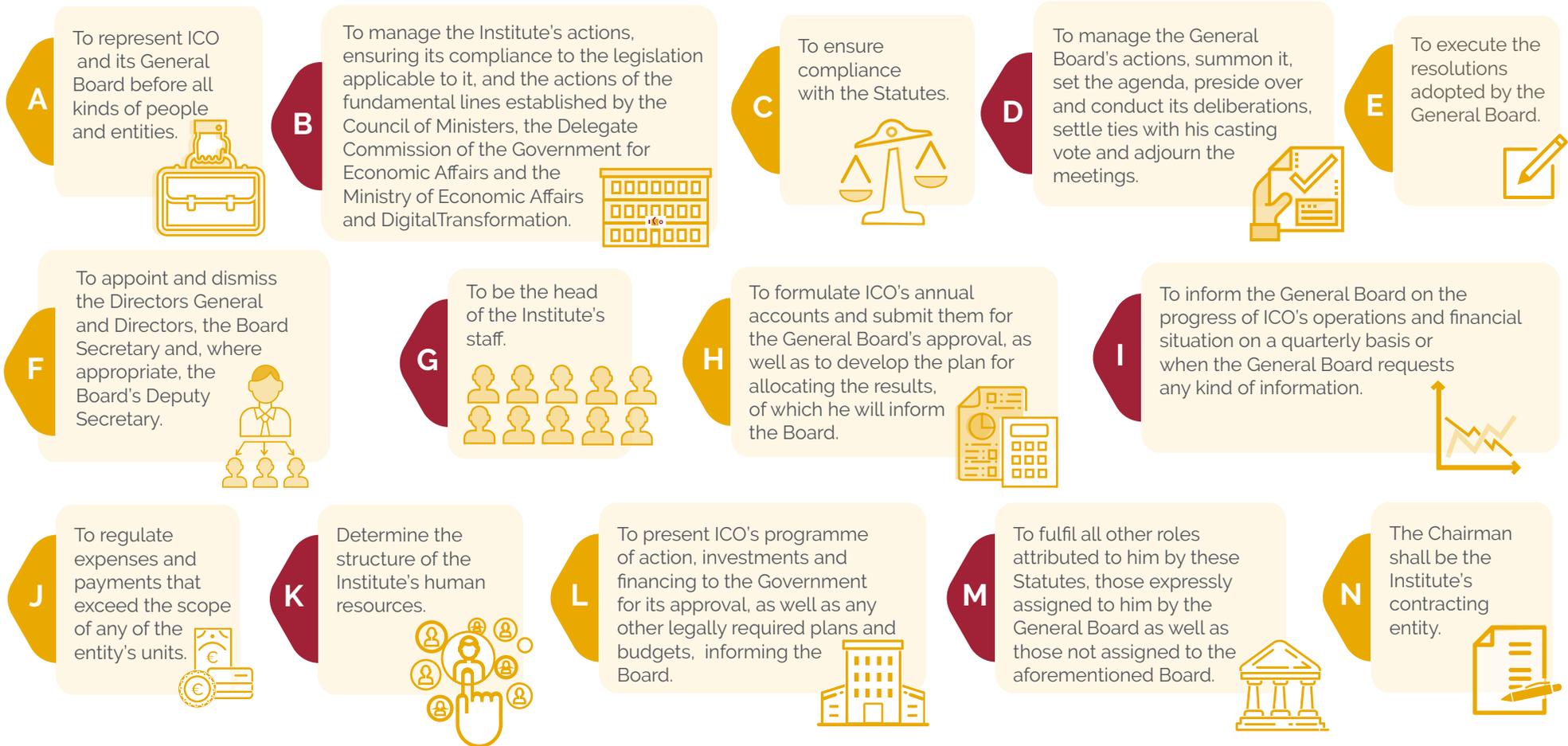
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The members of the General Board are not beneficiaries of loans or any other social benefit granted by ICO.

# CHAIRMAN

## Responsibilities

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



## Delegation of powers

The Chairman may delegate some of his functions to Board members, the Operations Committee, the Directors General and the heads of units that form the entity's structure, and can also grant, in the scope of his competences, belonging or assigned to him, special or general powers as he deems appropriate.

Powers assigned to the Chairman by the General Board cannot be delegated, nor can those specifically assigned by paragraphs f) and h) of the previous section (ICO Group Statutes Art. 12. Chairman's Powers).

## MANAGEMENT BODIES:

### STEERING AND STRATEGY COMMITTEE

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

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

### Functions

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

- 1 ICO's objectives, as well as the management of processes for their implementation.
- 2 The Institute's strategic lines, for which the Operations Commander is responsible for implementing in concrete actions.
- 3 The programmes of action of ICO's various organisational units, and the evaluation of their results in order to fulfil ICO's purposes and functions.
- 4 The positioning of ICO at both the national and international level.

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

### Convening meetings

The Steering and Strategy Committee meets on a regular basis on a date determined by the Chairman, without prejudice to the fact that it can be gathered at any moment if the issue is urgent enough to require this.

### Remuneration system

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

ICO's Chairman holds a "high office" (Law 3/2015 of 30 March 1984, governing the exercise of the high office of the General State Administration). His gross remuneration in 2019 was **141,958.93 euros**.

ICO's Directors General are considered to be "senior management". The remuneration of ICO's senior management conforms to the provisions of Royal Decree 451/2012, of 5 March, which regulates the emoluments of heads and managers in the public business sector and other entities. The average amount received by Directors General in 2019 was **105,458.14 euros**, **2.38%** higher than in the previous year.

### Structure and composition

The Steering and Strategy Committee is made up of the Chairman, the Institute's Directors General, the Department of Legal Counsel, the Department of the Chairman's Cabinet and the Directorate General of Axis. On 31 December 2019, the composition of the Steering Committee was as follows:

- **José Carlos García de Quevedo Ruiz.** Chairman.
- **Ignacio Vicente González.** Director General of Finance and Strategy.
- **Rosario Casero Echeverri.** Director General of Business.
- **Gerardo Gimeno Griñó.** Director General of Risks and Financial Control.
- **José Antonio Martín Pérez.** Director General of Technical Issues and Resources.
- **Juan Alfonso Domenech Gil.** Director of Legal Counsel.
- **Alfonso Noriega Gómez.** Director of the Chairman's Cabinet.
- **Guillermo Jiménez Gallego.** Director General of AXIS.



## **JOSÉ CARLOS GARCÍA DE QUEVEDO**

**Chairman of Instituto  
de Crédito Oficial**

## **PROFILE OF THE STEERING COMMITTEE**

José Carlos García de Quevedo Ruiz holds a degree in Economics and Business from the Complutense University of Madrid and is a member of the Spanish State Trade Analysts and Economists Division. Previously, he held the position of Executive Director of Invest in Spain at ICEX, España Exportación e Inversiones, and was responsible for attracting and promoting direct foreign investment in Spain and obtaining international financing for new investment projects.

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

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

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



## **IGNACIO VICENTE**

### **Director General of Financing and Strategy**

Ignacio Vicente holds a degree in Business Management and Administration from the Autonomous University of Madrid and an Executive MBA from IESE. He is a member of the Spanish State Trade Analysts and Economists Division and holds the CFA and FRM professional qualifications.

In 2007, he began working as an economist for the Public Administration. After a year with the State Secretariat for Trade, he was assigned to the Spanish Treasury where he held several senior positions including Deputy Director General of Management and Financing of Public Debt and Chief of Staff of the Spanish Treasury.

From 2015 until his appointment at ICO, he served as the Head of the Investee Department at the FROB, where he was mainly involved in managing and monitoring the State's shareholding in Bankia and, in particular, in preparing the Strategic and Tactical Committees which monitored the bank's progress.

He has been a member of the Board of Directors of the European Investment Bank and he volunteers for CFA Society Spain where he serves as Advocacy Chair. He has also lectured at the Carlos III University of Madrid as an associate professor.

As ICO's Director General of Finance and Strategy, he is responsible for designing and evaluating the ICO Group's general lines of action and its strategy. The Department of Finance and Strategy analyses, within the areas for which it is responsible, the expected trends and conditions of national and international financial and capital markets, and prepares proposals for adapting ICO, its strategy and its activities, with particular attention paid to developments and initiatives within the European Union framework and the adoption of new technologies. It also analyses and proposes the management of the financial risks on its balance sheet, raises the funds and resources needed for ICO's lending activity in the market, and carries out the necessary financial investment and hedging transactions, as well as treasury management, including the development of new products and services, if appropriate.



**ROSARIO CASERO**

Director General of Business

Rosario Casero holds a degree in Economics and Business from the University of Valladolid, as well as a Master's degree in Finance from the Institut d'Estudis Financers and IESE's Programme for Management Development.

She has had a strong professional career at ICO, where she has held various positions of responsibility. These include Deputy Director of Investment, Deputy Director of Risks and Control, Deputy Director of Investment Banking, Deputy Director of Strategy and Assessment and Director General of Business. She was also Deputy Chairman and Director of AXIS, as well as a member of the COFIDES Board of Directors.

As ICO's Director General of Business, she is responsible for generating, structuring and managing financing operations for companies and institutions, as well as financing lines for companies through the private financial sector, both internationally and nationally. In addition, she is responsible for the activities entrusted to ICO on behalf of State Funds. In her capacity as Vice-President of the Sociedad de Capital Riesgo AXIS, Participaciones Empresariales S.A. she is responsible for the ICO group's venture capital activity.



**GERARDO GIMENO**

**Director General of Risks  
and Financial Control**

Gerardo Gimeno has a PhD in Economics and Business and a Special Graduation Prize. He attended the Executive Programme at ESADE Business School and different courses at the IESE and the IE.

He has carried out a large part of his career in the BBVA Group, holding different management positions such as Country Manager in Germany, Director General of Risks and Recoveries in Colombia and in Mexico, and Director of Risks and Recovery Monitoring in the BBVA Group. Subsequently he took on Financial Management functions in the industry, complementing his work as a business advisor in the areas of finance, planning and cooperative governance. He has taught as part of Masters programmes and given conferences at prestigious academic institutions in Spain and Latin America.

As ICO's Director General of Risks and Financial Control, he is responsible for managing the Institute's finances and assets, as well as the design, implementation and monitoring of the global risk policy. In addition, he manages and co-ordinates the analysis, monitoring and supervision of credit risk to ICO's clients and manages assets and liabilities transactions. He also fosters, co-ordinates and supervises the activity of units under his responsibility.



## **JOSÉ ANTONIO MARTÍN**

### **Director General of Technical Issues and Resources**

Jose Antonio Martin graduated from the University of Valladolid with a degree in Physical Sciences, specialising in Electronics, Mechanics and Computer Science.

He has extensive professional experience in the Public Administration sector, especially in the ICT sector. He joined the State Administration Systems and Computing Management Division in 1993 and joined the State Administration Systems and Information Technology Senior Division in 2000. He started positions of responsibility in June 1997 as head of Information Systems Services at the Ministry of Justice, and subsequently at the Spanish Patent and Trademark Office. In 2001 he returned to the Ministry of Justice as head of Coordination and Planning. In December 2003, he was named as Assistant Deputy Director General of Scientific Infrastructure at the Ministry of Science and Technology. From November 2004 until April 2008 he held the position of Director of the Information Technology Division at the Spanish Patent and Trademark Office. Since 2008 he has held several positions of responsibility such as Deputy Director General of Information, Communication and Organisation Systems at the Ministry of Science and Innovation, at the Madrid City Council, the Ministry of Finance, the State Secretariat for Finance and the General Secretariat of Regional and Local Financing.

As ICO's Director General for Technical Issues and Resources, he is responsible for planning and executing policies in the sphere of technology, HR and materials, coordinating systems and projects related to efficiency, and the operation of the organisation. He also fosters, co-ordinates and supervises the activity of units under his responsibility.



**JUAN ALFONSO DOMENECH GIL**

**Director of Legal Counsel**

Juan Alfonso Domenech Gil graduated from ICADE Business School with a Law degree, specialising in corporate law.

Having joined the state counsel corps, in 2008 he began providing State Counsel services in Córdoba, before taking up the position of head of the legal service at the State Tax Agency in Castile-La Mancha in 2010. In 2012, he joined the State Counsel of the Ministry of the Presidency and served as Secretary to CETARSA's Board of Directors. In 2014, he was appointed Director of Legal Affairs at Sociedad Estatal de Participaciones Industriales, a position he held until February 2018.

He is also a member of the Royal Academy of Jurisprudence and Legislation, has also held teaching roles at several universities and has been involved in various publications on specific administrative law matters.

As the Director of Legal Counsel, he is in charge of designing and proposing internal policies within the areas for which he is responsible and providing legal advice on the policies proposed by other units to ensure the Institute's correct functioning. In addition, he promotes Regulatory Compliance in the Institute and centralises the Institute's procurement, while coordinating and supervising the activity of the units reporting to him. He is also directly responsible for supervising the functions of the Technical Secretariat, including the management of matters relating to ICO's General Board, and relations with public administrations, entities and agencies that rely on its operation.

The Asset Operations Advisory Department, the Economic Policy and Financial Operations Advisory Department, the European Affairs, Institutional and State Funds Advisory Department, the Compliance Department and the Procurement Department all report to the Legal Department.



**ALFONSO NORIEGA GÓMEZ**

**Director of the Chairman's  
Cabinet**

Alfonso Noriega Gómez holds a degree in Business Management and Administration from the Universidad Pontificia de Comillas (ICADE). He has been a senior member of the State Trade Analysts and Economists Division since 2008.

Among his responsibilities in the public sphere, he is an advisor in the Cabinet of the State Secretariat for Trade, member of the Board of Directors and Audit and Control Committee of Invest in Spain, Advisor in the Cabinet of the Minister of Industry, Energy and Tourism, member of the Board of Directors of INTECO, Chief Economic and Commercial Advisor for Spain in Shanghai and Canton (P.R. of China), as well as Head of Area in the European Union's Subdirector General for Trade Policy. His career in the teaching sector, collaborating with the Spanish Agency for International Development Cooperation (AECID), the Institute for Fiscal Studies and the Universidad Pontificia Comillas is also relevant.

As Director of ICO's Chairman's Cabinet, he is responsible for providing support and assistance to the Chairman, gathering coordinated information from the various Departments, preparing the external communication strategy and developing the Institute's institutional relations, coordinating parliamentary advisory work, relations with other Ministries, institutions and bodies, monitoring the CDGAE and legislative proposals and other agreements that may affect ICO.



**GUILLERMO JIMÉNEZ GALLEGO**

Director General of AXIS

Guillermo Jiménez Gallego holds a degree in Economics and Business Studies, as well as a Master's in Financial Markets

(CEU-Institute of Higher Studies).

Before joining AXIS, he has pursued his professional career in different areas of the Instituto de Crédito Oficial, including Commercial Credit / Wholesale Banking, Investment Banking, or Project Finance. He has also been a director of several companies (AXIS, COFIDES - Compañía Española para la Financiación del Desarrollo, etc.) and a member of the Investment Committee of several funds.

## Changes made in 2019

During the 2019 financial year, there have been no changes that affect the Steering and Strategy Committee.

## OPERATIONS COMMITTEE

### Functions

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

### Operation

The Operations Committee meets weekly on a regular basis, without prejudice to the fact that it can be convened at any moment if the issue is urgent enough to require this.

## Structure and composition

On 31 December 2019, the composition of the Operations Committee was as follows:

- **José Carlos García de Quevedo Ruiz.** Chairman. Date of appointment: 23/06/2018.
- **Ignacio Vicente González.** Director General of Finance and Strategy. Date of appointment: 28/05/2018.
- **Rosario Casero Echeverri.** Director General of Business. Date of appointment: 23/07/2018.
- **Gerardo Gimeno Griñó.** Director General of Risks and Financial Control Date of appointment: 03/02/2012.
- **José Antonio Martín Pérez.** Director General of Technical Issues and Resources. Date of appointment: 01/11/2018.
- **Juan Alfonso Domenech Gil.** Director of Legal Counsel and Committee Secretary. Date of appointment: 16.02.2018

# GOOD GOVERNANCE

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Axis has the following decision-making and control bodies to ensure transparency, independence and professionalism in investment decisions.

## **GOVERNANCE STRUCTURE**

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

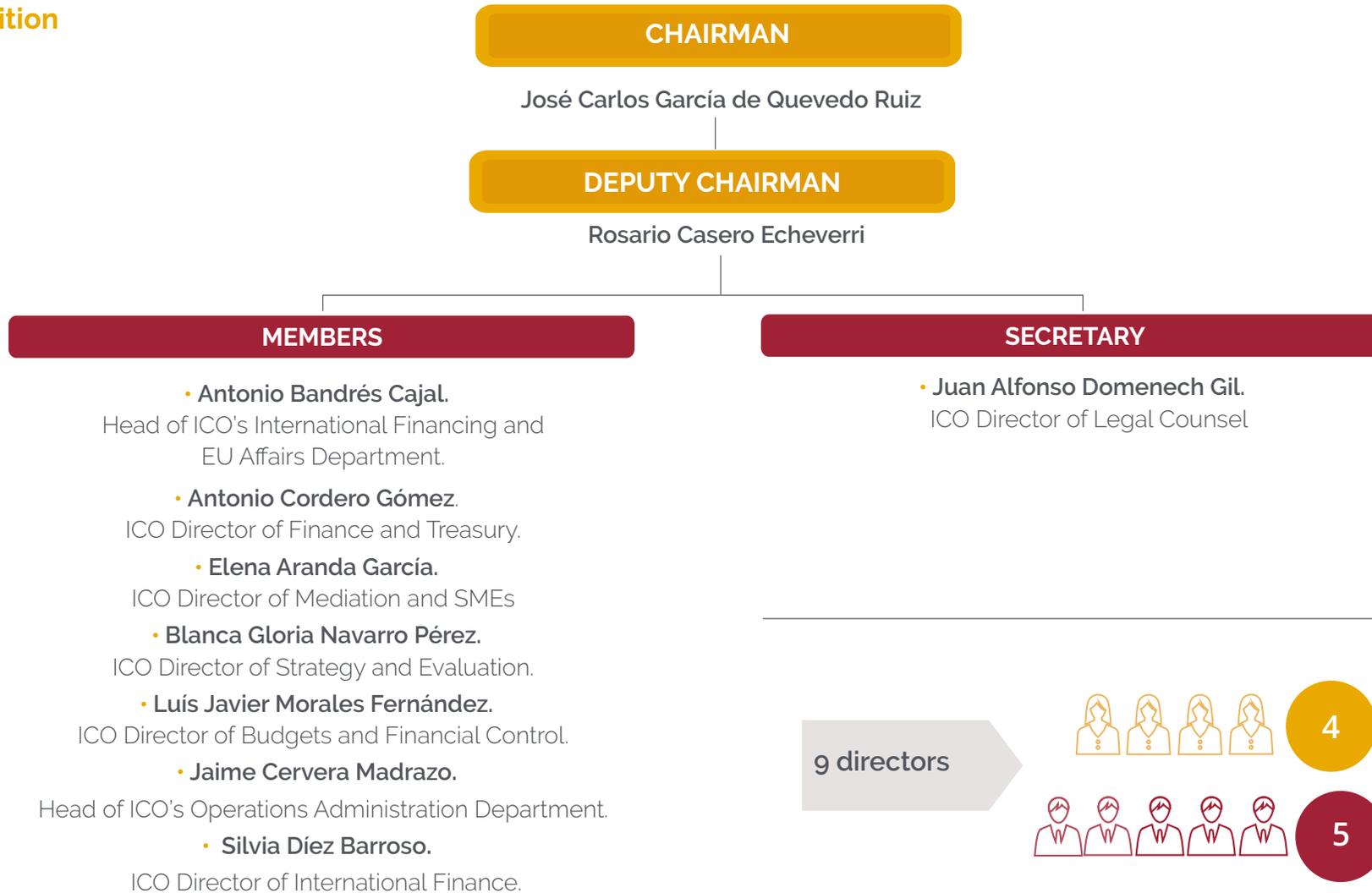
## **STEERING BODIES**

### **BOARD OF DIRECTORS**

AXIS's governing body that is responsible for, amongst other functions, giving final approval for investment and disinvestment operations.

According to the provisions of Royal Decree 451/2012 and the Order issued by the Ministry of Finance and Public Administration on 30 March 2012, for Group 3 companies, the Board of Directors may not comprise more than nine directors. The Statutes establish that the Board of Directors shall be composed of a minimum of three and a maximum of nine Directors.

## Composition



## Functions

Management, representation and administration of the Company. In accordance with the Company's Statutes, the Board of Directors shall be responsible for the judicial and extra judicial representation of the Company and for the full direction and administration of all matters relating to the Company's corporate purpose as well as its assets and business, and shall be empowered to enter into and execute all manner of acts and contracts, of administration and ownership, civil and commercial, whatever the nature of the assets to which they refer and the person or entity to which they affect, since, in general, it will have all those powers that, by law or by the provisions of these Statutes, are not expressly reserved to the General Meeting of Shareholders.

The responsibilities that the Board of Directors assumes, without prejudice to its powers as a governing body, over the performance of the Company are mainly the following:

- 1 Approving, where appropriate, the investment and divestment proposals for the funds managed by the Company, as well as modifications thereto.
- 2 Approving the risk control and management policy.
- 3 Deciding on the Company's general activity.
- 4 Formulating the Company's Annual Accounts.
- 5 Implementing Law 10/2010 of 28 April on the Prevention of Money Laundering and the Financing of Terrorism and its Regulations approved by Royal Decree 304/2014 of 5 May.
- 6 Approving the Annual Accounts, the proposed distribution of profits and the management report of all the funds managed by Axis.

## Equality on the Board of Directors

44.4% of the members of the Board of Directors are women.

## Remuneration of the members of the Board of Directors

The members of the Board of Directors receive remuneration for attending Board meetings, except for the Chairman and Deputy Chairman, who, as they have a senior management contract, cannot receive compensation for attending Board meetings in accordance with article 13.2.3 of Law 3/2015 of 30 March, regulating the exercise of high office in the General State Administration.

The maximum remuneration for attending the Board of Directors' meetings is established by Ministerial Order of the Ministry of Finance.

In 2019, the remuneration received by the members of the Board amounted to **6,809.77 euros per year**, the same remuneration received in the previous year.

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There is no wage gap between women and men in the remuneration of the AXIS Board of Directors.



In 2019 the Company did not enter into any pension obligations with respect to former or current members of the Board of Directors and Senior Management, nor were there any loans or advances to members of the Board of Directors and Senior Management.

### **Convening meetings, procedure, quorum and delegating voting rights**

The Board of Directors shall meet on the initiative of its Chairman or the person acting in his stead or at the request of one-third of the members of the Board, as often as may be necessary for the proper functioning of the Company, and in any case once per quarter for the purposes of and within the period stipulated in Article 245.3 of the Law on Capital Companies. The Board of Directors held twelve meetings in 2019.

The Board shall be convened, except in cases of urgency as determined by its Chairman, sufficiently in advance, and the agenda shall be established. The Board shall be validly constituted when half plus one of its members are present or represented at the meeting. Directors may be represented at Board meetings by members attending the meeting and must grant proxy in writing.

The total number of non-attendances by Directors at meetings of the Board of Directors during the year was five, with delegated votes for all such absences.

### **System for adopting resolutions**

Resolutions shall be adopted by an absolute majority of the votes, present or represented, with the Chairman casting the deciding vote.

### **Delegation of powers**

The Board may delegate its powers, in whole or in part, except those that cannot be delegated by law, to one or more of its members to exercise them in the capacity of Director or Managing Director or Executive Committee, without prejudice to the powers that it may confer on any person. Under no circumstances may the rendering of accounts or the presentation of balance sheets to the General Meeting or the powers granted by the latter to the Board be delegated, unless expressly authorised by the latter.

### **Incompatibilities**

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

## Prohibitions on the exercise of office

No member of the Board of Directors has informed the Company during 2019 that he or she has been prosecuted, or that a court order has been issued against him or her, for any of the offences referred to in Article 213 of the Law on Capital Companies.



## COMMITTEES

### AUDIT AND CONTROL COMMITTEE

This Committee is a specialised body set up within the Board of Directors to provide technical support and assistance in the field of monitoring.

### INVESTMENT COMMITTEE

There is an investment committee for each Fund (FOND-ICO<sub>pyme</sub> and FOND-ICO<sub>infraestructuras</sub>) and in both cases they are composed of three members appointed at the proposal of ICO/AXIS and at least two independent experts. These are the bodies responsible for giving investment and disinvestment operations the green light before they are presented to the Board of Directors.

# GOOD GOVERNANCE

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*fundación*



## GOVERNANCE STRUCTURE

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

## STEERING BODIES

### BOARD OF TRUSTEES

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

On 31 December 2019 the Board of Trustees was made up of ten prominent figures from the economic, cultural and scientific world, ten of whom are men and five women.

## Composition

Name	Role	Position
José Carlos García de Quevedo	Chairman	ICO Chairman
Alfonso Noriega Gómez	Deputy Chairman and Trustee	Director of the ICO Chairman's Cabinet
Juan Velarde Fuertes	Trustee	Honorary President of the Royal Academy of Moral and Political Sciences
Juergen B. Donges	Trustee	Emeritus Professor of Economic Sciences (University of Cologne)
Eva María González Díez	Trustee	Director of the Legal Department of Grupo Mutua Madrileña
Pedro Nuevo Iniesta	Trustee	Technical Architect, Industrial Engineer and Doctor in Business Administration from Harvard University
Concepción Osácar Garaicoechea	Trustee	Managing Partner of Azora
Cecilia Pereira Marimón	Trustee	Commissioner of Xacobeo 2021 and Managing Director of SA do Plan Xacobeo
Juan José Toribio Dávila	Trustee	Emeritus Professor of Economics and President of the International Center for Financial Research (CIIF) of the IESE Business School
Pablo Vázquez Vega	Trustee	University Professor of Applied Economics
Lucinio Muñoz Muñoz	Non-Trustee Director	Director of Fundación ICO
Juan Alfonso Domenech Gil	Non-Trustee Secretary	Secretary of ICO's General Board and ICO Director of Legal Counsel
Ángeles Blanco Fernández	Non-Trustee Deputy Secretary	Lawyer in ICO's Legal Counsel

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

## Changes made in 2019

During 2019, the following changes have been made to the composition of the Board of Trustees:

### Resignations

Name	Position	Date of departure
Mario Buisán García	Director of the ICO Chairman's Cabinet	15.10.2019
Pablo García-Berdoy Cerezo	Ambassador Permanent Representative of Spain to the European Union	16.12.2019
María Victoria Morera Villuendas	Ambassador of Spain to the Federal Republic of Germany	16.12.2019
Ana Palacio del Valle de Lersundi	Director of the Law Firm Palacio y Asociados	16.12.2019
José Pedro Sebastián de Erice y Gómez Acebo	Secretary General of Técnicas Reunidas	25.10.2019
José Pedro Pérez-Llorca Rodrigo		March 2019
Gloria Peñafiel García	Director of Fundación ICO	15.10.2019

### Appointments

Name	Position	Date of appointment
Alfonso Noriega Gómez	Director of the ICO Chairman's Cabinet	15.10.2019
Lucinio Muñoz Muñoz	Director of Fundación ICO	15.10.2019

## EXECUTIVE COMMITTEE

The Executive Committee is the body in charge of studying and proposing Fundación ICO's programmes and specific actions to the Board of Trustees. It is also responsible for the resolution and adoption of agreements.

The Executive Committee shall be chaired by the Chairman of the Board of Trustees and shall be made up of a minimum of three trustees and a maximum of five, including the Secretary if he or she is a trustee.

Name	Role
José Carlos García de Quevedo	Chairman
Eva María González Díez	Member
Pablo Vázquez Vega	Member
Alfonso Noriega Gómez	Member

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

## Changes made in 2019

During 2019, the following changes have been made to the composition of the Executive Committee:

### Resignations

Name	Position	Date of appointment
José Pedro Sebastián de Erice y Gómez Acebo	Secretary General of Técnicas Reunidas	25.10.2019

### Appointments

Name	Position	Date of appointment
Alfonso Noriega Gómez	Director of the ICO Chairman's Cabinet	16.12.2019

## ADVISORY COMMITTEES

### ART ADVISORY COMMITTEE

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

- **Museo Nacional Centro de Arte Reina Sofía**, represented by its Director, **Manuel J. Borja-Villel**.
- **Martha Thorne**, Associate Dean of External Relations at IE School of Architecture and Design.
- **Jorge Ribalta**, photographer and exhibition curator.

### ADVISORY COMMITTEE OF THE FUNDACIÓN ICO - BE-CAS CHINA SCHOLARSHIP PROGRAMME

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

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

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The members of the Advisory Committees do not receive any financial compensation.

During 2019 there have been no changes in the composition of any of the Advisory Committees.

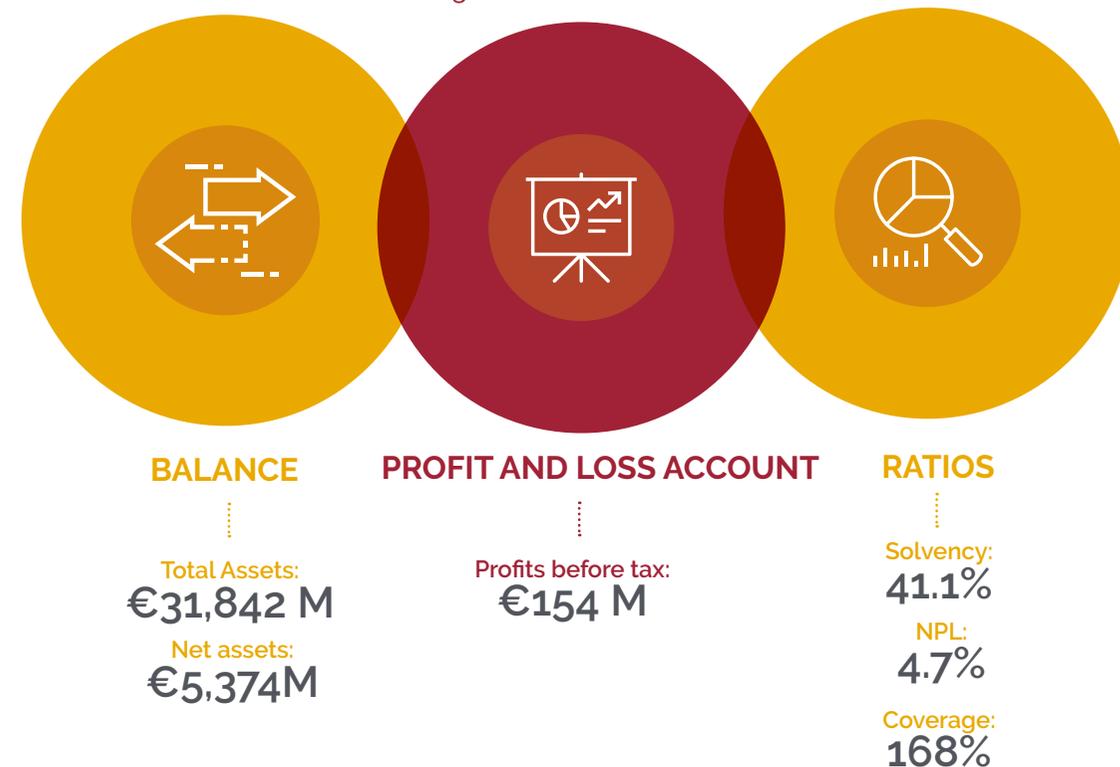
# MAIN FIGURES

## BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR

In 2019, management indicators remained positive. The following table shows the main figures and management indicators related to ICO's activity in the financial year, in unconsolidated figures.

### ICO GROUP MAIN FIGURES 2019

(million euros and %). Consolidated figures



## BALANCE SHEET (Million euros)

CONCEPT	2019	2018	2017
CASH, CENTRAL BANK BALANCES AND OTHER DEMAND DEPOSITS	785	1,669	2,306
FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES IN ANOTHER OVERALL RESULT	1,826	1,671	1,376
FINANCIAL ASSETS AT AMORTISED COST	28,469	32,002	37,377
OTHER ASSETS	762	754	692
<b>TOTAL BALANCE</b>	<b>31,842</b>	<b>36,251</b>	<b>42,201</b>
FINANCIAL LIABILITIES AT AMORTISED COST	25,813	30,295	36,047
NET ASSETS	5,394	5,344	5,436
REST OF LIABILITIES	635	612	718

## DATA ON STAFF

CONCEPT	2019	2018	2017
TOTAL NO. OF EMPLOYEES	346	327	324
NO. OF EMPLOYEES WITH A FIXED CONTRACT	325	317	304
NO. OF WOMEN	207	200	200
% OF WOMEN IN MIDDLE AND SENIOR MANAGEMENT	47.3%	44.4%	44.1%
NO. OF EMPLOYEES WITH REDUCED HOURS DUE TO RECONCILING FAMILY LIFE	41	41	29
NO. OF WORKING DAYS LOST DUE TO SICK LEAVE	4,305	3,375	2,030
WORK ACCIDENTS	7	6	13
ABSENTEEISM RATE	7.06%	6.00%	4.80%
INVESTMENT IN TRAINING (€)	281,008	280,227	191,567
NO. OF HOURS OF TRAINING	15,358	15,143	14,173
NO. OF EMPLOYEES TRAINED	297	303	323

## PROFIT AND LOSS ACCOUNT BY MARGINS (Million euros)

CONCEPT	2019	2018	2017
FINANCIAL INTEREST MARGIN	-28	-97	-69
GROSS MARGIN	98	63	23
PRE-TAX PROFIT OF ONGOING ACTIVITIES	154	117	149
POST-TAX PROFIT OF ONGOING ACTIVITIES	109	76	103

## LENDING (Million euros)

CONCEPT	2019	2018
NUMBER OF MEDIATION OPERATIONS FORMALISED	63,522	41,449
FORMALISED MEDIATION LOAN AMOUNT	5,055	3,221
NUMBER OF OPERATIONS FORMALISED DIRECTLY BY ICO	88	44
AMOUNT FORMALISED BY DIRECT LOANS	2,476	1,190
BALANCE OF OPERATIONS MANAGED ON BEHALF OF THE STATE	194,093	193,472

## FUNDRAISING (Million euros)

CONCEPT	2019	2018
CAPITAL MARKET (MILLIONS OF EUROS)	4,338	3,192
BILATERAL LOANS (MILLIONS OF EUROS)	1,549	534

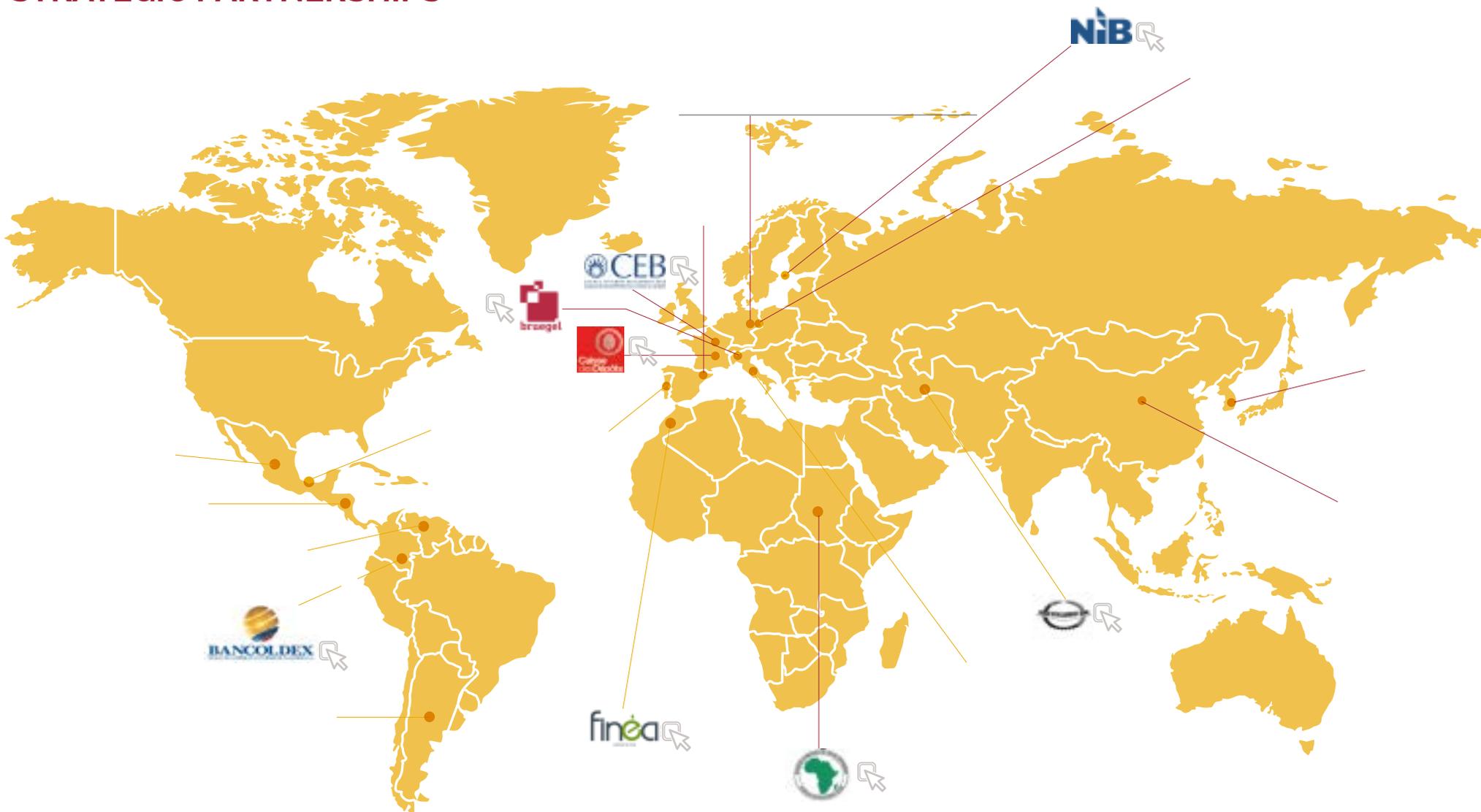
# STRATEGIC PARTNERSHIPS

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Through different partnerships with institutions around the world, we establish collaborations between governments, the private sector and civil society. These partnerships, which place people and the planet at the centre, are necessary at global, regional, national and local levels. Many of them mobilise resources to meet Sustainable Development Goals, long-term investments that are needed in critical sectors such as sustainable energy, infrastructure and transport, as well as information and communication technologies.

## MAP OF ICO'S STRATEGIC PARTNERSHIPS



Click on the entities' logos to see information on the scope of the collaboration agreement with ICO.

## ICO IN THE EUROPEAN UNION

ICO collaborates with other multilateral, regional investment and development banks and their EU counterparts to finance the projects of Spanish companies or of Spanish interest in third markets. In this field of activity, cooperation with the European Investment Bank (EIB), the European Investment Fund (EIF) in the implementation of the Juncker Plan and as a channel for present and future EU resources and initiatives in Spain must be mentioned.

At the core of the plan is the European Fund for Strategic Investments (EFSI), created to fund the projects of large businesses, of midcap companies and of SMEs in strategic infrastructure sectors (digital and transport), research and innovation, education, development of renewable energy and resource efficiency.

ICO has placed great emphasis on proposing new structures to the EIB Group to facilitate financing of infrastructure projects, through its direct financing programmes and through venture capital funds. Since the programme started at the end of 2019, the total amount of ICO participation in financial products that have EFSI guarantees has reached 1,818 million euros, of which 1,683 million correspond to projects carried out in Spain.

In the same period, total EFSI financing in Spain reached 10,447 million euros, with an expected mobilised investment of 49,751 million euros in a total of 142 projects. The funding provided by ICO therefore represents 16% of the total approved in Spain.

In addition, ICO works in conjunction with the EIB and other national promotional banks such as KfW (Germany), CDP (Italy), CDC (France), BGK (Poland) to mobilise funds for financing projects in the field of sustainability. This framework for action included the launch of the Joint Initiative on Circular Economy (JICE) in July and the accession to the Clean Ocean Initiative (COI) to reduce plastic pollution in the seas in October.

### Boosting ICO's position as a channel for EU funds as a strategic axis

In 2019, ICO focused efforts to position itself as a benchmark within the new framework of the EU's 2021-2027 Multiannual Financial Framework Programme.

The process of defining and adopting the new EU budget led to the creation of *InvestEU*, a reinforced instrument to encourage investment, growth and employment in the EU that unites the existing fourteen separate financial instruments that encourage investment in the EU in a single programme.

The programme's main new feature is that it allows 25% of the amount of European guarantees to be managed by entities other than the EIB. In this way, national promotional banks such as ICO can become *Implementing Partners* and manage these guarantees, which is a great opportunity for ICO and constitutes a new axis of its strategy.

In order to be an *Implementing Partner*, the European Commission requires a suitability test (*Pillar Assessment*) to be passed, which evaluates the applicant's technical, administrative and organisational characteristics, to ensure that they have the suitable capabilities for managing European funds.

In 2019, the Institute initiated the application procedures that facilitated passing the *eligibility check*, a necessary requisite for accreditation. The European Commission, through its Structural Reform Support Service (SRSS), has therefore authorised the provision of technical assistance to ICO for passing the *Pillar Assessment*.

Once the full accreditation process has been completed, ICO would be in a position to start managing the guarantees of InvestEU and other European programmes to support Spanish companies' projects.



A blurred background image of a business meeting. Several people in suits are seated around a table, looking at documents. A man in the center is gesturing with his right hand. The scene is brightly lit, suggesting an office environment.

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**Corporate  
responsibility:  
transparency and  
integrity**

# CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY

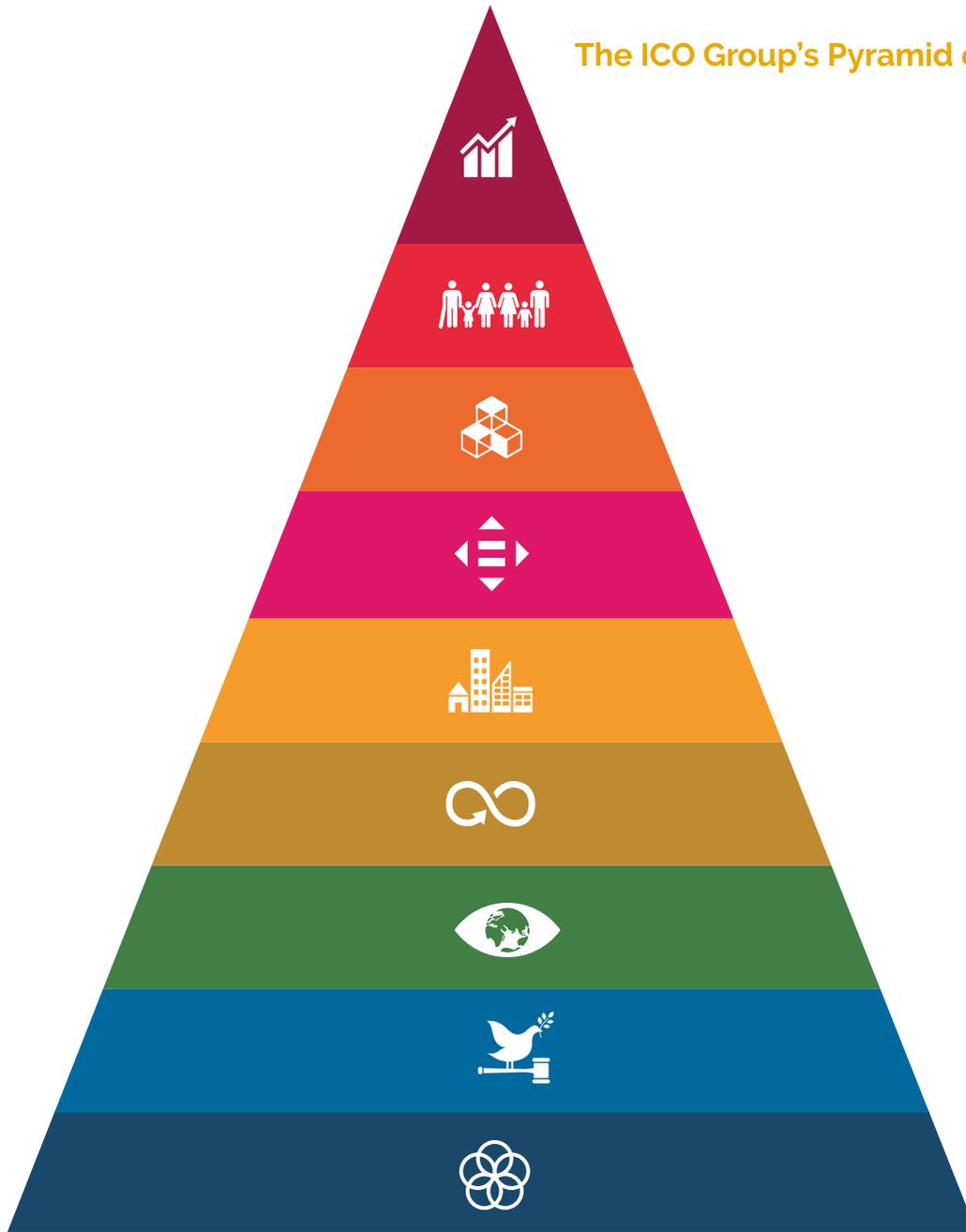
## OUR CONTRIBUTION TO THE SDGs

Our activity is closely linked to the achievement of the Sustainable Development Goals (SDGs) defined by the United Nations in 2015 for their achievement in 2030. Our own mission as an organisation, which is to support and promote economic activities that contribute to the growth and improved distribution of national wealth, coincides almost entirely with SDG 8, on decent work and economic growth. Since our inception, the activities carried out by the ICO Group have been aimed at supporting and financing business projects that bring growth to the country, and in recent years, with special emphasis on sustainable financing or investment projects.

Beyond the direct contribution to SDG 8, the ICO Group also contributes to other goals directly.



## The ICO Group's Pyramid of Contribution to the SDGs





## COMMITMENT TO SUSTAINABILITY

At the ICO Group we place environmental, social and governance sustainability as the basic guiding pillar of our actions, both in asset and liability operations and in the management of the organisation from the perspective of governance and corporate social responsibility.

We apply a cross-cutting 360° sustainability model, and have an outstanding and pioneering role as a trailblazer and promoter of new products, standards, policies and initiatives. This model involves all areas of the organisation and its activity, acting as a foundation of management that allows us to fulfil our mission as a public and promotional bank.

We promote economic growth by financing business activities that contribute to the generation of employment and economic development, both in Spain and in third countries, in line with the 17 Sustainable Development Goals of the United Nations' Agenda 2030, with the Paris Climate Agreement (COP 21), and with the United Nations' Guiding Principles on Business and Human Rights, all of which have been signed by Spain and implemented an European and national level.

In line with these guidelines, we express our **commitments** to sustainability.



### The promotion of a sustainable business fabric that generates employment, social welfare and positive environmental impact.

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We include sustainability criteria in all our actions. In terms of liabilities, we consolidated our position in the green bond market, launching the first green bond issue, amounting to 500 million euros, to finance Spanish companies' activities, investments and projects that contribute to environmental protection and the fight against climate change.

In 2019 we launched a new social bond issue amounting to **500 million euros**. With seven sustainable bond issues (six social and one green), ICO is one of the European leaders in this market, with a volume of over **3.55 billion euros** issued at the end of 2019. This commitment to the development of the sustainable bond market was recognised through the appointment of ICO as a new member of the ICMA's Advisory Council of the Green Bond Principles and Social Bond Principles.



### Focus on the sustainability of asset operations

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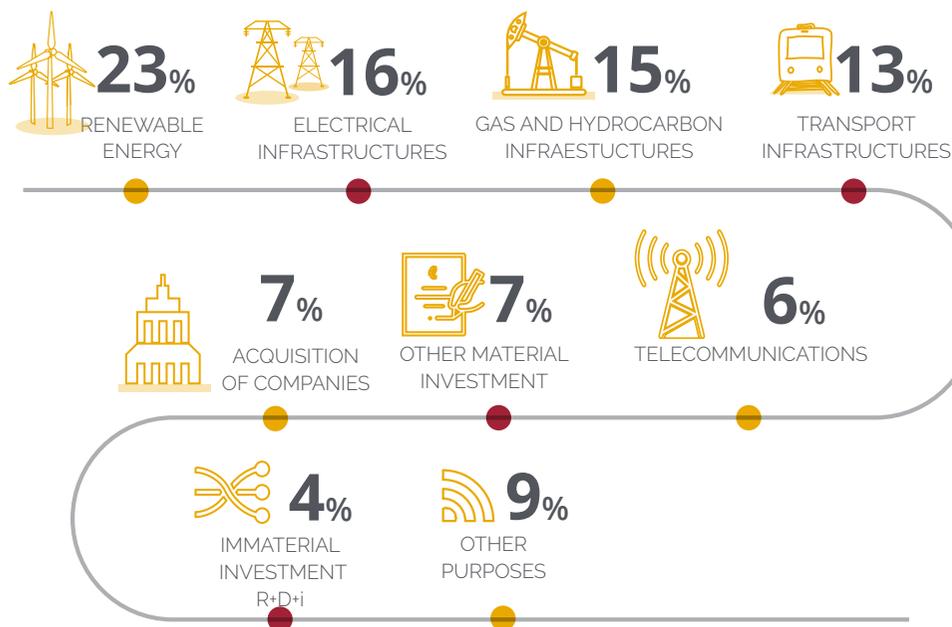
We support and prioritise those business activities that promote a solid, competitive and sustainable business fabric, which have a positive impact on people, the climate and the environment.

As a national promotional bank for business, we prioritise financing projects with a real and measurable impact on sustainability in our national and international direct financing operations.

ICO pays special attention to those projects linked to mitigation and adaptation to climate change, such as renewable energy, sustainable mobility, energy efficiency, water and solid urban waste management and treatment, reforestation, and social infrastructures.

In particular, if we look at the purpose of the financing granted in 2019, funds to finance projects in Spain or abroad, promoted by or involving Spanish companies, that aim to finance renewable energy projects, (**23%** of the total formalised) construction or improvement of electric infrastructure (**16%**) are especially prominent.

## DIRECT FINANCING FORMALISATIONS



Direct loans, corporate bonds and guarantees. Distribution by project purpose in %.

Through direct financing, we commit to sustainability and the digital transformation of the company in our asset operations.



**The integration of Corporate Social Responsibility as the backbone of the whole organisation, as well as transparency and good governance, and the promotion of sustainability in all business activities within its reach.**

Various internal actions are being taken to ensure that the sustainability criteria permeate the organisation, its governance and its corporate social responsibility policy.

Examples of this are the implementation of a consultancy for the realisation of a Sustainable Finance Action Plan in coordination with the European Commission Structural Reform Support Service (SRSS), the definition of a Sustainability Policy and the development of a Sustainability Assessment Manual that proposes an operative, agile and rigorous procedure to identify and monitor ICO's activity in this area.



**With regard to the environment and the fight against climate change, the promotion of a low-carbon economy model and the mobilisation of resources, financing and investment towards sustainable activities, aiming to play a particularly active role in the field of renewable energies and energy efficiency and saving projects.**

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In coordination with the other European national promotional banks, the Institute participated in the launch of the Joint Initiative on Circular Economy (JICE), which supports the development and implementation of circular economy projects and programmes in the EU. It also acceded to the Clean Ocean Initiative, which aims to effectively implement a sustainable model that helps mitigate the effects of climate change and fight against pollution in the oceans.

In addition, ICO has been accredited by the European Commission in relation to the Connecting Europe Facility (CEF), which will allow funds and grants for projects on sustainable mobility and transport developed by European companies to be channelled and managed.



**Internally, the promotion of proper management of financial risks arising from climate change, and the social and environmental impacts associated with its activity.**



**Respect for human rights in the framework of its activity as financier and along its value chain.**

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To carry out these commitments, the ICO Group will work in partnership and collaboration with other multilateral and regional investment and development banks and counterpart promotional banks in third countries and at an EU level, sharing good practices and management models with the private credit institutions that it supports and complements in its work to make business financing more dynamic.

Through public-private partnerships, the ICO Group seeks to maximise the positive impacts generated in its activity and to work in harmony with the financial sector, capital markets, civil society and the third sector for a more sustainable economic model and compliance with global sustainability agendas.

## RESPONSIBLE FINANCING

The activity of the financial sector and ICO's role as a public bank must contribute to and encourage the successful transition to a low-carbon economy and the achievement of the Paris Agreements and Agenda 2030.

ICO is aligned with the European guidelines on sustainable finance and considers all those operations that contribute most to sustainable economic development to be a priority. In this sense, ICO identifies the business activities and projects that have the greatest positive social and environmental impact both in Spain and in third countries.

For this purpose, ICO defines the Group's activity and financing objectives, giving priority to:

**1 Sustainability:** climate change and the environment (reducing emissions, renewable energy, energy efficiency and transition, waste treatment and reduction, water management...); sustainable infrastructures and circular economy.



**2 Competitiveness:** digital transformation, innovation and technological development.



**3 Social welfare and development** by financing employment-generating activities and participating in public and private initiatives that promote social inclusion and the reduction of inequalities.



The ICO Group aligns its lending with the SDGs and develop metrics and indicators to report on its contribution to Agenda 2030, highlighting the SDGs especially related to its activity. In addition, to provide information to its stakeholders and contribute to the implementation of a common language on sustainability that promotes the reorientation of capital flows towards these activities, the ICO Group **identifies the green projects to be financed in accordance with the European Union's Taxonomy** or internationally recognised standards, and ensures that the risks and impacts of the projects it finances are properly managed by applying recommendations, international performance rules or standards such as the **Equator Principles**.

Furthermore, as ICO works to play a relevant role in the implementation of the various instruments and policies within the European Union's Multiannual Financial Framework, it is committed to adopting the necessary measures to develop a methodology for identifying, quantifying and measuring the impact of its activity on sustainability in a



coordinated manner and in line with the regulations established in the EU framework.

ICO considers it essential that the management of risks associated with projects consider the assessment of

environmental and social impacts as well as those related to climate change and human rights. This allows for improved financial results, minimising costs to people and the environment, and contributing to the achievement of global sustainability commitments.

As a financier, the ICO Group works in a joint and coordinated manner alongside project promoters, as well as the other banks participating in each operation, to identify, assess and manage environmental, social and climate risks, as well as their monitoring, throughout the project's life cycle. For this purpose, the ICO Group maintains and reviews its financing and risk policies to

ensure the improvement of *due diligence* processes and guarantee that best practices are applied.

In project financing, and in particular with regard to the risks inherent in projects, the ICO Group takes into account the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

In this regard, and within the framework of the agreements signed with other financial institutions on sustainability, ICO is committed to measuring and reducing its portfolio's carbon footprint.



## EXCLUSION OF ACTIVITIES

Based on the principles of action and in order to lead the transition toward a sustainable economic model in partnership with other financial institutions or promotional banks, ICO will not finance the following activities:

- Illegal activities according to the legislation applicable to the operation in question or according to international agreements and conventions.
- Projects that could result in the violation of human rights or the limitation of individual rights and freedoms. Nor will it finance those projects that do not comply with national, European, or local environmental legislation, or IFC standards or OECD guidelines where this is a better reference.
- Projects that do not respect labour rights in general and in particular rights on child labour, discrimination and forced labour, on the basis of the fundamental conventions of the International Labour Organization (ILO).
- Activity linked to pornography and/or prostitution.
- Lethal weapons, munitions and dual-use goods, except for the financing of the manufacture and marketing by an EU or NATO country of parts, components and subsystems intended for non-lethal defence equipment. Exceptionally, when it is considered to be in the national interest, and after consultation with the Ministry concerned and after justification and approval by ICO's General Board, dual-use goods may be financed with third countries.
- Companies on the relevant sanctions lists, in accordance with the Policy on Prevention of Money Laundering and Terrorist Financing.
- Projects that may generate negative social, environmental or climate impacts, where the promoter does not adopt the necessary measures for their adequate management and mitigation.
- Projects that do not comply with the social and environmental standards that ICO has established in its internal procedures or do not meet the criteria and limitations established in ICO's direct financing policy.
- ICO's direct financing policy may establish additional conditions to those provided for in this section with regard to sustainability, whether based on European commitments, the application of international standards or other specific conditions that may be agreed.

## ICO AND ITS COMMITMENT TO SMEs: FINANCE, RAISE AWARENESS AND ALIGN

The objectives set at global level require the commitment of small and medium-sized enterprises in order to be achieved. The Agenda 2030 and the Paris Climate Agreements require the participation of SMEs, which in Europe represent more than 98% of the total business fabric.

Disinformation and limited economic and human resources represent a barrier to the alignment of these small and medium enterprises with the SDGs and Agenda 2030. In order to meet these challenges, companies will have to incorporate changes in their management systems to enable the transformation to a low-carbon and sustainable economic model in the long term. In this sense, ICO and the Spanish Network of the United Nations Global Compact have launched the icopymeods initiative to make medium and small enterprises active players in achieving Agenda 2030.

ICO is aware of this situation and has a key role to play as a reference in the financing of all Spanish companies, and particularly of SMEs, the self-employed and entrepreneurs. According to this relationship, ICO, with the necessary support and coordination of the financial entities collaborating in the credit lines and with other *collaborating agents in matters of sustainability*, is committed to promoting actions of information, dissemination, guidance and support that smooth this transition towards the new economic paradigms represented by the SDGs and the Paris Climate Agreements<sup>1</sup>.



<sup>1</sup>In this line ICO has already created a web space together with the Spanish Global Compact Network to involve Spanish SMEs in the achievement of the Agenda 2030

<https://icopymeods.ico.es/#/>

## COMMITMENT TO THE SUSTAINABLE DEVELOPMENT OF FINANCIAL MARKETS

ICO is financed in the capital markets through bond issues. Over the years, ICO's vocation of public service and its commitment to the long-term and sustainable development of the economy has generated confidence in the financial markets which has enabled it to finance its activity successfully.

ICO has been a pioneer in Spain in issuing **social bonds**, in which it is already a reference point, and with which it has obtained funds to promote business activity in the most disadvantaged areas nationally, and to influence the creation and maintenance of employment.

In 2019, ICO was also recognised for its first **green bond** issue to finance projects related to renewable energy, energy efficiency, clean transport, pollution prevention and control, and sustainable management of natural resources.

ICO is involved in the sustainable evolution of capital markets, working alongside the main associations, such as the **International Capital Market Association (ICMA)**, in the implementation of standards and principles that contribute to directing capital flows efficiently and transparently towards sustainable development.

In this regard, it should be noted that ICO was the first public bank to form part of the ICMA's Advisory Committee (and the only one in 2019), which attests to the prestige and recognition that its work as a responsible bond issuer has generated.



ICO is committed to following this line of action that aims to provide value through the development of sustainable financial instruments, to exerting influence so that all the actors in the markets are united in responsible investment and to promoting partnerships and synergies that allow the redirection of capital flows to sustainable and low-carbon investments.

Finally, it should be noted that for ICO, transparency and communication with its investors is the key to building confidence that the funds obtained through ICO issues will be used to promote and finance business projects and public-private partnership initiatives that contribute to sustainability, both in Spain and abroad.



## ICO'S COMMITMENTS TO EMPLOYEES

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

The ICO Group's commitments to its employees are summarised in the following items:

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

ICO has the **"EFR" family-responsible company seal**, which certifies that it has an effective model for managing its balancing processes. This certification is based on evaluation and continuous improvement and promotes the application of conditions of flexibility, harmony between family and professional life, equal opportunities, communication channels with employees and quality at work.

ICO undertakes to expressly inform and train its employees on the sustainable management of its activity, in all its facets; environmental, social, human rights and climate.

ICO has established a **Management by Objectives System** in which the variable remuneration of all its staff and senior management is directly linked to specific sustainability objectives. This facilitates the express alignment of the organisation with the commitments made in this area and guarantees progress in the established lines of action.

Chapter 6 provides the outcomes of these policies.



## RELEVANT ISSUES AND STAKEHOLDERS

Identifying which sustainability issues are most relevant to us and our stakeholders is done by the most important stakeholders for the ICO Group and through dialogue with these groups. Thanks to this process, called a *materiality analysis*, we can identify which aspects of sustainability and social responsibility we should concentrate our efforts on.

### MATERIAL ASPECTS BY STAKEHOLDER

Group/subgroup	Corporate reputation	Sources of financing and financial balance	Aid for development as a financial agency	Products for sustainable growth, environment and society	Human capital	Partnerships
<b>1 - CLIENTS</b>						
ACTIVE EMPLOYEES	✓			✓	✓	✓
SMES				✓		
SELF-EMPLOYED				✓		
LARGE COMPANIES	✓				✓	
MINISTRIES AND PUBLIC ADMINISTRATION, ICO GROUP AS A STATE FUNDS MANAGER	✓		✓		✓	✓
<b>2 - INVESTORS</b>						
INVESTORS	✓	✓		✓	✓	

Group/subgroup	Corporate reputation	Sources of financing and financial balance	Aid for development as a financial agency	Products for sustainable growth, environment and society	Human capital	Partnerships
<b>3 - PEOPLE</b>						
ACTIVE EMPLOYEES	✓		✓	✓	✓	✓
SCHOLARSHIP RECIPIENTS	✓				✓	✓
OTHERS (RETIRED AND LEAVE OF ABSENCE)					✓	
<b>4 - SUPPLIERS</b>						
SUPPLIERS	✓				✓	
<b>5 - AGENCIES AND ENTITIES ACTIVE IN ECONOMIC AND FINANCIAL MARKETS</b>						
MULTILATERAL AGENCIES	✓	✓	✓	✓	✓	✓
ICO COUNTERPARTS	✓	✓	✓	✓	✓	✓
REGULATORS AND SUPERVISORS	✓	✓	✓			

Group/subgroup	Corporate reputation	Sources of financing and financial balance	Aid for development as a financial agency	Products for sustainable growth, environment and society	Human capital	Partnerships
LEAD OR INSURANCE ENTITIES IN FINANCIAL MARKETS	✓	✓			✓	
<b>6 - MEDIA</b>						
SPECIALISED MEDIA	✓					
GENERAL MEDIA	✓					
<b>7 - ANALYSTS</b>						
FINANCIAL	✓	✓		✓		
SPECIALISED IN CSR	✓	✓	✓	✓	✓	
<b>8 - MINISTRY OF ECONOMY, INDUSTRY AND COMPETITIVENESS</b>						
STATE SECRETARIAT FOR THE ECONOMY AND BUSINESS SUPPORT	✓	✓	✓	✓	✓	
<b>9 - SOCIAL ORGANISATIONS</b>						
SPECIALISED IN CSR	✓				✓	✓
NON-PROFIT ORGANISATIONS AND FOUNDATIONS	✓				✓	✓

## DIALOGUE WITH STAKEHOLDERS

Stakeholders are identified based on the ICO Group's relationship with each group of potential stakeholders. Based on this methodology, the ICO Group has identified the following groups:

GROUP	SUB-GROUP	DESCRIPTION	OBJECTIVES
1-CLIENTS	FINANCIAL INSTITUTIONS	Financial institutions that act as mediators for the ICO Group's loans for SMEs and the self-employed.	Channel ICO Group financing through the offices of financial institutions to provide SMEs and the self-employed access to autonomous loans from the ICO Group.
	SMES	Companies benefiting from the ICO Group's financing lines.	Generate/maintain employment particularly, in those regions with a GDP below the national average; boost the internationalisation of Spanish business; fund investment projects generating wealth and employment, and those with positive environmental and social impacts.
	SELF-EMPLOYED	Individual entrepreneurs who benefit from the ICO Group's financing lines.	
	LARGE COMPANIES	Companies benefiting from the ICO Group's direct loans.	
	STATE FUND MANAGERS	Departments managing State funds for internationalisation.	Manage funds set up by ministerial departments.

GROUP	SUB-GROUP	DESCRIPTION	OBJECTIVES
<b>INVESTORS - 2</b>	<b>INVESTORS</b>	Subscribers of bonds issued by the ICO Group to fund its activity.	Capture the financial resources needed to carry out the ICO Group's activity.  Development of SRI bonds. Platforms for dialogue.
<b>3-PEOPLE</b>	<b>ACTIVE EMPLOYEES</b>	Staff with a fixed or temporary contract.	Facilitate the activity and professional development of ICO Group employees with equality, non-discrimination, conciliation and training policies.
	<b>SCHOLARSHIP RECIPIENTS</b>	Graduates who are registered to the SEPI Foundation training programme who undertake their scholarship in the ICO Group.	Support the practical training of recently graduates to facilitate their access to the world of work.
	<b>OTHERS</b>	Staff who are on work leave due to retirement, leave of absence or any other reason.	Facilitate relations with the ICO Group in terms of labour rights once the labour contract is finalised.
<b>SUPPLIERS - 4</b>	<b>SUPPLIERS</b>	Companies supplying goods and services for the ICO Group.	Contracts under public procurement principles, including CSR clauses.  Evaluation of suppliers' CSR performance.  Minimise deadlines for the payment of invoices.

GROUP	SUB-GROUP	DESCRIPTION	OBJECTIVES
<b>AGENCIES AND ENTITIES - 5 ACTIVE IN ECONOMIC AND FINANCIAL MARKETS</b>	<b>MULTILATERAL AGENCIES</b>	International supranational entity, made up of a group of countries or Member States, formed to achieve common goals that benefit the community or regions where it acts.	Find cooperation frameworks for the development of joint programmes and projects.
	<b>ICO GROUP COUNTERPARTS</b>	Entities of EU member states and other countries with similar functions to the Institute.	Collaborative agreements and agreements for the exchange of good practices and <i>expertise</i> that generate shared value.
	<b>REGULATORS AND SUPERVISORS</b>	Agencies and entities that issue standards and monitor activity.	Regulatory compliance and transparency.
	<b>LEAD OR INSURANCE ENTI- TIES IN FINANCIAL MARKETS</b>	Financial institutions that place the bonds issued by the ICO Group for its funding.	Regulatory compliance and transparency.
<b>MEDIA - 6</b>	<b>SPECIALISED MEDIA</b>	Economic information media.	Publicise the ICO Group's activity, as well acts and events in which the Institute participates.
	<b>GENERAL MEDIA</b>	General information media.	

GROUP	SUB-GROUP	DESCRIPTION	OBJECTIVES
7-ANALISTAS	FINANCIAL	Economic and financial rating agencies.	Provide information with maximum transparency to facilitate review work.
	SPECIALISED IN CSR	Agencies specialised in rating ESG criteria.	
MEDIA - 6 ECONOMY, INDUSTRY AND COMPETITIVENESS	STATE SECRETARIAT FOR THE ECONOMY AND BUSI- NESS SUPPORT	Ministerial department to which the ICO Group reports.	Respond to requests for information from the Ministry on the ICO Group's activity and answering parliamentary questions.  Review and realisation of possible observations, where applicable, of preliminary and draft regulations and regulations that affect the ICO Group.
	SPECIALISED IN CSR	Organisations specialised in CSR of which the ICO Group is a partner (Red Española del Pacto Mundial, Forética, Spainsif).	Improve the development and implementation of the CSR internally; keep abreast of national and international social responsibility trends; promote initiatives for the development of CSR in SMEs.
9-ORGANIZACIONES SOCIAL	NON-PROFIT ORGANISATIONS AND FOUNDATIONS	Organisations and Foundations with which the ICO Group collaborates on the development of the corporate voluntary work plan and on the PYMES SOLIDARIAS project.	Promote the engagement of the ICO Group's employees and their relatives with social integration of groups at risk of exclusion through participation in non-profit foundations' and associations' activities through corporate volunteering.

## RESPONSIBLE AND ETHICAL MANAGEMENT



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

The ICO Group is governed by the principles of good corporate governance and has several control tools in this regard.

### CODE OF CONDUCT

The aim of the ICO Group's Ethical Code and Code of Conduct is to define and develop the basic foundations of behaviour and operational guidelines to ensure that the Institute's principles, through the individual actions of its employees, officers and directors, are apparent in internal relations, as well as in external relations established with clients, suppliers and third parties, as well as in their actions on the markets. This section now includes regulations on ethical conduct, internal policies approved or updated in 2015, such as the policies corresponding to corporate gifts, representation expenditures and corporate cards, as well as CSR.

### ETHICAL CHANNEL

The Ethical Channel is a mechanism that allows employees to confidentially but not anonymously communicate any irregularities of potential importance regarding the Code of Conduct and Ethics. No complaints were filed through the Ethical Channel in 2019.

## INTERNAL CODE OF CONDUCT IN THE STOCK MARKET

This identifies units in the ICO Group that develop activities related to the stock market, and defines the separation that should be adopted to avoid potential conflicts of interest or the use of privileged information. The version in force on 31.12.2016 was approved by the ICO Group's General Board at its meeting of 27th February 2012. No breaches of the code of conduct were recorded in 2019.

## POLICY FOR THE PREVENTION OF MONEY LAUNDERING

The ICO Group is aware of the importance of and the role that financial institutions play in the prevention of money laundering and it collaborates with the relevant authorities and combines its efforts with those of the rest of the Spanish financial system in their fight against any kind of money laundering. The policy, revised in December 2017, summarises the operating standards and systems of control and communication to prevent unwanted individuals and groups from accessing the entity, and establishes the criteria for accepting clients.

In 2019 we organised a training course on the *Prevention of Money Laundering in the Spanish Financial System*, taught by the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Infractions (SEPBLAC), with the participation of 44 employees from ICO and AXIS. In addition, 3 employees attended a conference on the prevention of money laundering.



ICO implements **responsible management** of its activity, which is reflected in the following aspects:

### **MANAGEMENT BY OBJECTIVES (MbO)**

Management model in place to effectively manage the ICO Group, establishing strategic, general objectives and contributing to the generation of a culture of assessment of employees' professional merit. Management by objectives holds great value due to its uniqueness within the Administration; it allows the efforts of different areas to align with the road map, and improves the quality of work and professional performance, rewarding effort and achievement of objectives. The adoption of the strategic objectives proposed by the Management Committee are subject to the approval of the Ministry of Economy and Business.

### **REGULATORY COMPLIANCE**

The Regulatory Compliance Area was created to protect the Institute's reputation and integrity, to promote the applicable ethical standards and to strengthen accountability and transparency. It is also responsible for identifying and evaluating compliance with regulations related to the prevention of money laundering and the financing of terrorism, and for coordinating the internal policies and procedures implemented in this field. It is also involved in identifying, assessing and controlling risks that could affect the ICO Group's integrity and reputation arising as a consequence of the breach or failure to comply with the rules or measures recommended by policies or the ICO Group's internal regulations or external recommendations or standards that may apply. Several employees from the Regulatory Compliance Area attended the IV International Compliance Congress in 2019.

## **RISK IDENTIFICATION, CONTROL AND MANAGEMENT**

The identification, management and control of risks is a priority task for ICO. This is done in accordance with the *Risk Policy Manual*, last revised on 31st October 2019. The *Manual* compiles different methodologies, applicable regulations, procedures and an organisational structure. As a credit institution, the ICO Group is exposed to financial risks (credit, liquidity and market) and operational risks. Three other types of risk are considered under "other risks": reputational risk, strategic risk and business risk.

## **COMMITMENT TO SOCIAL RESPONSIBILITY**

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

## **PROTECTION OF THE ENVIRONMENT**

In order to ensure respectful and preventative actions for the environment, the ICO Group has approved and documented an environmental policy and a code of good environmental practices.

## PROTECTION OF PERSONAL DATA

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

## LABOUR RELATIONS

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

## COMMUNICATION

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

## TRANSPARENCY

The ICO Group provides its stakeholders with all the relevant information relating to its organisational structure and activity. In addition, and in accordance with the provisions of the Transparency Law, ICO provides direct access to the Spanish Government's Transparency Portal, through a link at [www.ico.es](http://www.ico.es). In this way, it makes it easier for the user to consult all available data.

Each year ICO prepares and publishes an Audit Report on the *Consolidated Annual Accounts and Consolidated Management Report* online, with all the economic information and information related to its activity as a financial institution. The annual accounts are audited by an independent expert.

In addition, the *Integrated Report* prepared in accordance with GRI Standards is published on the website, which is submitted for the verification of an independent expert to increase stakeholders' confidence. In this spirit, the ICO Group has produced a *Progress Report* in relation to the United Nations' 10 Global Compact Principles.

## INTERNAL AND EXTERNAL CONTROL SYSTEMS

The ICO Group's internal control regarding Corporate Governance is borne by the internal operation bodies with powers in the regulatory field of activities, whose information is contained on page 20.

In accordance with the Audit Guidelines approved by the Operations Committee, the Internal Audit Department continuously audits operational and business procedures, risk management and the internal control system. Internal control carried out by the Internal Audit Department is reinforced by the activity of the Audit and Compliance Committee, whose functions include promoting measures for adopting audit recommendations.

Externally, the ICO Group regularly submits its performance to the control of experts from different national bodies (IGAE, Services Inspectorate of the Ministry of Economy and Competitiveness, Court of Auditors, Banco de España, etc.) and other competent EU bodies.

## HUMAN RIGHTS

ICO is firmly and effectively committed to the protection of Human Rights, with the United Nations Guiding Principles on Business and Human Rights and its three fundamental pillars, protecting, respecting and repairing, as the benchmark with which ICO aligns its actions.

In this sense, we are especially committed to the **National Business and Human Rights Action Plan**, whose objective is the application in Spain of the United Nations Guiding Principles on Business and Human Rights and which establishes a series of measures for their implementation.

One of these measures has been the creation of the **Interministerial Working Group on Internationalisation and Human Rights (WGIHR)**, in which ICO works, together with other public bodies, to establish recommendations on how to require Spanish companies operating outside Spain to comply with the UN Guiding Principles on Business and Human Rights.

As a result of these recommendations, ICO now includes clauses in all its financing contracts requiring companies to commit to the Guiding Principles.

ICO considers that respect for human rights must be a real obligation, integrated in a cross-cutting manner throughout its management and in any social or local setting in which it carries out its activity. For this reason, ICO includes this matter in its risk assessment and expressly prohibits any financing of activities or projects which could have the effect of violating human rights or limiting individual rights and freedoms.

In the same way, ICO integrates the protection of Human Rights in its internal management, providing its staff with training, awareness and appropriate initiatives, such as the social and labour inclusion of groups with functional diversity in its staff, the contracting of services in Special Employment Centres or the performance of corporate volunteer activities, which it develops through collaboration agreements with social entities.

In this relationship with its employees, ICO monitors effective compliance with the Universal Declaration of Human Rights, the

International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, freedom of association and the effective exercise of the right to collective bargaining, equal treatment and opportunities between men and women, and the fight against any type of discrimination.

Similarly, ICO also considers the reconciliation of work, family and personal life, professional development, training, and health and safety at work as rights that are effectively integrated into its labour relations.

On the other hand, ICO, within the scope of its business relations and as a complement to its commitment to promote the SDGs and Agenda 2030, also promotes the **10 Principles of the Global Compact**, which, with regard to Human Rights, determine that "companies should support and respect the protection of internationally recognised fundamental human rights within their sphere of influence", and that "companies should ensure that they are not complicit in human rights abuses".

In another area, as a signatory to the Equator Principles, ICO relies on due diligence processes to determine and avoid the impact of its large financing projects, whether in terms of human rights, the environment or climate. In this respect, in its management ICO also takes into account the safeguards or performance standards of the International Finance Corporation (IFC), the guidelines of the World Bank Group, as well as the recommendations of the OECD. In its relationship with suppliers, ICO also demonstrates its commitment to human rights, implementing the appropriate requirements in this area in all its bidding processes.

Finally, it should be noted that ICO's own mission and activity promotes the development of people, and that, through its management of funds on behalf of the State, its direct credit activity and support for SMEs and entrepreneurs, its social bond issues, partnerships or initiatives with which it promotes social development, it fights against poverty and social differences that could minimise human rights.

# COMMUNICATION FOR SUSTAINABLE GROWTH

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Commitment to sustainable economic growth is a hallmark of the ICO Group and as such has become a strategic focus of its current communication policy. The entire organisation is involved in applying environmental, social and good governance criteria to our activities, and we transfer this commitment to the outside world through the various channels we use.

## **ADVERTISING CAMPAIGNS**

Current legislation on Institutional Advertising and Communication makes it mandatory to develop an Annual Advertising Plan that covers advertising actions planned by each General State Administration body for the coming year, and its financial allocation. As a Corporate State-Owned Entity, the ICO Group annually provides data of planned campaigns for inclusion in this Plan, within the section dedicated to commercial campaigns, which, once developed, has to be approved by the Spanish Cabinet.

The campaigns carried out in 2019 are detailed below.



## NATIONAL ADVERTISING CAMPAIGN 'DO YOU WANT TO TURN YOUR BUSINESS AROUND?'

The ICO Group carries out advertising and marketing campaigns to report and publicise the implementation of ICO Second-floor Facilities, intended to finance business activity and investment projects by the self-employed, entrepreneurs and companies, as well as their internationalisation process. This advertising campaign is carried out annually in collaboration with the financial institutions that market the ICO Second-floor Facilities, with them assuming part of the cost of the campaign.

The campaign has two main objectives:

- ✓ To disseminate the ICO Second-floor Facilities among our target audience: self-employed people, companies, institutions and the general public.
- ✓ Promote recognition of the ICO Group as a financial institution to support the financing of companies.

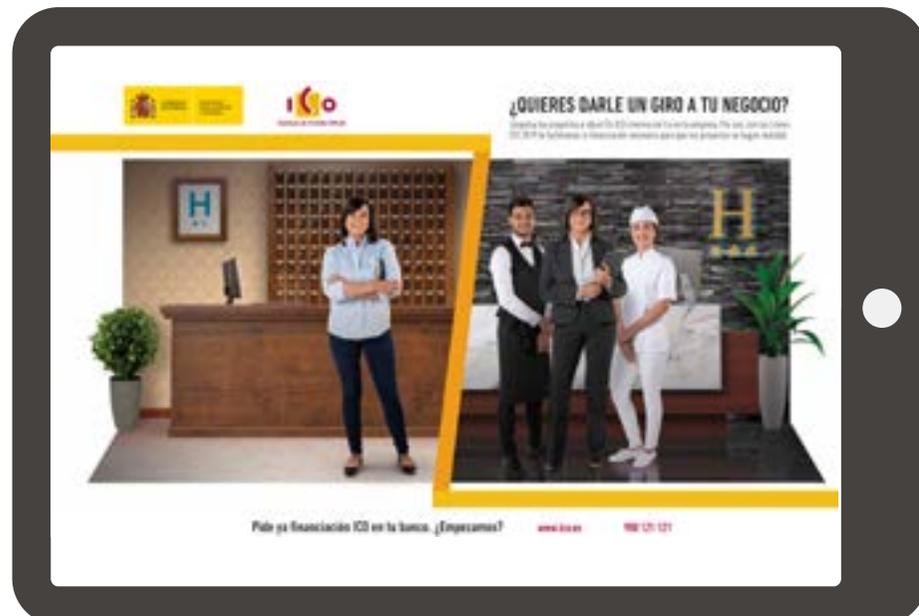
The main message of the campaign was *ICO Second-floor Facilities provide you with the necessary financing for you to turn your business and your projects around.*

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



The campaign had two waves: in June (in 2019 it began later than usual to respect the period of electoral silence caused by the convening of various electoral processes) and in September.

The media in which ICO was present were press, radio, internet and outdoor advertising. In the press, it had coverage in national, economic, regional and sports newspapers and supplements. The radio campaign was on mainstream national channels, economic channels, music channels and sports channels. On the Internet the campaign was developed *indisplay* and programming in the main online media, with various *banner* and video formats, this being one of the most critical parts of the campaign.



The campaign also included outdoor advertising at Barcelona and Madrid airports, on the AVE channel and at Mercamadrid. Likewise, and as a new medium for ICO, the advertisement was shown in the cinemas of the Community of Madrid.

As part of the advertising campaign and other marketing actions, an information brochure was published in the four official languages of the State in electronic format. In addition, a *landing page* was also launched with the same visual of the [campaign https://lineasico2019.ico.es/](https://lineasico2019.ico.es/) to provide users with information in a simple and accessible way. This *website* received **338,048** visits through ICO's website, **41.8%** more than in 2018.



**338,048** visits to the campaign website  
(+ **41.8%** compared to 2018)



## INTERNATIONAL ADVERTISING CAMPAIGN 'ICO GREEN AND SOCIAL BONDS'

In the international arena, ICO also runs an advertising campaign with the dual aim of supporting ICO's role as a benchmark issuer in the capital markets and reinforcing the Institute's identity as one of the leading issuers in sustainable financial markets through the issue of social bonds and, for the first time in 2019, green bonds.

The main message of the campaign was *ICO's Green and Social Bonds: supporting sustainable growth in Spain*.

The campaign included on-line and off-line advertisements in economic magazines, magazines specialised in the financial sector - with special attention to issues dedicated to sustainable financing - and the on-line part was promoted with presence in specialised information terminals and international economic *sites*.

In the off-line part, 12 advertisements were published in 10 publications selected on the basis of their target audience and geographical distribution, with particular emphasis on the European and Asian markets. In the online part, 11 media were used, reaching 2,970,000 hits.





## ON-LINE COMMUNICATION CHANNELS

One of ICO's priority objectives in 2019 has been to increase activity in the various online communication channels.

### ICO NEWSLETTER

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In 2019, the electronic newsletter has been used as ICO's channel of communication with the self-employed and SMEs to publicise the main products and financing programmes available, as well as success stories from our client companies.

In 2019, the number of newsletters published increased from 4 to 9, which were distributed by email to ICO's database (**370,000** contacts), with an average open rate of around **24%**.



These newsletters were also published on ICO's website. In 2019, the total number of visits to the website's newsletter editions has increased, with **45,336 visits** received ( **20.6%** more than in 2018).

### NEWSLETTER FOR INVESTORS

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Published quarterly, this newsletter provides up-to-date information and any information of interest to investors. The newsletter is written in English, published on the [ICO website](#) and sent by email to the Institute's investor database (**1,879** records).

### SOCIAL MEDIA

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#### [Twitter @ICOGob](#)

Twitter has established itself as one of the main online channels for ICO to publicise its activity. During 2019, ICO has increased its use and regularly included the video format in its tweets. The number of followers on Twitter has increased progressively and steadily in 2019.



**472 own tweets** and retweets ( **+ 106.11%** compared to



2018) **29 posts with video**



**5,985 followers** as of 31 December 2019 ( **+ 5%** compared to 2018)

## YOUTUBE CHANNEL

The Instituto de Crédito Oficial channel on YouTube allows audiovisual content to be shared and disseminated on social networks. In 2019, a [video](#) was made on the operation of ICO Second-floor Facilities to promote them and explain visually and through animation how the ICO mediation system works with financial institutions. The video is used on social networks and in the various conferences and lectures in which ICO staff participate and has achieved a total of **2,523** views during 2019. On ICO's YouTube channel we have posted a total of 5 videos in 2019.

## LINKEDIN PAGES

ICO has a presence on LinkedIn with the Instituto de Crédito Oficial company page, which offers corporate information on the function of the public bank, and with the ICO Informa Group, as a channel of information on conferences aimed at the self-employed and SMEs and other topics of interest. It is also one of the channels used to post public job announcements.



## WEB PAGE

The web page continues to be the Institute's main channel for institutional communication, offering up-to-date information on the ICO Group's activity and information that is of interest to international investors.

In 2019, two new features were added to ICO's website:

- ✓ Creation of the *site* [icopymeods.ico.es](http://icopymeods.ico.es), a web space to disseminate the United Nations Sustainable Development Goals (SDGs) and align SMEs in the framework of Agenda 2030. This *site* received a total of **10,042** visits in 2019.
- ✓ Renewal of all the content of the ICO Second-floor Facilities section to make it more educational and accessible to users.

In 2019, ICO's corporate website received **554,201** visits, **16.9%** less than the previous year; however, the average number of active users per day increased by **10.5%**. The number of pages visited amounted to 1,955,092, representing a decrease of **2.79%** compared to 2018. The most visited content were those related to ICO Second-Floor Facilities; Specifically, the ICO Companies and Entrepreneurs Facility was top in the ranking of the most visited pages, with **255,752** visits and **13.07%** of the total visits to the website. This figure is one point above that recorded in 2018.

The preferred channel for users to connect to ICO's website is the computer and the place of origin of the users is mainly Spain. Traffic to ICO's website continues to mostly come from organic search. However, traffic from Social Media **grew by 42.48%** compared to 2018.





## OFF-LINE COMMUNICATION CHANNELS

### PRESS RELEASES

In order to convey the activity of the ICO Group, the Institute maintains regular contact with the media, both national and regional and specialized press. Press releases are one of the main instruments we have to report on the activity carried out by ICO. In 2019, 48 press releases were issued.

When ICO's activity is related to other institutions or companies - such as the signing of a financing operation or a collaboration agreement - ICO coordinates with the other institution to issue a joint press release. In 2019 ICO issued 30 joint press releases with other institutions (62% of the total).

In addition to the press releases, the communication area carries out interviews and writes opinion articles to be published in the media.

### BROCHURES

In 2019, two ICO brochures were published:

- ✓ Institutional brochure with the main information on ICO's activity.
- ✓ Brochure on the ICO Group's sustainable financing.



## EVENTS AND CONFERENCES

ICO Group carries out and participates in events and informative conferences throughout the national territory to publicise its activities and financing instruments that are available to self-employed people and SMEs. In 2019, it participated in 342 events, compared to 118 in 2018. This increase is due to ICO's strategy to inform the self-employed and entrepreneurs about the new features introduced in ICO's facilities and to strengthen its position in the sustainable financing market and to participate in all the forums and events related to this topic.

The three most outstanding events organised or involving ICO in 2019 have been:

- ✓ **ALIDE General Assembly.** ICO organised and hosted the 49th edition of the assembly. The conference brought together senior representatives of development banks from the European Union, Latin America and the Caribbean in Madrid in May.
- ✓ **V edition of the Sustainable Bond Forum.** Organised by ICO, it brought together issuers, investors, banks, agencies and other sector participants in Madrid for the fifth consecutive year to analyse the current situation and new opportunities in the green and social bond market.
- ✓ **World Climate Summit COP 25.** Meeting in Madrid of government delegations from around 200 countries to discuss and negotiate

on climate change. ICO's strong commitment and leading role in sustainable public financing was reflected in its active participation and presence during COP 25. ICO has participated as a speaker in 13 conferences on different topics discussed at the Summit and a further 32 conferences were attended by the Institute.

During 2019 the student visiting programme continued. This programme aims to publicise the public bank's activity, promote citizens' financial education and collaborate with educational centres providing an economic and financial education. 5 information days were organised for schools and universities.

## FAIR ATTENDANCE

As part of the strategy to promote ICO's facilities, in 2019 the Institute was once again present at business fairs. Specifically, it participated with a stand at 3 fairs: FORINVEST, BIZBARCELONA and IMEX Andalucía.



A person in a white shirt and striped tie is pointing at a document with a pen. The document contains various charts and graphs, including a bar chart, a line graph, and a pie chart. The person's hand is visible, holding the pen and pointing at the document. The background is slightly blurred, showing a desk and some papers.

5

**Business  
development**

# BUSINESS DEVELOPMENT



Based on our mission as an organisation, we contribute directly to SDG 8, in order to achieve sustainable economic development and to enable societies to create the necessary conditions for people to have access to quality jobs, stimulating the economy without damaging the environment. Furthermore, increasing labour productivity, reducing the unemployment rate, especially among young people, and improving access to financial services are essential components of sustained and inclusive economic growth.

Through different financial instruments, we also contribute to the strengthening of infrastructures, as well as to the sustainability of society through the launch of green and social bonds.

## ECONOMIC CONTEXT

### The Spanish economy continued to grow at a higher rate than the European average

In 2019, the Spanish economy grew at an annual rate above the European and euro zone average. More specifically, GDP growth in 2019 was **2.0%**, 0.4% lower than that recorded in 2018 (**2.4%**), continuing the slowdown that began in 2016. This growth arose from the positive contribution of both domestic demand and the foreign sector. More specifically, domestic demand contributed 1.5 points, 1.1 points less than the previous year, while the foreign sector contributed 0.4 points, 0.7 more than in 2018. This behaviour can be explained by the slowdown in private consumption and investment, combined with a slight rise in exports.

In the euro zone, economic growth decreased from **1.9%** in 2018 to **1.2%** in 2019, indicating a more noticeable slowdown than that recorded in Spain. This can be explained by the weakness of the manufacturing sector and exports to the rest of the world. In addition, the economic slowdown was particularly influenced by external factors of uncertainty due to Brexit and other geopolitical risks.

### **The ECB maintains interest rates and outlines a new monetary policy strategy**

From an overall perspective, the European Central Bank's (ECB) monetary policy has been maintained with an expansionary approach in 2019, including after the appointment of Christine Lagarde as President, responding to the economic situation in the euro zone. In fact, the beginning of the exit strategy that was anticipated for 2019 with the end of asset purchases was reversed in March with the announcement of a new round of quarterly targeted longer-term refinancing operations (TLTRO-III) and the resumption of asset purchases in November at **20 million euros** per month.

This accommodative monetary policy continued to be expressed in the official rates, which remained the same or decreased slightly: **0%** for the main refinancing operations, **0.25%** for the marginal lending facility and **-0.5%** for the deposit facility, which reduced by 0.1 in September. President Lagarde's main announcement was the review of the European Central Bank's strategy.



## The interest rates on loans to families and companies continued to decline in Spain, reaching historical lows

The expansionary monetary policy continued to spur lending at low rates. The interest rates applied to new bank loans to families and companies, which were already at their lowest levels, continued to decrease slightly. In fact, the interest rates applied to companies for transactions of under one million euros in Spain, which is used as an approximation for loans to SMEs, continued a downward trend until they reached **1.76%** in December, a historical low. The differential with the same kind of loans in Germany was favourable to Spain throughout the year, with a maximum difference of 30 basis points recorded in December.

On the other hand, for loans of a lower amount, up to **250,000 euros**, interest rates decreased, particularly in the second half of the year, ending the year at **1.87%**. This was lower than its equivalent in euro zone (**2.09%**) and German (**2.35%**) averages.

Alongside the reduction of interest rates in 2019, there was a slight drop in the volume of new loan transactions of amounts typically requested by SMEs in Spain. Transactions of under one million euros fell by **0.8%** in 2019 compared to 2018, while new transactions of under **250 million euros** reduced even more significantly (**-1.8%**).

## Delinquency continued to decline at a slightly lower rate

Spanish credit institutions' NPL ratio continued to decline, as it has done in previous years. More specifically, it decreased to **4.79%** in December from **5.8%** in December 2018, reaching its lowest since 2010. Despite the slight decrease in total loans, the fall of doubtful loans was more pronounced.



## STRATEGIC AXES

During 2019, the Group's activity was carried out on the basis of the strategic axes established in the "ICO Strategic Realignment" for 2019-2021:



Contribution to United Nations targets 8.1, 8.2 and 8.3 by 2030, which are to maintain sustainable economic growth and increase productivity and the development of policies that support job creation, especially in SMEs and micro-companies.



The results obtained from the actions carried out in accordance with this guide show that the total flow of financing and guarantees granted by ICO in 2019 reached **9,613 million euros**, distributed in **63,648 operations** and broken down by type of operation as follows:

**NATIONAL PROMOTIONAL BANK.** Drawdowns (million euros)

	2018			2019		
	Amount	Transactions	Clients:	Amount	Transactions	Clients:
<b>FINANCING AND GUARANTEES TO COMPANIES</b> 	3,370	41,517	27,606	6,463	63,645	46,069
<b>OTHER FINANCING OPERATIONS (*)</b> 	1,310	1	1	3,150	3	3
<b>TOTAL</b>	<b>4,680</b>	<b>41,518</b>	<b>27,607</b>	<b>9,613</b>	<b>63,648</b>	<b>46,072</b>

(\*) Drawdowns of one-off financial transactions granted to institutions not of a business nature.

## ICO AS A BENCHMARK ENTITY FOR CORPORATE FINANCING

In 2019, there was an improvement in access to and the terms of the credit offered by ICO to all companies in all sectors, especially SMEs, the self-employed and entrepreneurs, to finance their activities and investments both in Spain and in international markets. The total volume of ICO's credit and guarantee activity provisions in 2019 almost doubled compared to 2018, with a recorded average growth of 92%.

The previous year a flow of **6,463 million euros** of corporate financing was reached, broken down into **63,645 loans** granted to over 46,000 different clients. This dynamism has been a common theme in ICO's entire financing catalogue.

### FINANCING AND GUARANTEES TO COMPANIES

Distribution by method (million euros and no. of operations).

	FORMALISATIONS		DRAW/DOWNS	
	Amount:	No. of operations:	Amount:	No. of operations:
<b>SECOND-FLOOR FACILITIES</b> 	5,055	63,522	4,788	63,524
<b>DIRECT FINANCING</b> 	2,476	88	1,675	121
<b>TOTAL</b>	7,531	63,610	6,463	63,645

At year-end, ICO's credit balance in terms of stock represented **5.1%** of all financing granted by the Spanish financial sector to companies with a term of over 1 year. In terms of flows of new transactions, the financing provided by ICO to companies represented just under **2%** of the system's total in 2019.



## ICO'S SECOND-FLOOR FACILITIES FOCUSED ON THE SELF-EMPLOYED AND MICRO-COMPANIES

In 2019, ICO's Second-Floor Facilities through financial institutions reached **4,788 million euros** drawn down. **65%** of transactions were entered into by businesses and the self-employed with fewer than 10 workers, a percentage that increases to **90%** if we include SMEs with up to 50 workers.



**Contribution to target 8.3, which consists in facilitating access to financial services for SMEs and micro-companies.**

The changes introduced to ICO's Second-Floor Facilities in 2019 have allowed the financing to provide greater added value: **76%** of transactions were formalised for medium or long terms and **40%** of the financing granted by ICO was for terms of 5 years or over. In addition, for the first time over half (**52%**) were granted with a fixed interest rate.

The effective interest rates (APR) applied to the final client stood at around **2%** in 2019.

On the other hand, the amounts drawn down through ICO's Second-Floor Facilities generate positive impacts that contribute to production, employment and investment, and to the improvement of export capacity. Estimates of the impact of ICO's 2019 activity through its Second-Floor Facilities stand, in terms of GDP, at **16,426 million euros**, equivalent to **1.3%** of GDP. For its part, the impact on employment generated and/or maintained is estimated to be over 271,000 jobs, representing **1.5%** of the total volume of full-time equivalent employment.

## SECOND-FLOOR FACILITIES. AMOUNTS DRAWN DOWN

Activity for the 2019 financial year. Distribution by sector

2019	COMPANIES AND ENTREPRENEURS AREA		INTERNATIONALISATION AREA	
	AMOUNT	%/TOTAL	AMOUNT	%/TOTAL
FOOD	444	11.7%	209	16.1%
WHOLESALE TRADE	437	12.6%	244	22.6%
RETAIL TRADE	235	8.9%	11	0.8%
ENERGY AND NATURAL RESOURCES	50	2.2%	2	0.4%
HOSPITALITY	190	6.8%	9	0.9%
MANUFACTURING INDUSTRIES	223	7.7%	374	33.4%
OTHER SERVICES	52	2.4%	1	0.1%
CHEMICAL AND PAPER	118	3.6%	128	9.0%
CONSTRUCTION AND REAL ESTATE ACTIVITIES	412	12.6%	19	1.4%
HEALTH AND EDUCATION	125	3.9%	1	0.1%
BUSINESS SERVICES	355	8.9%	15	3.0%
TEXTILES AND FASHION	63	1.5%	55	5.6%
INFORMATION AND COMMUNICATION TECHNOLOGIES	122	4.0%	15	1.6%
TRANSPORT AND STORAGE	435	13.5%	70	5.0%
<b>TOTAL</b>	<b>3,262</b>	<b>100</b>	<b>1,153</b>	<b>100</b>

Does not include operations of the ICO International Channel facility (373 million euros).

## SECOND-FLOOR FACILITIES. AMOUNTS DRAWN DOWN

Activity for the 2019 financial year.

Distribution by Autonomous Communities, depending on the beneficiary's registered office.

Million euros

2019	COMPANIES AND ENTREPRENEURS AREA <sup>(1)</sup>	INTERNATIONALISATION AREA <sup>(2)</sup>	TOTAL	% TOTAL
ANDALUCÍA	388	143	531	12.0%
ARAGÓN	108	47	155	3.5%
CANARIAS	149	8	157	3.6%
CANTABRIA	34	60	94	2.1%
CASTILLA Y LEÓN	206	21	227	5.1%
CASTILLA-LA MANCHA	127	55	182	4.1%
CATALUÑA	502	334	836	18.9%
COMUNIDAD DE MADRID	531	57	588	13.3%
COMUNITAT VALENCIANA	390	154	544	12.3%
EXTREMADURA	61	24	85	1.9%
GALICIA	347	28	376	8.5%
ILLES BALEARS	54	3	57	1.3%
LA RIOJA	22	14	37	0.8%
COMUNIDAD FORAL DE NAVARRA	37	68	105	2.4%
PAÍS VASCO	102	100	201	4.6%
PRINCIPADO DE ASTURIAS	81	6	87	2.0%
REGIÓN DE MURCIA	118	28	146	3.3%
CEUTA Y MELILLA	3	0	3	0.1%
OTHER COUNTRIES <sup>(3)</sup>	1	1	2	0.0%
<b>TOTAL</b>	<b>3,262</b>	<b>1,153</b>	<b>4,414</b>	<b>100.0%</b>

(1) Companies and Entrepreneurs Area includes ICO-Companies and Entrepreneurs, ICO SGR/SAECA Guarantee and ICO Trade Credit.

(2) "Internationalisation Area" includes ICO International and ICO Exporters.

(3) Loans to companies residing abroad with mainly Spanish share capital.

Does not include operations of the ICO International Channel facility (373 million euros).

## DIRECT FINANCING FOR LARRGE INVESTMENT PROJECTS

For its part, the direct financing transactions carried out by ICO aim to promote the development of large, long-term investment projects both in Spain and abroad, through granting loans, credit and guarantees to companies or through purchasing corporate bonds issued by companies.

The volumes drawn down through this method in 2019 amounted to **1,675 million euros**, **94%** higher than in 2018.

Estimates of the impact on economic activity created by ICO's direct financing operations in 2019 stand, in terms of GDP, at **9,108 million euros**, equivalent to **0.7%** of GDP. 156,000 jobs are estimated to have been generated and/or maintained as a result of these direct financing operations, representing **0.9%** of the total volume of full-time equivalent employment.

In this area of direct activity, ICO has placed a great emphasis on facilitating the financing of projects under the European Fund for Strategic Investments (EFSI), attached to the *the Juncker Plan*. This fund was created to finance projects of large companies, mid-caps and SMEs in the sectors of strategic infrastructure (digital



and transport), research and innovation, education, development of renewable energies and resource efficiency. At the close of 2019, the total amount of ICO participation in financial products that have EFSI guarantees reached **1,818 million euros**.

## PROMOTION OF SPANISH COMPANIES' INTERNATIONALISATION IN THIRD MARKETS

Boosting Spanish companies' international activity has been a hallmark of ICO in recent years. This commitment continues to be an essential component of its current strategy.

The financing and guarantee provisions used for promoting a company's international investment accounted for **34%** of total amounts drawn down in 2019, accumulating approximately **2,200 million euros**. These flows were used to finance both the export activity and the investment of Spanish companies in third markets, mainly in the EU and Latin America, the USA and Canada, also with occasional operations in other continents.



Contribution to target 8.2 to promote policies aimed at companies' innovation and growth.

### FINANCING AND GUARANTEES TO COMPANIES

Distribution by destination of the investment (millions of euros and no. of operations)

	FORMALISATIONS		DRAWDOWNS	
	Amount	%	Amount	%
NATIONAL INVESTMENT	4,552	60.4	4,272	66.1
INTERNATIONAL INVESTMENT	2,980	39.6	2,191	33.9
TOTAL	7,531	100	6,463	100

In terms of volumes formalised, the weight of international activity in 2019 accounted for **40%** of activity with companies, accumulating a volume of **2,980 million euros**. Of this amount, **1,117 million euros** corresponded to direct financing transactions while the remaining 1,793 originate from ICO Second-floor Facilities.

## BOOST TO COMPLEMENTARY FINANCING CHANNELS

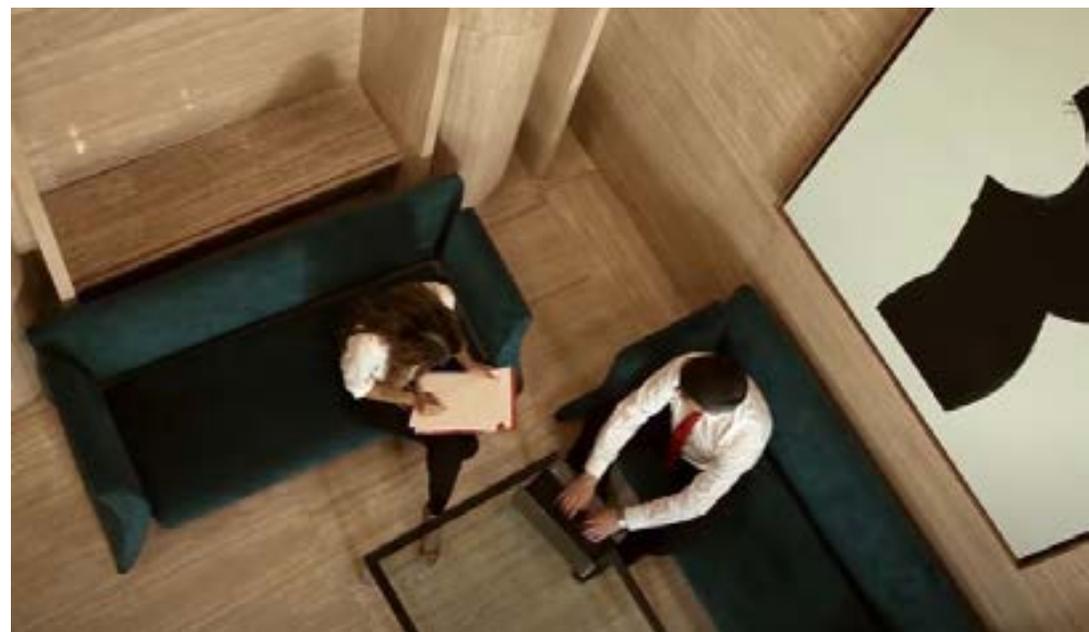
The ICO Group continued to boost complementary financing channels through AXIS, its venture capital subsidiary. AXIS is one of the most active operators in the sector in Spain. It manages **2,650 million euros** through three venture capital funds registered in the National Securities Market Commission (CNMV): FOND-ICO Global, FOND-ICO Pyme and FOND-ICO Infraestructuras II.

Through the 11 calls resolved by the end of 2019, FondICO Global had approved investments in 82 private funds for an amount of 1,734 million euros, which will have an important multiplier effect, generating a minimum investment of **6,757 million euros** in Spanish companies. For every euro of public capital invested, private funds have committed to investing a minimum of **3.9 euros**.

The private funds that FOND-ICO Global has participated in made 552 investments in Spanish companies from a variety of sectors and different stages of growth that employ over 155,000 employees. **82%** of the recipient companies are SMEs.

As part of the initiatives of investing in Sustainability and Social Impact Funds, in 2019 FOND-ICO Pyme invested **5 million euros** in Creas Impacto, the first institutional impact investment fund in Spain that will serve to support social companies in the growth phase.

In turn, FOND-ICO Infraestructuras II aims to support sustainable infrastructure (transport, social, energy and environmental) in Spain and abroad. In 2019, it invested in the construction of a photovoltaic plant in Cáceres, which will be one of the largest in Spain and will contribute to the fight against climate change.



## FUNDRAISING AND SUSTAINABLE ISSUES

To carry out its activity, ICO acquired a volume of **5,887 million euros** in the medium and long term in 2019. Of this amount, **73.7%** comes from the securities issued in capital markets and the remaining **26.3%** comes from loans granted to the Institute by different European multilateral organisations.



In 2019, ICO strengthened its role as a benchmark issuer of sustainable bonds. In April, it launched its first green bond issue amounting to **500 million euros**, to finance Spanish companies' activities, investments and projects that contribute to environmental protection and the fight against climate change.

In terms of social bonds in which ICO was a pioneer, in 2019 a new issue amounting to **500 million euros** was carried out, funded for the first time with negative rates in this type of transaction. With these resources, ICO finances the projects of companies in Autonomous Communities with a lower GDP per capita than the Spanish average.

## SUSTAINABILITY AS A PRIORITY

In the area of Sustainability, during 2019 the ICO Group approved over **1,080 million euros** in environmentally and socially sustainable projects, including 37 million euros of AXIS capital contributions through its funds. FondICO PYME now includes a new 50 million euro "*Sustainability and Social Impact*", initiative with tickets of **5 -10 million euros** for specialised funds that invest in companies with a social impact and an initial contribution to the Creas fund of **5 million euros**.



**Contribution to target 17.16, which is to enhance the Global Partnership for Sustainable Development, which promotes the sharing of financial resources to achieve sustainability.**



ICO actively participated in the COP25 meeting held in Madrid and signed the Collective Commitment to Climate Action with the whole of the Spanish financial sector to reduce the carbon footprint of their portfolios and align themselves with the objectives of the Paris Agreement and the SDGs.

Support for digital transformation and innovation are also priority elements for ICO as methods of improving the company's competitiveness and as factors that, thanks to their ability to provide efficiency to business activity and productive processes, have an indirect positive impact on sustainability.

## Green loan to Iberdrola



In 2019 ICO granted a **400 million euro** green loan to Iberdrola to finance the construction of the Tâmega hydroelectric storage complex in Portugal. This installation will increase Portugal's total electrical power by **6%** and will make it possible

to supply 440,000 homes with renewable energy.

The project also involves a major socio-cultural and environmental plan, the aim of which is to contribute to the development of the area and improve the living conditions of the population. It is estimated that **3,500 direct** and **10,000 indirect jobs** will be created.

For the certification as a green loan, an opinion was obtained from the VigeoEiris agency, which has verified that the Tâmega project follows the Green Loan Principles.

## Green loan to Endesa



In 2019, ICO granted Endesa a **300 million euro** green loan to finance the construction and commissioning in 2019 of wind farms and photovoltaic solar plants with a combined capacity of 789 MW, located

in Aragon, Castilla-La Mancha, Extremadura, Galicia, Murcia, and Castilla y León. This project, in which the EIB is also involved, will contribute to the creation of 1,700 jobs during the implementation phase. As a whole, by 2021 Endesa **will** invest more than **1,800 million euros** in renewable energy, with the aim of developing about 2,000 MW. To qualify this operation as *green*, we are guided by the criteria established by the Loan Market Association (LMA), an association whose main objective is to improve liquidity, efficiency and transparency in the syndicated loan banking markets in Europe, the Middle East and Africa.

## ICO AS A STATE FUND MANAGER

To complete the executive summary of ICO's activity in 2019, the Institute's role as a State Financial Agent must be mentioned. The following public funds were managed: FIEM, CARI, FONPRODE, Fondo de Cooperación para el Agua y el Saneamiento, Fondo de Financiación a CCAA and Fondo de Financiación a Entidades Locales.

In this sphere of activity, ICO is responsible for formalising, managing and administering the activity of the aforementioned funds, acting for and on behalf of the State. The accounting record is done separately from that of the Institute itself, so their balances are not part of ICO's financial statements.

At the close of 2019, the outstanding loan portfolio balance granted with State funds and administered and managed by ICO amounted to **194,093 million euros**.



## ICO'S LENDING ACTIVITY

### FINANCING LINES DISTRIBUTED THROUGH SECOND-FLOOR FACILITIES

In 2019, ICO continued to develop its role as a promotional bank by collaborating with private financial institutions, which act as financial intermediaries to formalise financing or guarantee operations with companies, especially SMEs and the self-employed, that make investments, exports or that need to cover their liquidity needs. Through these Second-Floor Facilities, the Institute offers a wide range of products, distributing its funds through the commercial network of financial institutions with which it has signed agreements. ICO defines the main characteristics, recipients, purposes and financial conditions of the products, assuming the risk with the collaborating financial institution. Meanwhile, the entities are responsible for processing, studying and approving the transactions, assuming the credit risk of the final recipient of the financing.

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In 2019, ICO's Second-Floor Facilities fostered long-term productive financing and a boost to the activity of Spanish companies in international markets

ICO has continued to add value to the business network throughout 2019 and support Spanish business in its outflow abroad. Over the course of the financial year, ICO has provided a volume of **4,788 million euros** through its second-floor facilities, corresponding to 63,524 financing operations that have been accessed by over 46,000 companies. The volume formalised amounted to over **5 billion euros**.

The second-floor facilities marketed by the Institute can be divided into two major strategic areas of activity: companies and entrepreneurs and internationalisation.

### MEDIATION

Distribution by areas of activity (millions of euros and no. of operations)

	FORMALISATIONS		DRAW/DOWNS	
	Amount:	No. of operations:	Amount:	No. of operations:
COMPANIES AND ENTREPRENEURS AREA	3,262	51,863	3,262	51,863
INTERNATIONAL AREA	1,793	11,659	1,526	11,661
TOTAL	5,055	63,522	4,788	63,524

## STRATEGIC AREA OF COMPANIES AND ENTREPRENEURS

The aim is to provide financing for business activities and investment projects in Spain. In 2019, over 44,700 companies formalised and drew down 51,863 transactions amounting to 3,262 million euros, through the following facilities:

### MEDIATION LOANS FORMALISED AND DRAWN DOWN

#### Companies and Entrepreneurs Area

ICO COMPANIES AND ENTREPRENEURS FACILITY	ICO TRADE CREDIT FACILITY	ICO SGR/SAECA GUARANTEE FACILITY	TOTAL
Amount: <b>3,192</b>	Amount: <b>64</b>	Amount: <b>6</b>	<b>&gt; 3,262</b>
No. operations: <b>50,133</b>	No. operations: <b>1,663</b>	No. operations: <b>67</b>	
			<b>&gt; 51,863</b>

Distribution by facilities (million euros and no. of operations).

#### ICO COMPANIES AND ENTREPRENEURS FACILITY

Intended to finance up to 100% of investments in the national territory, as well as the liquidity needs and the financing of projects to repair dwellings and buildings by home-owners' associations and individuals.

#### ICO TRADE CREDIT FACILITY

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

#### ICO SGR/SAECA GUARANTEE FACILITY

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

## STRATEGIC AREA OF INTERNATIONALISATION.

Over the past few years, the Institute has been developing a product catalogue designed to facilitate the entry of Spanish companies into foreign markets, with the aim of covering all their financing requirements. In 2019, over 1,500 companies have formalised 11,659 transactions within this area of activity, for a cumulative amount of **1,793 million euros**. In terms of drawdowns, the accumulated amount was **1,526 million euros**.



The following table shows the activity this financial year through ICO second-floor facilities:

**MEDIATION LOANS FORMALISED AND DRAWN DOWN**  
Distribution by facilities (million euros and no. of operations).

**International area**

ICO EXPORTERS FACILITY	ICO INTERNATIONAL CHANNEL FACILITY	ICO INTERNATIONAL FACILITY	TOTAL
<b>FORMALISATIONS</b>			
Amount: <b>1,063</b>	Amount: <b>641</b>	Amount: <b>90</b>	<b>&gt; 1,793</b>
No. operations: <b>11,195</b>	No. operations: <b>6</b>	No. operations: <b>458</b>	
<b>DRAWDOWNS</b>			
Amount: <b>1,063</b>	Amount: <b>373</b>	Amount: <b>90</b>	<b>&gt; 1,526</b>
No. operations: <b>11,195</b>	No. operations: <b>8</b>	No. operations: <b>458</b>	

**ICO EXPORTERS FACILITY**

Aimed at providing liquidity to export companies through the advance payment of invoices arising from their short-term export activity, as well as coverage of their liquidity needs to cover the costs of manufacturing the goods to be exported.

**ICO INTERNATIONAL FACILITY**

Through this line, Spanish companies are financed so they can invest outside of the national territory, to cover liquidity needs and to promote medium- and long-term export activity.

**ICO INTERNATIONAL CHANNEL FACILITY**

This product adds value to ICO's catalogue of products to boost the activity of Spanish companies in third markets. Based on a collaboration scheme with international financial institutions that act as intermediaries, it provides Spanish companies with access to financing for investment projects and liquidity needs abroad, currently focusing on the region of Latin America and the Caribbean. Using this model, ICO broadens the distribution of funds towards new counterparts that operate in international markets in which Spanish companies have a commercial presence or more active investment, thus favouring their internationalisation. Support in the local banking system, with a better knowledge of the market, makes it easier for companies to have specific solutions available for each country regarding currencies, terms and conditions.

The product has become increasingly important to the Institute's activity. In 2019, 6 new operations were formalised with the same number of banks and international entities, for the amount of **641 million euros**. The product's accumulated volumes since its launch in 2015 until the close of 2019 are presented in the following table:

**ICO INTERNATIONAL CHANNEL FACILITY ACCUMULATED HISTORICAL ACTIVITY**

(millions of euros and n° of operations).

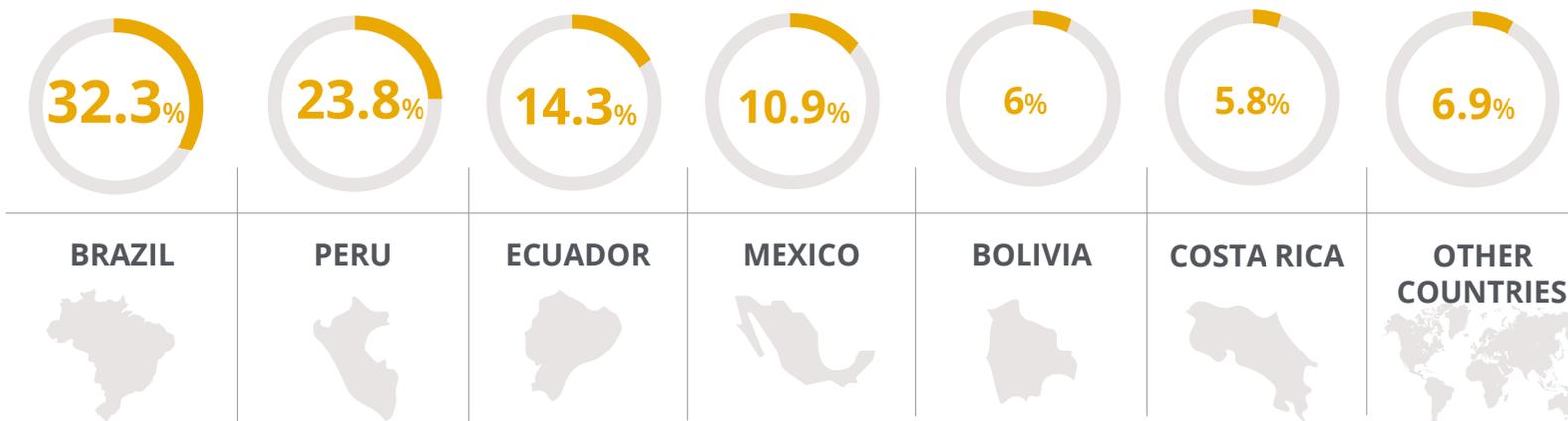
FORMALISATIONS		DRAW/DOWNS	
Amount :	No. of operations:	Amount :	No. of operations:
<b>1,752</b>	<b>17</b>	<b>815</b>	<b>13</b>

According to the information reported to date by recipient institutions, ICO funds have allowed 43 projects to be financed in 13 different countries, in which 33 Spanish companies have participated. Finally, construction projects related to electrical and communications networks (32% of the reported total), highways and roads (28%), electricity production and/or distribution, gas and water (27%) and hydraulic works (6%) stand out.

The distribution of projects financed by country is presented in the following figure:

**ICO INTERNATIONAL CHANNEL FACILITY ACCUMULATED HISTORICAL ACTIVITY**

(millions of euros and n° of operations).



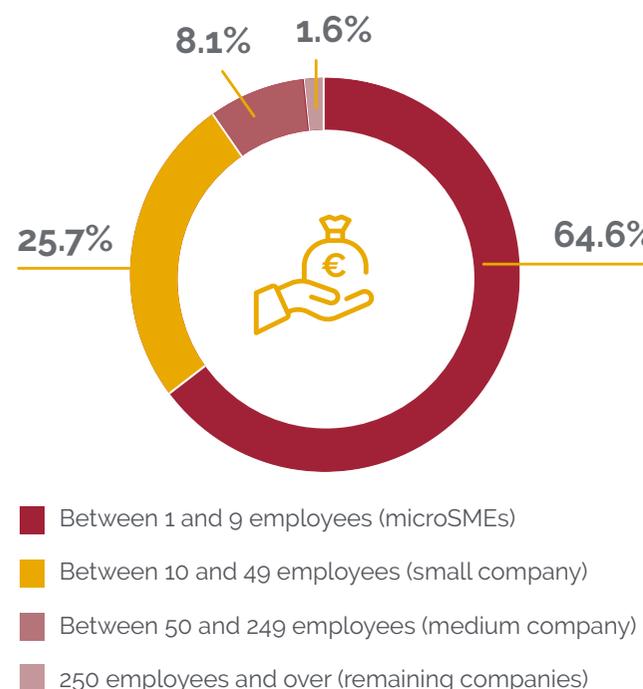
## High degree of capillarity in the distribution of ICO second-floor facilities

By size of the financed company, **64.6%** of operations drawn down in 2019 were directed at microSMEs (with 1-9 employees), a percentage that rises to **90.3%** if small businesses are also included (those with up to 49 workers).

### MEDIATION LOANS DRAWN DOWN

2019	Loan amount (millions of €)	% Total credit	No. of operations:	% Total operations
<b>BETWEEN 1 AND 9 EMPLOYEES (microSMEs)</b>	<b>1,645</b>	<b>37.3%</b>	<b>41,037</b>	<b>64.6%</b>
<b>BETWEEN 10 AND 49 EMPLOYEES (SMALL COMPANY)</b>	<b>1,321</b>	<b>29.9%</b>	<b>16,328</b>	<b>25.7%</b>
<b>BETWEEN 50 AND 249 EMPLOYEES (MEDIUM COMPANY)</b>	<b>884</b>	<b>20.0%</b>	<b>5,115</b>	<b>8.1%</b>
<b>250 EMPLOYEES AND OVER (REMAINING COMPANIES)</b>	<b>565</b>	<b>12.8%</b>	<b>1,036</b>	<b>1.6%</b>
<b>TOTAL</b>	<b>4,414</b>	<b>100%</b>	<b>63,516</b>	<b>100%</b>

### MEDIATION LOANS DRAWN DOWN



Does not include drawdowns from ICO International Channel (373 million euros).

Regarding distribution by credit volume, **47.9%** of the operations drawn down were for an amount under or equal to **25,000 euros**, while over **81%** did not exceed **75,000 euros**. The average mediation loan amount in 2019 was **69,500 euros**. The average loan amount per customer, given that it is common for one borrower to formalise more than one operation, was **96,041 euros** in 2019.

## MEDIATION LOANS DRAWN DOWN

Distribution of operations by credit volume.

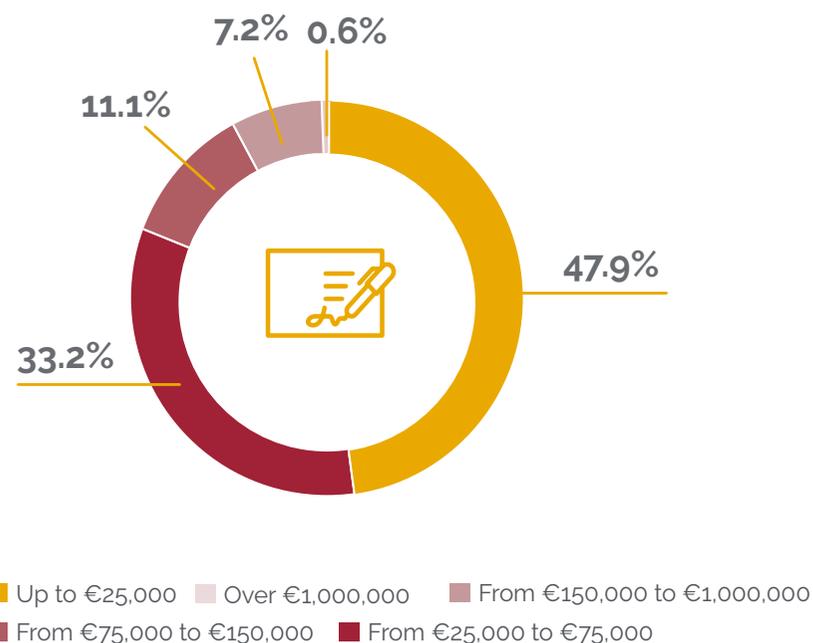
2019	Loan amount (€ million)	% Total credit	No. of operations	% Total operations
Up to €25,000	416	9.4%	30,399	47.9%
From €25,000 to €75,000	912	20.7%	21,099	33.2%
From €75,000 to €150,000	747	16.9%	7,031	11.1%
From €150,000 to €1,000,000	1,548	35.1%	4,614	7.2%
Over €1,000,000	792	17.9%	373	0.6%
<b>TOTAL</b>	<b>4,414</b>	<b>100%</b>	<b>63,516</b>	<b>100%</b>

Does not include drawdowns from ICO Canal Internacional (373 million euros).

These indicators, relative to the size of the company and loan volumes, highlight the high degree of capillarity that characterises the distribution of the second-floor facilities; most of the financing is aimed at smaller transactions, to microSMEs and the self-employed.

## MEDIATION LOANS DRAWN DOWN

Distribution of operations by credit volume.





By type of final recipient, 72.2% of the operations in 2019 corresponded to legal persons (mainly limited liability companies), 26% corresponded to self-employed people, while the remaining 1.9% is associated with entities without a corporate personality, such as home-owners' associations, civil societies or communities of goods.

### MEDIATION LOANS DRAWN DOWN

Number of operations by type of final recipient (%)



In terms of contribution to economic development, 55.1% of the volume channelled through ICO's second-floor facilities in 2019 went to companies located in Autonomous Communities with a lower GDP per capita than the national average, while 37.3% was aimed at recipients located in Autonomous Communities with a higher unemployment rate than average.<sup>2</sup>

<sup>1</sup>Regions with lower GDP per capita than the national average (25,727 euros). Source: INE.

<sup>2</sup>Regions with an unemployment rate higher than the national average (13.78%) at the close of 2019. Source: INE.

In this way, ICO's financing activity has also contributed to the economic development of businesses located in those geographical areas with the greatest difficulties.

## MEDIATION

Contribution to regional development (million euros and %)

	AMOUNT	% / TOTAL
<b>TO REGIONS WITH LOWER GDP PER CAPITA THAN AVERAGE</b>	<b>2,432</b>	<b>55.1%</b>
<b>TO REGIONS WITH A HIGHER UNEMPLOYMENT RATE THAN AVERAGE</b>	<b>1,648</b>	<b>37.3%</b>

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### Wholesale and food - predominant sectors in ICO's second-floor facilities

The funds loaned through ICO's second-floor facilities in 2019 presented a broad sectoral distribution, although over 55% of the total volume for the financial year pertained to four sectoral groupings.

## SECOND-FLOOR FACILITIES FORMALISED AND DRAWN DOWN IN THE 2019 FINANCIAL YEAR

Distribution by activity sector (amount and %/total amount)

	AMOUNT	% / TOTAL
WHOLESALE TRADE	681	15.4%
FOOD	653	14.8%
MANUFACTURING INDUSTRIES	597	13.5%
TRANSPORT AND STORAGE	505	11.4%
CONSTRUCTION AND REAL ESTATE ACTIVITIES	431	9.8%
BUSINESS SERVICES	370	8.4%
CHEMICAL AND PAPER	247	5.6%
RETAIL TRADE	246	5.6%
HOSPITALITY	199	4.5%
INFORMATION AND COMMUNICATION TECHNOLOGIES	137	3.1%
HEALTH AND EDUCATION	126	2.9%
TEXTILES AND FASHION	118	2.7%
OTHER SERVICES	53	1.2%
ENERGY AND NATURAL RESOURCES	52	1.2%
<b>TOTAL</b>	<b>4,414</b>	<b>100.0%</b>

Does not include ICO International Channel activity

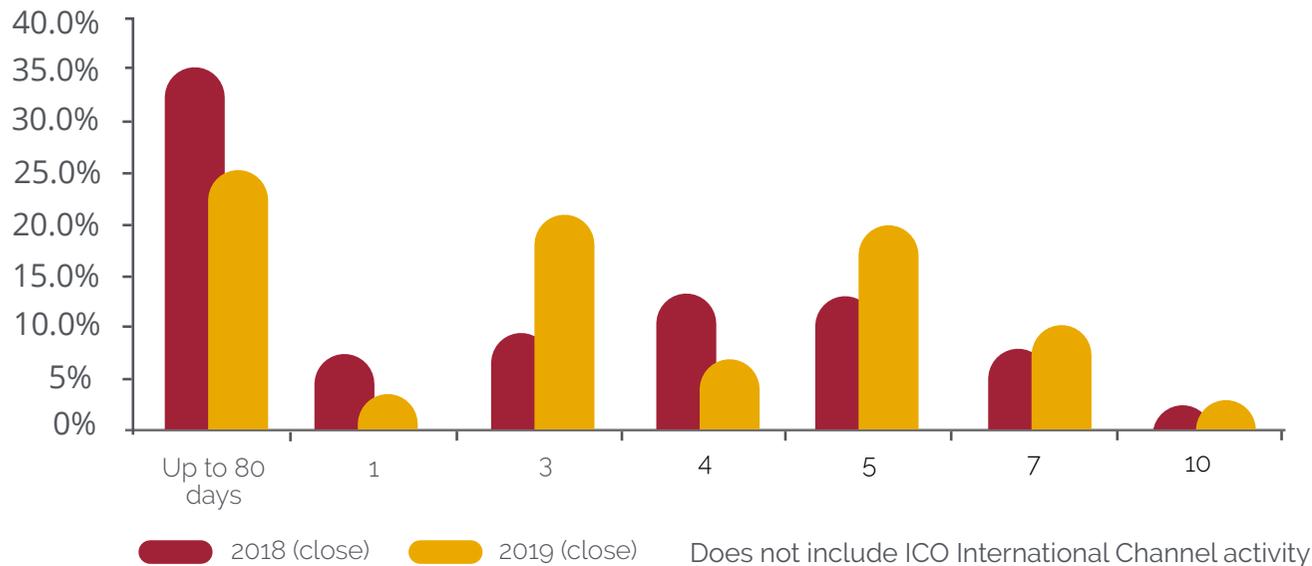
## ICO consolidates its contribution to long-term productive financing

The average term for transactions formalised with SMEs and the self-employed through second-floor facilities in 2019 (4.3 years) was higher than that of 2018 (3.5 years). In the same vein, over 76% of the amount drawn down in second-floor facilities in 2019 corresponds to transactions with a term greater than or equal to 1 year and 44% to transactions with a term greater than or equal to 5 years.

The following figure shows the 2018-2019 evolution of the volumes associated with the most requested terms in ICO's second-floor facilities, as well as the aforementioned shift toward longer terms. The positive evolution of this factor favours the development of companies as it eases the financial burden and, consequently, makes new investments in a smaller amount of time possible.

### MEDIATION LOANS. AMOUNTS FORMALISED AND DRAWN DOWN

Distribution of activity by most demanded terms. Evolution 2018-2019





## Impact of ICO Second-floor Facilities on the Spanish economy. Contribution to economic development

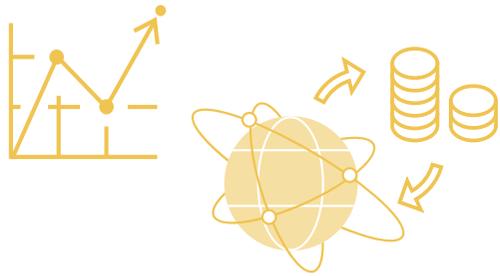
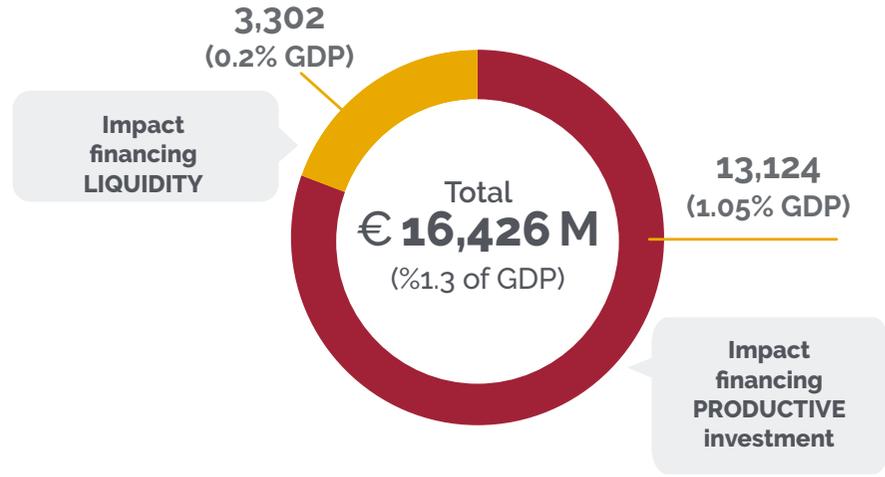
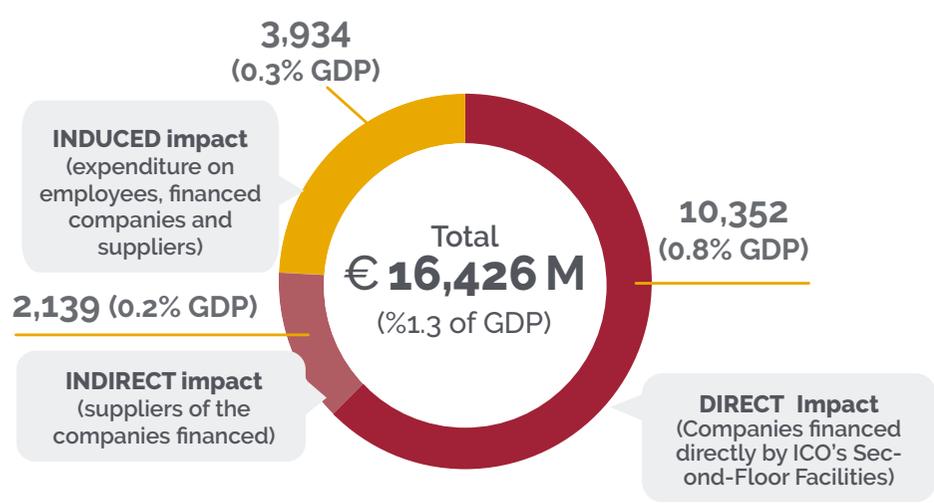
ICO has developed an analysis to quantify the macroeconomic impact of its financing activity. This analysis, based on a methodology that uses the National Accounts' Input-Output Tables combined with statistical and econometric techniques, shows that ICO's important role in the Spanish financial sector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

The estimated impact that financing distributed by ICO through its second-floor facilities had on economic activity in 2019 was, in terms of GDP, **16,426 million**, equivalent to **1.3%** of GDP. In the same way, this financing activity led to **3,023 million euros** in investment, representing **1.22%** of the total gross fixed capital formation (GFCF) made in Spain in 2018.

In relation to exports, the impact generated by ICO financing, estimated to be **4,012 million euros**, represented **0.9%** of the total volume of Spanish exports.

### ICO SECOND-FLOOR FACILITIES 2019

Contribution to GDP: €16,426M (1.3% of GDP)



**IMPACT ON INVESTMENT**

**€3,023M**  
(1.2% of investment in Spain)

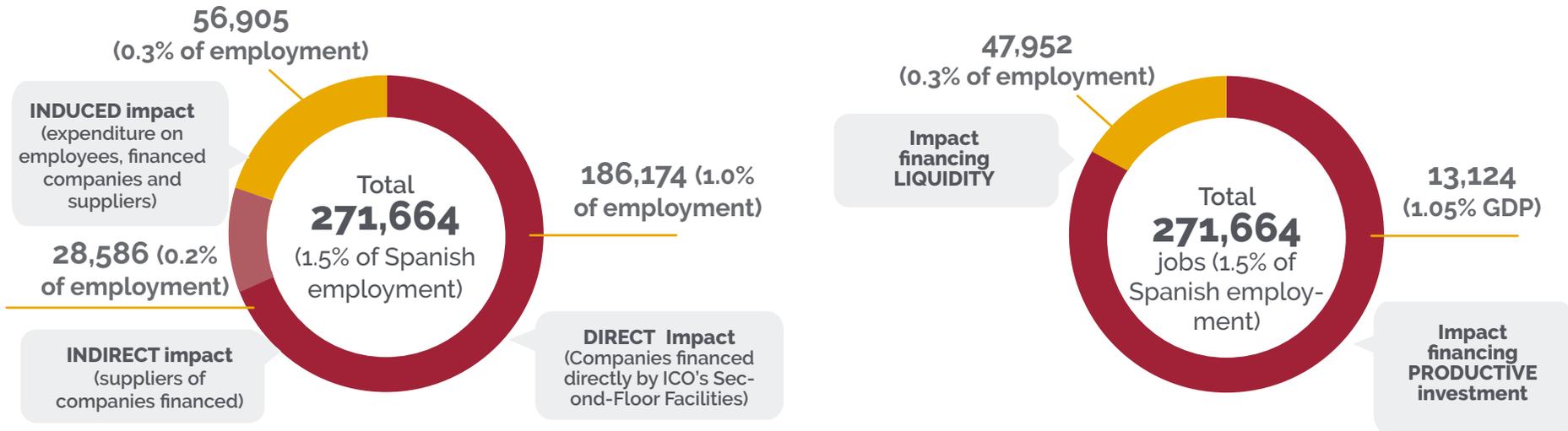
**IMPACT ON EXPORTS**

**€4,012M**  
(0.9% of exports in Spain)

For its part, the impact on employment generated and/or maintained as a result of ICO's activity through second-floor facilities is estimated to be over 271,000 jobs, representing 1.5% of the total volume of full-time equivalent employment.

### ICO SECOND-FLOOR FACILITIES 2019

Contribution to employment: 271,664 jobs maintained and/or created (1.5% of total employment in Spain)<sup>1</sup>



<sup>1</sup> Full-time equivalent employment

## OPERATIONS FORMALISED DIRECTLY BY ICO

The Institute complements the credit activity carried out through its second-floor facilities, mainly aimed at smaller companies, with a wide range of financing solutions and guarantee carried out directly that aim to promote large investment projects in Spain or those projects in which Spanish companies participate that are carried out abroad. In the operations formalised through this system, the Institute assumes the final recipient's credit risk.

ICO has extensive experience in direct transactions, granting financing in long-term transactions and collaborating on many occasions with private credit institutions under the principles of complementarity and subsidiarity. The priority sectors of activity for the Institute are those related to infrastructure, energy, large industries, the environment and tourism.

Direct financing transactions are grouped by way of guidance, but not exclusively, into the following products that are adapted to

business needs for growth and international exposure, thanks to their versatility:



ICO's aim in participating in these operations is to provide added value, especially in the longer term financing tranches. In addition, ICO's presence enables international projects to be financed in local currency in countries that are difficult to access, which facilitates the closure of operations. In this regard, it should be noted that ICO has been a pioneer in external financing in local currency for international long-term investment projects, contributing to public-private collaboration structures with the local promotional bank and private financial intermediaries.

Finally, it should be noted that, in 2019, the Institute launched a direct financing programme consisting of the acquisition of bonds and debentures issued by Spanish companies that are preferably certified as responsible issuers or that are listed in sustainability indices, thus favouring the activities and projects that improve environmental behaviour.

## Direct financing activity in 2019 focused on long-term infrastructure projects and on the internationalisation of Spanish business

One of the Institute's priorities is the long-term financing of infrastructure projects and those projects that boost the internationalisation of Spanish business, paying special attention to those that have a carry-over effect on the internationalisation of SMEs that accompany major Spanish companies.

In 2019, ICO formalised direct transactions of loans and credit, acquisition of corporate bonds and guarantees in favour of companies amounting to 2,476 million euros, of which 1,186 million were allocated to projects abroad (48% of the total). In terms of volumes drawn down, the direct financing method accumulated 1,675 million euros in 2019, of which 40% corresponds to international projects.



## DIRECT FINANCING TO COMPANIES

Loans and credit, corporate bonds and guarantees 2019.

Geographical distribution by investment destination (million euros).

	Amount formalised	Amount drawn down
NATIONAL INVESTMENT	1,290	1,010
INTERNATIONAL INVESTMENT	1,186	665
TOTAL	2,476	1,675

By sector, the companies that operate in the fields of energy and natural resources accumulated the highest percentages of activity in 2019, both in terms of volume formalised and volume drawn down (in both cases, 38% of the total).

## DIRECT FINANCING TO COMPANIES

Loans and credit, corporate bonds and guarantees 2019.

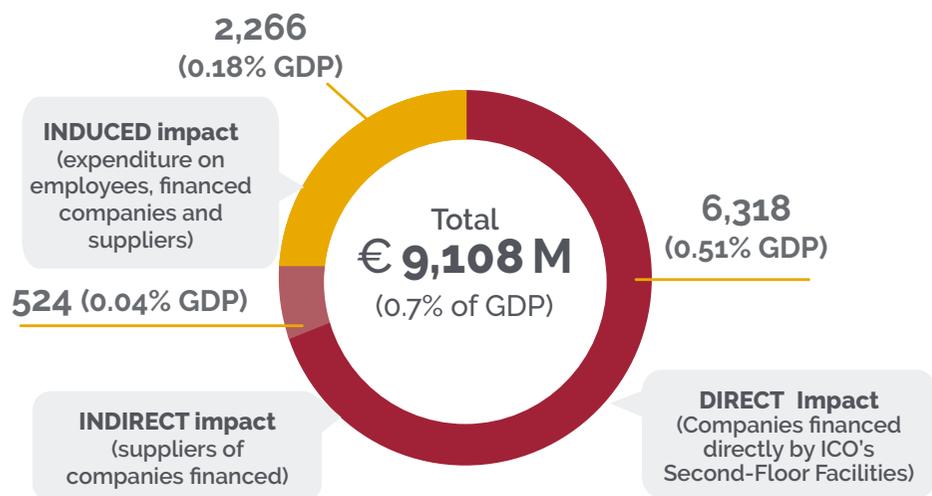
Distribution by activity sectors (million euros).

	FORMALISATIONS		DRAWDOWNS	
	AMOUNT	%/TOTAL	AMOUNT	%/TOTAL
ENERGY AND NATURAL RESOURCES	940	38.0%	632	37.8%
BUSINESS SERVICES	395	15.9%	296	17.7%
CONSTRUCTION AND REAL ESTATE ACTIVITIES	269	10.9%	208	12.4%
CHEMICAL AND PAPER	248	10.0%	129	7.7%
INFORMATION AND COMMUNICATION TECHNOLOGIES	216	8.7%	106	6.3%
TRANSPORT AND STORAGE	150	6.1%	198	11.8%
RETAIL TRADE	142	5.7%	0.3	0.0%
MANUFACTURING INDUSTRIES	45	1.8%	35	2.1%
OTHER SERVICES	36	0	36	2.2%
HOSPITALITY	30	1.2%	30	1.8%
HEALTH AND EDUCATION	4	0	3	0.2%
<b>TOTAL</b>	<b>2,476</b>	<b>100%</b>	<b>1,675</b>	<b>100%</b>

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

Estimates of the impact created by ICO's direct financing operations in 2019 stand, in terms of GDP, at **9,108 million euros**, equivalent to **0.7%** of GDP.

### ICO DIRECT FINANCING 2019. CONTRIBUTION TO GDP €9,108 M (0.7% of GDP)



**IMPACT ON INVESTMENT**

**€1,989M**  
(0.8% of investment in Spain)

**IMPACT ON EXPORTS**

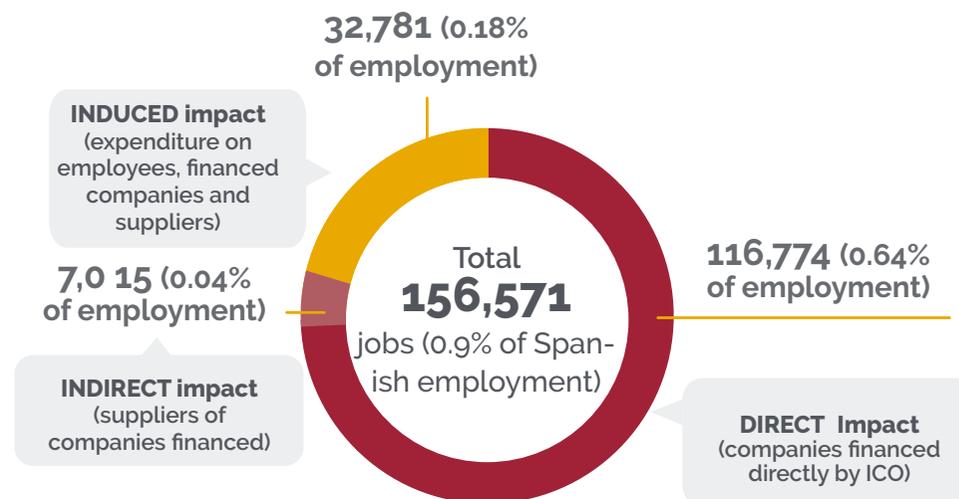
**€1,053M**  
(0.9% of exports in Spain)

Similarly, these direct financing operations have provided **1,989 million euros** in investment, representing **0.8%** of the total gross fixed capital formation (GFCF) made in Spain in 2019, and impacted exports by an estimated **1,053 million euros**, which represents **0.2%** of the total volume of Spanish exports.

The amount of employment generated and/or maintained was over 156,000 jobs, representing **0.9%** of the total volume of full-time equivalent employment.

### ICO DIRECT FINANCING 2019

ICO direct financing 2019. Contribution to employment: **156,571 jobs** maintained and/or created (**0.9%** of total employment in Spain)<sup>1</sup>



## BOOST TO COMPLEMENTARY FINANCING CHANNELS AXIS

One of the ICO Group's strategic pillars is to intensify venture capital activity to facilitate the diversification of financing sources to companies. In this context, in 2019, the Institute continued to strengthen alternative and complementary financing to bank financing for Spanish business, boosting the funds that it manages through AXIS, its venture capital subsidiary.

AXIS was established in 1986 and was the first venture capital management company registered in the National Securities Market Commission. Since its inception, it has promoted venture capital as complementary to bank financing for Spanish companies, improving their capitalisation and boosting innovation, entrepreneurship and internationalisation. For over 30 years, its main objective has been to maintain the financial equilibrium of the funds managed to ensure their continuity.

AXIS is one of the most active operators in the venture capital field in Spain, managing **2,650 million euros** through three funds: **FOND-ICO Global**, **FOND-ICOpyme** and **FOND-ICOinfraestructuras II**, which invest in companies and/or projects throughout all stages of the investment cycle, from the early stages, to start-up, growth and debt. ICO is the sole shareholder of these funds.



## FOND-ICO GLOBAL

This was established in 2013 with the aim of developing and diversifying non-bank financing sources for Spanish companies, primarily SMEs. It was the first Spanish public capital fund of funds and was created to respond to one of the main demands of the venture capital sector; greater involvement of the public sector in non-bank financing for businesses.

FOND-ICO Global's objective is to encourage the creation of privately managed venture capital funds that invest in Spanish companies in different activity sectors and in all its stages: from technology transfer and seed capital, passing through the early stages, to development capital that promotes their expansion and internationalisation.

The fund takes stakes in other venture capital entities authorised in Spain or who have residence in another OECD member state. In this way, the fund is the catalyst for the creation of new venture capital funds, managed by private operators with a presence in Spain.

AXIS's fund selection process is expressed through its own public bidding principles: publicity, concurrency, equality and transparency. To do this, public invitations to tender are carried out in which the funds concerned bid. At the end of 2019, eleven invitations to tender had taken place and the 12th has been launched, with an investment commitment of **284 million euros**.

The venture capital funds that FOND-ICO Global invests in must have mostly private capital. The volume invested in each of the funds

participated in depends on the stages at which it invests and the size of the fund. With all of this, based on the principles of private resource management, FOND-ICO Global seeks to strengthen non-banking financing, stimulate the capitalisation of companies and promote their internationalisation, growth, digitalisation and innovation.

In the 2019 invitation to tender, investment in companies of all sectors that include innovation and digitisation activities was included as a non-limiting evaluation criteria. Digitalisation has a positive impact on sustainability thanks to its ability to provide efficiency to business activity and productive processes. The next invitations to tender will also include aspects of environmental sustainability amongst their selection criteria.

FOND-ICO Global was launched with an initial allocation of **1,200 million euros**. Given its positive evolution, the high number of competing candidates and its important contribution to revitalising the venture capital sector in Spain, its assets were increased to **1,500 million euros** in 2015. In May 2018, a decision was made to increase this again by 500 million euros. With these increases, the fund's assets have grown to **2,000 million euros**, thus ensuring the continuity of this instrument.

## FOND-ICO Global mobilises over 6,700 million euros to invest in companies in Spain

In the eleven invitations to tender that have taken place, investments in 82 private funds of a total of **1,734 million euros** were approved. This volume has an important multiplier effect and will involve a minimum investment of **6,757 million euros** in Spanish companies. That is to say, for every euro of public capital invested by FOND-ICO Global, private funds have committed to investing a minimum of **3.9 euros**.

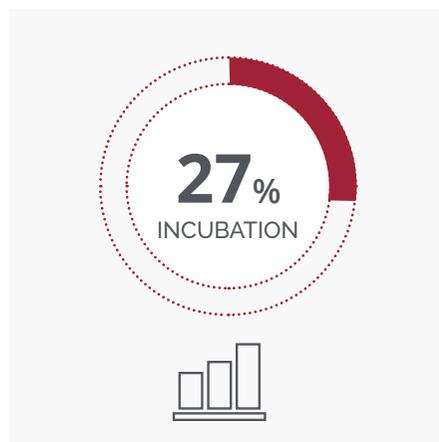
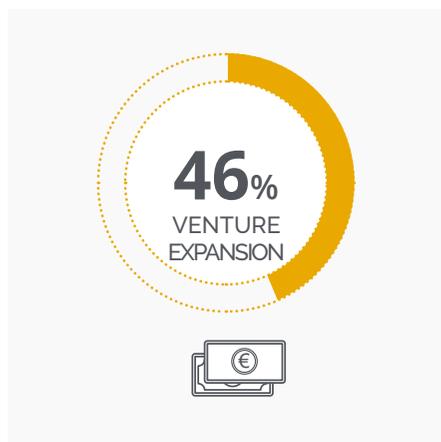
Invitations to tender	Target fund	Target volume investment in Spain	Commitment FOND-ICO Global	Multiplier investment in Spain
December 2013	685	660	189	3.5x
May 2014	3,785	665	248	2.7x
November 2014	4,125	668	194	3.4x
March 2015	756	573	124	4.6x
November 2015	671	606	121	5.0x
June 2016	668	272	71	3.8x
October 2016	727	659	157	4.2x
May 2017	1,041	625	161	3.9x
November 2017	7,594	818	159	5.1x
July 2018	1,287	535	145	3.7x
May 2019	830	676	166	4.1x
<b>TOTAL</b>	<b>22,169</b>	<b>6,757</b>	<b>1,734</b>	<b>3.9x</b>

On 31 December 2019, the distribution of the selected funds by categories is: 28 for expansion capital, 29 for venture capital, 20 for technology transfer and incubation and 5 for debt. **29%** of these funds are international, which highlights the relevance of this instrument in attracting foreign capital to Spain.

According to the latest available data, the private funds that FOND-ICO Global has participated in made 552 investments in Spanish companies from a variety of sectors and different stages of growth that employ over 155,000 employees. **82%** of the recipient companies were SMEs.

The distribution of volume of investments between the different categories of funds is presented in the following graph, with venture capital standing out with **46%** of the total.

#### FOND-ICO GLOBAL Diversification of operations by category.



#### FOND-ICO GLOBAL Diversification of investment by size.



## FOND-ICO PYME, PEF

The FOND-ICO Pyme venture capital fund was created in 1993 and has maximum available resources of 250 million euros and maturity in 2022.

It is a generalist fund and is mainly focused on companies that, having reached a certain degree of maturity, want to fund their expansion process, technological development, growth and/or internationalisation and, to a lesser extent, on companies in primary stages that, having overcome the initial stages, require resources to advance their development. Since its inception, FOND-ICO Pyme has supported companies in their expansion plans to encourage the development of the corporate network, job creation, and revitalisation of the economy. In addition, it seeks to mobilise as many resources as possible from the private sector. This fund uses its resources in two different ways to be more effective. On the one hand, it uses direct investment to promote long-term growth of leading companies in their market segments, with financial



approaches, without replacing the managing entrepreneur or team and mostly in joint ventures. On the other hand, it participates in other venture capital funds, with the aim of achieving greater capillarity in the distribution of their resources.

Since its inception, the fund has participated via capital and participating

loans in over 80 companies and over 20 funds for an amount exceeding **280 million euros**.

On the other hand, AXIS has also worked on launching various initiatives for non-bank financing in Spain at the European level through FOND-ICOpyme:



In order to cover ventures' initial stages, FOND-ICOpyme, along with the European Investment Fund (EIF) and the NEOTEC initiative, created they created the Fondo Isabel La Católica-European

Angels Fund, to support the *Business Angels'* investment. This fund, allocated an initial amount of **30 million euros**, 30 million euros, is managed by the EIF and aims to support entrepreneurs through the participation of professional investors or '*business angels*' in the initial stages of their projects. At the close of 2019, this initiative had formalised investment commitments of an amount of **23 million euros**, reaching joint venture agreements with 14 '*business angels*' who have already invested in around 100 companies.



Given the success of the first fund, a second EU Business Angels Fund Spain was **formalised with 40 million euros**, with 50% contributed by the EIF and 50% by FOND-ICOpyme.



NEOTEC is a fund of funds created in 2006 and managed by the EIF. Its activity focuses on innovative, highly-technological companies in the initial stages of their development. Its investment commitment, of **183 million euros**, is provided through direct participation in 14 funds, of which 2 are in the form of joint venture.

In terms of sustainability, it is worth noting Axis's participation of **5 million euros**, in Creas Impacto, the first institutional investment fund in Spain, which has a target size of **30 million euros**, and will serve to support social companies in the growth phase. The fund aims to actively influence the definition of sustainability strategies in the companies in which it participates. AXIS's investment is aimed at small- and medium-sized companies that focus on health and well-being, environmental sustainability, education and social innovation, whose activity has a measurable social impact.

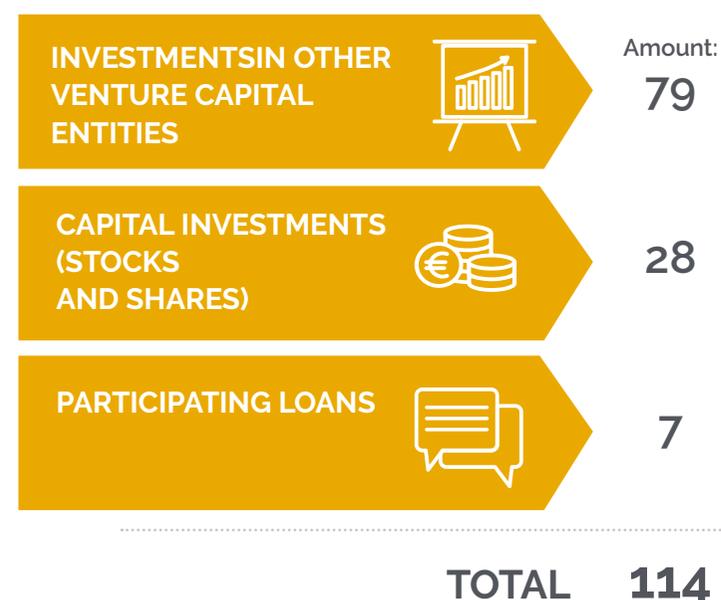
In the same field, AXIS joined the Forum Impacto platform in June 2019. This platform aims to unite all impact investment agents with the aim of enabling Spain to join the Global Steering Group on Impact Investment (GSG), an international organisation composed of 18 countries that promotes social impact investment.

Finally, in 2019, Axis approved the launch of a new initiative amounting to **50 million euros**, aimed at venture capital entities that invest in a higher number of SMEs with debt instruments, either alone or in joint venture with other investors or platforms. Within this initiative, participation in the October SME IV fund was approved.

The portfolio balance of FOND-ICOpyme investments at the close of the year was as follows:

### FOND-ICO PYME, PEF

Formalised investment portfolio. Balance as of December 2019  
(Millions of euros)



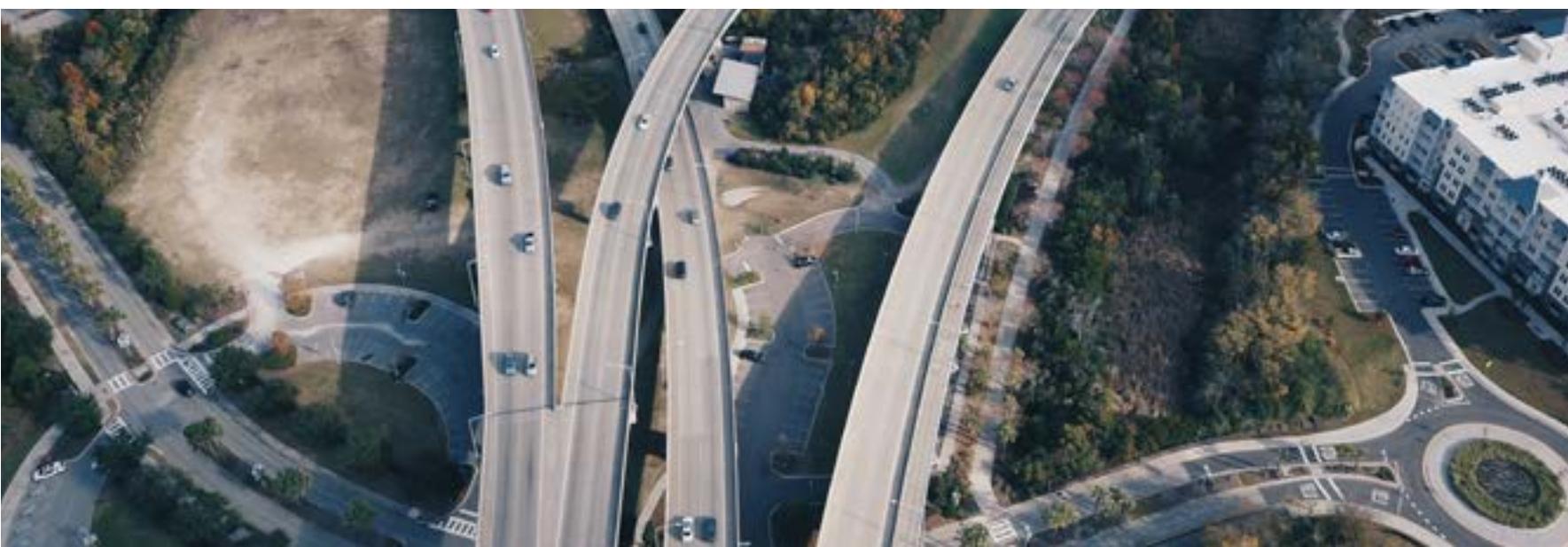
## FOND-ICOinfraestructuras I, FICC

FOND-ICOinfraestructuras I, FICC was created in 2011 with maximum available resources of **250 million euros**. It was terminated in December 2019, with its assets and liabilities being transferred to FOND-ICOinfraestructuras II, FICC.

It was a non-banking financing instrument that primarily invested in greenfield transport, social, energy and environmental infrastructure projects, both in Spain and abroad.

The fund aimed to contribute to supporting the construction and co-management of infrastructure projects and its activity focused on public-private partnership schemes. To this end, it has provided capital to projects, accompanying it with minority equity or quasi-equity holdings to infrastructure management companies.

Since its creation, FOND-ICOinfraestructuras I, FICC has committed a maximum of **85 million euros** that have contributed to a total investment of nearly **1,000 million euros**. By sector, **43%** of the investment was to transport projects, **40%** to social infrastructures and the remaining **17%** to energy.



## FOND-ICOinfraestructuras II, FICC

In December 2018, a new fund called FOND-ICOinfraestructuras II, FICC was registered in the CNMV of the amount of **400 million euros**. It aims to invest in sustainable infrastructure projects directly or through other investment funds in Spain and abroad with Spanish companies.

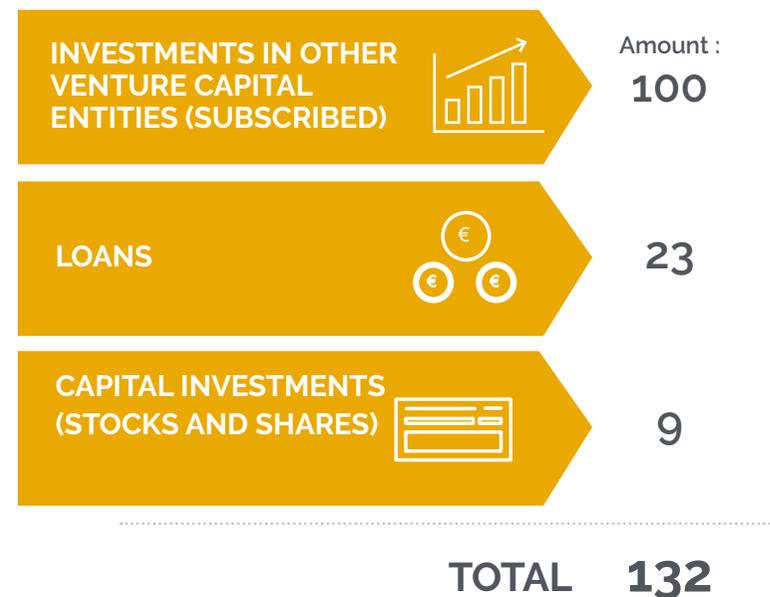
The fund's duration is 22 years, extendable for a period of 5 additional years by decision of the management company.

The fund began its activity in 2019 and will invest in transport, energy and environment and social infrastructure. Among other investments, motorways, roads, rail networks, ports, airports, energy distribution networks, sustainable generation or renewable energy, hospitals and educational and judicial services' infrastructure will be financed.

On 31 December 2019, the balance of the FOND-ICOinfraestructuras II, FICC investments portfolio is as follows:

### FOND-ICOinfraestructuras II, FICC

**Formalised investment portfolio. Balance as of December 2019**  
(Millions of euros)



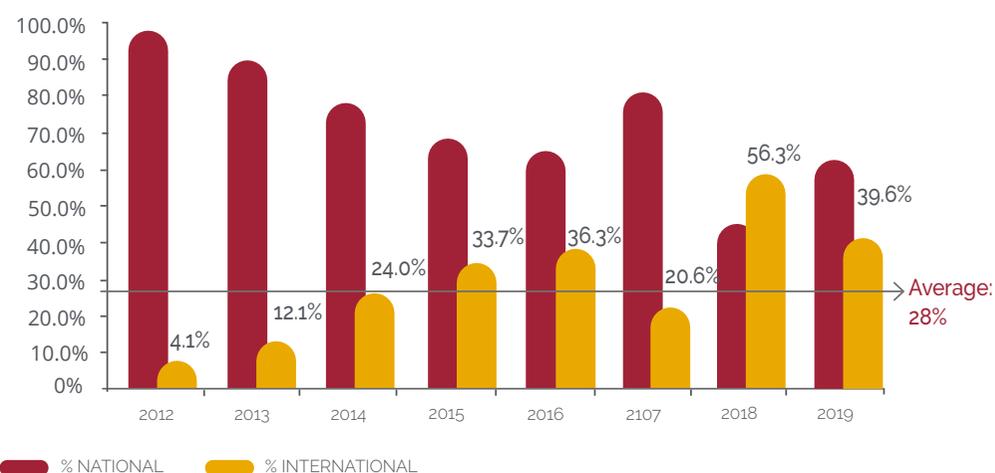
## PROMOTION OF COMPANIE'S INTERNATIONALISATION

For the ICO Group, in its triple role as a national promotional bank for business financing, a financial instrument of economic policy and a State financial agent, the internationalisation of Spanish companies is key to its identity and a strategic objective that is implemented in its activity.

In 2012, the Institute expanded its catalogue of products, incorporating a specific second-floor facility for supporting exporting companies, which was subsequently supplemented with new second-floor facilities and direct financing products. These products, designed to support Spanish companies launching abroad and to provide financial instruments for their international expansion and growth, have contributed to increasing the relative weight of internationalisation in the Institute's financing and guarantee activity, as shown in the following table, which includes data on amounts formalised:

### FINANCING AND GUARANTEES 2012-2019: FORMALISATIONS

Distribution by geographical destination of the investment (%)



In 2019, the volume of financing and guarantees formalised that were destined to promote the internationalisation of Spanish business amounted to **2,980 million euros** (20% more than in 2018), representing around **40%** of the total loans formalised this financial year.

In terms of volumes drawn down, ICO's activity with international destination amounted to **2,191 million euros** (34% of the total).

## FINANCING OF INVESTMENTS OUTSIDE OF SPAIN

Second-floor facilities and direct loans drawn down in the financial year (millions of euros). Distribution by country, according to geographic location of the investment.

	DIRECT LOANS	SECOND-FLOOR FACILITIES	TOTAL
FRANCE	48	258	305
PORTUGAL	105	93	198
ITALY	6	118	124
UNITED STATES	22	86	108
GERMANY	0	92	92
UNITED ARAB EMIRATES - DUBAI	82	0	82
COLOMBIA	65	6	72
UNITED KINGDOM	9	49	59
CHILE	26	16	42
MEXICO	24	16	40
BELGIUM	0	39	39
NETHERLANDS	0	38	38
ALBANIA	30	0.3	30
PEOPLE'S REPUBLIC OF CHINA	2	28	29
BAHRAIN	28	1	29
MOROCCO	0	26	26
PARAGUAY	24	2	26
OMAN	20	0.4	20
AUSTRIA	0	16	16
SLOVAKIA	10	6	16
JAPAN	0	15	15
POLAND	0	15	15
RUSSIAN FEDERATION	0	14	14
CZECH REPUBLIC	0	13	13
PERU	4	9	13
SWITZERLAND	0	12	12
SWEDEN	0	12	12
DENMARK	0	11	11
REST (*)	161	535	697
<b>TOTAL</b>	<b>665</b>	<b>1,526</b>	<b>2,191</b>

(\*) Loans in other countries or with more than one recipient country of the investment.

## ICO'S SECOND-FLOOR FACILITIES

Of the total amount drawn down through ICO Second-Floor Facilities in 2019, **32% (1.526 million euros)** through over 11,661 operations, granted to over 1,500 customers, was aimed at financing investments abroad and promoting Spanish business's export activity in nearly 140 different countries.

ICO's international second-floor facility activity, through the ICO International Channel, made a significant contribution in 2019, with over **373 million euros** drawn down whose scope of application was in the LATAM region. As indicated above, this product has the collaboration of international financial entities, which supports access to financing for Spanish companies in local markets and, consequently, contributes to their internationalisation.

(\*) Includes operations towards 112 countries as well as operations drawn through the ICO International Channel (373 million euros).

## MEDIATION LOANS.

Distribution by recipient country of the investment (million euros).

	AMOUNT	%/TOTAL
FRANCE	258	16.9%
ITALY	118	7.7%
PORTUGAL	93	6.1%
GERMANY	92	6.0%
UNITED STATES	86	5.6%
UNITED KINGDOM	49	3.2%
BELGIUM	39	2.5%
NETHERLANDS	38	2.5%
PEOPLE'S REPUBLIC OF CHINA	28	1.8%
MOROCCO	26	1.7%
AUSTRIA	16	1.0%
CHILE	16	1.0%
MEXICO	16	1.0%
JAPAN	15	1.0%
POLAND	15	1.0%
RUSSIAN FEDERATION	14	0.9%
CZECH REPUBLIC	13	0.8%
SWITZERLAND	12	0.8%
SWEDEN	12	0.8%
DENMARK	11	0.7%
SAUDI ARABIA	10	0.7%
UNITED ARAB EMIRATES	9	0.6%
TURKEY	9	0.6%
PERU	9	0.6%
ALGERIA	8	0.5%
REST (*)	516	33.8%
<b>TOTAL</b>	<b>1,526</b>	<b>100%</b>

## ICO DIRECT FINANCING

In 2019, direct loan and credit, guarantee and corporate bond purchase operations were formalised amounting to **2,476 million euros**, of which **1,186 million** was allocated to projects abroad, representing approximately **48%** of the total volume. During the financial year, the amount drawn down to promote the activity of Spanish companies in third markets reached **665 million euros**.

The following table shows the distribution by country of formalisations with an international destination:

	FORMALISATIONS	
	SECOND-FLOOR FACILITIES	TOTAL
PORTUGAL	400	33.7%
COLOMBIA	111	9.3%
UNITED KINGDOM	108	9.1%
OTHER COUNTRIES (*)	106	9.0%
FRANCE	95	8.0%
BAHRAIN	90	7.6%
UNITED STATES	60	5.1%
CHILE	42	3.6%
ITALY	37	3.1%
OMAN	37	3.1%
ALBANIA	30	2.5%
UNITED ARAB EMIRATES - DUBAI	30	2.5%
PARAGUAY	24	2.0%
PERU	16	1.3%
<b>OVERALL TOTAL</b>	<b>1,186</b>	<b>100.0%</b>

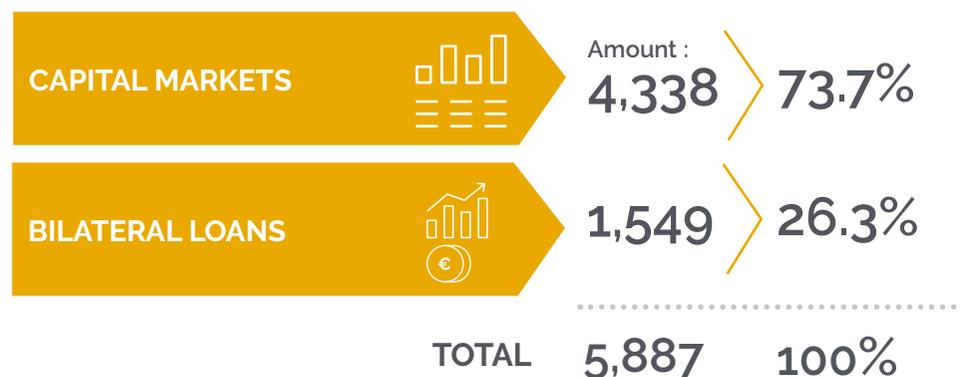
(\*) This section includes those operations whose investments are aimed at geographical areas or more than one country.

## FUNDRAISING

The Institute finances its activity through debt issues in the capital markets and by obtaining loans from multilateral financial institutions. ICO is not financed through the General State Budgets, nor does it accept deposits from individuals. During 2019, ICO obtained medium- and long-term resources for **5,887 million euros**. Of these, **73.7%** were obtained through bond issues and the remaining **26.3%** through bilateral loans granted by European institutions (European Investment Bank, Council of Europe Development Bank and European Central Bank).

### FONDO PARA LA PROMOCIÓN DEL DESARROLLO (FONPRONDE - FUND FOR THE PROMOTION OF DEVELOPMENT)

Portfolio balance at 31.12.2019. (millions of euros and percentages)



ICO is one of the main partners of the EIB Group in Europe, thus providing an answer to the European Commission communication of July 2015, relating to the necessary coordination and complementarity of national promoter banks with the EIB, which seeks, among other objectives, to create better financing conditions for SMEs.

In 2019, ICO acquired resources in capital markets for **4,338 million euros** through bond issues in public transactions, private and structured placements.

The Institute is the second Spanish public entity, after the Public Treasury, for debt issues, and it has the guarantee of the Spanish State in terms of debts and other obligations contracted by acquiring funds.

## ICO is a reference issuer in the sector of sustainable bonds on the European market

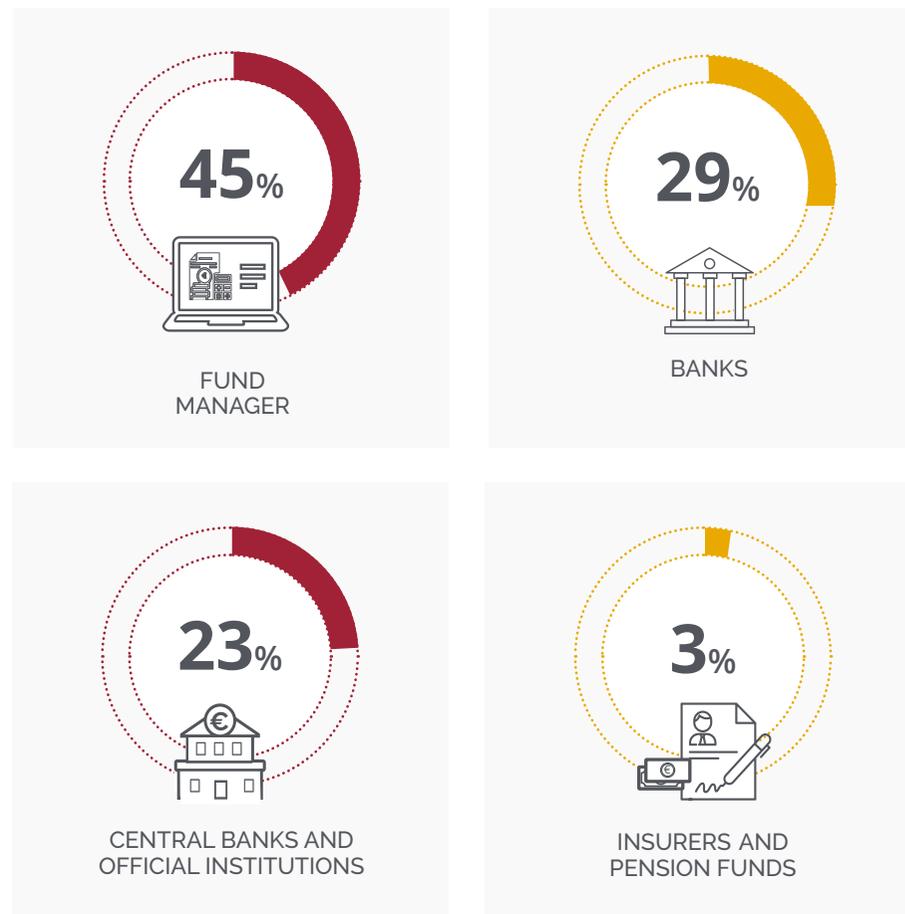
ICO was a pioneer in the social bond market. In 2019, it carried out a new issue amounting to **500 million euros**, which, together with the five carried out since 2015, add up to a total of **3,050 million euros**. Through these kinds of issues, the Institute commits itself to using the acquired funds to finance projects of companies located in Autonomous Communities with a lower GDP per capita than the Spanish average, with the aim of promoting inclusive economic growth and improving the distribution of income.

The issue made in 2019 was well received among investors who started to consider ICO's social bonds as the model in the specialised market once again.

The distribution by type of investor of this bond issue is detailed below:

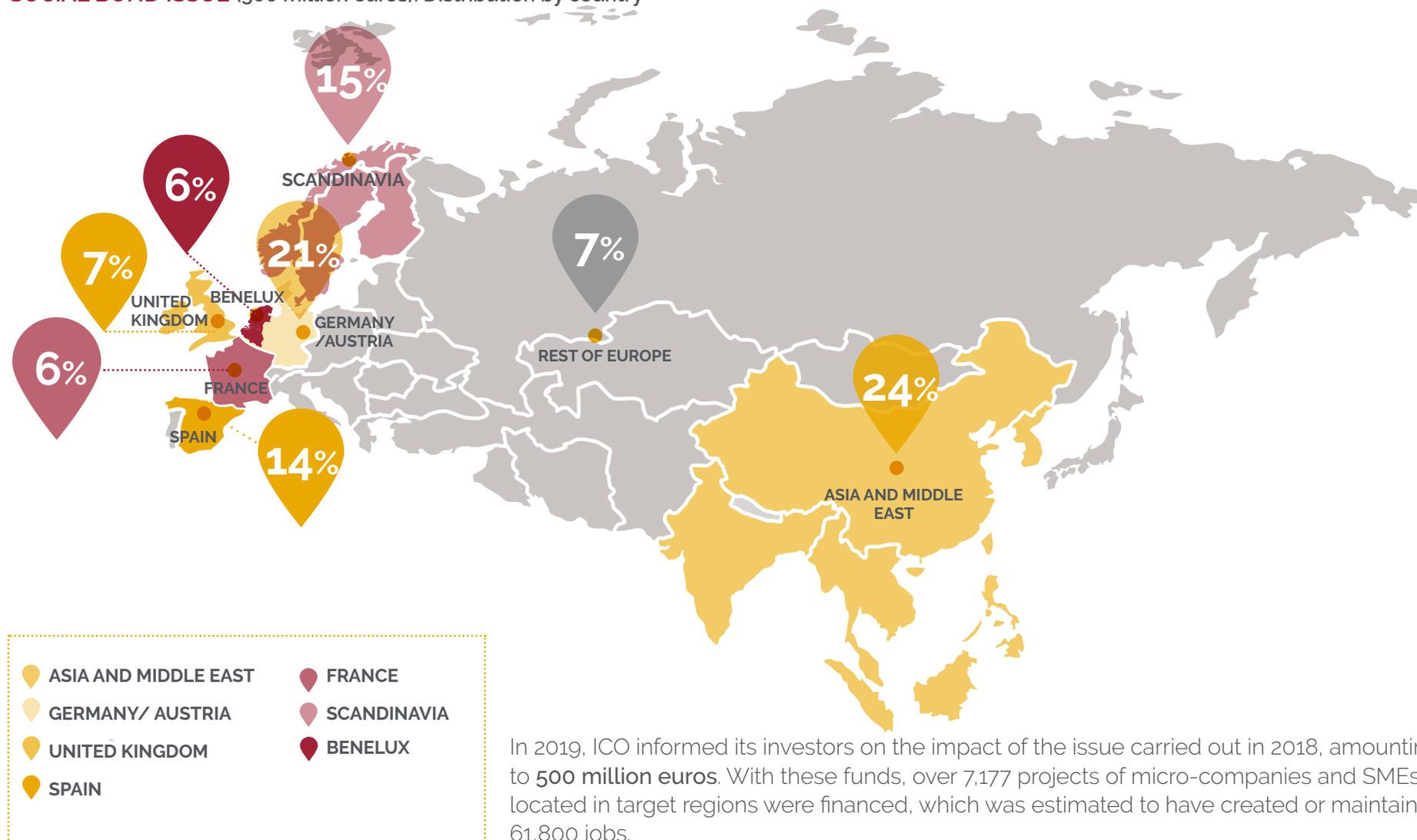
### SOCIAL BOND ISSUE

500 million euros. Distribution by type of investor.



Regarding geographical distribution, 86% of the bonds were placed among foreign investors.

**SOCIAL BOND ISSUE** (500 million euros). Distribution by country

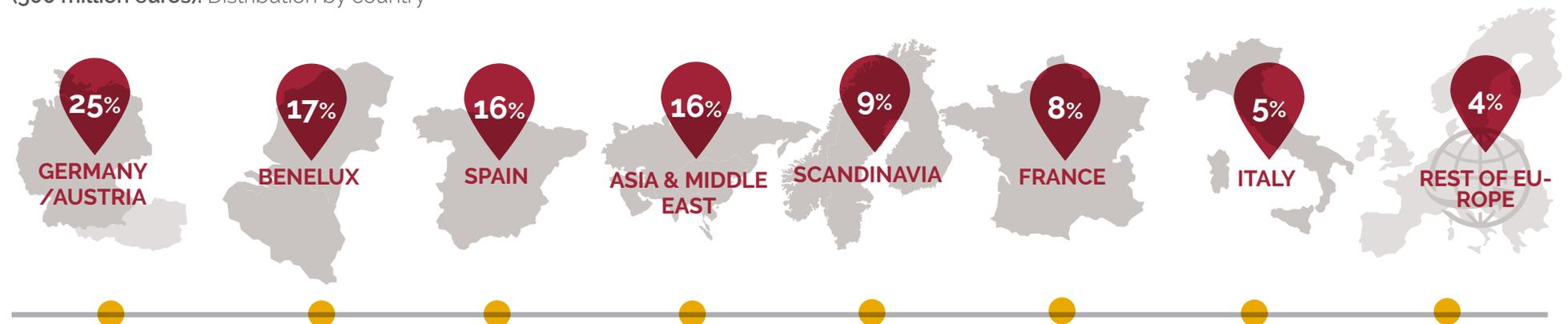


## In 2019, ICO launched its first green bonds issue

The issue, carried out in April, amounted to **500 million euros**. The funds will be used to finance projects undertaken by Spanish companies that contribute to protecting the environment and fighting climate change.

The issue was well received, registering a demand six times higher than the issue amount, with **84%** being acquired by international investors.

### GREEN BOND ISSUE (500 million euros). Distribution by country



In terms of the type of investor, the distribution was as follows.

### GREEN BOND ISSUE

(500 million euros). Distribution by type of investor.



This issue, along with the six social bond issues carried out by the end of 2019, placed ICO as a reference issuer in the sustainable bonds sector.

ICO's proactiveness in its work on constructing the sustainable bond market, providing it with greater breadth and depth, has gained recognition from the ICMA (International Capital Market Association), the most important international association in the sector, which has designated the Institute as a new member of the ICMA's Advisory Council of the Executive Committee of the Green Bond Principles and Social Bond Principles. ICO is the only Spanish entity and the only European national promotional bank that participates in this Advisory Council.

## Bilateral loans formalised with multilateral agencies. Access to financing under preferential conditions

In recent years, the Institute has intensified the search for alternative sources to complement financing in capital markets, encouraging obtaining loans from international financial institutions and multilateral agencies. These operations, as a result of their preferential price conditions, time frame and availability, enable a reduction in the cost of ICO obtaining funds and, consequently, allows better financing conditions to be transferred to Spanish business.

In 2019, ICO drew down **1,549 million euros** from loans granted by the European Investment Bank (**899 million**), the Council of Europe Development Bank (**150 million**) and the European Central Bank (**500 million**). In general, the financing obtained through these international financial institutions and multilateral bodies is final, which is why the funds obtained should therefore be used to finance the activity of certain economic objectives or sectors or, where applicable, be aimed at companies that meet certain conditions in terms of number of employees, annual turnover or balance sheet size.



## OPERATIONS MANAGED ON BEHALF OF THE STATE

As a State Financial Agent, ICO manages, for and on behalf of the State, various public instruments created with different purposes: i) to provide support for the internationalisation of Spanish companies: Fondo para la Internacionalización de la Empresa (FIEM) and the Contato Reciproco de Intereses (CARI), both on behalf of the Ministry of Industry, Commerce and Tourism; ii) encourage financial cooperation for development: Fondo para la Promoción del Desarrollo (FONPRODE) and Fondo de Cooperación para Agua y Saneamiento (FCAS), both on behalf of the Agencia Española de Cooperación Internacional para el Desarrollo (Spanish Agency for International Development Cooperation - AECID); and iii) to facilitate the sustainability of Autonomous and local administrations: Fondos de Financiación de las Comunidades Autónomas (FFCCAA) and Fondo de Financiación de las Entidades Locales (FFEELL), both on behalf of the Treasury. The Institute's role as the financial agent of these instruments is to formalise, manage and administer its activity, acting in the name of and on behalf of the State. The accounting record is done separately, so that their balances do not form part of ICO's financial statements.

One of ICO's strategic axes is to improve the management of these funds and generate synergies associated with these actions, increasing the value contribution.

In 2019, the Institute continued to expand the volume of the loan portfolio that it administers on behalf of the State. At the end of 2019, the volume managed reached **194,093 million euros**, **0.3%** more than at the close of the previous year. Since 2012, outstanding balances managed by ICO on behalf of the State increased almost fourfold.

### LOAN PORTFOLIO MANAGED ON BEHALF OF THE STATE (millions of euros)

#### Balances to December

	%/TOTAL
Fund for Financing Autonomous Communities (FFCCAA)	180,170
Fund for Financing Local Entities (FFEELL)	6,308
Fund for the Internationalisation of Business (FIEM)	4,263
Reciprocal Interest Adjustment Contract (CARI)	2,904
Fund for the Promotion of Development (FONPRODE)	439
Cooperation Fund for Water and Sanitation (FCAS)	9
<b>TOTAL</b>	<b>194,093</b>

## FONDO DE FINANCIACIÓN A COMUNIDADES AUTÓNOMAS (FFCCAA - FUND FOR FINANCING AUTONOMOUS COMMUNITIES)

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

ICO was designated as the fund's financial manager. Its functions include the formalisation of financial operations with Autonomous Communities and the provision of technical instrumentation, accounting, cashier, paying agent and monitoring services and all those financial services relating to operations authorised under the fund.

The amount drawn down through the FFCCAA during 2019 amounted to **25,980 million euros**. The fund's outstanding balance to 31 December 2019 was **180,170 million euros**.





## FONDO DE FINANCIACIÓN A ENTIDADES LOCALES (FFEELL - FUND FOR FINANCING LOCAL ENTITIES)

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

The amount drawn down through the FFEELL during 2019 amounted to **273 million euros**, with the amount outstanding at the close of the year of **6,308 million euros**.

Through the FFCCAA and FFEELL funds, a liquidity of over **104,600 million euros** has been directly injected into the economy. This has been possible thanks to the payment of over 13 million invoices, benefiting over 364,000 companies. It has also dealt with territorial administrations' financial debts amounting to **146,000 million euros**.

## FONDO PARA LA INTERNACIONALIZACIÓN DE LA EMPRESA (FIEM - FUND FOR THE INTERNATIONALISATION OF BUSINESS)

The Fondo para la Internacionalización de la Empresa (FIEM) aims to support and promote the internationalisation of the Spanish economy, with the mission of being a complementary instrument to the private market. The FIEM was created by Law 11/2010 of 28 June as an instrument for official support financing of the internationalisation of Spanish business. It aims to promote Spanish companies' export operations and direct Spanish investment abroad. To accomplish this, the Fund carries out repayable financing of projects, in concessional or market terms, linked to the acquisition of Spanish goods and services or the execution of Spanish investment projects or those that are in the national interest.

The fund is managed by the Secretary of State for Trade, reporting to the Ministry of Industry, Trade and Tourism, which is responsible for



selecting projects to be financed, preparing profiles and feasibility studies that are needed for their analysis, evaluating financing proposals and monitoring the execution and assessment of these.

For its part, ICO acts as a financial agent, formalising, in the name and on behalf of the Spanish Government and on behalf of

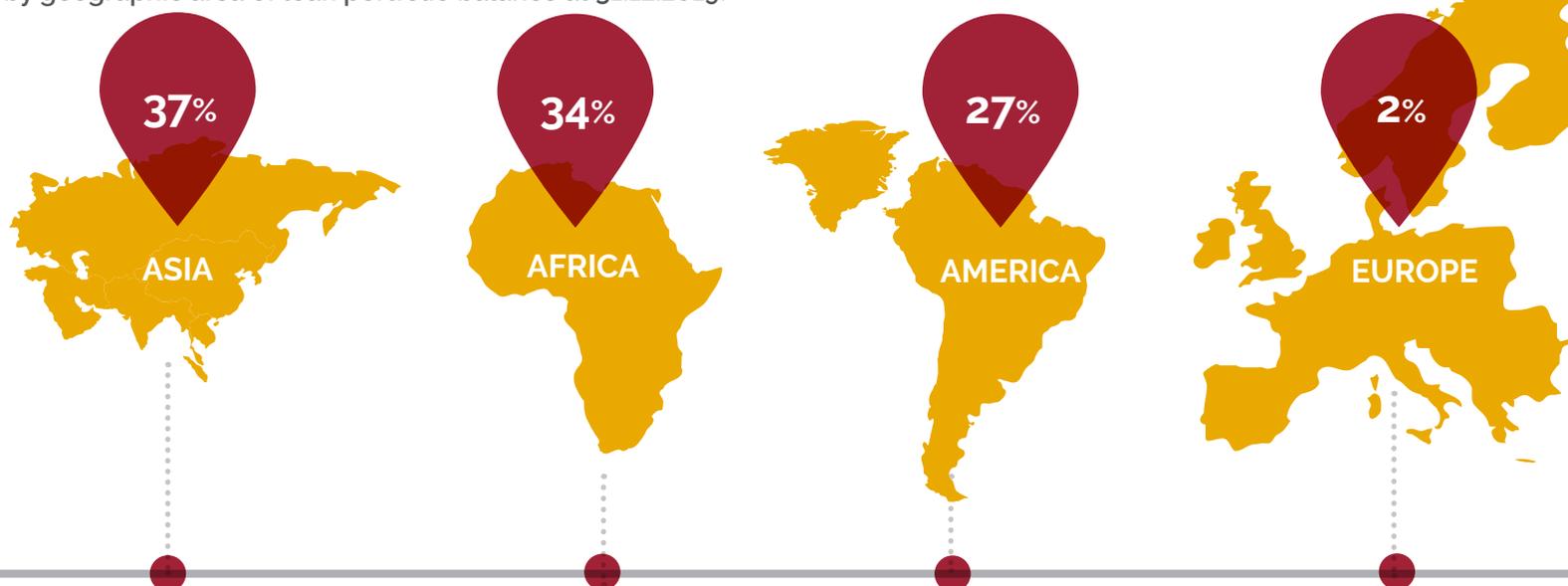
the State, the corresponding credit, loan or donation agreements linked to the FIEM. It also provides technical instrumentation, accounting, cashier, paying agent and control services, and, in general, all services of a financial nature relating to operations authorised under the FIEM.

In addition, in certain aspects relating to the management of the fund, ICO advises the Ministry of Industry, Trade and Tourism in the following international forums: The Paris Club, Exports Credit Group with official help from the European Council and the OECD Participant Group.

In 2019, operations were formalised under the FIEM that amounted to 374 million euros, formalising credit for 105 million euros.

### FONDO PARA LA INTERNACIONALIZACIÓN DE LA EMPRESA (FIEM - FUND FOR THE INTERNATIONALISATION OF BUSINESS)

Distribution by geographic area of loan portfolio balance at 31.12.2019.



### FONDO PARA LA INTERNACIONALIZACIÓN DE LA EMPRESA (FIEM - FUND FOR THE INTERNATIONALISATION OF BUSINESS)

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



## CONTRATO DE AJUSTE RECÍPROCO DE INTERESES (CARI - RECIPROCAL INTEREST ADJUSTMENT CONTRACT)

The CARI is a financial instrument that resembles a certain type of interest, which aims to promote Spanish exports, encouraging the granting of long-term fixed-interest loans by financial institutions.

Interest adjustment contracts ensure that the lenders apply a particular financial margin on the outstanding amount of each loan collected through the system, eliminating risks arising from the difference between the fixed rate of the loan and the cost conventionally attributed to the resources that finance them. This financial instrument offers flexibility to banks and exporters to adapt to the construction period, the number of provisions and amortisation schedules, as well as having the coverage of the CESCE.

One of the necessary conditions in order to qualify for the system is that the interest rates established in the operations by lenders are those indicated in the agreement of the Organisation for Economic Co-operation and Development (OECD).

CARI's activity has grown considerably in recent years. In 2019, operations were approved that amounted to **1,411 million euros**.

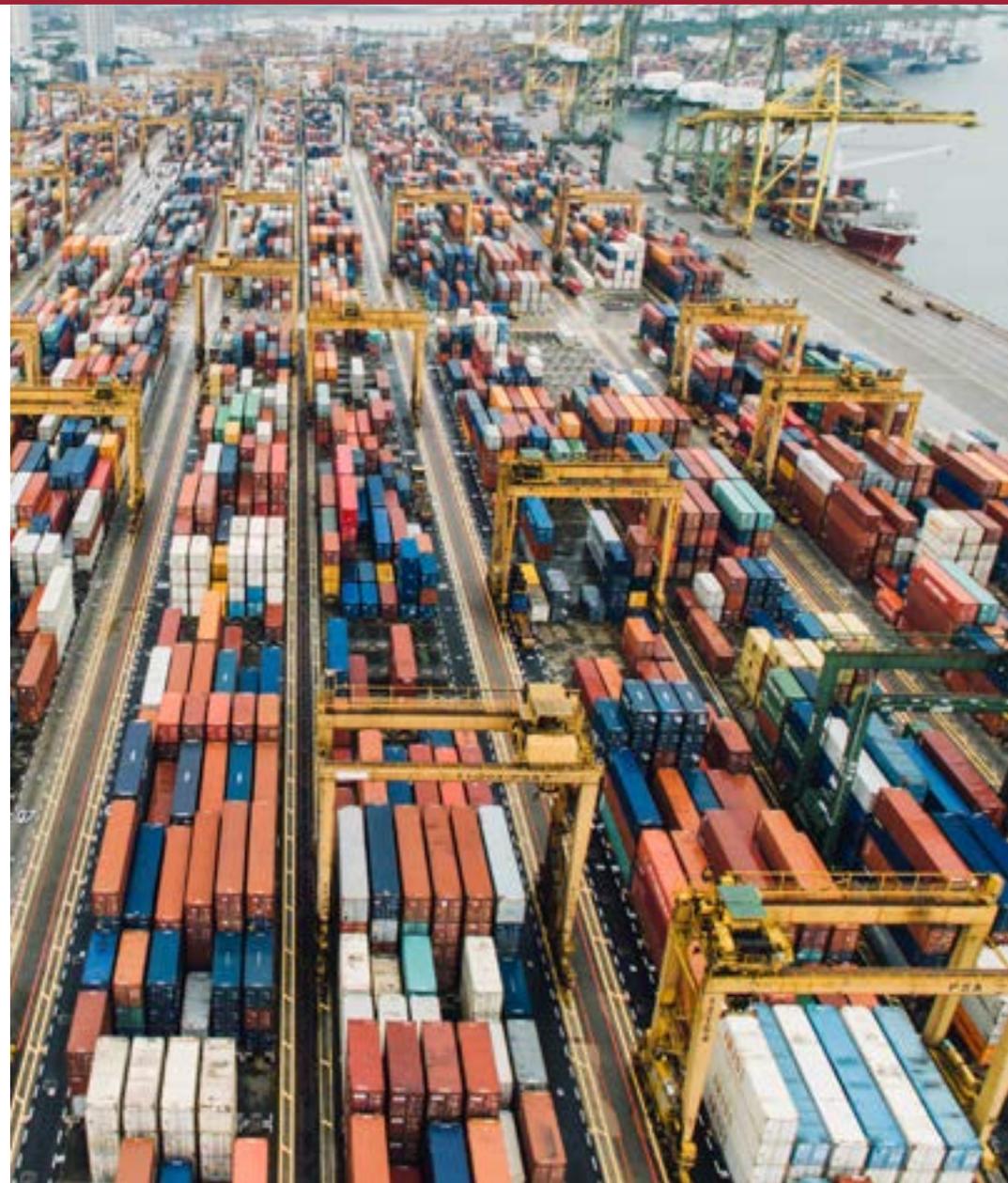
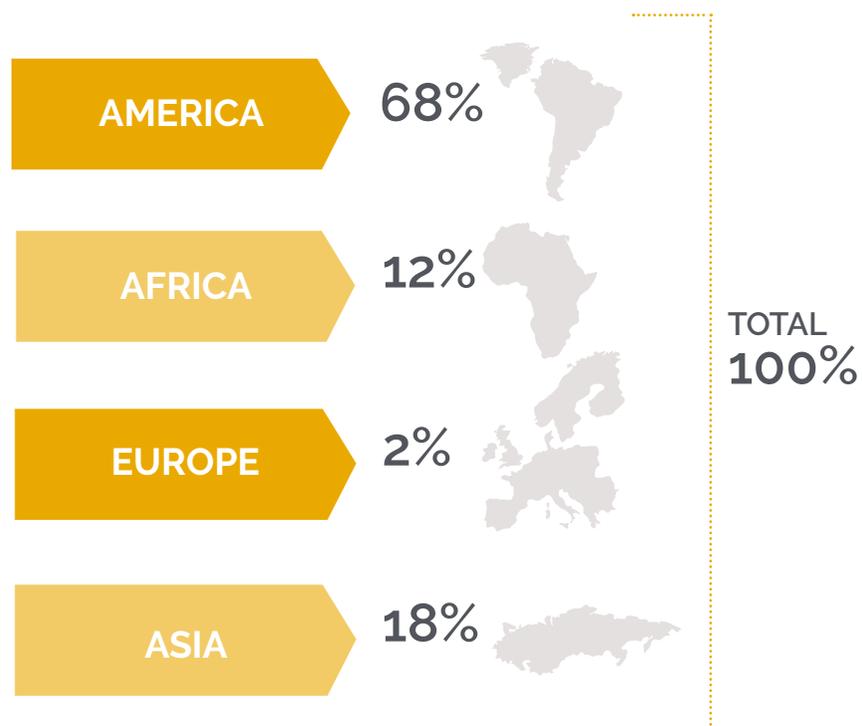
### CONTRATO DE AJUSTE RECÍPROCO DE INTERESES (CARI - RECIPROCAL INTEREST ADJUSTMENT CONTRACT)

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



CARI's outstanding loan portfolio balance to 31 December 2019 amounted to **2,904 million euros**, with the following geographical distribution:

**RECIPROCAL INTEREST ADJUSTMENT CONTRACT (CARI).**  
Geographical distribution of loan portfolio balance at 31.12.2019 (percentages of the total).



## FONDO PARA LA PROMOCIÓN DEL DESARROLLO (FONPRONDE - FUND FOR THE PROMOTION OF DEVELOPMENT)

The Fund for the Promotion of Development (FONPRODE) is configured as one of the main financial instruments of Spanish cooperation, managed by the Ministry of



**Contribution to target 17.1, which is to support developing countries, and to 17.3, which is to mobilise financial resources for these countries.**

Foreign Affairs, the European Union and Cooperation, through the Spanish Agency for International Development Cooperation (AECID), the body in charge of administering the fund.

FONPRODE's main objective is to eradicate poverty, reduce social inequalities and inequities between people and communities, promote gender equality, and defend human rights and sustainable development in developing countries. FONPRODE makes both non-reimbursable operations (donations, contributions and benefactions to multilateral agencies and international financial development institutions) and reimbursable operations (reimbursable contributions to multilateral agencies, loans to local microfinance institutions and credit to States). Finally, the fund may also make capital contributions to investment funds.

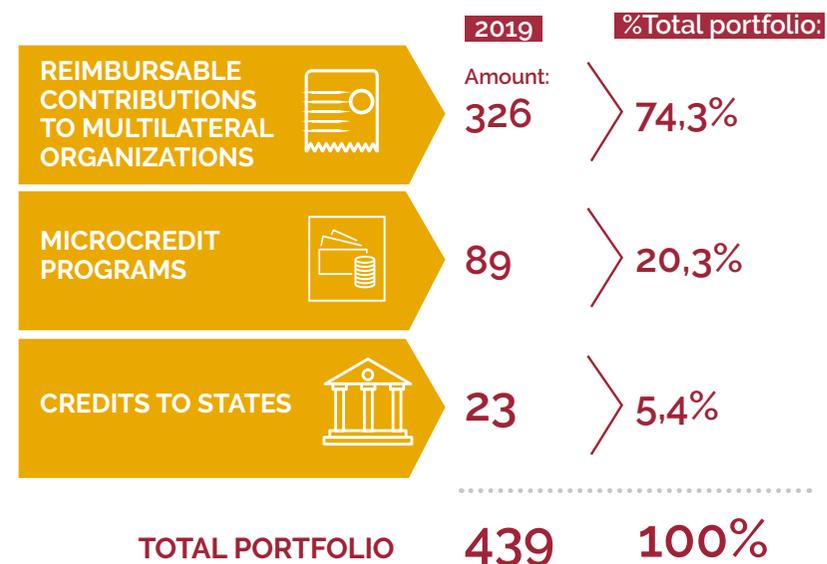
ICO formalises, in the name of and on behalf of the Spanish government and on behalf of the State, the corresponding agreements to be signed with the beneficiaries. It also provides technical instrumentation, accounting, cashier, paying agent and control services, and, in general, all services of a financial nature

relating to transactions authorised under the FONPRODE. In 2019, operations were formalised that amounted to **23 million euros**.

The loan portfolio at the end of 2019 had an outstanding balance of **439 million euros**, with the following breakdown by type of operation:

### FONDO PARA LA PROMOCIÓN DEL DESARROLLO (FONPRONDE - FUND FOR THE PROMOTION OF DEVELOPMENT)

Loan portfolio balance at 31.12.2019 (million euros and percentages).



## FONDO DE COOPERACIÓN PARA AGUA Y SANEAMIENTO (FCAS - COOPERATION FUND FOR WATER AND SANITATION)

Law 51/2007, of 26 December, on the General State Budget for 2008, created the Fondo de Cooperación para Agua y Saneamiento (FCAS) as an instrument aimed at financing actions, within the policy of international cooperation for development, designed to enable citizens of Latin American countries to access water and sanitation.



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

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

Since its creation in 2008, disbursements made from the fund amount to over **842 million euros**, which corresponds in its entirety to non-reimbursable programs.

## SHARES IN COMPANIES AND FUNDS

Instituto de Crédito Oficial, as parent company, participated in the shareholder bodies of the following entities in 2019:

**AXIS Participaciones Empresariales SGEIC, S.A. S.M.E. (AXIS)**, venture capital fund manager established in 1986. ICO owns 100% of the share capital.

24.3% of the share capital of **Compañía Española de Reafianzamiento, S.A. (CERSA)**

. This is a state-owned trading company created in 1993 under the Ministry of Economic Affairs and Digital Transformation. Its goal is to make it easier for SMEs and the self-employed to obtain all kinds of financing, especially start-up companies and smaller companies. CERSA provides support through its refinancing to the Sistema de Garantía Recíprocas (Mutual Guarantee System) in Spain, consisting of CERSA itself, 20 Guarantee Associations and SAECA.

20.3% of the share capital of the **Compañía Española de Financiación del Desarrollo, COFIDES, S.A., S.M.E.**

This is a state-owned trading company, attached to the Ministry of Industry, Trade and Tourism. It aims to finance private and viable investment projects overseas in the medium- and long-term where there is some kind of Spanish interest, in order to contribute, with profitability criteria, both to the development of recipient countries of investments, as well as to the internationalisation of the economy and Spanish companies.

ICO had 50% of capital shares of **FC2E Gestión, SL**, a company managing the Fondo de Carbono para la Empresa Española (FC2E). Both the fund and the manager were liquidated in July 2019.

**The European Investment Fund (EIF)**. ICO has been a partner since its foundation in 1994 and currently has a holding of 0.7% of the capital. The main shareholder is the EIB and its fundamental aim is to provide financing for infrastructure and provide guarantees for SMEs. In 1997, the EIF also began to perform venture capital operations.

3.57% of shares in **European Datawarehouse (ED), GmbH**. ED is a European centralised securitisation repository that collects data on loans that make up the securitised portfolios to be used by investors and other market participants in its analysis. Through ED data, users can analyse underlying portfolios and compare portfolios systematically.

**Society for Worldwide Interbank Financial Telecommunication, SCRL (SWIFT)**. ICO has owned one share since 2008. The society is a cooperative created in 1986 under Belgian law, which aims to provide a secure network that allows financial institutions around the world to send and receive information on financial transactions. The society has over 2,400 partners worldwide, of which 31 are Spanish financial institutions. This participation allows ICO to use this platform to perform financial transactions in a secure, standardised and reliable environment.

In 2019, the Institute participated with various contributions in the following funds managed by different companies:

## FONS MEDITERRÀNIA CAPITAL



This is a venture capital fund in accordance with Spanish law, created and designed by ICO, along with the Institut Català de Finances (Catalan Finance Institute - ICF) and the EIB, for a total of **62.5 million euros**. It has a generalist and diversified investment mission for investment in companies that develop projects in the Mediterranean area of Maghreb (Morocco, Tunisia and Algeria). The management company is Riva y García Gestión, SGIIC SA. ICO's participation amounts to **15 million euros (24%)**.

The fund is now in the process of disinvestment, with 5 upcoming projects remaining.

## FONDO MARGUERITE



This is a European capital fund designed by ICO, along with other public entities: the European Investment Bank, the European Commission, the KfW Bankengruppe, Cassa Depositi e Prestiti, Caisse des Dépôts et Consignations and PKO Bank Polski, S.A. It aims to invest in projects and companies in the infrastructure (transport, energy and renewable energy) sector that contribute to the objectives established in EU policy. The management company is Marguerite Adviser, SA. ICO participates with **100 million euros**, provided by the current Ministry of Economic Affairs and Digital Transformation, which represents **14.08%** of the capital. Currently, the fund is in period of disinvestment, leaving 10 remaining projects at the close of 2019.

## CARBON FUND FOR SPANISH BUSINESS



This fund was created in 2006 with the aim of achieving emission allowances for clean energy projects in emerging countries or economies in transition. ICO's participation in the capital was **32.7%**. In 2019, it was dissolved and terminated, along with its management company FC2E Gestión, S.L.

A photograph of a group of people in a meeting. In the foreground, a woman with glasses and a polka-dot top is seen from the side, looking towards the center. In the background, a woman with blonde hair is looking towards the camera, and a man in a red shirt is looking down at a laptop. The table has several laptops, a smartphone, and some documents. The image is overlaid with a yellow semi-transparent rectangle on the left and a red semi-transparent rectangle on the right.

6

**Commitment  
to the team**

# COMMITMENT TO THE TEAM



In Sustainable Development Goals 5 and 8, the United Nations have set very specific targets for achieving gender equality and decent and adequate working conditions for all people. Establishing new legal frameworks on gender equality in the workplace and eradicating harmful practices against women are both crucial to ending gender-based discrimination.

In addition, Sustainable Development Goal 10 promotes the fight against inequalities of any kind. It should be borne in mind that up to 30% of income inequality is due to inequality within the household itself, including between women and men. In addition, women are more likely than men to live below 50% of the median income.

The ICO Group's most important asset is its human and intellectual capital, committed professionals who drive the organisation every day towards achieving its mission in an environment of collaboration and trust. The ICO Group is therefore committed to compliance with the human rights set out in the International Charter of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Within the framework of its labour relations, it promotes the right to decent work, the right to freely express opinions and beliefs without fear of reprisals, to have privacy, and to work in an environment free of harassment, abuse or discrimination. It also promotes the right to a decent standard of living with health and well-being for its employees and their families.

As regards the relationship with the professionals who make up its organisation, the ICO Group expressly commits to:



### **The Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.**

ICO has been a signatory to the 10 Principles of the Global Compact since 2005, and has aligned its staff management with compliance with Principles 3, 4 and 5. Furthermore, SDG 8 *Decent Work and Economic Growth* is one of the most important Sustainable Development Goals for the ICO Group. For this reason, it considers it a priority to keep abreast of new legislation and new initiatives that are being implemented, in order to

ensure full compliance with current labour regulations and to incorporate trends that may be applicable into labour relations.

Information on the results can be found on pages 81 and 82.



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

For freedom of association, and in line with Principle 3 of the Global Compact, ICO respects its workers' right 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 operation, and through its participation in various committees (Joint Committee, Health and Safety Committee, Vocational Training and Promotion Committee, and Social Affairs Committee), in addition to the specific working groups and negotiating committees that may be set up to deal with specific issues that require it. For the development of its functions, ICO has provided the Works Council with its own physical space to meet and keep documentation, as well as its own e-mail to receive queries and a space on the intranet to publish its information.

ICO's Works Council is made up of 13 members. Elections to the Works Council were held on 15 February 2019, with **76%** of ICO's workforce participating. As a result, the Council was made up of 3 different unions.

In 2019, 15 meetings were held, documented in minutes, of the Joint Committee and Specific Negotiating Committees, through which 13 resolutions were reached, in addition to 10 meetings of the Equality Plan Negotiating Committee, which culminated in the approval of the Second Equality Plan. On the other hand, during 2019, the Works Council held three workers' assemblies, thus exercising the workers' right to unionise.

The VI Collective Agreement, published in the BOCM (Official Gazette of the Community of Madrid) on 11 January 2014, is currently in force ([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)). The Agreement is applicable to **95%** of the workforce, the Chairman and the management team being excluded from its application.



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

Equal treatment and opportunities and the fight against any type of discrimination are essential values in the development of labour relations in the ICO Group. ICO's VI Collective Agreement (Art. 49.bis) and general principles of its Code of Conduct (art.4) both reflect the universal legal principle of equality between men and women, which is also enshrined in the Spanish Constitution.

It should be noted that, of the Code of Conduct's 11 general principles, three focus on equality of opportunity and non-discrimination, work and personal life balance and respect, through which ICO rejects any manifestation of physical, sexual, psychological or moral violence or harassment in the workplace, as well as any offensive or abusive behaviours that create an environment that endangers the rights of employees. In this sense, and as a guarantee, since 2011, and updated most recently in

2017, ICO has had a Protocol of action against harassment in the workplace in all its forms, such as sexual harassment and harassment based on sex.

ICO's commitment to equality has led to the approval of its 2nd Equality Plan, which was approved in 2019 in dialogue and consensus with its Works Council. In accordance with the commitments adopted in the Equality Plan, and with the aim of promoting the role of women, ICO has adhered to the manifesto **#dondestanellas** (where are they), created by the European Parliament with the commitment to increase the visibility of women in conferences and debates and to make known their role and their contribution to the progress of the European Union. Under this initiative, ICO will ensure the participation of women experts in conferences and debates whenever possible.



## The conciliation of work, family and personal life

Since 2014, ICO has had the "EFR" "*Family Responsible Company*" seal, certified by Fundación Másfamilia, accrediting that ICO has an effective model for managing its reconciliation processes in accordance with the guidelines and requirements of standard EFR 1000-1 edition 4, and in accordance with the latest external assessment audit carried out by AENOR on 24 June 2019.

This certification is based on evaluation and continuous improvement and promotes the design, strategy and practices applied in the development of conditions of flexibility, harmony between family and professional life, equal opportunities, communication channels with employees and quality work.

ICO has provided its staff with a catalogue of 86 reconciliation measures, 67 of which correspond to voluntary improvements to the regulations in force in

the following areas: quality of employment, temporal and geographical flexibility, family support, personal and professional development, leadership and equal opportunities.

Of the measures introduced in 2019, the following stand out: paid leave for pregnant women, the extension of the reduction in working hours for legal guardianship to the whole calendar year in which the child turns 12, and temporary flexibility for conciliation, allowing the conversion of recoverable hours into personal days.





## Professional development and training

Professional development and training are considered to be the right of every employee and, in the ICO Group, the professional development offer is based on continuous assessment and fulfilling objectives.

ICO has also established a Management by Objectives in which the variable remuneration of all its staff and senior management is directly linked to specific sustainability objectives. This facilitates the express alignment of the organisation with the commitments made

in this area and guarantees progress in the established lines of action.

Training is a development tool that is available to all staff at the ICO Group. To facilitate quality training that makes professional growth possible, ICO has a Training Policy and Plan that describes the training objectives and pathways available to its employees.



## Workplace health and safety

Beyond strict compliance with current legislation on the prevention of occupational risks, the ICO Group believes that strengthening and controlling employees' occupational health and safety is fundamental. ICO has an external Occupational Risk Prevention Service certified under OHSAS 18001 and ISO 9001, and a Health and Safety Committee made up of representatives of the Company and the Workers' Legal Representation, as well as the Medical Service and the External Prevention Service.

During 2019, the Health and Safety Committee held quarterly meetings, all of which were recorded in the minutes. The composition of the members of the Safety and Health Committee was also updated.

The new members received specific training in Occupational Risk Prevention for the proper performance of their duties.



**Contribution to target 8.8, which is to promote a safe work environment.**



## Balancing professional activity with respect for the environment

ICO undertakes to expressly inform and train its employees on the sustainable management of its activity, in all its facets; environmental, social, human rights and climate.

ICO has an Environmental Policy through which it undertakes to make a constant effort to guarantee and make progress in the efficient management of processes, in order to actively encourage the preservation of and respect for the environment, not only in the actions carried out by its employees in the development of its activity (direct impacts), but also in the relations with the supply chain, the management of assets from awarded guarantees, and the portfolio of financing products that ICO offers its clients (indirect impacts).

In terms of environmental awareness, during 2019 various awareness campaigns have been carried out to reduce plastic and single-use materials, distributing reusable ecological bamboo fibre cups to all employees of the ICO Group, to facilitate the removal of disposable cups from water fountains and coffee machines.

ICO promotes the use of public transport for its employees' travel between home and work, paying an annual amount as aid for the purchase of public transport tickets; in 2019, **81%** received this aid. Additionally, **24 %** make use of the flexible wage scheme to purchase the transport pass that ICO offers its employees.

In addition, ICO promotes the driving of ecological vehicles and car sharing among employees when distributing available parking spaces, in 2019:

- Percentage of employees driving an ecological vehicle (ECO or Zero emissions label) among those with a garage space: **19%**.
- Number of employees who share a car on their journey to ICO: 6.

ICO has established electric car charging points in its garage to promote the use of clean transportation among its employees.



### **The inclusion of groups with functional diversity in society and work and corporate volunteering that is developed through collaboration agreements with social entities**

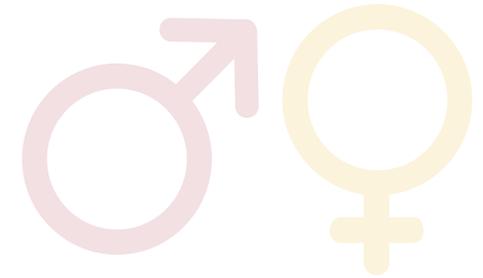
Through training activities in educational institutions and through its corporate volunteering programme, the ICO Group encourages employee participation in the activities of educational institutions or non-profit organisations and associations for the social and labour insertion of groups at risk of exclusion and for the support of people with rare or chronic illnesses.

Likewise, ICO has been involved in the Fundación ALAPAR's CAMPVS project since 2016, in order to meet the need to train young people with intellectual disabilities who have completed their formal training and wish to access higher education with a greater degree of personal,

social, and professional competence. ICO participates by tutoring and giving internships to these young people that allow them to complete their degree and contribute to their subsequent integration into the world of work. In 2019, a student from the programme successfully completed practical training at ICO, and 7 scholars have been trained at ICO since joining.

## EQUAL OPPORTUNITIES

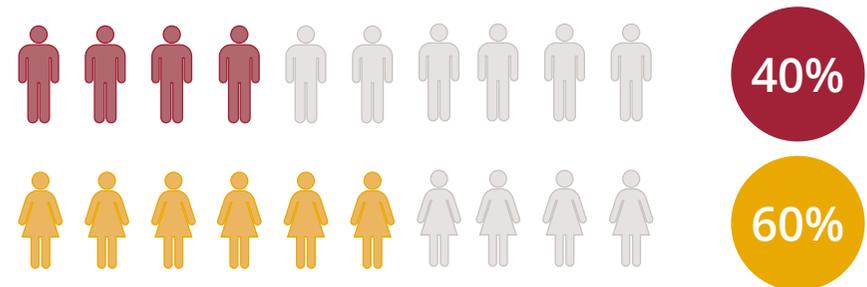
In 2019, the ICO Group staff was made up of **346** people, an increase of **3.3%** compared to 2018. The entire ICO Group workforce carries out its duties in Spain.



### STAFF COMPOSITION ACCORDING TO ICO GROUP ENTITY



### STAFF COMPOSITION ACCORDING TO GENDER



“

In 2019 there was a 3.3% increase in the workforce.

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

ICO has been certified as a **Family Responsible Company** by Fundación Masfamilia since December 2014, in accordance with the EFR 1000-1 standard. This management and work organisation model provides a simple and effective methodology for reconciling work and family life and allows progress to be made in implementing a social and business culture based on flexibility, respect and mutual commitment. In order to effectively implement this model, ICO has an EFR Model Management Procedure for Reconciliation and Equality, approved by the Management in 2014.



**Contribution to target 5.1, which is to end discrimination against women, by facilitating the sharing of household tasks, and the reconciliation of work and personal life, especially for women.**





To guarantee and ensure proper compliance with the values and principles underlying ICO's commitment to reconciliation, an external communication channel has been set up so that ICO employees, as an entity certified under the EFR model, can express their complaints and claims regarding reconciliation directly to Fundación Másfamilia. This channel is only activated for the management of conflicts in this area as a last resort. Fundación Másfamilia guarantees the absolute confidentiality of the information received through this channel.

During 2019, Fundación Másfamilia has not received any claim or complaint through the channel provided.

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

The Compliance Committee guarantees the confidentiality of the complaints received. No complaints were received in 2019.

## With the EFR certification, ICO shows its commitment to reconciliation and equal opportunities

In relation to gender equality, two actions stand out that have been carried out during 2019. On the one hand, the II Equality Plan has been approved, which is expected to be in force for 4 years from 2020. In compliance with Organic Law 3/2007, of 22 March, for the effective equality of women and men, an analysis of the initial situation has been carried out, the main conclusion of which is that in the ICO Group there is practically total equality in all areas of the workforce and in the actions carried out, such as training or selection processes; in many of the aspects analysed, female representation is even greater than male representation. The full document of the analysis and the **II Equality Plan** can be found on ICO's website.

On the other hand, the ICO Group requested its adhesion to the **Manifiesto Donde Esta Ellas, anDónde Están Ellas (Where are they?) Manifiesto**, an initiative launched by the European Parliament whose aim is to promote and empower the presence of women in debate forums and conferences. At the time of this report, the ICO Group had already formalised its adhesion (to be reported in the 2020 report).



Contribution to target 5.1, which is to end discrimination against women. As well as 5.c, which promotes the development of policies to promote gender equality.

### STAFF COMPOSITION ACCORDING TO PROFESSIONAL CLASSIFICATION AND GENDER

	♀		♂		TOTAL	
	2019	2018	2019	2018	2019	2018
 <b>MANAGERS</b> (Chairman, directors general and directors)	4	5	13	12	17	17
 <b>MIDDLE MANAGERS</b> (department heads and area heads)	31	28	26	29	57	57
 <b>TECHNICAL STAFF</b>	122	121	92	80	214	201
 <b>ADMINISTRATIVE STAFF</b>	50	52	8	8	58	60
<b>TOTAL</b>	<b>207</b>	<b>206</b>	<b>139</b>	<b>129</b>	<b>346</b>	<b>335</b>

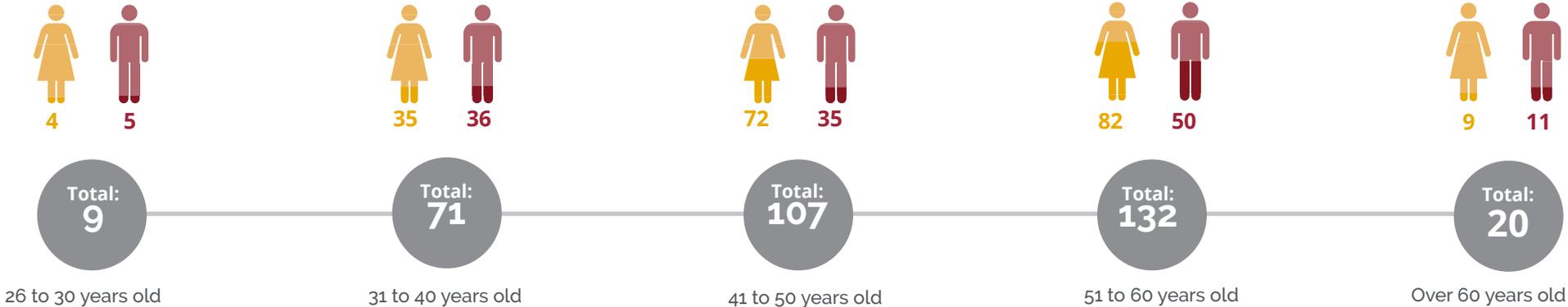


The number of women is greater than the number of men in all professional groups except that of Directors. In this sense, it is worth noting the Middle Management group ( **54.4%** women) and the Technical Staff group ( **56.5%** ), in which the specialisation of the ICO Group products is more evident.

With regard to the distribution of the staff according to professional classification, the majority of the human team is in the group of Technical Staff (**61.8%**). This percentage is in line with the high specialisation of the products and services offered by the Group, a characteristic that can also be seen in the practical comparison between the professional group of Middle Management and Administrative Staff.

With regard to the age distribution of the staff, most of the employees are in the 51-60 age group, with a total of **136** employees (**40.1%** of the workforce).

**STAFF COMPOSITION ACCORDING TO AGE AND GENDER**



In terms of new hires during 2019, they have been practically equal between genders: **18** new female employees - one in the AXIS Technical Staff professional group - and 19 male employees. Regarding the professional classification, **92%** of the new hires have occurred in the Technical Staff group, **5%** in the Directors group and the remaining **3%** correspond to the Administrative Staff group.



Contribution to target 5.5, which is to facilitate the integration of women into decision-making levels of organisations.

## DISTRIBUTION OF NEW HIRES ACCORDING TO ORIGIN AND GENDER

			TOTAL
 PUBLIC JOB OFFER	6	8	14
 PERSONNEL OF OTHER PUBLIC ADMINISTRATIONS, ENTITIES AND BODIES	2	3	5
 REINCORPORATION OF STAFF ON LEAVE	3	0	3
 DIRECTOR HIRES	0	2	2
 TEMPORARY EMPLOYEES	6	6	12
<b>TOTAL</b>	<b>17</b>	<b>19</b>	<b>36</b>

Depending on the type of contract, **67%** of the new employees were hired under a permanent contract, while **33%** were hired on a temporary basis.

“

During 2019 the ICO Group has hired 37 new employees, of which 36 were hired at ICO.

## DISTRIBUTION OF LEAVERS BY CAUSE AND GENDER

ICO GROUP	REASON FOR LEAVING						TOTAL
	RETIREMENT	DISMISSAL	LEAVE OF ABSENCE	VOLUNTARY RESIGNATION	END OF CONTRACT	PERMANENT ABSOLUTE DISABILITY	
Women	3	0	10	2	1	0	16
Men	2	0	7	1	0	0	10
<b>Total</b>	<b>5</b>	<b>0</b>	<b>17</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>26</b>

## Conciliation

88.2% of the ICO Group workforce carries out their work full time and, of this percentage, 98.7% of employees have a split work day.

In 2019, 16.9% of female staff had reduced hours, a percentage that drops to 4.3% for men.

## STAFF DISTRIBUTION ACCORDING TO TYPE OF DAY

TYPE OF DAY (PEOPLE)			TOTAL
 SPLIT WORK DAY	171	130	301
 CONTINUOUS WORK DAY	1	3	4
 REDUCED WORKING HOURS	35	6	41
<b>TOTAL</b>	<b>207</b>	<b>139</b>	<b>346</b>



## PEOPLE WITH REDUCED WORKING HOURS ACCORDING TO REASON

RECONCILIATION (PEOPLE)				TOTAL
 REDUCED WORK DAY FOR CARING FOR CHILDREN		28	2	30
 REDUCED WORK DAY FOR CARING FOR PARENTS		3	0	3
 EMPLOYEES WITH REDUCED WORKING HOURS FOR OTHER REASONS		4	4	8
<b>TOTAL</b>		<b>35</b>	<b>6</b>	<b>41</b>

Childcare is the main reason for taking advantage of reduced working hours, a measure to reconcile work and family life that is most used by the women of the ICO Group (80% of the total number of women with reduced working hours). One female employee of Fundación ICO is on a reduced working day for childcare, while in the case of AXIS there are 2 women on a reduced working day for childcare.

To encourage men to apply for reduced working hours, government regulations and resolutions on this subject are disseminated through prominent announcements on the intranet. In addition, the approval of equality plans is announced, as there is a specific section on the intranet for information on equality and reconciliation policies.

## Remuneration

In the ICO Group people in the same job are paid the same salary.

**The average remuneration at ICO in 2019 was € 46,533.26**, 1.5% lower than the average salary at the end of the previous year. The reduction in the average salary is explained by the number of staff leaving and joining the company in 2019. The professional groups of Technicians and Administrative staff each have different levels, each with different salaries, to promote professional development. New employees joining the ICO do so at the lower levels of each category, while at the time of retirement employees are at the higher levels. In any case, remuneration is updated in accordance with the provisions of the General State Budget Law, which in 2019 authorised an increase of **2.365%** over the 2018 remuneration.

### AVERAGE REMUNERATION BY PROFESSIONAL GROUP AND GENDER

PROFESSIONAL GROUP			TOTAL 
 <b>MANAGERS</b> (Chairman, directors general and directors)	€83,642.58	€91,639.55	€ 89,507.02
 <b>MIDDLE MANAGERS</b> (department heads and area heads)	€ 54,925.03	€ 54,717.03	€ 54,821.03
 <b>TECHNICAL STAFF</b>	€ 37,146.09	€ 37,202.83	€ 37,170.93
 <b>ADMINISTRATIVE STAFF</b>	€ 25,800.52	€ 27,516.48	€ 26,018.92

For privacy reasons, no breakdown of average pay by professional group and gender is provided for AXIS and Fundación ICO: given the small size of the workforce, personal information could be deduced for some of the employees.

**The average AXIS salary was €50,051**, 3.3% higher than at the end of 2018. **The average salary at Fundación ICO was € 42,716.**

## QUALITY EMPLOYMENT

Aware of the importance of proper talent management for the excellent performance of our activity, we are committed to and promote quality employment. This implies the promotion of permanent contracts, which, together with the professional development system and the training plan, allows us to work on retaining talent.

### ICO GROUP CONTRACT TYPES



95% of women have a permanent contract, while this figure is 92% for men.



**Contribution to target 8.5, which is to achieve full employment and decent work for all.**

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94% of the ICO Group's staff has a permanent contract. The entire staff of AXIS and Fundación ICO works with this type of contract, a percentage that stands at 93% for ICO.

At the ICO Group there have been no lay-offs or staff restructuring in recent years.

The turnover rate, calculated on the basis of the number of voluntary resignations and leave of absence in relation to the average workforce, was 5.38% in 2019, compared to 5.33% in 2018. And the average seniority of the staff is 16.5 years. In 2019, 27 people celebrated 25 years of service with ICO.

### External staff

When outsourcing activities or services, ICO has an Outsourcing Policy that establishes the criteria to be followed when entering into a contract with a company that delegates all or part of the performance of an internal process related to ICO's main activity as a Public Bank and a State Financial Agency. This Policy is developed in a procedure that details the process to be followed for outsourcing and in an instructive guide of measures for the correct execution of the external services contracted by ICO.

The ratio of external staff to staff with employment contracts reached 24.6% in 2019 (in 2018 it was 25.4%).

## WORKPLACE HEALTH AND SAFETY

One of the ICO Group's commitments is to create a safe and healthy work environment for all staff. In line with the *Decent Work and Economic Growth* goal and UN target 8.8, the group promotes the protection of labour rights and a safe and secure working environment.

The ICO Group encourages and promotes health and safety prevention for the entire workforce. In this sense, it keeps its legal obligations up to date in the field of occupational risk prevention and responds to the needs that arise. These matters are monitored by the Health and Safety Committee, which includes workers' representatives.

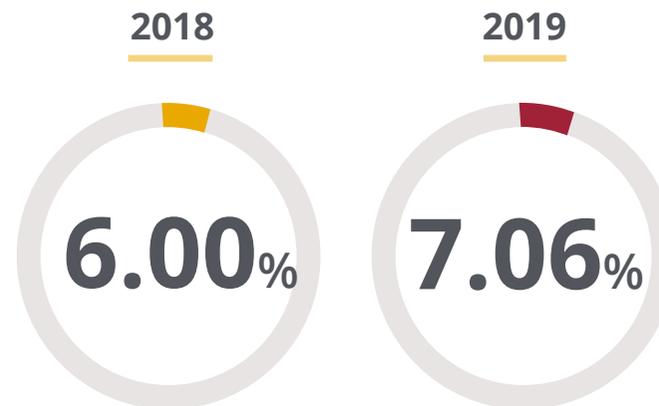
During 2019, there were **4,305** days of leave due to common illnesses or maternity and paternity leave. **75.6%** of these hours correspond to women's leave. The frequency index was **0.00%**, and the severity index was **0.09%**.

“

As part of the ICO Group's health and safety policy, 178 medical examinations were carried out in 2019.



### ABSENTEEISM RATE



The absenteeism rate is the proportion of hours not worked with respect to the total hours worked in a period.



For the second year in a row, the absenteeism rate at ICO increased with respect to the previous year, standing at 7.06% in 2019 (compared to 6% the previous year). This increase is explained by the greater number of employees taking advantage of reduced working hours for childcare and the gradual increase in maternity and paternity days provided for by law.

Under the agreement signed between ICO and the Works Council on 9 July 2019, Article 15 of the Sixth Collective Bargaining Agreement, which includes paid leave, was amended to include a new paid leave that allows employees who return to work after completing radiotherapy or chemotherapy treatment to request progressive adaptation of their ordinary working hours. This modification was included in BOCM n° 50, on Friday, February 28, 2020.

## PROFESSIONAL DEVELOPMENT AND TRAINING

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

The continuous training of the human team is an essential variable for increasing productivity. In this sense, it is necessary to optimally manage the talent of the people who work at the ICO Group.



**Our training policy is aligned with UN target 8.5 to achieve productive employment through training and skills enhancement.**

The ICO Group's commitment to sustainability extends to continuous training through specialised forums on subjects such as the Agenda 2030 Action Plan and its sustainable development

strategies, climate change in Spain and its economic perspective, as well as promoting courses on the SDGs: an inevitable transformation,

Environmental and Social Risk Analysis, Climate Change and TCFD: Risks and opportunities for the banking sector and training of units across the organisation to implement the Equator Principles in financing operations. The scope of this training effort has involved training 69 people for a total of 206 hours.

During 2019, 292 people received training, **86.1%** of the total workforce. Of the people trained, 176 (**60.3%**) were women and 116 (**39.7%**) were men.

The ICO Group budgeted **€ 307,430** for training its staff in 2019, with the investment standing at **90.4%** of the budget item. 15,358 hours of training were carried out, with an average of 45.3 hours of training per employee.

**The Training Plan is applicable to 100% of the ICO Group's staff.** It should be noted that the Fundación SEPI scholarship recipients also participate in the training programs.

By gender, the breakdown of training hours undertaken confirms the application of equality policies in the field of training. **57.1%** of the total hours of training were undertaken by women, with an average of 43.4 hours of training per female employee. For men, the average number of hours of training stood at 48.1 hours.

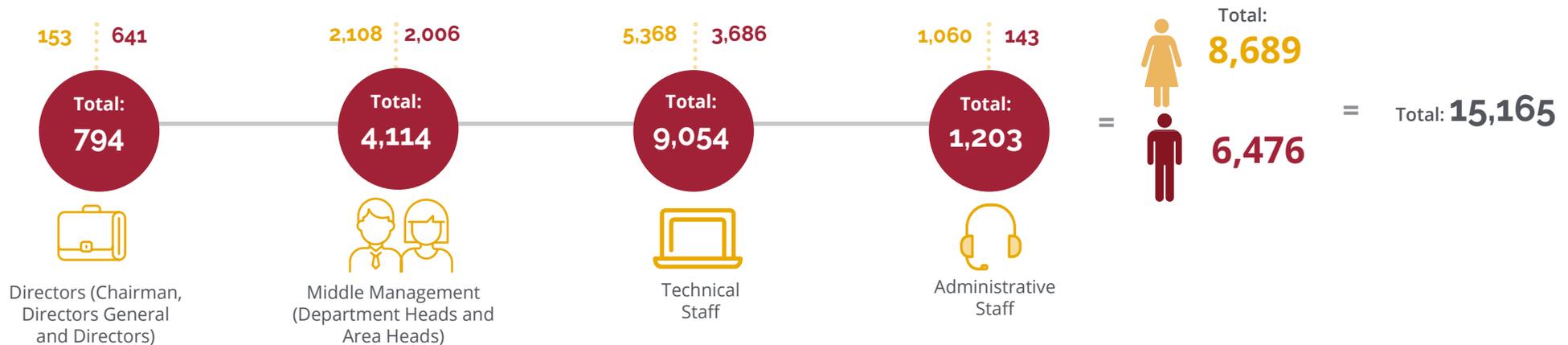
By gender and professional group, **59.3%** of the training hours undertaken by the Technical Staff were by women, with an average of 45.9 hours per female employee (40.5 hours per male employee). Regarding the number of training hours carried out by the professional

group of Middle Managers, **51.2%** were carried out by women, with an average of 68.0 hours per female employee (77.2 hours per male employee).

By professional classification, **59.0%** of the training hours were carried out by employees from the Technical Staff group, with an average of 43.5 hours of training per person.

**26.8%** of training hours were undertaken by the Middle Managers, with an average of 72.2 hours for each of the managers.

### HOURS OF TRAINING BY GENDER AND PROFESSIONAL CLASSIFICATION



By gender and professional group, **59.3%** of the training hours carried out by Technical Staff were by women, with an average of 45.9 hours per female employee (40.5 hours per male).

Regarding the number of training hours carried out by the professional group of Middle Managers, **51.2%** were carried out by women, with an average of 68.0 hours per female employee (77.2 hours per male employee).

By professional classification, **59.0%** of the training hours were

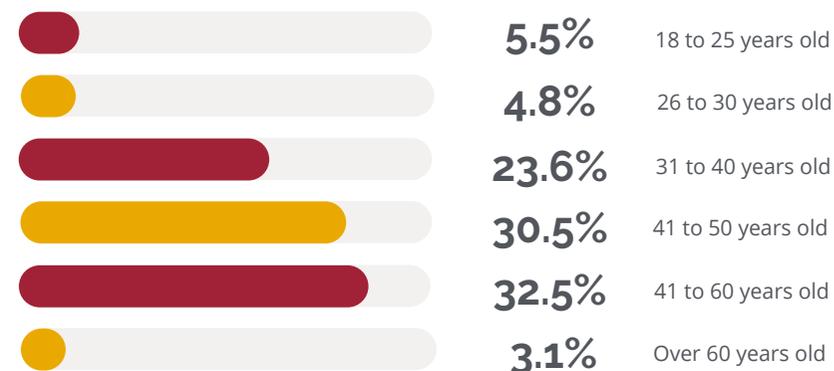
#### HOURS OF TRAINING BY PROFESSIONAL GROUP (ICO GROUP)

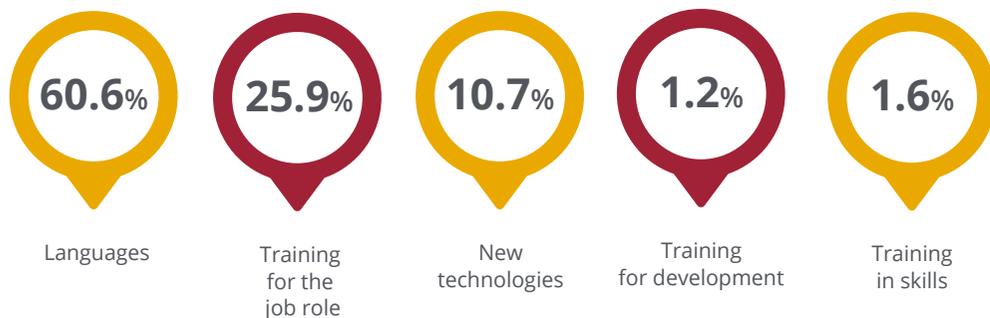
	TOTAL	
	2019	2018
 <b>MANAGERS</b> (President, Directors General and Directors)	794	820
 <b>MIDDLE MANAGERS</b> (Department Heads and Area Heads)	4,114	2,904
 <b>TECHNICAL STAFF</b>	9,054	10,320
 <b>ADMINISTRATIVE STAFF</b>	1,203	933
 <b>GRANT HOLDER</b>	193	166
<b>TOTAL</b>	<b>15,358</b>	<b>15,143</b>

carried out by employees from the Technical Staff group, with an average of 43.5 hours of training per person.

**26.8%** of training hours were undertaken by the Middle Managers, with an average of 72.2 hours for each of the managers.

#### PEOPLE TRAINED BY AGE RANGE





In addition to continuous training, ICO has an internal mobility plan that allows the assumption of new duties and the continuous development of skills and knowledge. The internal mobility rate was **7.74%** in 2019.

ICO develops a Scholarship Programme in collaboration with Fundación SEPI whose objectives are to commit to the education and training of young people who have recently graduated or are studying a postgraduate master's degree for their integration into the labour market. The Agreement that regulates the Scholarship Programme in 2019 was published in the BOE (Official State Gazette) by Resolution of 15 January 2018.

In 2019 ICO carried out professional training for 28 scholarships, representing **8.72%** of the the staff, with an annual cost per scholarship of **11,561.69 euros**. In the last 3 years an average of **51%** of employability with an employment contract has been achieved in the scholarships offered by ICO.



## INTEGRATING PEOPLE WITH FUNCTIONAL DIVERSITY

Both the ICO Group's facilities as well as the tools and workstations are adapted to allow accessibility for people with reduced mobility or other types of functional disability.

There are 3 people in the workforce that have registered disabilities (functional diversity/disability).

We are committed to training people with intellectual disabilities to help them get into the job market.

ICO has signed an agreement with Fundación A la Par through which 1 person with an intellectual disability completed their studies by working at ICO for 6 months.

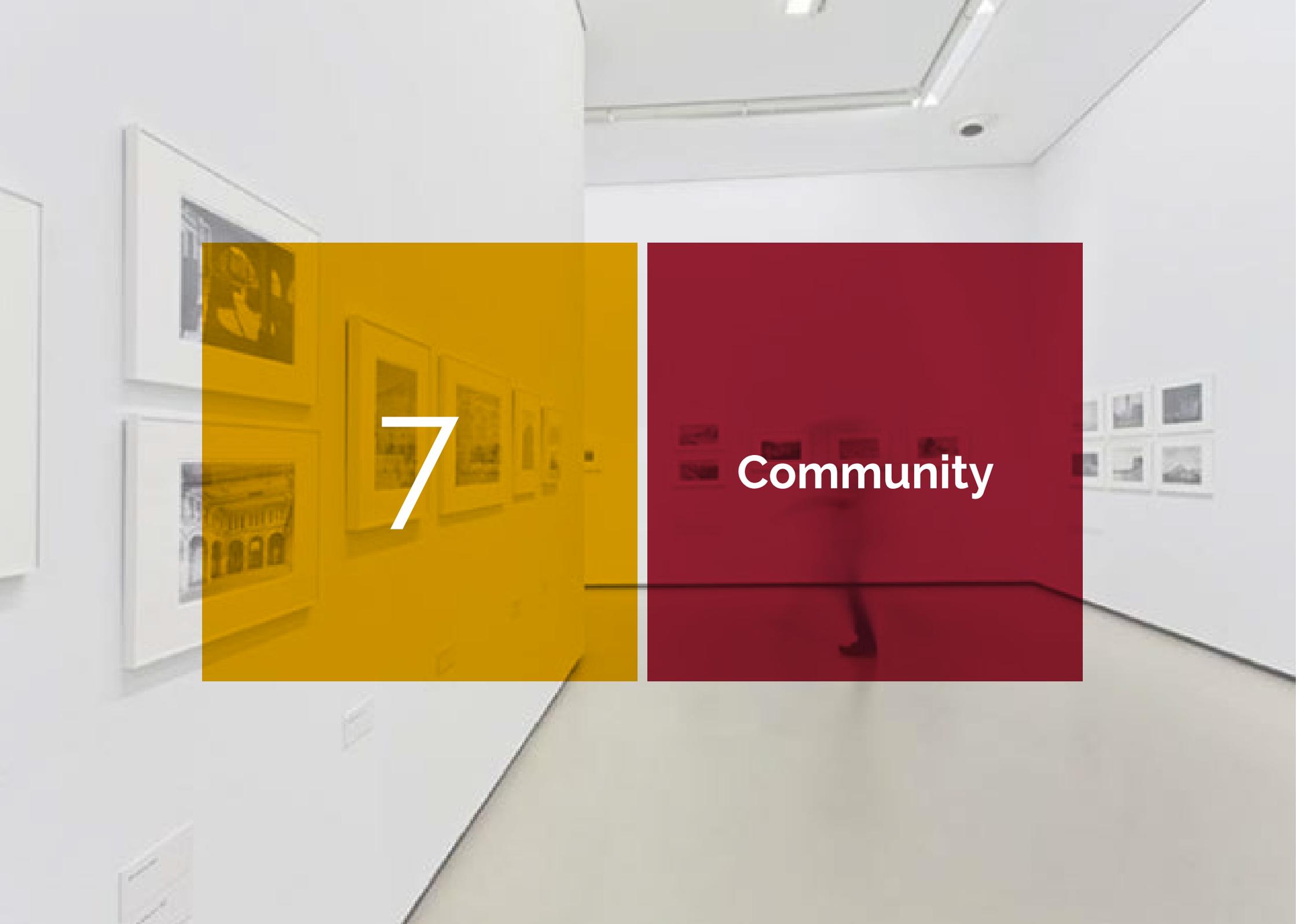
“

ICO has signed an agreement with Fundación A la Par through which 1 person with an intellectual disability completed their studies by working at ICO for 6 months.



Contribution to target 10.2, which is to promote the inclusion of all people, regardless of status, as well as 10.3, to ensure equal opportunities.





7

Community

# COMMUNITY



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

## FUNDACIÓN ICO

Much of the ICO Group's interaction with the community is carried out through Fundación ICO, which classifies its actions into three main groups of activity: art, economics and international.

## ART AREA

### ICO Collections

The ICO Collections represent the most important artistic contributions of the 20TH century in Spain. It continued to loan its works to national and international cultural institutions in 2019 to further consolidate the dissemination of this exceptional collection. We also undertook a comprehensive review of the ICO Collections and implemented the usual preventive conservation actions.

### **Collaboration agreement with the Museo Nacional Centro de Arte Reina Sofía**

Within the framework of the collaboration agreement signed by Fundación ICO and the Museo Nacional Centro de Arte Reina Sofía (MNCARS), 7 works from the ICO Collections continued to be exhibited at the Museum during 2019.



### **Temporary loans**

During 2019, two temporary loan requests from the ICO Collections were met, one from the MNCARS and the other from the town of Hernani (Guipúzcoa), where they will be on display until mid-2020.

### **ICO Collections in the CER.ES network**

Since 2016, ICO Collections has been part of the Red Digital de Colecciones de Museos de España (CER.ES), with more than 500 Spanish paintings and sculptures that make up Pablo Picasso's

Suite Volland. It is a contemporary network featuring one hundred national records managed by the Ministry of Education, Culture and Sport, which allows the online distribution of the funds belonging to the ICO Collections (<http://ceres.mcu.es>).



**Contribution to target 11.4 to protect cultural heritage.**

## Museo ICO exhibitions

In addition to managing its art collections, Fundación ICO is in charge of managing Museo ICO's programme of temporary exhibitions. Since 2012 this museum has specialised in researching and disseminating architecture as an artistic and cultural discipline. Throughout 2019 the following exhibitions were opened to the public:

### ✓ 'FERNANDO HIGUERAS. DESDE EL ORIGEN' ("FERNANDO HIGUERAS. FROM THE START")

From 27 February to 19 May 2019

In collaboration with the Directorate General of Architecture, Housing and Land of the Ministry of Public Works, we present the first major retrospective exhibition dedicated to Fernando Higuera. Belonging to a generation conscious of participating in a process of renovation of Spanish architecture, Fernando Higuera moves away from rationalism to approach informalism, taking advantage of the best of traditional vernacular architecture and, as a pioneer in Spain, introducing consideration of the environment and respect for the landscape and nature.



**21,130**  
visits

### ✓ 'PAISAJES ENMARCADOS. MISIONES FOTOGRAFICAS EUROPEAS, 1984-2019' ("FRAMED LANDSCAPES. EUROPEAN PHOTOGRAPHY MISSIONS, 1984-2019")

From 6 June to 8 September 2019

For the first time in Spain, this exhibition showed a set of long-term photographic missions focused on documenting the changes in the rural, urban and suburban landscape in Europe from 1984 to 2019. All these photographic projects were promoted by public or semi-public institutions in different European countries, regions and cities. The exhibition showed the work of almost sixty of the most outstanding photographers of the 20th century.

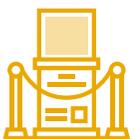


**8,730** visits to the exhibition, which was part of the PHotoEspaña Festival 2019.

✓ **'IMAGINANDO LA CASA MEDITERRÁNEA. ITALIA Y ESPAÑA EN LOS AÑOS 50' ("IMAGINING THE MEDITERRANEAN HOUSE. ITALY AND SPAIN IN THE '50s")**

From 2 October 2019 to 12 January 2020

This exhibition focuses on the theme of the Mediterranean house in the 1950s, a historical moment in which strong links and exchanges were established between Spain and Italy, relations focused on overcoming the architectural *failures* of the past, thanks to the recovery of indigenous values, typical of more southern latitudes.



**16,524** visits



## Complementary activities

Complementing the exhibitions held at Museo ICO, the following activities were carried out:

### ✓ GUIDED VISITS AND CULTURAL MEDIATION

The Museo ICO continued to offer its visitors free guided tours and cultural mediation.



**7,694** visitors

### ✓ EDUCATIONAL ACTIVITIES

The Museo ICO continued to develop an extensive programme of educational activities aimed at schools, families, and young people, through the proposals designed and implemented by the educators of the Asociación Hablarenarte.



### ✓ WORKSHOPS FOR SCHOOL AND FAMILY

They are addressed to students in Infant Education (Second Cycle), Primary, Compulsory Secondary Education and Baccalaureate.

The family activities programmed with each of the exhibitions are aimed at children between the ages of **4** and **6**, on the one hand, and **7** and **12**, on the other, with the aim of encouraging the possibility of having a family experience at the museum. Throughout 2019:



**1,269** students participated in the workshops during the school year.



**801** participants enjoyed the family activities.

## ✓ SUMMER SCHOOL

On the occasion of the exhibition *Framed landscapes. European photography missions, 1984-2019*, we organised three summer school sessions, each lasting five days. Participants engaged in a series of activities in which photography and architecture were the main themes, all accompanied by games and outings to the surroundings of the Museo.



45 people participated

## ✓ WORKSHOPS FOR YOUNG PEOPLE

Aimed at young people (from 13 to 17 years old) with the aim of introducing them to the museum space and deepening their understanding of contemporary architecture and cultural identity. Each of the workshops, which took place during the summer and Christmas holidays, were held over three sessions.



35 young people participated

## ✓ INCLUSION AND ACCESSIBILITY

In 2019 we have continued with the initiatives aimed at promoting access to Museo ICO for all types of visitors.

- We have developed the sixth and final phase of the *Empower Parents* project, aimed at families with children with autism.



12 families (65 people) participated

- In collaboration with Plena Inclusión Madrid, we offer workshop-visits for people with intellectual disabilities.



142 people participated

## ECONOMICS AREA

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

### Publications

#### Collections of Classics of Economic Thought - Fundación ICO Collection - International Economics

Within this veteran collection, Vilfredo Pareto's *Manual de Economía Política* (Political Economics Manual) was published, an essential reference work to revisit Welfare Economics from the most current contributions to economic analysis.

#### Presentation of the book *Foundations of Economic Analysis*, by Samuelson

Published in 2018 within Fundación ICO's collection of classics, coinciding with the tenth anniversary of the death of this economist, winner of the Nobel Prize in Economics, it was presented in June 2019 at the headquarters of the General Council of Economists, with the participation of José Carlos García de Quevedo, Chairman of ICO and of Fundación ICO.

#### Classics of Spanish Economic Thought

As part of the collaboration with the Royal Academy of Moral and Political Sciences, Enrique Ramos' *Discursos de economía política y otros escritos* (Discourses on Political Economy and other writings) were published. This collection is the largest and most important collection of writings on the history of Spanish economic thought, revised and updated with introductory studies by experts.

#### 'Competition Yearbook'

In 2019 Fundación ICO undertook an ambitious project on one of its oldest works, which it has been publishing for almost twenty-five years, *the Competition Yearbook*. The project consisted in digitising all the yearbooks, creating a repository and a specific thesaurus on competition issues in Spanish and English, implementing a tool that allows for cross searching and creating a platform where all the information can be consulted in open and free access.

## 'Euro Yearbook 2018'

In collaboration with Fundación de Estudios Financieros (Foundation for Financial Studies - FEF). Since its launch, the *Euro Yearbook* has become a reference work that promotes the analysis of the European Monetary Union with the aim of contributing to and enriching the financial debate, informing about the changes that are taking place, analysing what they mean and how they influence society.



## Seminars and studies

### Membership in Bruegel

During 2019, Fundación ICO has maintained its membership in this European *think tank*.

MEMI project (Measuring Microfinance Impact in the EU). In 2019, the Autonomous University team hired by Fundación ICO completed data collection and information analysis through focus groups and other primary sources on microfinance practice in Spain.

### 'Spanish SMEs' transition towards the economy'

This study, carried out by the National Distance Education University (UNED), was created with the aim of helping SMEs in their transition process towards the circular economy (CE). To this end, it shows the basic principles underlying the concept of the circular economy, the implications of this new model and a series of tools that can be useful for SMEs in this transition process.

The final work, which will be released in 2020, will include a final report, an informative brochure for SMEs (electronic format) and multimedia material (mini-videos, videoclases...).

## INTERNATIONAL AREA

### Fundación ICO - China Scholarships Programme

The Fundación ICO - China Scholarships Programme is aimed at young Spanish professionals, and offers intensive training in Mandarin Chinese, as well as training in culture and economy of the Asian country. The universities where the scholarships are enjoyed are the University of International Business and Economics (UIBE) of Beijing, the Beijing University (PKU) and the Beijing Normal University (BNU). The Programme covers the tuition fee for the entire course at the destination site, travel to and from the site, accommodation for the ten-month duration of the grant, medical insurance and a personal expense allowance.

This is a programme that promotes Chinese-Spanish relations through training, creating a pool of professionals capable of developing links between the two societies, economically as well as socially and culturally.

The scholarship recipients are young professionals with a degree and a minimum demonstrable professional experience, with a high level of English and previous knowledge of Mandarin Chinese.

### Other activities related to China. Fundación Consejo España China (Spain China Council Foundation)

The Fundación Consejo España China is a private non-profit institution for the promotion of bilateral relations. It promotes cooperation between China and Spain in the cultural, economic, commercial, business, scientific and sports fields.

In 2019 we remained members of the Board of Trustees of Fundación Consejo España China, in order to continue being part of one of the main forums of debate and relationship with the People's Republic of China. By signing an agreement, the two institutions collaborated with the aim of holding the 13th edition of the Future Chinese Leaders Programme, a programme of Fundación Consejo España China aimed at Chinese professionals with solid prospects for promotion to positions of responsibility in their country and great potential as opinion leaders.



**Contribution to target 17.9 professional training of people in leadership positions.**

## OTHER ACTIVITIES

### Financial education

In 2019 we began working in the field of Financial Education. On the one hand, we signed the Accession Protocol to the Financial Education Plan sponsored by the Banco de España and the CNMV. The ultimate aim of this Plan is to promote the financial education of the Spanish population at different stages of life, and it is supported by a network of collaborators who share this desire and who are committed to using their resources and skills, as far as possible, to carry out activities to this end.

On the other hand, we have collaborated with the Créate Foundation in its e-FP programme, a project to promote entrepreneurship and foster skills for VT and Dual VT students through videos that explain basic accounting and financial concepts, necessary for any young entrepreneur, in a simple and educational way. These videos are part of the programme's training pathway and are an essential part of it.

4 EDUCACIÓN DE CALIDAD



General contribution to SDG 4 through financial literacy programmes.

### Seminar 'The 2030 Agenda and development in Ibero-America'

In 2019, the collaboration between Fundación Carolina and Fundación ICO took shape with the International Seminar

*The 2030 Agenda and Development in Ibero-America - Challenges for International Cooperation Policies*, which was held in Madrid on the 6th and 7th of June. Throughout the sessions, the positions, policy proposals, experiences, approaches and cooperation instruments of the different actors involved were examined and analyzed under the lens of Agenda 2030 and the SDGs, and the existing consensus in the multilateral, Ibero-American and Euro-Latin American spheres was reflected upon.



## VII International Program for Financial Institutions' Executives

The objective with which this Programme was created, promoted by the Chairman of ICO and Fundación ICO in 2012, was to establish a forum for debate and reflection on the role of Public Banking in international development financing, led by ICO. The aim was to create a space for debate that would allow public banking executives to carry out a theoretical and open exercise, in collaboration with colleagues from institutions around the world, and to strengthen the Institute's links with other actors in the sector, old and new, as well as to generate contacts and business. This edition was subtitled *Development Banks in the New Normal*. Eighteen participants from 10 institutions from Portugal, Ireland, Bolivia, Slovenia, India, Egypt, Luxembourg and Spain attended.

## Museography Scholarship

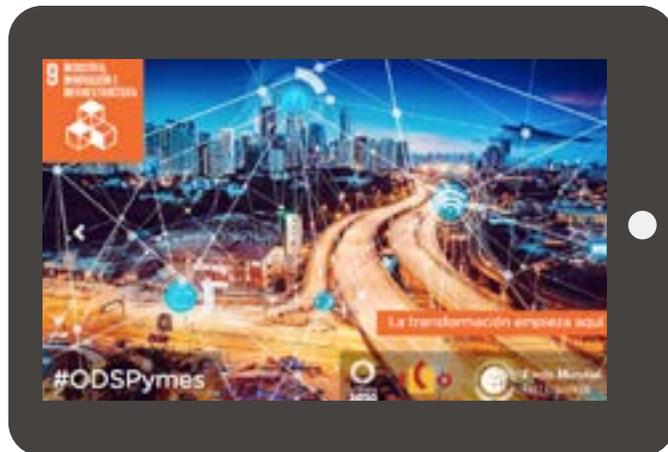
This programme enables young graduates in Art History to carry out professional internships at Fundación ICO and at Museo ICO. The training proposed in this programme is structured at three levels: theoretical training, with attendance to conferences, courses and seminars, and the preparation of reports on them; conservation of works of art, collaborating in the registration and inventory of ICO Collections; and communication and organisation of exhibitions and activities, acting as an assistant throughout the process. The scholarship has an annual allocation of **12,000 euros**, in addition to an of **3,000 euros** for external training of the scholarship recipient.



## ICOPYMEODS

In collaboration with the Spanish Global Compact Network, we launched a [landing page](#) aimed at involving and raising awareness among small and medium-sized enterprises in the sustainable development goals for Agenda 2030.

The *landing page* was launched in mid-April 2019, and at the end of the year we recorded a total of **10,042 visits**. A specific *newsletter* was published to inform about the launch of this initiative. It was sent to **366,226** registered individuals and companies.



The dissemination of the *landing page* on Twitter began on 11 April 2019 and has been a constant in our profile's activity throughout 2019. The 7 tweets we have posted have generated 20,986 hits and 408 interactions. It should be noted that the interaction rate of these first 2 tweets reached **2.6%** and **2.5%**, respectively, figures that exceed the average interaction rate of the corporate profile by approximately one and a half points.

## TRAINING AND INFORMATION ACTIONS

### ✓ INICIA-2

In 2019, we continued to participate in Fundación Rafael del Pino's INICIA 2 programme, which aims to promote ethical and responsible behaviour by raising awareness of the 10 Principles of the Global Compact and the Sustainable Development Goals for Agenda 2030 among high school students in Comunidad de Madrid. Professionals from the member entities of the Spanish Global Compact Network participate in this programme.

On this occasion we participated in the sessions held in 6 schools, with the participation of **337** students.



**Contribution to target 4.7 for learners to acquire knowledge about sustainable and responsible development**



## ✓ FINANCIAL EDUCATION

In 2019 we continued with the programme of conferences aimed at students with the aim of publicising ICO's activity in society, promoting citizens' financial education and collaborating with educational centres in providing an economic and financial education.

AXIS, Fundación ICO and ICO's Mediation with Financial Entities, Social Responsibility, Capital Market and Treasury units participate in this programme, in which students are informed about the functioning of the treasury desk.

On the occasion of Financial Education Day, the students of the Higher Level Training Course in Administration and Finance of the Instituto Tomás y Valiente visited the ICO headquarters.

Another 4 educational centres throughout Spain participated in this programme during 2019.



Contribution to target 4.7 for learners to acquire knowledge about sustainable and responsible development

## SUPPLIERS

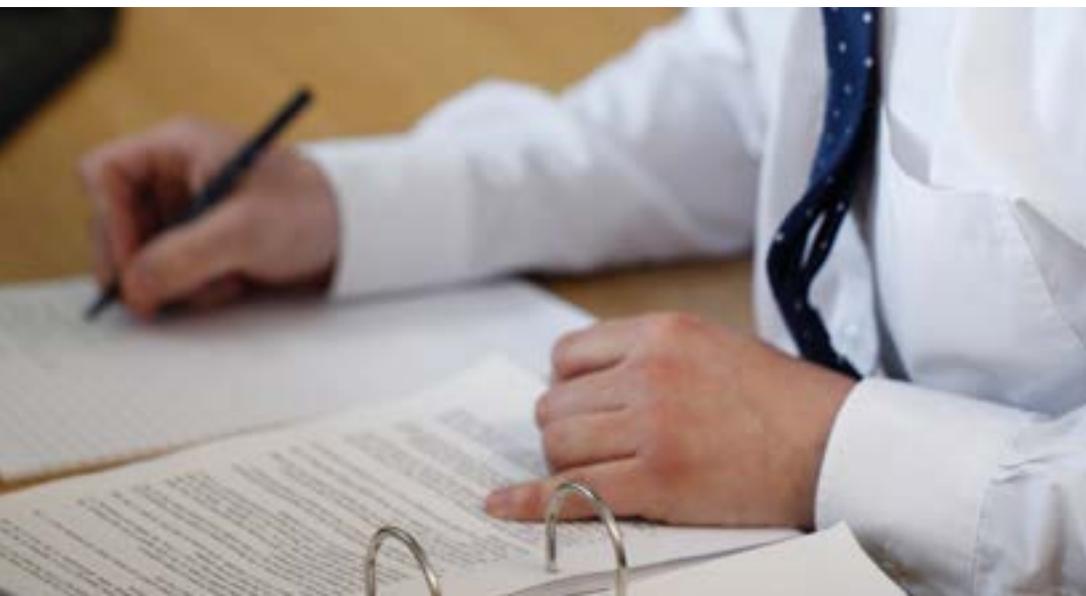
Based on the Law on Public Sector Contracts, the ICO Group has documented Internal Contracting Instructions that establish the possible ways of awarding the purchase of goods and services.

Contracts subject to harmonised regulation and those declared to be for centralised purchasing are excluded from these Internal Contracting Instructions, and are governed by what is established in the Law on Public Sector Contracts and Order EHA/1049/2008. Corporate state-owned entities are included in the scope of article 206.1 of the Law on Public Sector Contracts, which indicates an obligation to contract the goods and services declared to be for centralised purchasing by Order EHA/1049/2008, of 10 April, through the General Directorate for Streamlining and Centralisation of Public Procurement.

The ICO Group maintains a register of approved suppliers, in accordance with what is established by the models of excellence or quality management systems, given the conditions established by the aforementioned legislation.

For all procurement records of goods and services that do not require specific technical features, the ICO Group analyses the possible incorporation of environmental and social requirements in accordance with the subject of procurement.

**In 2019, 45 tender processes were launched for the acquisition of goods and services for a total amount of 16.9 million euros, of which 86.9% corresponded to the 15 tender processes subject to harmonised regulation.**



**Contribution to target 12.7 for promotion of responsible procurement practices and compliance with environmental policies.**

14.33 million euros were paid to suppliers during fiscal year 2019.

## CLIENTS

In order to understand clients' opinion on the operation of the ICO Group's loan lines, there is a communication channel on the ICO Group's website where they can ask for more information about products or make complaints or suggestions. This tool also allows us to examine the diffusion and quality of information that entities have on the ICO Group's lines. Finally, this tool enables clients to learn about other ICO Group activities not necessarily related to financing products.

The most relevant aspects of the analysis carried out on the information collected in 2019 are the following:

Volume of queries	Notable reasons for complaint	Notable reasons for written information requests	Management of financial entities in second-floor facilities	ICO management
<p>Increase in the number of contacts through the Call Centre (8,006 compared to 6,319 in 2018) and in the number of complaints (135 compared to 93), and decrease in written requests for information (765 compared to 841).</p>	<p>Clients of old facilities (between 2010 and 2016) consider the amount of the voluntary or compulsory cancellation fee to be very high (around 8% of the complaints received).</p>	<p>Requests from large companies or consultancies on financing the circular economy and on how to obtain sustainable loans in accordance with ICO's green bond policy (highest incidence in the last four months of the year).</p>	<p>Clients (2% of calls and 5% of written complaints) reported that some financial institutions did not offer ICO facilities, only marketing their own products, and others had stopped marketing the Housing Rehabilitation section due to the entry into force and adaptation to the new mortgage regulations.</p>	<p>Incidents were reported to us regarding ICO's management: some applicants for the Public Job Listing had difficulties in registering online on the last day of the call for applications due to problems with the system; the response period established in 17 University Loan documents was exceeded due to the cost of claiming debt positions; delays were caused by the need to consult the Banco de España regarding the fees to be charged for these positions.</p>

The volume of activity managed through the Customer Service Area was as follows:

No. of requests received in writing		2019	2018	% variation
COMPLAINTS		136	93	46.2
REQUESTS FOR INFORMATION		765	841	-9.04
SUGGESTIONS		8	8	0.00
<b>TOTAL</b>		<b>909</b>	<b>942</b>	<b>-3.50</b>

The increase in the number of complaints is due to the request of the beneficiaries of the University Loan Line to apply the conditions of the 2017 Line in all calls.

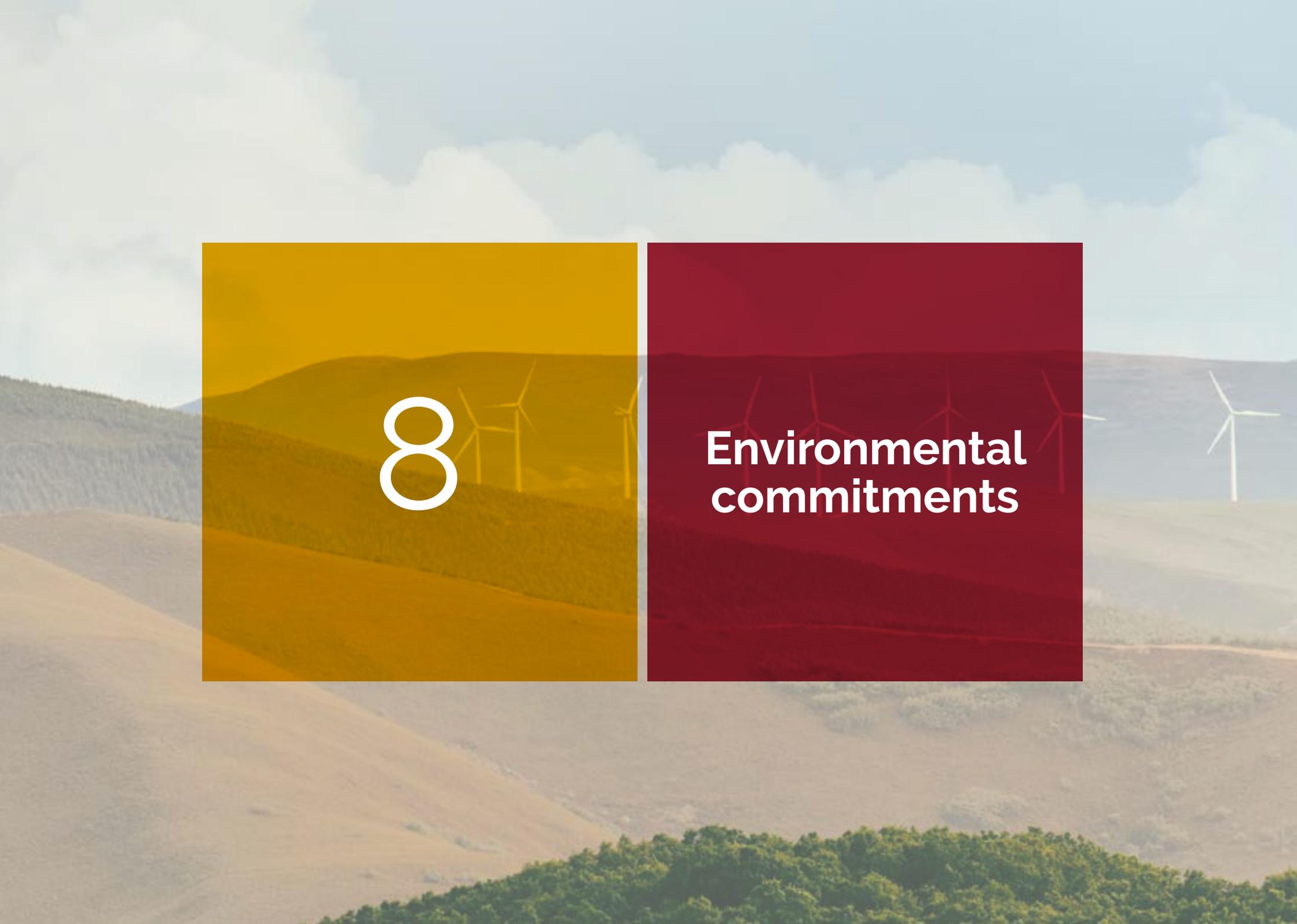
		2019	2018	% variation
CONTACTS THROUGH THE CALL CENTER		Total 8,006	Total 6,319	Total 26.70
IN-PERSON SERVICE		Total 857	Total 866	Total -1.04

“

The Customer Service Area carried out 2,227 surveys to ascertain the degree of customer satisfaction with the information service provided via the 900 telephone number and via the web, obtaining a score of 4.89 out of 5.

All 2019 complaints, requests for information and suggestions were answered.





8

**Environmental  
commitments**

# ENVIRONMENTAL COMMITMENTS



At the ICO Group we try to perform all our activities responsibly and in such a way that our contribution to climate change is as small as possible. Sustainable production is about promoting the efficient use of resources and energy and the creation of green, fairly paid jobs with good working conditions. In addition, we must develop and support viable solutions for more sustainable and environmentally friendly economic activity. Behavioural change can be accelerated as more companies are turning to renewable energy and other solutions to reduce emissions and increase adaptation efforts.

In the development of its activity, the ICO Group does not have a significant impact on the environment. However, it maintains a clear commitment to preserving the environment and, especially, to the fight against climate change.

The Environmental Management Policy in effect aims to promote best environmental practices, both among its shareholders and in the development of its own activity.

The Environmental Management Policy in effect aims to promote best environmental practices, both among its stakeholders and in the development of its own activity.

Fulfilling the Environmental Management Policy is aimed at three courses of action:



The participation of all operational areas and the development of strategic guidelines that aim to consolidate a portfolio of environmentally friendly products are the basis of the ICO Group's mission to create value, pursue the assigned objective and comply with sustainable development goals for the ICO Group and its stakeholders.

## MATERIALS

	Paper consumed (kg)	2019 <b>12,723</b>	2018 <b>9,992</b>	% VARIATION <b>+27.3%</b>
	Paper consumed per employee (kg/employee)	2019 <b>27.54</b>	2018 <b>23.46</b>	% VARIATION <b>+19.3%</b>

## ELECTRICITY

	Internal energy consumption (KWH)	2019 <b>2,103,706</b>	2018 <b>2,177,372</b>	% VARIATION <b>-3.4%</b>
	Energy intensity (KWH/employee)	2019 <b>4,553.48</b>	2018 <b>5,111.20</b>	% VARIATION <b>-10.9%</b>

## WATER

	Water consumed (m³)	2019 <b>2,607</b>	2018 <b>2,660</b>	% VARIATION <b>-2.0%</b>
	Water consumed per employee (m³/employee)	2019 <b>5.64</b>	2018 <b>6.73</b>	% VARIATION <b>-16.2%</b>



Contribution to United Nations target 12.3 by 2030 to manage resources sustainably and efficiently.



Contribution to UN target 13.1 by 2030, to strengthen resilience to climate change.





## EMISSIONS

By electricity consumption

	Indirect GHG emissions from electricity consumption (Tn of CO <sub>2</sub> )	2019 <b>736.3</b>	2018 <b>762.1</b>	% VARIATION <b>-3.4%</b>
	Indirect GHG emissions from electricity consumption per employee (Tn de CO <sub>2</sub> / employee)	2019 <b>2.13</b>	2018 <b>2.46</b>	% VARIATION <b>-13.4%</b>

For work trips made by staff

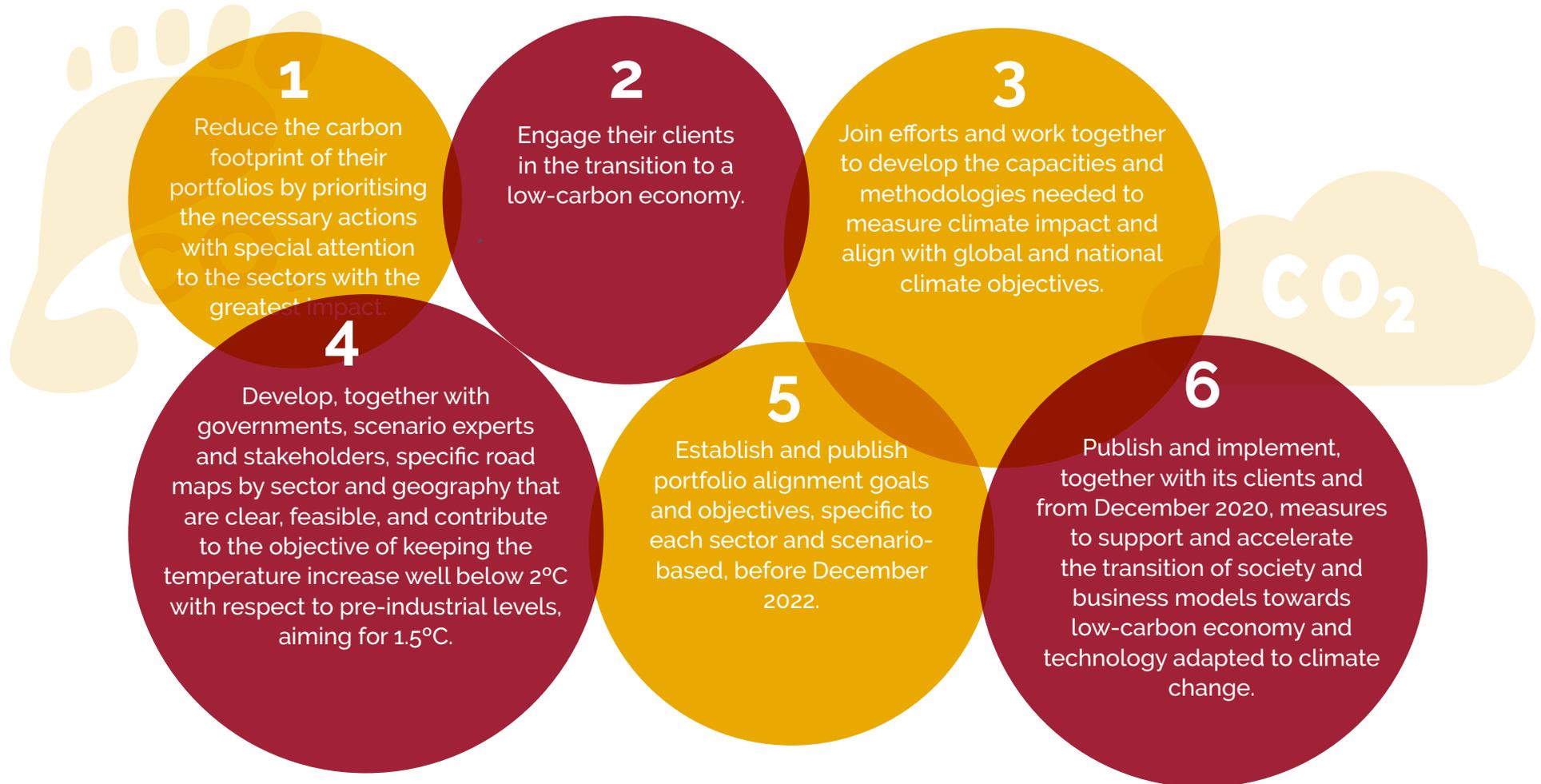
	Indirect GHG emissions from staff work trips (Tn of CO <sub>2</sub> )	2019 <b>116.9</b>	2018 <b>97.7</b>	% VARIATION <b>19.65%</b>
	Indirect GHG emissions from work trips per employee (Tn of CO <sub>2</sub> )	2019 <b>0.34</b>	2018 <b>0.32</b>	% VARIATION <b>6%</b>

Calculated according to the criteria of the Ministry for Ecological Transition and the Demographic Challenge.

[CO<sub>2</sub> calculator](#)

The ICO Group does not use any type of fuel for heating and air-conditioning its offices, as it is an electric, watertight system that doesn't involve combustion.

For these purposes, ICO has signed the Spanish Collective Commitment to Climate Action\*, under which the signatories commit to:



\*Signed by ICO on 9 December 2019 within the framework of COP25 in Madrid, along with the Asociación Española de Banca (AEB), CECA and a score of Spanish financial institutions. <https://s1.aebanca.es/wp-content/uploads/2019/12/spanish-collective-commitment-to-climate-action.pdf>

## WASTE MANAGED

	Paper managed (estimated kg)	2019 <b>4,500</b>	2018 <b>5,000</b>	% VARIATION <b>-10.0%</b>
	Fluorescent tubes managed (units)	2019 <b>485</b>	2018 <b>620</b>	% VARIATION <b>-21.8%</b>
	Toner and printer cartridges /copier ink managed (units)	2019 <b>273</b>	2018 <b>187</b>	% VARIATION <b>46.0%</b>
	Batteries managed (units)	2019 <b>242</b>	2018 <b>60</b>	% VARIATION <b>303.3%</b>
	IT equipment and components managed (units)	2019 <b>11</b>	2018 <b>56</b>	% VARIATION <b>-80.4%</b>
	Other electronic equipment (includes telephony) managed (kg)	2019 <b>190</b>	2018 <b>56</b>	% VARIATION <b>239.3%</b>

12 PRODUCCIÓN Y CONSUMO RESPONSABLES



Contribution to the United Nations targets 12.4 and 12.5 by 2030, to efficiently manage waste from economic activity.



A close-up photograph of a hand holding a silver pen, writing on a document. The document has a grid of lines and some faint text. A yellow rectangular overlay is on the left side, and a red rectangular overlay is on the right side. The number '9' is centered in the yellow area, and the text 'About this report' is centered in the red area.

9

**About this  
report**

# ABOUT THIS REPORT

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This report has been prepared following the Global Reporting Initiative (GRI) standard, a comprehensive compliance option for sustainability reporting, as well as taking into account our contribution to the Sustainable Development Goals and UN targets for 2030.

This report follows the GRI methodology, allowing us to report on the most relevant issues relating to the company's sustainability and management.

As with other editions, internal organisation documents such as the Strategic Plan, the Corporate Manual and other sources of information considered relevant in painting a realistic picture of the company's fulfilment of social sustainability and responsibility have been used to draft this report.

For any queries related to the contents of this report, please contact: [rse@ico.es](mailto:rse@ico.es)

## 1 MATERIALITY AND STAKEHOLDERS

The content of this *Report* has been defined taking into account the stakeholders and material aspects identified (pages 75 to 81).

## 2 LEADERSHIP

The *Report* is approved by the Operations Committee, the ICO Group's most senior administrative and management body, and endorsed by the General Board in its capacity as the Institute's most senior governing body. The ICO Group's Management approves the allocation of resources necessary for the preparation and auditing of the report.

## 3 COMPARABILITY

In order to provide information on the ICO Group's progress in the matters included in the scope, the *Report* includes

data relating not only to the 2019 financial year, but also to previous years. (pages 53 and 54).

## 4 BALANCE

To submit a balanced and fair presentation, this *Report* has been prepared in accordance with the GRI standards. In addition, the requirements of the United Nations' Global Compact Progress Report relating to the development of its 10 Principles have been observed.

## 5 TIMELINESS AND PERIODICITY

The ICO Group prepares its economic-financial, social responsibility and corporate governance reports annually. The information covered refers to the calendar year. The ICO Group prepares and presents a report comprised of all the aforementioned information.

## 6 CLARITY, ACCURACY AND RELIABILITY

The ICO Group has submitted the *Report's* contents to be verified by independent experts. In relation to the annual accounts and financial information, the verification has been carried out by the General Intervention of the State Administration (IGAE), and by Mazars Auditores, S.L. In relation to the GRI standard for the preparation of social responsibility reports, the verification has been carried out by AENOR. During the verification processes, it was confirmed that the document's structure allows the information to be easily and clearly read. In addition, the accuracy of the information and reliability of the sources used was verified.

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GRI  
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## MATERIAL ASPECTS

GRI	EDITION	GLOBAL COMPACT PROGRESS REPORT	SDG	MATERIAL ASPECT	PAGE / LINK OMISSIONS
102-16 to 102-39 102-45 to 103-3	2016	General information Principle No. 10	1, 4, 5, 8, 12, 13, 14, 15 and 16	MA1 Corporate repu- tation	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. Pages 55 to 85</i>
201-1 201-4	2016	General information	2, 5, 7, 8 and 9	MA2 Sources of financing and financial balance	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. Pages 55 to 88</i>
----	2016	General information	1, 2, 6, 11, 13 and 17	MA3 To help develop its role as State Financial Agency	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. Pages 55 to 85</i>
300 'ENVIRONMEN- TAL'	2016	Principles 7, 8 and 9	3, 6, 7, 8, 12, 13, 14, 15 and 16	MA4 Sustainable growth, environment and society	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. Pages 55 to 85</i>
102-12 102-13	2016	General Information	----	AM5 Partnerships	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. Pages 55 to 85</i>
404-1 to 404-3 405-1 to 405-2 406-1	2016	Principles 3, 4, 5 and 6	5, 8, 10 and 16	AM6 Human capital	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. Pages 55 to 85</i>

## UNIVERSAL STANDARDS

GRI	EDITION	GLOBAL COMPACT PROGRESS REPORT	SDG	MATERIAL ASPECT	PAGE / LINK OMISSIONS
GRI 101	2016	General Information		Basics	"CHAIRMAN'S LETTER". Pages 4 to 8 "ABOUT THIS REPORT". Pages 211 to 213
<b>GRI 102. GENERAL CONTENT</b>					
<b>ORGANISATION PROFILE</b>					
GRI 102 - 1	2016	General Information		Name of the organisation	<i>THE ICO GROUP</i> . Pages 14 to 18
GRI 102 - 2	2016	General Information		Activities, brands, products and services	<i>THE ICO GROUP</i> . Pages 14 to 18 <i>BUSINESS DEVELOPMENT</i> . Pages 95 to 158"
GRI 102 - 3	2016	General Information		Location of our headquarters	<i>THE ICO GROUP</i> . Pages 14 to 18
GRI 102 - 4	2016	General Information		Location of operations	ICO only operates in Spain
GRI 102 - 5	2016	General Information		Ownership and legal form	<i>THE ICO GROUP</i> . Pages 14 to 18

GRI 102 - 6	2016	General Information		Markets served	<i>BUSINESS DEVELOPMENT .</i> Pages 95 to 158
GRI 102 - 7	2016	General Information		Size of the organisation	<i>THE ICO GROUP. MAIN FIGURES</i> Page 50
GRI 102 - 8	2016	General Information Principle No. 6		Information about employees and other workers	<i>COMMITMENT TO THE TEAM.</i> Pages 159 to 185
GRI 102 - 9	2016	General Information		Supply Chain	<i>COMMUNITY. SUPPLIERS.</i> Page 201
GRI 102 - 10	2016	General Information		Significant changes in the organisation and its supply chain	There have been no significant changes
GRI 102 - 11	2016	General Information		Precautionary principle or approach	<i>CORPORATE RESPONSIBILITY. TRANSPARENCY AND INTEGRITY.</i> Pages 55 to 85
GRI 102 - 12	2016	General Information		External initiatives	<i>THE ICO GROUP. STRATEGIC PARTNERSHIPS.</i> Pages 51 to 54
GRI 102 - 13	2016	General Information		Membership to associations	<i>THE ICO GROUP. STRATEGIC PARTNERSHIPS.</i> Pages 51 to 54

STRATEGY					
GRI 102 - 14	2016	General Information		Declaration of senior executives responsible for decision-making	<i>CHAIRMAN'S LETTER</i> . Pages 4 to 8
GRI 102 - 15	2016	General Information		Main impacts, risks and opportunities	<i>CORPORATE RESPONSIBILITY. TRANSPARENCY AND INTEGRITY</i> . Pages 55 to 85
ETHICS AND INTEGRITY					
GRI 102 - 16	2016	Principle No. 10	16	Values, principles and standards of conduct	<i>CORPORATE RESPONSIBILITY. TRANSPARENCY AND INTEGRITY. ETHICAL AND RESPONSIBLE MANAGEMENT</i> . Pages 78 to 85
GRI 102 - 17	2016	Principle No. 10	16	Advisory and ethical concern mechanisms	<i>CORPORATE RESPONSIBILITY. TRANSPARENCY AND INTEGRITY. ETHICAL AND RESPONSIBLE MANAGEMENT</i> . Pages 78 to 85

GOVERNANCE					
GRI 102 - 18	2016	General Information		Governance structure	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49
GRI 102 - 19	2016	General Information		Delegation of authority	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49
GRI 102 - 20	2016	General Information		Executive responsibility for economic, environmental and social issues	Director General of Technical Issues and Resources
GRI 102 - 21	2016	General Information	16	Consultation with stakeholders on economic, environmental and social issues	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. RELEVANT ISSUES AND STAKEHOLDERS.</i> Pages 71 to 77
GRI 102 - 22	2016	General Information	5, 16	Composition of the most senior governing body and its committees	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49
GRI 102 - 23	2016	General Information	16	President of the most senior governing body	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49

GRI 102 - 24	2016	General Information	5, 16	Nomination and selection	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49
GRI 102 - 25	2016	General Information	16	Conflict of interest	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49
GRI 102 - 26	2016	General Information		Role of the most senior governing body in establishing objectives, values and strategy	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49
GRI 102 - 27	2016	General Information	4	Collective knowledge of the most senior governing body	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49
GRI 102 - 28	2016	General Information		Evaluation of the performance of the most senior governing body	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49
GRI 102 - 29	2016	General Information	16	Identification and management of economic, environmental and social impacts	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. RELEVANT ISSUES AND STAKEHOLDERS.</i> Pages 71 to 77

GRI 102 - 30	2016	General Information		Effectiveness of risk management processes	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. RELEVANT ISSUES AND STAKEHOLDERS.</i> Pages 71 to 77
GRI 102 - 31	2016	General Information		Evaluation of economic, environmental and social issues	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. RELEVANT ISSUES AND STAKEHOLDERS.</i> Pages 71 to 77
GRI 102 - 32	2016	General Information		Role of the most senior governing body in sustainability reporting	The ICO Group's <i>Integrated Report</i> is approved by the most senior governing body, and brought to the attention of the General Board
GRI 102 - 33	2016	General Information		Communication of critical concerns	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY.</i> Pages 55 to 94
GRI 102 - 34	2016	General Information		Nature and total number of critical concerns	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY.</i> Pages 55 to 94
GRI 102 - 35	2016	General Information		Remuneration policies	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49 <i>COMMITMENT TO THE TEAM. Remuneration.</i> Page 177

GRI 102 - 36	2016	General Information		Process to determine remuneration	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49 <i>COMMITMENT TO THE TEAM. Remuneration.</i> Page 177
GRI 102 - 37	2016	General Information	16	Involvement of stakeholders in remuneration	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. RELEVANT ISSUES AND STAKEHOLDERS.</i> Pages 71 to 77
GRI 102 - 38	2016	General Information		Total annual compensation ratio	The President's salary is 3.05 times the average wage of an ICO employee
GRI 102 - 39	2016	General Information		Ratio of percentage increase of total annual compensation	The ICO Group's wages increase according to the increase for public employees defined by the Government
<b>PARTICIPATION OF STAKEHOLDERS</b>					
GRI 102 - 40	2016	General Information		List of stakeholders	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. DIALOGUE WITH STAKEHOLDERS.</i> Pages 74 to 77

GRI 102 - 41	2016	General Information	8	Collective bargaining agreements	<i>COMMITMENT TO THE TEAM.</i> Page 166
GRI 102 - 42	2016	General Information		Identification and selection of stakeholders	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. DIALOGUE WITH STAKEHOLDERS.</i> Pages 74 to 77
GRI 102 - 43	2016	General Information		Approach to the participation of stakeholders	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. DIALOGUE WITH STAKEHOLDERS.</i> Pages 74 to 77
GRI 102 - 44	2016	General Information		Key issues and concerns mentioned	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. DIALOGUE WITH STAKEHOLDERS.</i> Pages 71 to 77
<b>PRACTICES FOR THE PREPARATION OF REPORTS</b>					
GRI 102 - 45	2016	General Information		Entities included in the consolidated financial statements	<i>THE ICO GROUP. ABOUT US.</i> Pages 15 to 18
GRI 102 - 46	2016	General Information		Definition of the contents of the reports and coverage of the topic	The contents of the report are defined by ICO's Management

GRI 102 - 47	2016	General Information		List of material issues	<i>CORPORATE RESPONSIBILITY: TRANSPARENCY AND INTEGRITY. RELEVANT ISSUES AND STAKEHOLDERS.</i> Pages 71 to 74
GRI 102 - 48	2016			Restatement of information	There have been none
GRI 102 - 49	2016	General Information		Changes in the preparation of reports	This report has been prepared in accordance with GRI standards
GRI 102 - 50	2016	General Information		Reporting period	01.01.2019 - 31.12.2019
GRI 102 - 51	2016	General Information		Date of the last report	01.01.2018 - 31.12.2018
GRI 102 - 52	2016	General Information		Reporting cycle	Annually
GRI 102 - 53	2016	General Information		Point of contact for questions about the report	rse@ico.es

GRI 102 - 54	2016	General Information		Declaration of the preparation of the report in accordance with the GRI Standards	This document has been prepared on the basis of the GRI standards, comprehensive option
GRI 102 - 55	2016	General Information		GRI table of contents	<i>GRI TABLE OF CONTENTS</i> . Pages 214 to 230
GRI 102 - 56	2016	General Information		External verification	AENOR. June 8 and 9, 2020
<b>MANAGEMENT APPROACH</b>					
GRI 103 - 1	2016	General Information	12, 13, 14, 15	Explanation of the material aspect and its Coverage	<i>ABOUT THE REPORT</i> . Pages 211 to 214
GRI 103 - 2	2016	General Information	1, 5, 8, 12, 13, 14, 15, 16	Management approach and its components	<i>CORPORATE RESPONSIBILITY. TRANSPARENCY AND INTEGRITY</i> . Pages 55 to 94
GRI 103 - 3	2016	General Information	12, 13, 14, 15	Evaluation of the management approach	<i>CORPORATE RESPONSIBILITY. TRANSPARENCY AND INTEGRITY</i> . Pages 55 to 94

## GRI 200. ECONOMIC

### GRI 201. ECONOMIC PERFORMANCE

GRI 201 - 1	2016	General Information	2, 5, 7, 8, 9	Direct economic value generated and distributed	<i>BUSINESS DEVELOPMENT</i> . Pages 95 to 158
GRI 201 - 2	2016	General Information	13	Financial implications and other risks and opportunities arising from climate change	<i>BUSINESS DEVELOPMENT</i> . Pages 95 to 158
GRI 201 - 3	2016	General Information		Obligations of the established benefit plan and other retirement plans	There are no contracted obligations
GRI 201 - 4	2016	General Information		Financial assistance received from the Government	<b>ICO does not receive subsidies or financial aid from the Government</b>

GRI 202. PRESENCE ON THE MARKET					
GRI 202 - 1	2016	General Information	1, 5, 8	Ratio of entry level salary by sex compared to local minimum wage	Technical staff: 2.69 times
GRI 202 - 2	2016	General Information	8	Proportion of senior executives recruited from the local community	100%
GRI 203. INDIRECT ECONOMIC IMPACTS					
GRI 203 - 1	2016	General Information	2, 5, 7, 9, 11	Investments in infrastructure and provided services	<i>BUSINESS DEVELOPMENT</i> . Pages 95 to 158
GRI 203 - 2	2016	General Information	1, 2, 3, 8, 10, 17	Significant indirect economic impacts	<i>BUSINESS DEVELOPMENT</i> . Pages 95 to 158
GRI 204. ACQUISITION PRACTICES					
GRI 204 - 1	2016		12	Proportion of expenditure on local suppliers	100%

GRI 205. ANTI-CORRUPTION					
GRI 205 - 1	2016		16	Operations evaluated for risks related to corruption	All credit operations directly studied by the ICO Group analyse the risk of corruption
GRI 205 - 2	2016	Principle No. 10	16	Communication and training on anti-corruption policies and procedures	<i>CORPORATE RESPONSIBILITY, TRANSPARENCY AND INTEGRITY, ETHICAL AND RESPONSIBLE MANAGEMENT</i> . Pages 78 to 85
GRI 205 - 3	2016	Principle No. 10	16	Confirmed cases of corruption and measures taken	0
GRI 206. UNFAIR COMPETITION					
GRI 206 - 1	2016		16	Legal actions related to unfair competition and monopolistic practices and those against free competition	0

## GRI 300. ENVIRONMENTAL

### GRI 301. MATERIALS

GRI 301 - 1	2016	Principles No. 7,8,9	8, 12	Materials used by weight and volume	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 301 - 2	2016	Principles No. 7,8,9	8, 12	Recycled supplies	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 301 - 3	2016	Principles No. 7,8,9	8, 12	Reused products and packaging materials	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
<b>GRI 302. ENERGY</b>					
GRI 302 - 1	2016	Principles No. 7,8,9	7, 8, 12, 13	Energy consumption within the organisation	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 302 - 2	2016	Principles No. 7,8,9	7, 8, 12, 13	Energy consumption outside of the organisation	No data

GRI 302 - 3	2016	Principles No. 7,8,9	7, 8, 12, 13	Energy intensity	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 302 - 4	2016	Principles No. 7,8,9	7, 8, 12, 13	Reduction of energy consumption	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 302 - 5	2016	Principles No. 7,8,9	7, 8, 12, 13	Reduction of products and services' energy requirements	No information
<b>GRI 303. WATER</b>					
GRI 303 - 1	2016	Principles No. 7,8,9	6	Extraction of water by source	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 303 - 2	2016	Principles No. 7,8,9	6	Water sources significantly affected by water extraction	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 303 - 3	2016	Principles No. 7,8,9	6, 8, 12	Recycled and reused water	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210

## GRI 304. BIODIVERSITY

GRI 304 - 1	2016	Principles No. 7,8,9	6, 14, 15	Operations centres owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity outside of protected areas	Does not apply. The ICO Group does not have any facilities in protected natural areas
GRI 304 - 2	2016	Principles No. 7,8,9	6, 14, 15	Significant impacts of activities, products and services on biodiversity	Does not apply. The ICO Group has no impact on biodiversity
GRI 304 - 3	2016	Principles No. 7,8,9	6, 14, 15	Protected or restored habitats	Does not apply. The ICO Group does not impact protected habitats due to its activity
GRI 304 - 4	2016	Principles No. 7,8,9	6, 14, 15	Species that appear on the IUCN Red List and on national conservation lists whose habitats are in areas affected by operations	Does not apply. The ICO Group does not impact habitats of species in danger of extinction through its activities

## GRI 305. EMISSIONS

GRI 305 - 1	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Direct greenhouse gas (GHG) emissions (scope 1)	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 305 - 2	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Indirect GHG emissions by generating energy (scope 2)	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 305 - 3	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Other indirect GHG emissions (scope 3)	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 305 - 4	2016	Principles No. 7,8,9	12, 13, 14, 15	Intensity of GHG emissions	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 305 - 5	2016	Principles No. 7,8,9	12, 13, 14, 15	Reduction of GHG emissions	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 305 - 6	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Emissions of ozone-depleting substances (ODS)	The ICO Group does not emit ozone-depleting substances through its activities
GRI 305 - 7	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	The ICO Group does not emit substances with a significant impact on the air through its activities

## GRI 306. EFFLUENT AND WASTE

GRI 306 - 1	2016	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	Drainage of water based on their quality and destination	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 306 - 2	2016	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	Waste by type and method of disposal	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 306 - 3	2016	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	Significant spillages	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 306 - 4	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Transport of hazardous waste	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210
GRI 306 - 5	2016	Principles No. 7,8,9	6, 12, 13, 14, 15	Bodies of water affected by drainage of water and/or runoffs	<i>ENVIRONMENTAL COMMITMENTS.</i> Pages 204 to 210

## GRI 307. ENVIRONMENTAL COMPLIANCE

GRI 307 - 1	2016	Principles No. 7,8,9	12, 13, 14, 15, 16	Failure to comply with environmental legislation and regulations	0
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## GRI 308. ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

GRI 308 - 1	2016			New suppliers that have passed assessment and selection filters according to environmental criteria	<i>COMMUNITY. SUPPLIERS.</i> Page 201
GRI 308 - 2	2016			Negative environmental impacts in the supply chain and measures taken	<i>COMMUNITY. SUPPLIERS.</i> Page 201

## GRI 401. EMPLOYMENT

GRI 401 - 1	2016	Principles No. 3, 4, 5 and 6	5, 8	New appointments of employees and staff rotation	<i>COMMITMENT TO THE TEAM.</i> Pages 174 and 175
GRI 401 - 2	2016	Principles No. 3, 4, 5 and 6	8	Benefits for full-time employees that are not available to part-time or temporary employees	Company canteen
GRI 401 - 3	2016	Principles No. 3, 4, 5 and 6	5, 8	Parental leave	<i>COMMITMENT TO THE TEAM. Conciliation.</i> Pages 175 and 176

GRI 402. EMPLOYEE - COMPANY RELATIONSHIP					
GRI 402 - 1	2016		8	Minimum notice periods for operational changes	No additional periods to those that are legally defined.
GRI 403. HEALTH AND SAFETY AT WORK					
GRI 403 - 1	2016	Principles No. 3, 4, 5 and 6	8	Representation of employees in formal employee-company health and safety committees	Health and Safety Committee
GRI 403 - 2	2016	Principles No. 3, 4, 5 and 6	3, 8	Types of accidents and accident frequency rate, occupational diseases, lost days, absenteeism and number of deaths due to work accidents or occupational disease	<i>COMMITMENT TO THE TEAM. WORKPLACE HEALTH AND SAFETY. Pages 179 and 180</i>

GRI 403 - 3	2016	Principles No. 3.4 5 and 6	3, 8	Workers with a high incidence or high risk of diseases associated with their activity	The ICO Group does not carry out activities with a high risk of occupational disease
GRI 403 - 4	2016	Principles No. 3.4 5 and 6	8	Health and safety issues covered in formal agreements with trade unions	The ICO Group evaluates its occupational risks and plans preventive action. There is a Health and Safety Committee composed of representatives of the company and its employees
<b>GRI 404. TRAINING AND EDUCATION</b>					
GRI 404 - 1	2016	Principles No. 3, 4, 5 and 6	4, 5, 8	Average hours of training per year per employee	45.3 hours per employee
GRI 404 - 2	2016	Principles No. 3, 4, 5 and 6	8	Programmes to improve employees' skills and programmes to assist transition	<i>COMMITMENT TO THE TEAM. PROFESSIONAL DEVELOPMENT AND TRAINING. Pages 181 to 184</i>

GRI 404 - 3	2016	Principles No. 3, 4, 5 and 6	5, 8	Percentage of employees receiving regular assessments of their professional performance and development	100%
<b>GRI 405. DIVERSITY AND EQUAL OPPORTUNITIES</b>					
GRI 405 - 1	2016	Principles No. 3, 4, 5 and 6	5, 8	Diversity in governing bodies and amongst employees	<i>THE ICO GROUP. GOOD GOVERNANCE.</i> Pages 19 to 49  <i>COMMITMENT TO THE TEAM.</i> Pages 169 to 177
GRI 405 - 2	2016	Principles No. 3, 4, 5 and 6	5, 8, 10	Base salary ration and remuneration of women compared to men	There is a full parity in pay for women and men
<b>GRI 406. NON-DISCRIMINATION</b>					
GRI 406 - 1	2016	Principles No. 3, 4, 5 and 6	5, 8, 16	Cases of discrimination and corrective action taken	0

GRI 407. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 407 - 1	2016	Principles No. 3, 4, 5 and 6	8	Operations and suppliers whose right to freedom of association and collective bargaining may be at risk	No data
GRI 408 CHILD LABOUR					
GRI 408 - 1	2016	Principles No. 3, 4, 5 and 6	8, 16	Operations and suppliers with a significant risk of child labour	0
GRI 409. FORCED OR COMPULSORY LABOUR					
GRI 409 - 1	2016	Principles No. 3, 4, 5 and 6	8	Operations and suppliers with a significant risk of forced or compulsory labor	0
GRI 410. SECURITY PRACTICES					
GRI 410 - 1	2016		16	Security staff trained in policies and procedures on human rights	No data

GRI 411. RIGHTS OF INDIGENOUS PEOPLES					
GRI 411 - 1	2016	Principles No. 1 and 2	2	Cases of violations of indigenous people's rights	0
GRI 412. ASSESSMENT OF HUMAN RIGHTS					
GRI 412 - 1	2016	Principles No. 1 and 2		Operations subject to human rights revisions or impact assessments	0
GRI 412 - 2	2016	Principles No. 1 and 2		Training of employees in policies and procedures on human rights	There have been no specific training actions on human rights
GRI 412 - 3	2016	Principles No. 1 and 2		Significant investment agreements and contracts with human rights clauses or subjected to an assessment of human rights	0

GRI 413. LOCAL COMMUNITIES					
GRI 413 - 1	2016	Principles No. 1 and 2		Operations with the participation of the local community, impact evaluations and development programmes	0
GRI 413 - 2	2016	Principles No. 1 and 2	1, 2	Operations with significant real and potential negative impacts on local communities	Does not apply
GRI 414 SOCIAL ASSESSMENT OF SUPPLIERS					
GRI 414 - 1	2016		5, 8, 16	New suppliers that have passed selection filters according to social criteria	<i>COMMUNITY. SUPPLIERS.</i> Page 201
GRI 414 - 2	2016		5, 8, 16	Negative social impacts in the supply chain and measures taken	The ICO Group does not measure the social impact of the supply chain

GRI 415. PUBLIC POLICY					
GRI 415 - 1	2016		16	Contributions to political parties and/or representatives	The ICO Group does not make contributions to political parties or representatives
GRI 416 CUSTOMER HEALTH AND SAFETY					
GRI 416 - 1	2016			Assessment of the impact of products or services on health and safety	Does not apply
GRI 416 - 2	2016		16	Cases of non-compliance relating to the impact of products or services on health and safety	Does not apply
GRI 417. MARKETING AND LABELLING					
GRI 417 - 1	2016		12, 16	Requirements for products and services information and labelling	Does not apply

GRI 417 - 2	2016		16	Cases of non-compliance related to products and services information and labelling	Does not apply
GRI 417 - 3	2016			Cases of non-compliance related to marketing communications	Does not apply
<b>GRI 418. CUSTOMER PRIVACY</b>					
GRI 418 - 1	2016		16	Justified complaints concerning violations of customer privacy and loss of customer data	0
<b>GRI 419. SOCIO-ECONOMIC COMPLIANCE</b>					
GRI 419 - 1	2016		16	Non-compliance with social and economic laws and regulations	0

