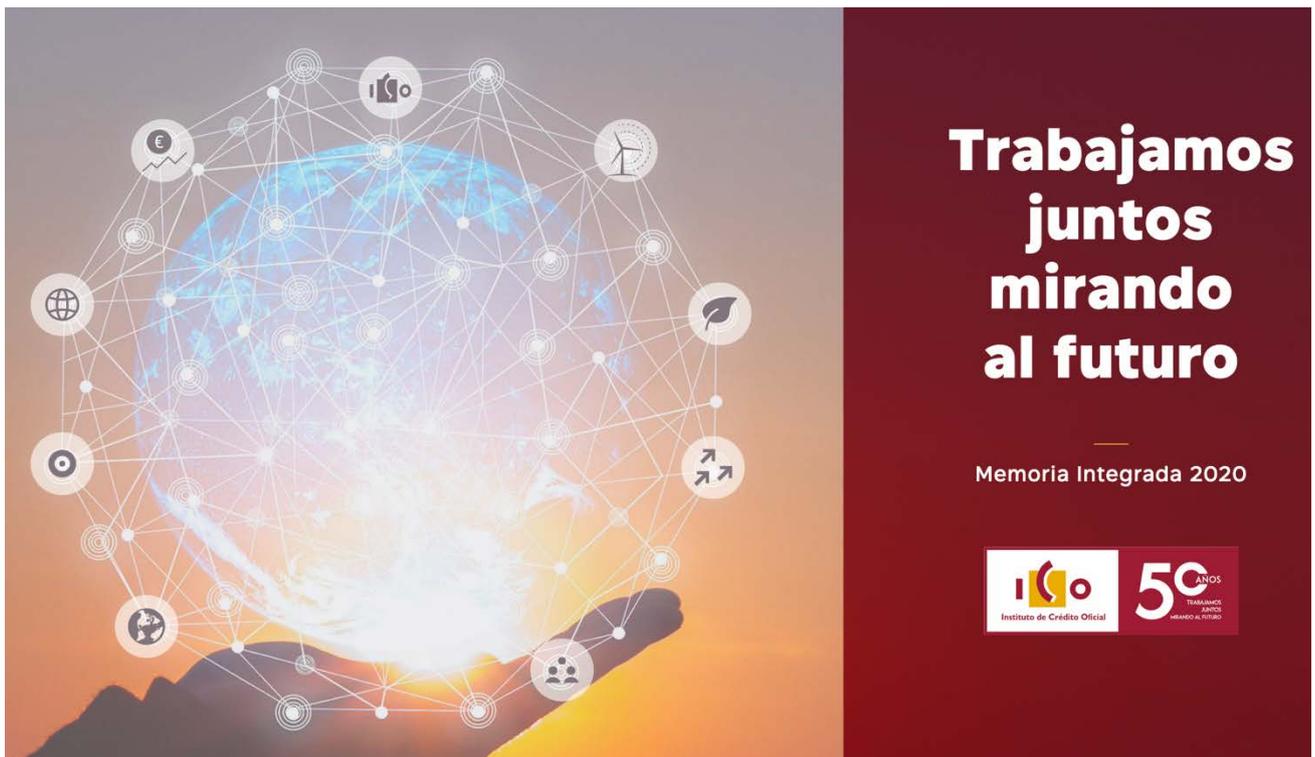


INSTITUTO DE CRÉDITO OFICIAL (ICO)

Integrated Report 2020

Executive summary





EXECUTIVE SUMMARY - INTEGRATED REPORT 2020

The Integrated Report 2020 "Working together, looking to the future" contains information on the economic, environmental, social and corporate governance performance of the ICO Group during the financial year 2020, in a single document that includes the Corporate Governance Report, the Global Compact Progress Report, the Social Responsibility Report and the Annual Activity Report.

The 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.

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The full content of the Integrated Report 2020 is public and accessible on the ICO website. The content of the document is summarised below, highlighting the most relevant aspects.



1. Chairman's Letter

Working together, looking to the future

"2020, marked by the COVID-19 health crisis, has been one of the most complex years in our recent history. It has been an unprecedented challenge and an opportunity to prove our ability to overcome difficulties by working together and joining forces with the public and private sectors, companies and workers.

This willingness to work together has defined ICO's work in 2020, where the effort, dedication and professionalism of our team has played a decisive role in helping the Institute to help finance hundreds of thousands of companies and the self-employed."



2. Highlights

Activity: 2020 has been a year conditioned by the global health crisis caused by COVID-19, in which ICO has played a **crucial role as a State financial agent**, focusing efforts to deploy and effectively manage the Guarantee Lines approved by the Government to help mitigate the economic and social impact of the pandemic.

As a lending institution, ICO's balance sheet grew by 8.1% over 2019, lending more than 21 billion euros, up almost 3%.

Along with mobilising resources for the COVID Guarantee Lines, ICO **issued a new 500 million euro social bond "COVID-19 Response Bond"** and financed the purchase of materials for the manufacture of 5,000 respirators in a joint initiative of the Ministry of Industry, Trade and Tourism and the Ministry of Health. It also launched a 500 million euro green bond issue, completed its **accreditation process as an Implementing Partner of the European Union** and stepped up financing for sustainable projects aimed at boosting the economy's green and digital transition.



initiative.

Governance: In 2020 we approved the **Sustainability Policy**, cementing the integration of sustainability in the organisation and activity of the ICO Group.

We have also approved a **new version of the Environmental Policy** and have implemented an **environmental management system** based on the principles and requirements of ISO 14001.

Equality: The ICO Group's 2nd Equality Plan came into force in 2020.

Parity was achieved in the General Board and in the governance structure.

ICO joined the manifesto **#DondeEstánEllas (#WhereAreThey?)**, a European Parliament

3. The ICO Group's role in the COVID-19 health crisis



Measures adopted by the State with an impact on ICO's activity

Mobility restrictions implemented globally to contain the spread of the virus had a significant impact on economic activity in 2020. The government adopted exceptional measures to reduce the negative effects of the health crisis on the activity of the self-employed and companies, which were implemented and managed by ICO.

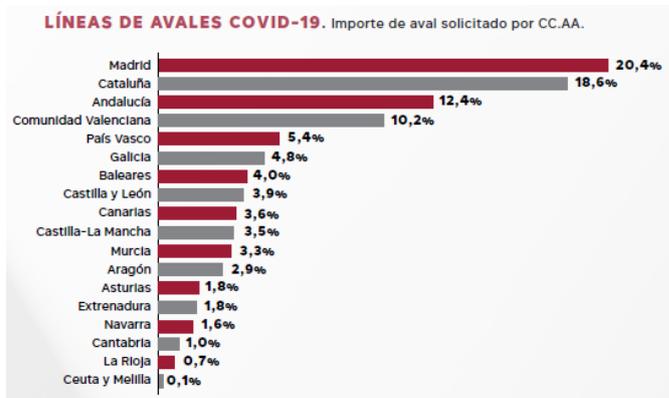
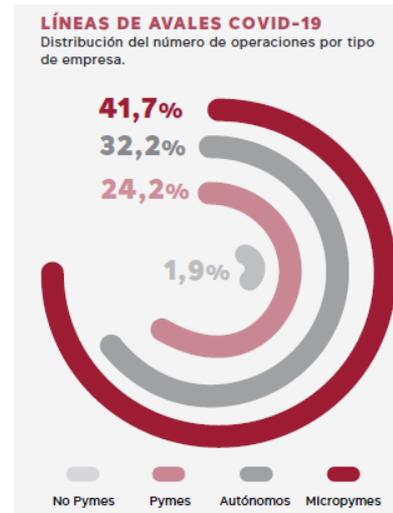
The rapid and efficient implementation of these measures, with the significant management effort required by a particularly difficult and urgent situation, has demonstrated the success of an **unprecedented public-private partnership model**. The balance has been very positive in terms of utilisation of the lines, capillarity and capacity to offer effective financing solutions for companies and the self-employed.



Evolution of COVID Guarantee Lines. Main figures as of 31 December 2020.

As of 31 December 2020, 89 billion euros had been guaranteed for more than 611,000 self-employed persons and companies through almost 966,000 operations. 98% of the operations were concentrated in SMEs and the self-employed.

All sectors of activity have had access to guaranteed financing, especially those most affected by mobility restrictions. Companies in the tourism, leisure and culture sector accounted for 15% of the financing granted.



ICO's contribution as a National Promotional Bank

During 2020, ICO strengthened and made all its own business financing instruments more flexible to help mitigate the economic effects of the pandemic, underpinning economic recovery and encouraging the transition to a production model based on sustainability and digitisation.

There was a notable increase in direct financing through loans, credits, guarantees or purchases of corporate bonds, and with the launch of new programmes for the purchase of promissory notes and bonds issued on the Alternative Fixed Income Market (MARF), whose main objective is to meet the liquidity needs of companies as a result of the economic impact of COVID-19.

In the area of venture capital, ICO has also promoted various initiatives aimed at alleviating the economic effects of the health crisis:



- FOND-ICO Global, F.C.R. increased its resources by 2.5 billion euros in order to mitigate the impact of the crisis on start-ups and foster support for recovery based on sustainability, innovation and digitisation.
- FOND-ICOpyme, F.C.R. Launched the COVID Entrepreneurial Ecosystem initiative for 50 million euros, aimed at covering the liquidity needs of innovative technology-based companies with difficulties in accessing new rounds of financing.

4. The ICO Group and our business model



The ICO Group is made up of the Instituto de Crédito Oficial, E.P.E., Axis, a venture capital company, and the Fundación ICO. ICO, the Group's parent company, accounts for 99% of the Group's consolidated balance sheet.



The Institute's activity as a whole is based on **collaboration with the private sector**, with extensive experience with the banking sector in both ICO Second-Floor Facilities and direct syndicated loans. In this way, ICO helps to provide financing for viable business projects, supporting companies' growth, long-term investments and international activity.



To this end, ICO has a **comprehensive catalogue of financing products** aimed at all types of companies, designed to boost their activity both in Spain and in international markets, **with special emphasis on SMEs, the self-employed and entrepreneurs**. In addition, ICO promotes complementary financing to bank lending through its subsidiary AXIS.

Corporate financing is developed through ICO Second-Floor Facilities marketed by financial institutions and through direct corporate financing for investment projects carried out by large and mid-cap companies.



FINANCIACIÓN Y GARANTÍAS A EMPRESAS 2020

Distribución por modalidad (millones de euros y número de operaciones).

	FORMALIZACIONES		DISPOSICIONES	
	IMPORTE	Nº DE OPERACIÓN	IMPORTE	Nº DE OPERACIÓN
Líneas ICO mediación	3.549	35.295	3.348	35.296
Financiación directa	3.693	222	3.452	255
Total	7.243	35.517	6.799	35.551

At the end of 2020, ICO's credit balance in terms of stock represented 4.5% of all financing granted by the Spanish financial sector to companies with a term of over 1 year. In terms of flow of new operations to companies, the financing provided by ICO in 2020 accounted for approximately 2.1% of the system's total.

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 total amount of financing and guarantees drawn down to promote companies' international investment accounted for 38% of the total volume drawn down in 2020, totalling 2.59 billion euros. This financing was directed at both export activity and investment by Spanish companies in third markets, mainly in the EU, Latin America, the US and Canada.

The volume allocated in 2020 to finance activity in third markets has increased by more than 18% compared to 2019. Of the total volume drawn down, 1.345 billion euros related to mediation and the remaining 1.245 billion euros to direct financing operations.

As an **instrument of economic policy**, ICO, in support of the Spanish economy, acts in two ways:

- As a **channel for EU resources**, together with the European Commission, and Ministries, Local Public Administrations and their dependent bodies. By the end of 2020, ICO had contributed to channelling more than 1.9 billion euros to Spanish companies from the Juncker Plan, the European Fund for Strategic Investments, which represents around 15% of the total 12.157 billion euros provided by the European Investment Bank (EIB) in Spain.
- **As a financial instrument to implement government economic policy measures**, collaborating with Ministries, Autonomous Communities, Local Corporations and their dependent bodies to channel their resources to companies and thus facilitate the achievement of economic and sectoral policy objectives. In 2020 initiatives included the ICO-Thomas Cook line of guarantees with the State Secretariat for Tourism, collaboration with RED.ES on digitalisation under the Acelera Pyme Plan, the cultural and audiovisual agreement with RTVE to finance Spanish film productions, and financing with the EIB to promote social housing.

ICO **boosts complementary financing channels** through AXIS, its wholly-owned venture capital subsidiary. AXIS is one of the most dynamic operators in the sector in Spain, managing three funds registered with the CNMV (National Securities Market Commission), backed by ICO: Fond-ICO Global, F.C.R., Fond-ICOpyme, F.C.R., and Fond-ICO infraestructuras, F.I.C.C., in collaboration with the private equity and venture capital sector.

This collaboration is carried out through co-investments, never majority, with other agents and private funds, the main objective being the capitalisation and consolidation of companies in order to contribute to the recovery and transformation of the Spanish economy based on sustainability, innovation and digitalisation.

Through these investments, ICO catalyses and mobilises resources and private investments through private equity and venture capital funds towards companies of different sizes and development at different stages of the financing cycle, from the early stages: Incubation (Business Angels, Technology Transfer and Venture Capital) to Expansion, Growth and Debt Capital.

Throughout 2020, the following venture and private capital activity stands out:

- ICO increased the assets committed to Fond-ICO Global, F.C.R. by 2.5 billion euros to 4.5 billion euros, and the fund's investment term was extended to 2026 and its duration to 2034. It approved investments in 108 private funds for 2,266 million euros that will



generate a minimum investment of 8,892 million euros in Spanish companies. For each euro of public capital invested in Fond-ICO Global, F.C.R., private funds will invest a minimum of 3.9 euros in Spanish companies. The 2020 calls incorporate sustainability, digitisation and innovation criteria in the assessment of proposals.

- Fond-ICOpyme, F.C.R. launched the COVID-19 Entrepreneurial Ecosystem initiative, endowed with 50 million euros (extendable to 100 million euros) aimed at covering the liquidity needs of innovative technology-based companies. In addition, among others, Fond-ICOpyme, F.C.R. approved an investment of 5 million euros in Q-Impact, 15 million euros in October SME IV, the first fintech in which this fund has invested, enabling the ICO Group to position itself in crowdlending/crowdfunding platforms.
- Fond-ICO infraestructuras, F.I.C.C. formalised the investment of up to 15 million euros for the construction and operation of 4 photovoltaic plants in Spain, with the aim of contributing to national ecological transition targets.

As a State Financial Agency, ICO acts as manager of different funds and financial instruments, including the management of the different lines of guarantees set up as a result of the health crisis. As a Financial Agency, the Institute's functions are to formalise, manage and administer the activity of these funds, acting in the name and on behalf of the State. This means that the accounting records of its activity are kept separately from those of the Institute itself.



ICO has continued to **promote sustainability as the backbone of its strategy** and all its actions. Of particular note was the approval of the Sustainability Policy in the first quarter of 2020, demonstrating the ICO Group's commitment to sustainability and responsible management and establishing the framework for action governing all its activities. Therefore, this policy involves all areas of the organisation, providing a cross-cutting basis for management that is deployed in its active and passive actions, as well as in the internal organisation and in the forums in which it participates or in the agreements it enters into.

ICO plays a key role in developing a sustainable finance model that incorporates environmental, social and governance objectives into business decisions and mobilises resources to facilitate the transition to a future model of sustainable growth.

As other highlights of 2020, the ICO Group:

- with the support of the European Commission's Structural Reforms Support Service (SRSS), prepared the document entitled "Sustainable Finance Action Plan", the conclusions of which constitute a key element for incorporating sustainability into all of ICO's activities, laying the foundations for promoting, coordinating and contributing to the development of ICO's actions in the area of sustainability.
- It approved 2,760 million euros in financing operations linked to sustainable development projects and plans.
- It reached 4,550 million euros issued in sustainable bonds since 2015, divided into 7 issues of social bonds and 2 issues of green bonds.

5. Business Development



ICO's Lending Activity in 2020. ICO Second-Floor Facilities.

ACTIVIDAD DE LÍNEAS ICO DE MEDIACIÓN EN EL EJERCICIO 2020

Distribución por ejes de actividad (millones de euros y número de operaciones).

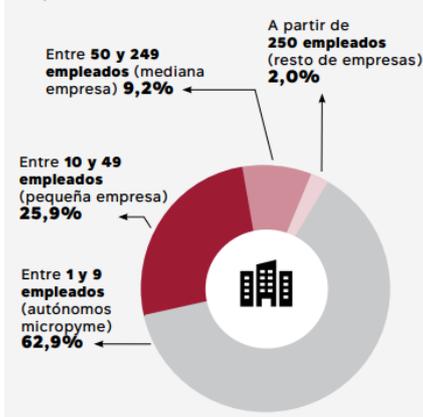
	DISPOSICIONES	
	IMPORTE	Nº DE OPERACIONES
Área de Empresas y Emprendedores	2.003	28.303
Área Internacional	1.345	6.993
TOTAL	3.348	35.296

LÍNEAS DE MEDIACIÓN 2020. IMPORTES DISPUESTOS

Contribución al desarrollo regional (millones de euros y %)



Distribución de operaciones por tamaño de empresa destinataria final (según número de empleados).



Capillarity: By size of company financed, 63% of operations in 2020 were aimed at micro SMEs, a percentage that rises to 89% if small companies are included.

Contribution to economic development and cohesion between territories: 56% of the volume channelled went to companies located in Autonomous Communities with a GDP per capita below the national average. Almost 40% was aimed at recipients located in regions with an unemployment rate above the national average.

Distribution by sector: The funds lent were broadly spread across sectors, with activity in the tourism, leisure and culture sectors, as well as in the food and beverage industry.

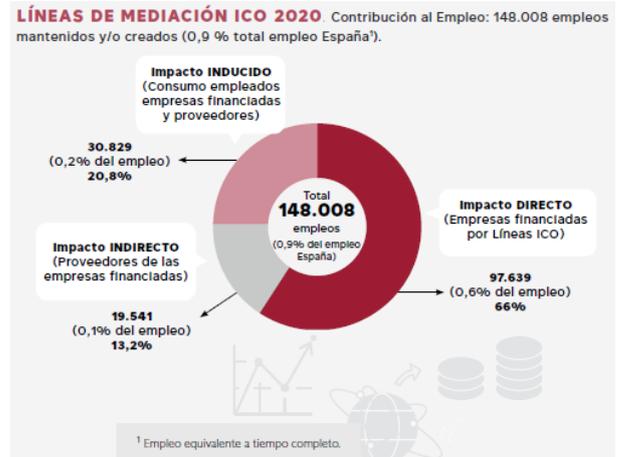
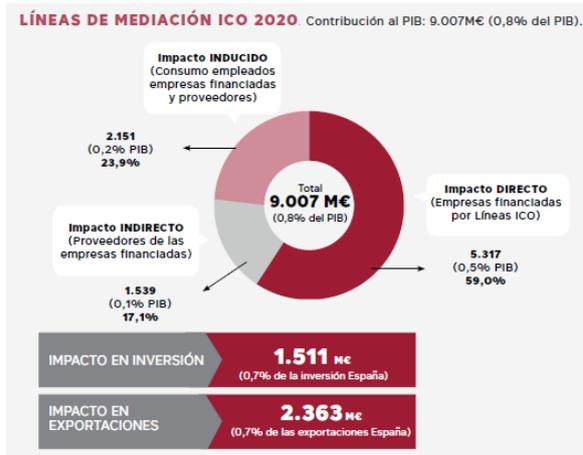
PRÉSTAMOS DE MEDIACIÓN FORMALIZADOS Y DISPUESTOS EN EL EJERCICIO 2020. Distribución por sectores de actividad (Importes y %/Importe total).

	IMPORTE	%/TOTAL
TURISMO, OCIO Y CULTURA	581	19,82%
INDUSTRIA DE LA ALIMENTACIÓN Y BEBIDAS	294	10,05%
DISTRIBUCIÓN COMERCIAL DE ALIMENTOS Y BEBIDAS	234	7,97%
AGRICULTURA, GANADERÍA Y PESCA	233	7,95%
METALURGIA Y OTROS MATERIALES	227	7,74%
BIENES DE EQUIPO Y PRODUCTOS INDUSTRIALES	222	7,57%
TRANSPORTE Y LOGÍSTICA	169	5,77%
CONSTRUCCIÓN E INFRAESTRUCTURAS	163	5,55%
SERVICIOS EMPRESARIALES, PROFESIONALES Y ADMINISTRATIVOS	121	4,11%
INDUSTRIA Y SERVICIOS DE LA SALUD	113	3,84%
BIENES DE CONSUMO	104	3,55%
INDUSTRIA QUÍMICA	81	2,77%
AUTOMOCIÓN Y MATERIAL DE TRANSPORTE	76	2,59%
INDUSTRIA TEXTIL Y MODA	68	2,33%
SERVICIOS INMOBILIARIOS	63	2,15%
TIC	44	1,52%
INDUSTRIA DEL PAPEL, MADERA Y SERVICIOS DE IMPRESIÓN	38	1,30%
MEDIO AMBIENTE	37	1,26%
ENERGÍA	30	1,02%
EDUCACION	20	0,70%
INDUSTRIAS EXTRACTIVAS	13	0,44%
TOTAL	2.931	100,0%

No incluye actividad de ICO Canal Internacional.



Impact of ICO Facilities on the Spanish economy, contribution to GDP and employment.



ICO's Lending Activity in 2020. Operations formalised directly by ICO

ICO complements its second-floor lending activity by offering a wide range of financing solutions and guarantees to promote corporate operations and large investment projects in Spain or abroad when there is Spanish interest. In these operations, ICO assumes the credit risk of the final recipient.

Priority sectors are infrastructure, energy, engineering, environment and tourism based on the principles of sustainability, innovation, digitalisation or positive social impact.

Acquisitions of bonds and promissory notes

In 2020, ICO has maintained its traditional direct lending and guarantee activity with other alternative financing models:

- ✓ Purchase of corporate bonds issued by Spanish companies certified as responsible issuers or listed in sustainability indices, providing financing to undertake their medium and long-term investment plans
- ✓ Purchase of project bonds linked to large infrastructure financing operations.
- ✓ Purchases of corporate bonds and promissory notes issued on the MARF to provide medium-sized companies with access to financing for their short- and medium-term liquidity needs.

ADQUISICIONES DE BONOS Y PAGARES DE EMPRESA 2020

MODALIDAD	IMPORTE EFECTIVO (MILLONES DE €)	Nº OPERACIONES	Nº EMPRESAS
BONOS CORPORATIVOS	195	6	5
BONOS PROYECTO	46	2	2
BONOS MARF	42	4	4
TOTAL BONOS	284	12	11
TOTAL PAGARÉS MARF	624	122	26
TOTAL BONOS Y PAGARÉS	908	134	37

Direct Financing to Companies



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

FINANCIACIÓN DIRECTA A EMPRESAS 2020.
Distribución geográfica por destino de la inversión (millones de euros).

	IMPORTE DISPUESTO	% TOTAL
Inversión nacional	2.207	63,9%
Inversión Internacional	1.245	36,10%
TOTAL	3.452	100%

FINANCIACIÓN DIRECTA A EMPRESAS 2020. IMPORTE DISPUESTO.
Distribución por sectores de actividad (importes y % total)

	Importe Mill €	%/TOTAL
TURISMO, OCIO Y CULTURA	550	21,7%
CONSTRUCCIÓN E INFRAESTRUCTURAS	497	14,3%
ENERGÍA	465	13,5%
SERVICIOS EMPRESARIALES, PROFESIONALES Y ADMINISTRATIVOS	386	12,8%
MEDIO AMBIENTE	343	11,6%
TRANSPORTE Y LOGÍSTICA	302	10,7%
DISTRIBUCIÓN COMERCIAL DE ALIMENTOS Y BEBIDAS	270	4,9%
TIC	243	3,3%
METALURGIA Y OTROS MATERIALES	140	2,1%
AUTOMOCIÓN Y MATERIAL DE TRANSPORTE	115	1,7%
INDUSTRIA QUÍMICA	72	1,3%
INDUSTRIA TEXTIL Y MODA	27	0,7%
BIENES DE CONSUMO	16	0,6%
INDUSTRIA Y SERVICIOS DE LA SALUD	15	0,5%
BIENES DE EQUIPO Y PRODUCTOS INDUSTRIALES	7	0,2%
SERVICIOS INMOBILIARIOS	3	0,1%
INDUSTRIA DE LA ALIMENTACIÓN Y BEBIDAS	2	0,06%
TOTAL	3.452	100,0%

Impact of ICO's direct financing on the Spanish economy, contribution to GDP and employment.



Boost to Complementary Financing channels

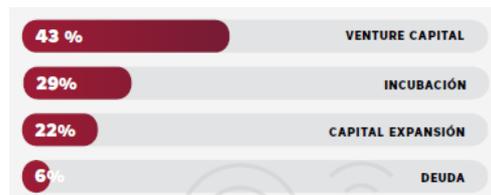
AXIS manages 5.15 billion euros through its three funds that invest across all stages of the investment cycle of companies and/or projects.

FOND-ICO GLOBAL. (millones de euros).

Convocatorias	Fondo Objetivo	Volumen objetivo inversión en España	Compromiso FOND-ICO Global
Diciembre 2013	685	660	189
Mayo 2014	3.785	665	248
Noviembre 2014	4.125	668	194
Marzo 2015	756	573	124
Noviembre 2015	671	606	121
Junio 2016	668	272	71
Octubre 2016	727	659	157
Mayo 2017	1.041	625	161
Noviembre 2017	7.594	818	159
Julio 2018	1.287	535	145
Mayo 2019	830	676	166
Febrero 2020	1.676	911	203
Diciembre 2020	3.400	1.224	329
TOTAL	27.245	8.892	2.266

Fondlco Global F.C.R.

This fund mobilises around 8.9 billion euros to invest in companies in Spain. 28% of these funds are international, making it an instrument that attracts large amounts of foreign capital to Spain. In terms of the distribution of investment by fund category, venture capital stands out with 43% of the total.



Fond-ICOpyme F.C.R.



FOND-ICOpyme, F.C.R. has assets of **250 million euros**. The initiatives developed in this fund promote complementary financing to bank financing, allowing participation, based on objective criteria, in strategic activity segments (sustainability) and types of financing (crowdfunding, crowdlending, business angels), providing greater flexibility and reducing the material and management costs of certain investments. In addition, it supports companies that have reached a certain level of maturity and wish to finance their expansion and/or growth process on an ad hoc basis.

Since its inception, the fund has participated via capital and participating loans in over **112 funds** and/or companies for an amount exceeding **280 million euros**.



Fond-ICO Infraestructuras F.C.R.

It aims to invest in sustainable infrastructure projects directly or through other investment funds in Spain and abroad with Spanish companies. The fund started its activity in 2019. Through equity holdings, subordinated debt and participating loans, it invests in transport, energy and environmental infrastructure and social infrastructure. Its shareholding is always in the minority, which means it has no actual control of the company, excluding those projects included for the purposes of public administration debt and deficit. The fund's duration is 22 years, extendable for a period of 5 additional years by decision of the management company.

Among other investments, it finances highways, roads, rail networks, ports, airports, energy distribution networks, sustainable generation or renewable energy, hospitals and educational and judicial services infrastructure.

FOND-ICO INFRAESTRUCTURAS II, F.I.C.C.	
Cartera de inversiones formalizadas. Saldo a diciembre 2020 (millones de euros).	
	IMPORTE
Inversiones en otras entidades de capital riesgo (suscrito)	100
Préstamos	24
Inversiones en capital (acciones y participaciones)	9
TOTAL	133

Purchases of Asset-Backed Securities

In 2020, ICO invested in 5 asset-backed securities for an amount of 303 million euros. One of the investments in which we participated was a unique operation with a leading national corporate assignor in its sector, which managed to finance part of its concession business with the issue of asset-backed securities listed on the MARF. Due to the nature of the fund's assets, the bonds subscribed in this operation are considered as Green Bonds.

Activity as an instrument of economic policy. Management of European Union Funds

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

Furthermore, in recent years ICO has been collaborating with the European Investment Bank (EIB), the European Investment Fund (EIF) and other European institutions in channelling EU funds to Spanish companies' projects.

ICO has a long history of collaboration with the EU and its institutions. The volume of financing mobilised by ICO under the Investment Plan for Europe (known as the Juncker Plan) amounted to 1.9 billion euros. This figure represents almost **15%** of the total **12,157 million euros** allocated by this initiative to projects in Spain.



ICO also managed the presentation of sustainable mobility projects by Spanish companies, in collaboration with MITMA, in the Connecting Europe Facility programme. In 2020 the European Commission confirmed the approval of CEF grants for 5 projects funded and processed by ICO in 2019 as an Implementing Partner. In addition, in 2020, the Institute continued to support projects considered eligible for this grant and submitted 8 new proposals to the Commission in which ICO has participated with financing of over **200 million euros**.

Operations managed on behalf of the State

Al final del ejercicio 2020, los volúmenes gestionados por el ICO como Agencia Financiera ascendían a casi 281.100 millones de euros, incluyendo 89.000 millones de euros de volumen avalado por el Estado a través de las líneas de avales COVID-19 y 192.089 millones de euros derivados de la gestión de otros instrumentos públicos en un triple ámbito de actuación:

SALDOS GESTIONADOS POR CUENTA DEL ESTADO (millones de euros).	
Datos a 31 de Diciembre	
	2020
Fondo para la Financiación de las Comunidades Autónomas (FFCCAA)	178.865
Líneas de avales del Estado COVID-19 (volumen avalado)	89.003
Fondo para la Financiación de las Entidades Locales (FFEELL)	6.312
Fondo para la Internacionalización de la Empresa (FIEM)	3.848
Contrato de Ajuste Recíproco de Intereses (CARI)	2.631
Fondo para la Promoción del Desarrollo (FONPRODE)	422
Fondo de Cooperación para Agua y Saneamiento (FCAS)	11
TOTAL	281.092

Financing of companies' internationalisation

Among the financial instruments specialised in internationalisation, of note are ICO's Second-Floor Facilities focused on SMEs and smaller projects (ICO Exportadores, ICO Internacionalización and ICO Canal Internacional), as well as direct financing to companies through structuring, syndicated loans, project finance and bond purchases, aimed at midcaps and larger companies. ICO's role in international tenders, endorsements and guarantees is also of particular importance.

ICO Facilities: Of drawn down Second-Floor 2020, 40% euros) was financing abroad and Spanish



the total amount through ICO Facilities in (1,345 million aimed at investments promoting business's

export activity in 125 different countries. This financing has been granted through 7,000 operations to nearly 1,000 customers.

Of note in ICO's second-floor activity for internationalisation was the contribution of the ICO Canal Internacional facility, with 417 million euros drawn down, the main area of application of which is the LATAM Area. This product is distributed with the collaboration of international financial institutions that favour access to financing for Spanish companies in local markets.



ACTIVIDAD DE FINANCIACIÓN DIRECTA EN EL EJERCICIO 2020. Distribución por país destino de la Inversión (millones de euros).

	DISPOSICIONES	
	IMPORTE	%/TOTAL
PORTUGAL	338	27,1%
REINO UNIDO	177	14,3%
OTROS PAÍSES (*)	169	13,6%
MÉXICO	112	9,0%
CHILE	103	8,3%
ALEMANIA	80	6,4%
COLOMBIA	78	6,2%
FRANCIA	48	3,8%
ARGELIA	30	2,4%
EMIRATOS ÁRABES UNIDOS - DUBAI	28	2,3%
BARÉIN	18	1,5%
CANADÁ	13	1,0%
PARAGUAY	12	1,0%
ITALIA	10	0,8%
OMÁN	10	0,8%
PERÚ	8	0,6%
ESLOVAQUIA	8	0,6%
BRASIL	2	0,2%
TOTAL GENERAL	1.245	100,0%

(*) Se incluyen en este apartado las operaciones cuyas inversiones van destinadas a más de un país.

ICO's Direct Financing

In 2020, funds were drawn down in direct operations of loans, credits, guarantees and purchases of corporate bonds and MARF promissory notes for **3,452 million euros**, of which **1,245 million euros** were allocated to projects abroad, representing approximately **36%** of the total volume drawn down.

Acquisition of resources

In 2020 ICO updated its framework for issuing social bond focused on categories such as depopulation in "empty Spain", problems arising from natural or health disasters, social housing, public health, education, professional training or basic infrastructure.

In May 2020, ICO launched a new 500 million euro social bond issue to finance operations by the self-employed, SMEs and companies that contribute to alleviating the social and economic impact of COVID-19. ICO was the first Spanish issuer to carry out a public transaction aimed at alleviating the economic effects of the health crisis. The issue registered a demand of more than 3.5 billion euros, 7 times the amount of the transaction, and the largest over-subscription ever recorded in an ICO bond transaction.

In October 2020, ICO launched its second green bond issue for an amount of 500 million euros. The funds will finance projects carried out by Spanish companies that contribute to promoting ecological transition, one of the pillars of the Recovery, Transformation and Resilience Plan for the Spanish economy within the framework of the Next Generation EU programme.

In 2020, the impact reports corresponding to the social bonus and green bonus issued in 2019 have been published. The funds were used to finance 9,514 SMEs in disadvantaged regions of Spain, contributing to the creation or retention of 44,733 jobs, and 9 renewable energy projects were financed, which will help to avoid the emission of 315,101 tonnes of CO2.

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

These loans, due to their favourable conditions in terms of price, maturity and availability, make it possible to offer Spanish companies better financing conditions.

In 2020, agreements were signed with the Council of Europe Development Bank (CEB) for 300 million euros to finance Spanish SME projects that favour the creation and maintenance of employment. with the EIB for 1.5 billion euros to mitigate the economic and social impact of COVID-19 on Spanish companies.

6. Social Responsibility at ICO

At ICO, sustainability is a basic pillar of its activity, both in its asset and liability operations and in its internal management from the perspective of governance and Corporate Social Responsibility.



ICO's **Sustainability Policy**, reflects the coherence between the management of our operations and the needs of society and the environment. In addition, it establishes a general framework for action that is complemented by the rest of the internal policies that govern ICO's activity.



Responsible and Ethical Management

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

- ✓ Code of Conduct and Ethical Channel: no complaints were filed through the Ethical Channel in 2020.
- ✓ Internal Code of Conduct in the Stock Market: No breaches of the code of conduct were recorded in 2020.
- ✓ Policy for the Prevention of Money Laundering: In 2020 there was 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 72 employees from ICO and 6 from AXIS.
- ✓ Environmental Protection: in 2020 ICO approved a new Environmental Policy and an environmental management system based on the ISO 14001 standard.
- ✓ Human Rights: In 2020 ICO participated in the "Inter-ministerial Working Group on Internationalisation and Human Rights".

In 2020, ICO updated the analysis of its relevant material issues.

Communication for sustainable growth

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. In 2020, the commitment to transparency and information for our stakeholders has been redoubled in response to the health, social and economic crisis.

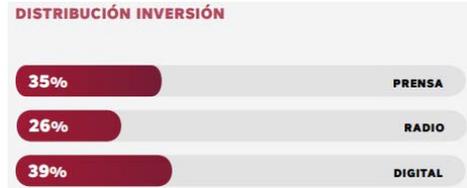
Advertising campaigns. "Working together, looking to the future" with the Guarantee Line, your company moves forward.



La campaña tuvo estos objetivos principales:



In 2020, taking into account the importance of the COVID-19 Guarantee Lines, ICO decided to focus its advertising activities on promoting these programmes through the press, radio and internet.



International advertising campaign “ICO Social and Green Bonds. Supporting Sustainable Growth in Spain”

To support ICO's role as a benchmark issuer in the capital markets and identify ICO as one of the leading issuers in sustainable financial markets through the issue of social bonds and green bonds.

The campaign included on-line and off-line advertisements in economic magazines, magazines specialised in the financial sector - with special attention to issues dedicated to sustainable financing - and the on-line part was promoted with presence in specialised information terminals and international economic websites. Special emphasis was placed on the European and Asian markets.

On-line communication channels



ICO newsletter.

10 newsletters were published and distributed to ICO's contact database (about 360,000 contacts), with an opening rate of 35%. On the website, the Newsletters received 99,302 visits (119% more than in 2019).



Newsletter for investors:

Published quarterly in English, it is published on the website and emailed to ICO's investor database (over 1,500 records).



Social Networks: Twitter @ICO / YouTube channel / LinkedIn pages

In 2020, 1 out of 4 tweets was about the ICO COVID-19 Guarantee Lines. Information on sustainable finance #ICOSustainableFinance was also boosted.

The number of Twitter followers increased by 19.5%. In 2020, 2,303,000 impressions were recorded, an increase in visibility of 422.81%



Web page

In 2020 it received 2,047,087 visits, 269.38% more than the previous year. On 1 April, the highest number of visits was received during the start-up period of COVID Guarantee Lines, 56,258, 1,034.69% higher than the 2019 peak, demonstrating the usefulness of the ICO website as an information system for society in general.

Los contenidos más visitados fueron los relacionados con:

- Las Líneas ICO, y en concreto, la Línea ICO Empresas y Emprendedores ocupa el primer puesto en el ranking de páginas más visitadas, con 1.362.206 visitas y un 20,84% del total de visitas a la web. Este dato significa un 59,45% más que en el año anterior.
- La Línea ICO Avales ha registrado 591.878 visitas en su estreno desde marzo como nueva sección en la web corporativa de ICO. En porcentaje, esta página ha concentrado el 9,05% del total de visitas a la web en 2020.

Off-line Communication Channels



Press Releases

In 2020, 57 press releases (19% more than in 2019) were issued by ICO itself and a further 43 joint press releases in coordination with other institutions.



Information Conferences

In 2020 ICO took part in a number of webinars mainly to explain the Guarantee Lines, characteristics and requirements. ICO took part in 101 conferences as a speaker (in person and online), organised in collaboration with various institutions, sectoral associations and collaborating agents, covering the entire national territory.



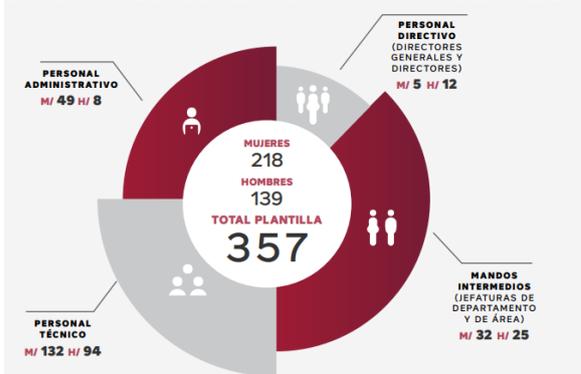
Fair attendance

In 2020 ICO participated in two fairs, Forinvest in January and Imex Madrid in February, both aimed at the self-employed, business people, entrepreneurs and investors.

7. Human Resources and Diversity Management

ICO's most important asset is its human and intellectual capital, committed professionals who drive the organisation every day towards achieving its mission in an environment of collaboration and trust. The ICO Group's commitments to its staff are set out in the Sustainability Policy approved in 2020.

DISTRIBUCIÓN DE LA PLANTILLA POR GRUPOS PROFESIONALES Y GÉNERO



The high specialisation of the products and services offered by ICO Group entities is reflected in the distribution of staff by professional group. 63.3% of the workforce is in the professional group Technical Staff.

93% desarrolla sus funciones en el **ICO**.

5% pertenece a **AXIS**.

2% desarrolla sus funciones en la **Fundación ICO**.



DISTRIBUCIÓN DE LA PLANTILLA POR GRUPOS PROFESIONALES Y GÉNERO



DISTRIBUCIÓN DE LA PLANTILLA POR TIPO DE CONTRATO



ICO has drawn up a **wage register** at the end of 2020, and the data show that there are no significant differences in wages between men and women within each group.

The ICO Group's commitment to **conciliation** reflects an effort to ensure the well-being of the people who make up ICO, our main source of value. ICO has been certified as a Family Responsible Company by Fundación Masfamilia since December 2014, in accordance with the EFR 1000-1 standard.



Equality

In terms of female representation in governing bodies, it is worth noting the parity achieved in ICO's General Board (60% women and 40% men) and in the governance structure considering the Chairman, Senior Management and General Board (44% women and 56% men).

In 2020, it is worth highlighting the entry into force of the 2nd Equality Plan, approved at the end of 2019, and the implementation of actions in the seven areas that make up the Plan. Of the 45 measures, 33 have been implemented (73% of the 2nd Plan). In addition, ICO's adherence to the Manifiesto #DóndeEstánEllas (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. In 2020, the ICO Group was represented by women in 44% of the events in which the ICO Group participated as a speaker.

The **occupational health and safety** of staff is a fundamental issue for the ICO Group and a key issue in the context of the COVID-19 situation. In 2020 ICO approved a COVID-19 action protocol that has been certified by AENOR in 2021. This certification explicitly includes ICO, AXIS, Fundación ICO and Museo ICO.

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.

GRUPOS PROFESIONALES	TOTAL	♀	♂
PERSONAL DIRECTIVO (PRESIDENTE, DIRECTORES GENERALES Y DIRECTORES)	305	81	224
MANDOS INTERMEDIOS (JEFATURAS DE DEPARTAMENTO Y ÁREA)	2.875	1.957	928
PERSONAL TÉCNICO	6.232	3.231	3.001
PERSONAL ADMINISTRATIVO	774	754	20

Nota: Los datos de horas de formación corresponden al ICO y a AXIS.

In 2020, 56% of all training hours were online, a 170% increase over the previous year as a result of the pandemic.

66% of investment in training was in languages, with the remainder in job-specific training, new technologies and skills.

8. Commitment to Society



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

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 internationalisation. ICO contributed 2,820,000 euros to Fundación ICO in 2020.

Museo ICO Art and Exhibitions Area

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 2020 to further consolidate the dissemination of this exceptional collection. 4 requests for temporary loans from the ICO Collections were dealt with in 2020. We also undertook a comprehensive review of the ICO Collections and implemented the usual preventive conservation actions.

Due to the restrictions of the COVID-19 pandemic, the Museo ICO was closed from 12 March to 9 June. During this period, digital educational activities were promoted under the slogan #culturaencasa (#cultureathome) and content sharing was intensified to raise awareness among the general public of the exhibition "Sáenz de Oiza. Artes y oficios" and the museum took part in virtual events such as International Museum Day.

In 2020, two exhibitions were held, "Sáenz de Oiza. Artes y Oficios" visited by 16,644 people and "Danny Lyon. The Destruction of Lower Manhattan" which received 11,129 visitors.

The reopening of the Museum incorporated educational activities and guided tours, subject to all COVID regulations. These include guided tours, family workshops, activities with schools, urban workshops for young people and for people with functional and cognitive diversity.

In the **area of economics**, it is worth highlighting the publication of the results of the research carried out with the UNED on Circular Economy and SMEs "The transition towards circular economy. Guide for SMEs". In addition, activity continued in the area of publications, with the launch of the annual editions of the Competition and Euro Yearbooks and two volumes of the Classics of International and Spanish Economic Thought collections ("James Tobin. Escritos escogidos" (Selected Writings) and "Memorial del Contador Luis Ortiz a Felipe II" (Memorial of the Accountant Luis Ortiz to Felipe II)).

Suppliers

In each procurement process, the ICO Group analyses the incorporation of environmental and social requirements in accordance with the purpose of the procurement.

In 2020, 45 tender processes were launched for the acquisition of goods and services for a total amount of 11.37 million euros, of which 76.1 % corresponded to the 15 tender processes subject to harmonised regulation. 14.62 million euros were paid to suppliers during fiscal year 2020.

Clients:



The ICO Group considers communication with our stakeholders to be one of the main tools for continuous improvement and for gathering information for designing our future lines of action.

Para la comunicación con los clientes, el Grupo ICO cuenta con tres canales:

La atención por escrito se realiza a través de la web corporativa (<https://www.ico.es/web/ico/contacto>), dónde los clientes tienen la posibilidad de pedir más información sobre los productos o expresar sus quejas o sugerencias. Esta herramienta permite, además, de conocer la actuación y la información que las oficinas de las entidades tienen de las líneas del Grupo ICO. Este instrumento también posibilita a los clientes obtener información sobre otras actividades del Grupo ICO que no están relacionadas necesariamente con los productos de financiación.

Existe un *call center*, gestionado por la firma Konecta, que se comunica con los clientes a través de llamadas telefónicas, la aplicación *Click to Call*, y a través de *Chat Web*, nuevo canal de comunicación con los clientes puesto en marcha en diciembre de 2020.

El Grupo ICO tiene implantado un servicio de atención presencial para dar cobertura a todos los clientes que deciden solicitar información o plantear sus quejas y sugerencias de manera directa en las instalaciones del Instituto.

CANAL DE ATENCIÓN		
	2020	2019
QUEJAS	1.493	136
PETICIONES DE INFORMACIÓN	12.402	765
SUGERENCIAS	32	8
ATENCIÓN PRESENCIAL	152	857
ATENCIÓN TELEFÓNICA	48.087	8.006
CLICK TO CALL	105	
CHAT WEB	92	-
TOTAL	62.211	8.915

Requests for information in 2020 mainly concerned the Guarantee Lines. The average response time was 2.9 days for complaints and 2.25 for information requests.

By the end of 2020, almost all complaints and requests for information received had been answered.

9. Environmental Commitments

A Sustainability Policy was approved in 2020, with commitments to environmental, social and governance performance. In the case of environmental performance, ICO is committed to 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.

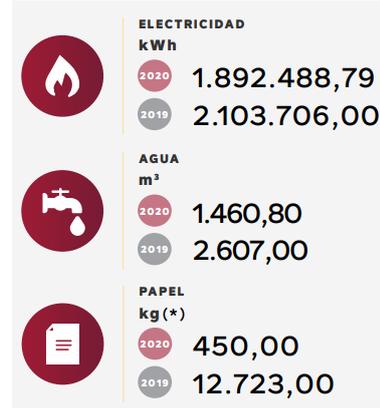
In 2020 ICO agreed to develop, implement and certify an environmental management system based on the ISO 14001:2015 standard. In November, the new Environmental Policy was approved in accordance with the requirements of the aforementioned standard and the process of implementation and certification began, which will be completed in 2021.



Sustainable use of natural resources

The reduction in consumption in 2020 is due to the measures implemented for confinement and off-site work.

The new environmental management system incorporates an indicator based on paper consumption in the year and not on purchases made.



Waste management

In line with the environmental management system, ecological islands are placed on all floors of the building, allowing waste to be sorted by product and material.

In 2020, bins were also placed around the premises for the collection and removal of COVID-19 masks to prevent environmental contamination.

Emissions

Since the state of emergency came into force, almost all business travel has been suspended, so the CO₂ emissions data for 2020 fell significantly.

