

2022

Integrated report

ICO Group



Instituto de Crédito Oficial

Contenido

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1 Letter from the President

ICO GROUP: Promoting sustainable growth

In 2022, the ICO Group has focused its activity on the implementation of the actions included in the ICO Group Strategy 2022-2027 while managing measures approved by the Government to strengthen corporate solvency and contribute to alleviate the impact generated by the Russian war in Ukraine.

There is no doubt that the financial period has been affected by the war's impact on energy and the supply of raw materials. The measures taken to reduce this impact, along with the positive evolution of the labour market, the significant upturn in activity in industries such as tourism and the dynamism of private consumption, have contributed to the resilience of the Spanish economy, maintaining the strong growth path it had registered in the previous year. In 2022, the GDP recorded a growth of 5.5%, exceeding the successive forecasts of various organizations'.

As part of the set of measures approved by the government in this context, in the second half of the year ICO implemented a guarantees line aimed at preserving the activity of companies that could be more directly affected by the economic effects of the war in Ukraine, such as the increase in the prices of energy, raw materials or electricity. It also continued to manage the COVID-19 Guarantee Lines, which expired in June 2022, and the various solvency-strengthening measures approved under these programmes.

The success of the Guarantees lines implemented since March 2020, which have mobilised more than €140 billion in public-private partnerships financing, has been instrumental in sustaining the business activity and employment, putting Spanish companies in a better position to consolidate their growth and undertake their digital and sustainable transition plans. At the ICO Group, we want to help companies face these challenges in the best possible conditions, and to achieve this we are innovating and acquiring new capabilities that allow us to offer the widest and most flexible range of financial instruments.



With the 2022-2027 Strategy, the ICO Group is committed to work towards boosting the growth of Spanish companies, promote their digitalisation process and accompany them in their transition towards more sustainable models, by aligning our activity with the Recovery, Transformation and Resilience Plan, the Next Generation EU Funds and the EU's Multiannual Financial Framework 2021-2027.

In this roadmap, we have defined action plans aimed at diversifying and expanding, in public-private collaboration, programmes to improve access to long-term financing for companies, especially SMEs, midcaps, the self-employed, entrepreneurs and social economy entities, so that they can increase their size and competitiveness, boosting their activity both domestically and in international markets.

The implementation of these plans is already yielding remarkable results. During 2022, ICO has pumped more than 5,000 million euros into the business network through its own financing programmes, an increase of 100% compared to the previous year.

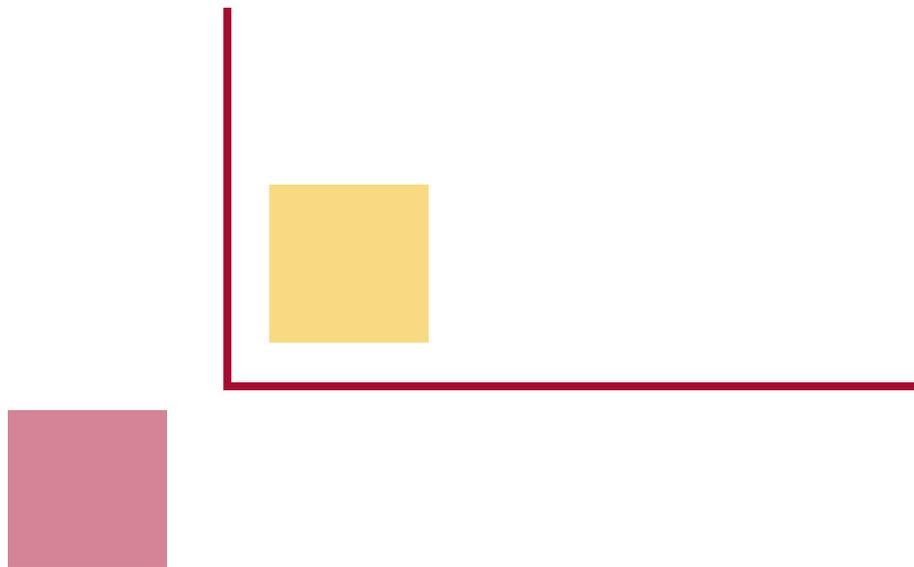
Thanks to the commitment and dedication of ICO Group's professionals (Instituto de Crédito Oficial, AXIS y Fundación ICO), the objectives set for 2022 have been achieved in all areas of activity, as detailed in the content of this Report, which has been prepared in accordance with the Ten Principles of the UN Global Compact - to which ICO Group has once again renewed its commitment - and the standards of the Global Reporting Initiative (GRI). The aim is to offer the highest standard of transparency, clarity and integrity on the economic, environmental and social impact of its activity as set out in the Law 11/2018.

Because beyond the figures, what truly reflects the identity and *raison d'être* of the ICO Group is the impact of the actions we carry out. For this reason, both ICO and AXIS have focused their activities in 2022 on the promotion of sustainable projects, both from a social and environmental point of view, in line with the 2022-2027 Strategy. With this in mind, it has participated alongside the private sector in operations that will mobilise an investment of more than €30.9 billion in projects to fight climate change, social and health infrastructure and the promotion of social rental housing, among others.

Also during 2022, ICO has consolidated its role as a benchmark issuer in the sustainable bond market, launching a green bond transaction and a social bond transaction. So far, ICO's green emissions have financed 30 projects that contribute to reducing more than 692,000 tonnes of CO2 emissions per year. The amount mobilised with social vouchers for more than 69,000 SMEs contributes to creating or maintaining more than 440,000 jobs. In addition, the funds raised in these activities have had other positive impacts, such as the creation of 300 job opportunities for disabled people, 81 social housing units, or contributed to the financing of a hospital with a radius of action to attend up to 339,494 patients, among others.

At the ICO Group, we have the responsibility to support SMEs in their transition process in terms of sustainability. The work carried out by the ICO Foundation stands out in this area with the implementation of various initiatives to provide training in sustainable finance and the circular economy.

I would also like to highlight in this letter the initiatives we have launched during 2022 to contribute to the implementation of the Recovery, Transformation and Resilience Plan, complementing with funding measures such as the Digital Kit or sustainable mobility programmes.



A special mention should be given to Fond-ICO Next Tech, a joint initiative of the ICO Group, through Axis, and the Secretary of State for Digitalisation and Artificial Intelligence, launched within the framework of the Recovery Plan to foster the development of innovative, high-impact digital projects and investment in growth companies (known as scaleups). This fund began its investment activity in February 2022, having approved investments in three funds amounting to €270 million during the year, which will mobilise more than €540 million in public-private partnerships.

The role of ICO in the implementation of the Recovery, Transformation and Resilience Plan is becoming more relevant (I write this letter in May 2023), being entrusted with channelling loans from the Addendum to the Plan. These funds will promote, in public-private collaboration, among others, investments by the self-employed and companies in renewable energies, energy efficiency and circular economy, supporting companies in their adaptation to the new framework of sustainability of the economy, and in the reinforcement of their competitiveness and access to new markets. They will also promote actions with a positive social impact such as the construction of rental housing.



This is a great opportunity. The implementation of the Recovery, Transformation and Resilience Plan and the channelling of the Next Generation Funds in collaboration with the private sector represent a unique opportunity to boost the dual green and digital transition, social and territorial cohesion and the generation of high-quality employment, and to consolidate the process of recovery and transformation of the Spanish economy. The ICO Group will continue to offer society its work and capabilities in order to contribute to this.



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Activity
in 2022

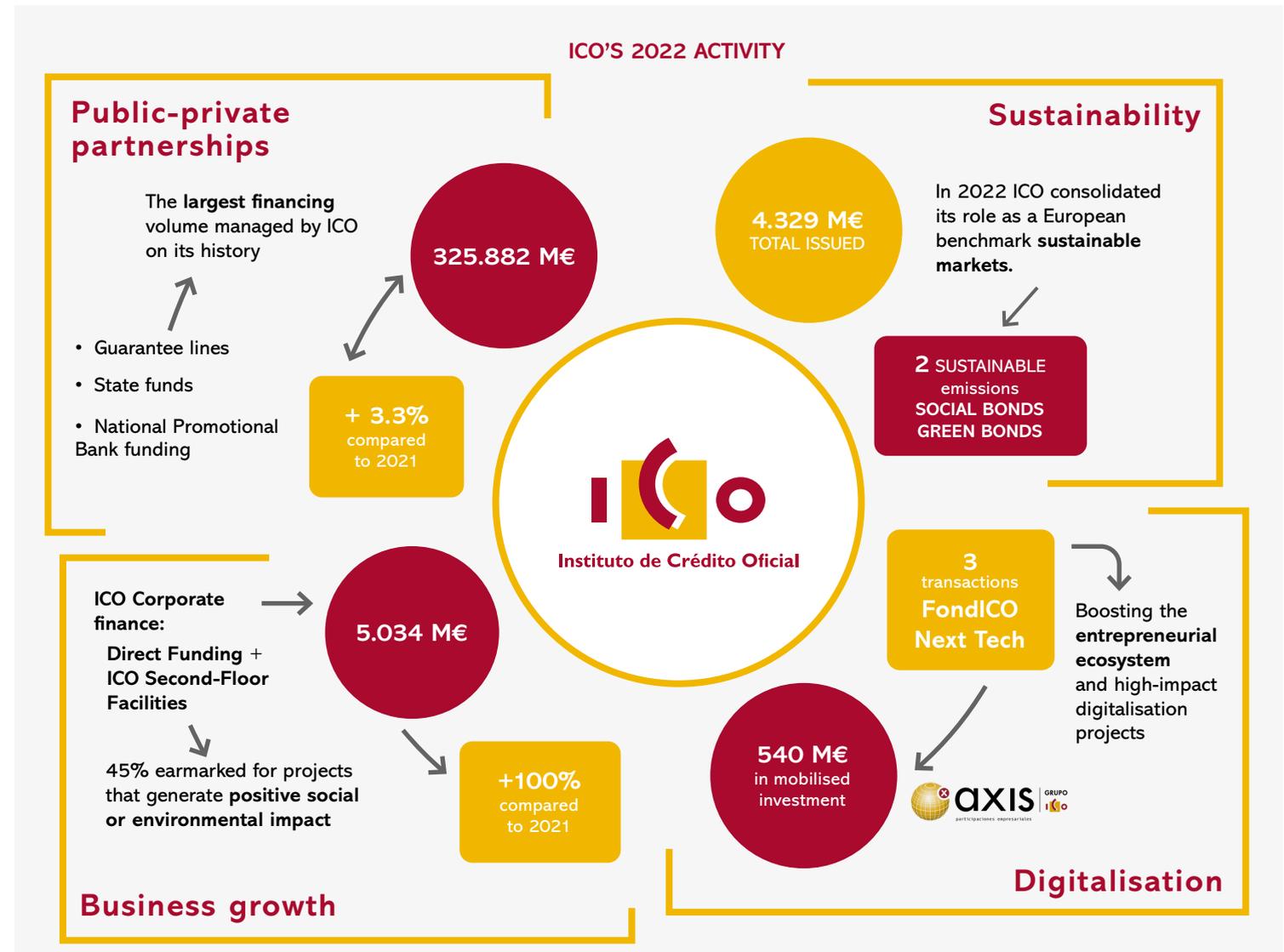
Activity in 2022

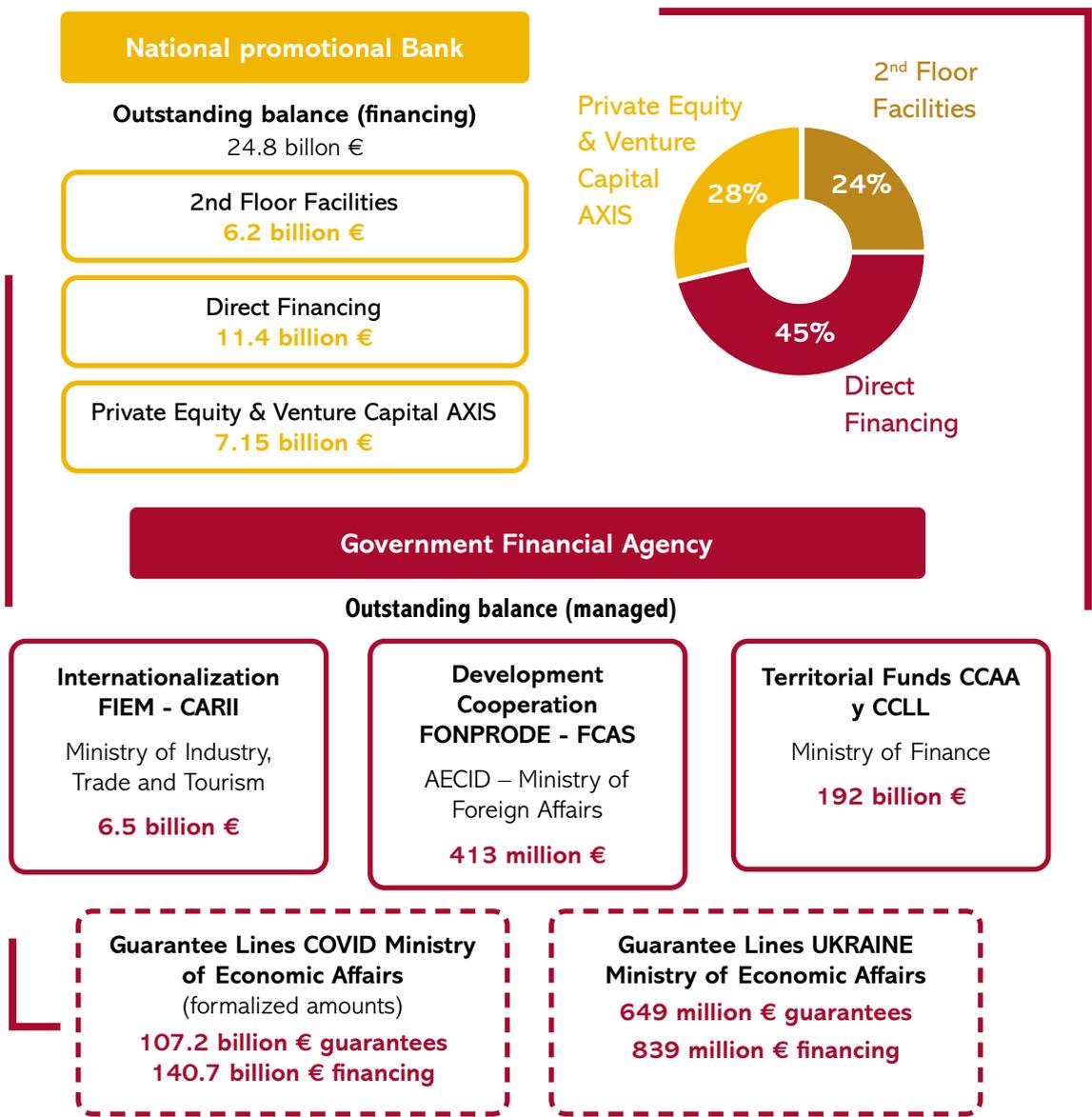
The ICO Group is made up of: The Official Credit Institute, (ICO), its private capital subsidiary AXIS and Fundación ICO.

The Official Credit Institute (ICO) -in its triple role as a national promotional bank, a financial instrument of economic policy, and a financial agency of the State- has focused its activity on mobilizing financing for the business fabric to strengthen its solvency and contribute to its growth, which has led to managing in 2022, 325,882 million euros in financing.

This volume, 3.3% higher than at the close of 2021, marks a new record in the history of ICO, propitiated by the financing mobilized with the Lines of Guarantees of the Ministry of Economic Affairs and Digital Transformation, other programs managed by ICO in its role as financial agent of the State, as well as the activity generated by the products that the Institute - charged to its balance sheet - makes available to the self-employed and companies to boost their activity and growth.

During 2022, ICO has continued working on the deployment and management of the measures approved by the Government to mitigate the impact generated by COVID-19 and the Russian war in Ukraine to strengthen business solvency and consolidate the recovery while maintaining its usual activity, improving and expanding its financing products to adapt them to the needs of the self-employed, SMEs and companies in the different scenarios.





Management of guarantees on behalf of the State

Of the total lending activity managed by ICO in 2022, 33% corresponds to the Lines of **Guarantees COVID-19 and the Ukraine Guarantee Line**.

The Lines of Guarantees-COVID19, approved by the Government through the Ministry of Economic Affairs and Digital Transformation to mobilize financing towards self-employed and Spanish companies and preserve their activity, have been in force until June 30, 2022, the date established by the EU Temporary State Aid Framework.

Thanks to an unprecedented public-private collaboration scheme, these programs have deployed **more than 107 billion euros in guarantees** that have mobilized **more than 140.7 billion euros** in financing through **more than 1,192,000 operations**, making it one of the most effective programmes in the European Union.

Ukraine Guarantee Line was launched by the Government in 2022 to channel financing to companies affected by the economic effects of the war in Ukraine, such as the increase in energy, raw materials, or electricity prices. The Line will be in force until December 2023, having mobilized **839 million euros** in financing through almost 4,000 operations in 2022

ICO financing: sustainability and business growth

In parallel with the State's management of the Lines of Guarantees, the Institute has continued to work to add value and complement these measures with its portfolio of products (charged to the ICO's balance sheet).

On-balance sheet lending on December 31, 2022, **stood at €17,651 million, an amount very similar to that of 2021** (€18,391 mill.).

During 2022, ICO mobilized **almost 5.05 billion euros** in all its financing modalities or programs for companies, an increase of 100% over the previous year, of which **45% is sustainable financing**.

Specifically, **the ICO second floor facilities** financed more than 12,300 operations for a total of **1,561 million euros**. This figure represents a 51% increase compared to 2021 and reflects a moderate recovery in demand for these products, which due to the exceptional circumstances in 2020 and 2021 caused by the COVID-19 crisis, had shifted towards the Lines of Guarantees.

These second floor facilities have been a benchmark in the public-private collaboration model for decades. The ICO designs the products and provides the funds, while the banks are responsible for marketing them, thus providing the capillarity that characterizes these programs.

In 2022, ICO focused its activity on the promotion of sustainable projects, both from a social and environmental point of view, in line with its **Strategy 2022-2027**, which establishes that **40% of all new financing in the reference period should be sustainable**, and within the framework of the Government's Recovery, Transformation, and Resilience Plan.

Thus, in the **direct financing** area, ICO approved operations amounting to **4,066 million euros (+48% concerning 2021)** with the direct financing programs for medium and large companies in collaboration with other financial institutions. Of this amount, **55% of the total**, some 2,223 million euros that will mobilize an investment of 15,931 million euros, will be allocated to **projects with environmental impact** (1,407 million to projects to combat climate change) **or positive social impact** (816 million euros).

In terms of stock, **ICO financing** through second floor facilities and direct loans represents **3.9% of the total financing granted by the financial sector** to companies for a period of more than 1 year in 2022.

In 2022, ICO continued to promote instruments so that companies can diversify the sources from which they obtain financing, offering different solutions linked to the acquisition of **project bonds and corporate bonds** issued by Spanish companies, prioritizing those certified as responsible issuers or listed on sustainability indexes. It has also continued its activity as an investor in the **Mercado Alternativo de Renta Fija (MARF)**, acquiring bonds and promissory notes of medium-sized companies to help cover their liquidity needs and promote their growth. In total, ICO has injected **1,557 million euros into the business network through these programs**.

It is also worth mentioning the activity carried out to broaden the focus of these actions to include smaller companies. In this sense, the participation and promotion by the ICO of the **Aquisgrán** fund stand out, endowed **with up to 150 million euros, a pioneering initiative in Europe** that finances SMEs through Reciprocal Guarantee Societies (SGR). The loans are guaranteed by the MGS and backed by ICO as an investor and the **EIF (European Investment Fund)** as a guarantor. At the end of 2022, the ICO had **subscribed to 83 million euros**.

In addition, ICO continues to be a **benchmark in promoting the international activity of Spanish companies** and actively contributes to the Strategy for the Internationalization of the Spanish Economy 2021-2027. In 2022 it injected €1,151 million (+10% concerning 2021) into the business fabric in loans, guarantees, and collateral to boost the expansion of Spanish companies in third markets.

AXIS: boosting the entrepreneurial ecosystem and high-impact digitalization projects

The range of financing that ICO makes available to the self-employed, entrepreneurs, SMEs, and companies is complemented by the activity carried out by AXIS, the venture capital subsidiary of ICO Group. During 2022, intense work has been carried out to promote the growth of companies and projects that combine innovation and entrepreneurship.

During this year, **Fond-ICO Next Tech**, a joint initiative of ICO and the Secretary of State for Digitalization and Artificial Intelligence (SEDIA) launched intending to mobilize up to 4,000 million euros in public-private collaboration to promote the development of high-impact innovative digital projects and investment in growth companies (scale-ups), has been particularly promoted.

In 2022, ICO approved the participation of Fond-ICO Next Tech in three operations, which already reach a public investment of €270 million that will mobilize investments in public-private collaboration in Spain of at least €540 million in digital companies and projects.

In addition, Fond-ICO Next Tech's participation in the European Tech Champions Initiative (ETCI) was approved, in which Spain will contribute €1 billion to a new European fund that will provide financing to the most innovative start-ups in Europe to create an entrepreneurial ecosystem that will enable the development of cutting-edge projects with global potential.

During 2022, the 15th call of **Fond-ICO Global** has also been carried out for an amount of 410 million euros, having been selected 7 funds (out of a total of 23 funds presented), including venture capital, incubation, and technology transfer and expansion funds.

In the 15 calls resolved up to 2022, investments amounting to 3,427 million euros have been approved, which may mobilize 11,500 million euros in collaboration with private investors toward companies and projects in Spain.



Axis acts in a public-private partnership with the venture capital sector in all areas of activity. It currently has commitments to manage up to 9 billion euros in its four funds: Fond-ICO Global, Fond-ICO Next Tech, Fond-ICO Pyme, and Fond-ICO Sustainability and Infrastructure. These commitments will enable a joint mobilization of public and private resources of more than €18 billion over the next five years, depending on the private sector's capacity to absorb resources and materialize projects.

ICO: Sustainable bond benchmark issuer. Bond impact

ICO issues debt in the capital markets to carry out its corporate financing activity. In 2022, ICO raised medium and long-term funds in the amount of **€4,329 million**.

The highlights of the year were two public transactions in a sustainable format. On the one hand, in May, ICO launched its **fourth green bond** amounting to 500 million euros, and in September, its **ninth social bond** for the same amount. With these two operations, ICO reinforced its role as a benchmark in the European sustainable bond market.

Impact of ICO sustainable bonds.

ICO undertakes to report on the impact generated by the funds used to finance projects on the first anniversary after the issuance of a sustainable bond, whether in social or green format. Currently, it has already published the report of the first eleven operations.

In the case of the first eight social bond issues, more than **69,000 microenterprise and SME projects** have been financed, generating and/or maintaining **nearly 445,000 jobs**. In addition, the funds raised in these issues have had other positive impacts, such as the creation of 300 job opportunities for disabled people, 81 social housing units, or contributed to the financing of a hospital with a radius of action to attend up to 339,494 patients, among others.

The first three green bonds have financed **30 projects** in the category of renewable energies and clean transportation of Spanish companies, which have mobilized an investment of approximately 13,000 million euros and will avoid the emission of more than 692,000 tons of CO₂ per year.

Recovery, Transformation, and Resilience Plan

In 2022, ICO has worked to contribute its know-how and capacity to generate new products, together with the corresponding Ministries and agencies, to the deployment of initiatives included in the Recovery, Transformation, and Resilience Plan, to boost the green and digital transition of the Spanish economy.

Specifically, in 2022 ICO launched several initiatives in collaboration with other Ministries and agencies: a line of financing has been launched in collaboration with **MAPA-SAECA** to support economic sectors affected by drought and other climate risks; with **Red.es** a line to complement the **Kit Digital** grants; and it has collaborated with the Ministry of Transport, Mobility and Urban Agenda (MITMA) in programs that complement the Recovery Plan grants to finance sustainable **mobility plans** (1. 460 million available) and **housing rehabilitation** that improves the energy efficiency of residential buildings (financing line of 2,200 million euros with a 50% guarantee coverage through bonding entities for homeowners' associations and individuals).

The role of ICO Group in the deployment of the Recovery Plan will focus on channeling **19,000 million euros in loans from the Addendum** presented by the Government, which will serve to promote investments by the self-employed and companies in renewable energies, energy efficiency, and the circular economy, which will also consolidate the development of sustainable finance in Spain. In this way, companies will be supported in their adaptation to the new framework of sustainability of the economy and the reinforcement of their competitiveness and access to new markets.

ICO as a channel for EU funds

Since ICO obtained accreditation as an **“Implementing Partner”** for the delegated management of European Commission funds in 2020, it has been working hard to provide Spanish companies with the best options for accessing EU initiatives.

Of particular note are the actions carried out in the **CEF-T Program (Connecting Europe Facility Transport)**, which promotes the participation of private sector investors and financial institutions in projects that contribute to the environmental sustainability and efficiency of the transport sector in Europe. ICO studies the projects and submits them to the European Commission, complementing the subsidies received by the companies from the European Commission with its financing (blending scheme).

In the first call of this program, ICO -in collaboration with MITMA- managed the presentation and financed ten projects from Spanish companies, which were awarded **32 million euros** in European subsidies and mobilized a **total investment of 263 million euros**, including hydro-generators for urban transport and electric vehicle charging stations, among other investments.

The second call, which runs until September 2023, is currently open for the development of alternative fuel infrastructure projects for transport.

In addition, ICO has recently signed an agreement with the European Commission within the framework of the **“InvestEU” guarantee program** to channel ICO financing of up to 150 million euros for investments in infrastructures that promote the green transition throughout Spain.



Fundación ICO

Fundación ICO has continued promoting culture and knowledge through its two main axes of action, which are, on the one hand, the promotion and dissemination of knowledge in the field of Economy and Finance and, on the other, the promotion of Art and sustainable architecture, always with an international approach. During 2022, numerous activities have been carried out such as exhibitions at the ICO Museum, training programs, publications and collaborations with other institutions.



3

Non-financial information statement

The text reproduced below consists on The Statement of Non-Financial Information forms part of the management report of the consolidated annual accounts of the ICO Group and therefore follows the same approval procedure, i.e., it is drawn up by the Chairman in March each year and subsequently approved by the Operations Committee, the highest governing and management body of the ICO Group, and endorsed by the General Council in its capacity as the Institute's highest governing body.

The content of the Non-Financial Information Statement of the ICO Group that was formulated on March 28, 2023 within the management report of the Consolidated Annual Accounts and approved by the ICO General Council on April 20, 2023 is reproduced below.

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

1

The ICO Group, its strategy and environment

1.1 Composition

The ICO Group is made up of:



Instituto de Crédito Oficial, Entidad Pública Empresarial (ICO)



AXIS Participaciones Empresariales, S.G.E.I.C., S.A., S.M.E. (hereinafter referred to as AXIS), a company wholly owned by ICO



Fundación ICO, whose sole sponsor is ICO.

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 Institute, the Group's parent company, accounts for 99% of the Group's consolidated balance sheet.

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

1.2 Nature and functions



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.

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

INSTITUTO DE CRÉDITO OFICIAL, CORPORATE STATE-OWNED ENTITY (ICO)

NIF (Tax ID): Q-2876002-C

Paseo del Prado, 4

28014 MADRID

www.ico.es Twitter @ICOGob



Mission

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



Vision

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

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



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

Functions

According to its Statutes, they are as follows:

- Contribute to alleviating the economic effects produced by situations of serious economic crisis, natural catastrophes or other similar events, in accordance with the instructions of the Council of Ministers or the 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 the Minister for 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 carry out advisory tasks to non-financial companies defined in Article 7 of Law 22/2014.

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

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



Mission

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



Functions

- Serve as a catalyst for the creation of venture capital entities with a majority of private capital with the ultimate aim of providing SMEs with alternative financing to bank financing.
- 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.

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

NIF (Tax ID): A78290269

c/ Los Madraza, 38 2ª planta

28014 MADRID

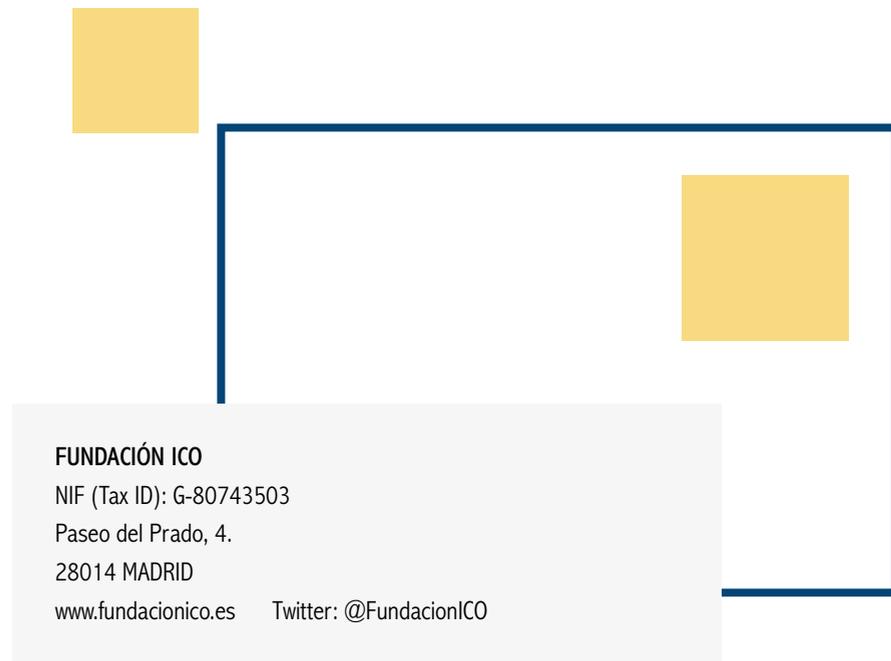
www.axispart.com

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.

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



Mission

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



Vision

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



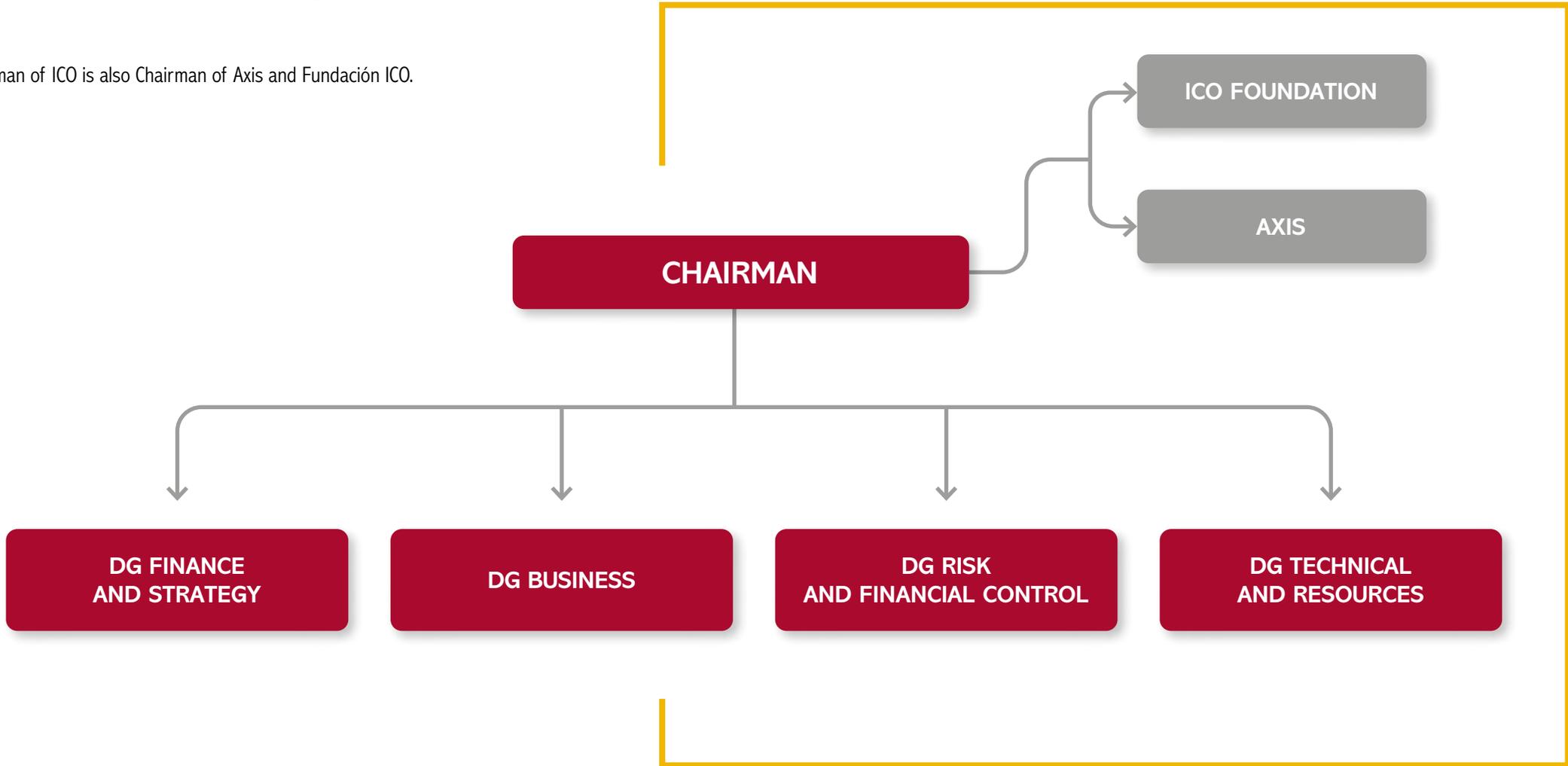
Functions

In 2022, the Foundation's Economics and Internationalisation areas were merged into a single area, called Sustainable Economics and Finance.

- **Area of Art and Sustainable Architecture:** It includes the management, conservation and dissemination of the ICO Art collections, as well as the management of the ICO Museum and its temporary exhibitions and catalogues for each exhibition, and the organisation of educational and inclusive activities that make the ICO Museum a learning space for everyone.
- **Area of Sustainable Economy and Finance:** It concentrates its action on the following four thematic areas:
 - Financial and Economic Education and dissemination of economic and financial research and knowledge;
 - Sustainability and Circular Economy. Sustainable finance;
 - Financing and business growth. Alternative finance;
 - Economic and Monetary Union and international economic and financial relations, with a special focus on Latin America.

1.3 Governance and management structure

The Chairman of ICO is also Chairman of Axis and Fundación ICO.

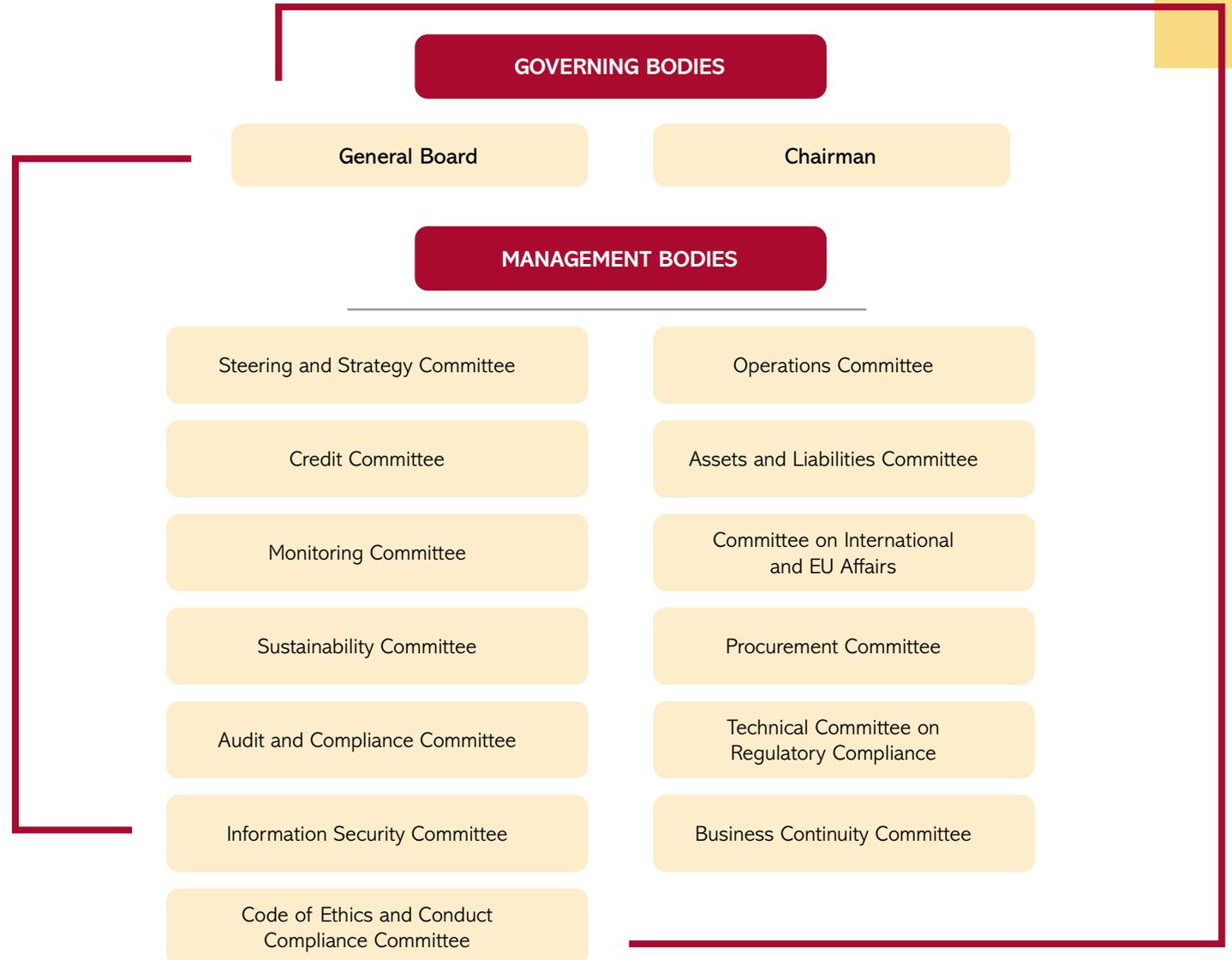




Instituto de Crédito Oficial

The governing structure of Instituto de Crédito Oficial is set out in its statutes, approved by Royal Decree 706/1999, as amended by Law 40/2015 on the Legal Regime 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 rule in force as of 31 December is the Collegiate Bodies Circular 4/2022 and the Organisational Circular 5/2022, both dated 1 December.

As defined in the Statutes, the governing bodies are the General Board and the Chairman. The rest are management bodies as defined in the above-mentioned Circular on Collegiate Bodies. These include the Operations Committee and the Steering and Strategy Committee, whose main functions are described below. The complete list of bodies is as follows:



Governing 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. The figure of the independent director plays a key role in the functioning of the Board, as he/she has a double vote for the operations of the Institute's financial business, which means that he/she can obtain a majority.



Structure and composition

The General Board is made up of the Chairman of the entity and ten members and is assisted by the secretary and, if necessary, by the 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.

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

Members shall be appointed in accordance with the following terms:

- Four 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.
- Six members shall be appointed who are Public Sector staff with recognised competence. A maximum of two members shall come from the Ministry of Finance and Public Administration, while at least two public members shall come from the Ministry of Economic Affairs and Digital Transformation.

As of 31 December 2022, the General Board of ICO consisted of:

NAME	POSITION	BODY	APPOINTMENT
Javier Sánchez Fuentesfría	Director General of Budgets	Ministry of Finance and Public Administration	29.03.2022
Cristina Tarrero Martos	Director General of Economic Programming and Budgets	Ministry of Transport, Mobility and Urban Agenda	29.03.2022
Elena Aparici Vázquez de Parga	Director General of Economic Policy	Ministry of Economic Affairs and Digital Transformation	18.02.2020
César Veloso Palma	Member of the Cabinet of the Minister of Finance	Ministry of Finance and Public Administration	05.10.2018
Andrés Barragán Urbiola	Director of the Technical and Financial Analysis Department	Ministry of Economic Affairs and Digital Transformation	28.09.2021
Ignacio Mezquita Pérez-Andújar	Deputy Director-General for Foreign Investment	Ministry of Industry, Trade and Tourism	22.09.2020
Enrique Feás Costilla	Independent Director	--	01.11.2021
Silvia Iranzo Gutiérrez	Independent Director	--	16.11.2018
Rafael Fernández Sánchez	Independent Director	--	11.07.2022
Blanca Montero Corominas	Independent Director	--	14.07.2021
José Carlos García de Quevedo Ruiz	Chairman of ICO and the Board	Instituto de Crédito Oficial (ICO)	Royal Decree 683/2018 of 22 June (BOE 23.06.2018)
Cayetana Lado Castro-Rial	Board Secretary	Instituto de Crédito Oficial (ICO)	22.02.2021
Gerardo Harguindey Valero	Board Deputy Secretary	Instituto de Crédito Oficial (ICO)	25.01.2016

Changes to the composition of the General Board in 2022

During the financial year 2022, the following directors left the board:

NAME	POSITION	BODY	DATE OF TERMINATION
Jaime Iglesias Quintana	Director General of Budgets	Ministry of Finance and Public Administration	02.03.2022
María del Carmen García Franquelo	Director General of Economic Programming and Budgets	Ministry of Transport, Mobility and Urban Agenda	02.03.2022
Clara García Fernández-Muro	Independent Director	--	11.07.2022

To replace these directors, the following appointments were made:

NAME	POSITION	BODY	APPOINTMENT
Rafael Fernández Sánchez	Independent Director	--	11.07.2022
Cristina Tarrero Martos	Director General of Economic Programming and Budgets	Ministry of Transport, Mobility and Urban Agenda	29.03.2022
Javier Sánchez Fuentefría	Director General of Budgets	Ministry of Finance and Public Administration	29.03.2022

Equality and diversity in the General Board

As of 31 December 2022, four of the ten members of the ICO's General Board were women (40%). 50% of the independent board members are women.

In terms of age, as of 31 December 2022, 3 directors are under 50 years of age, while 1 director is over 60 years of age. The average age of the directors at year-end was 52.4 years (55.4 years for female directors and 50.7 years for male directors).

Although the independent directors represent 36.4% of the board, they have a double vote in the most important decisions. Consequently, in these cases, independent directors represent 53.3% of the total possible votes. In this context, women's votes represent 40.0% of the total votes on the Board. On the basis of age and taking into account the double value of the vote of independent directors, those under 50 years of age hold 20% of the total votes.



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, on the adaptation of Instituto de Crédito Oficial to Law 6/1997, of 14 April, on the organisation and operation of the General State Administration and approval of its Statutes, the General Board's members, Secretary and Deputy Secretary shall be entitled to receive the economic compensation corresponding to their attendance of meetings, to be determined by the Board itself, according to what is provided for by the regulations on compensation due to service for Public Administration staff. Notwithstanding the foregoing, when the director has the status of senior officer, the remuneration for attending board meetings shall be paid into the Public Treasury.

The per diem for attendance at the Board was 1,089.48 euros, with no difference for reasons of gender or age. The total accrued in 2022 for the members of the ICO General Board (except for the Chairman) was 123,111.24 euros (127,469.16 euros in 2021), 68,637.00 euros accrued by men and 54,474.00 euros by women, due to the



greater presence of men on the Board. The average annualised remuneration is identical for women and men: 11,984.28 euros. There is no variable or target-related remuneration.

The members of the General Board are not beneficiaries of loans or any other social benefit granted by ICO. They are subject to the rules on incompatibilities and conflicts of interest set out in the regulations in force.

Chairman

The Chairman is the chief executive of the entity, with the functions and under the terms provided for in the Statutes¹.

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

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.

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



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:

- ICO's objectives, as well as the management of processes for their implementation.
- The Institute's strategic lines, for which the Operations Commander is responsible for implementing in concrete actions.
- 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.
- 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.

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. As of 31 December 2022, the composition was as follows:

NAME	POSITION
José Carlos García de Quevedo Ruiz	Chairman
Antonio Cordero Gómez	Director General of Finance and Strategy
Rosario Casero Echeverri	Director General of Business
Miguel López De Foronda Perez	Director General of Risks and Financial Control
José Manuel Pacho Sánchez	Director General of Technical Issues and Resources
Cayetana Lado Castro-Rial	Director of Legal Counsel
Begoña Amores Serrano	Director of the Department of Communication and Cabinet
Guillermo Jiménez Gallego	Director General of AXIS
Lucinio Muñoz Muñoz	Director of Fundación ICO

Changes in 2022

During the financial year 2022, there was one replacement in the Chairman's Office. Begoña Amores Serrano replaced Alfonso Noriega Gómez..



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). The remuneration scheme of ICO's Chairman is determined by the State Secretariat for Budgets and Expenditure of the Ministry of Finance and Civil Service. The gross annual remuneration of ICO's Chairman for the financial year 2022 amounts to 145,693.80 euros, an amount that includes all the remuneration to be received for the performance of his duties, except for any seniority that may correspond to him in accordance with current legislation and including, if applicable, any remuneration in kind.

ICO has four Directorate General posts and one Legal Counsel Directorate post which are considered as "senior management" posts. The remuneration of ICO's senior management is governed by Royal Decree 451/2012, of 5 March, which regulates the emoluments of heads and managers in the public business sector and other entities. The responsibility for setting remuneration lies with the Ministry to which ICO is attached, which must take into account the basic remuneration and the limits established in the Ministerial Order of 12 April 2012 of the Ministry of Finance and Public Administrations approving the classification of public business entities and other entities governed by public law.

The regulations governing the remuneration policy for senior management staff guarantee equal pay for men and women. The five senior management positions at ICO received an average gross annual remuneration of 132,962 euros in 2022. These positions, like the rest of the staff, receive food vouchers, health insurance and life insurance coverage. The amount indicated does not include amounts received in respect of seniority, if any.

The total remuneration accrued by senior management in 2022, including this remuneration in kind, except for the seniority that may correspond to the holder of the post in accordance with current regulations, amounted to 680,369 euros.

Operations Committee

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.

Structure and composition

On 31 December 2022, the composition of the Operations Committee was as follows:

NAME	POSITION
José Carlos García de Quevedo Ruiz	Chairman
Antonio Cordero Gómez	Director General of Finance and Strategy
Rosario Casero Echeverri	Director General of Business
Miguel López De Foronda Perez	Director General of Risks and Financial Control
José Manuel Pacho Sánchez	Director General of Technical Issues and Resources



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.

Board of Directors

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

According to the Company's statutes, the Board of Directors shall be composed of a minimum of three and a maximum of nine members.

Composition of the Board as at 31.12.2022:

NAME	POSITION	DATE OF APPOINTMENT
José Carlos García de Quevedo Ruiz	Chairman ICO Chairman	27 June 2018
Rosario Casero Echeverri	Deputy Chairman Chief Investment Officer of ICO	23 July 2018
Blanca Gloria Navarro Pérez	Member Director of Strategy and Sustainability of ICO	19 September 2018
M ^a Elena Aranda García	Member Head of Mediation and SMEs	25 May 2017
Luis Javier Morales Fernández	Member Director of Budget and Financial Control of ICO	25 May 2017
Jaime Cervera Madrazo	Member Head of ICO's Operations Administration Department	29 September 2015
Antonio Bandrés Cajal	Member ICO Director of International Finance and EU Affairs	27 April 2017
Begoña Amores Serrano	Member Head of the Communications and Cabinet Department of ICO	14 September 2022
Fernando Hernández Domínguez	Member Adviser in the Cabinet of the Secretary of State for Economic Affairs and Business Support	19 October 2022
Cayetana Lado Castro-Rial	Non-Director Secretary ICO's Legal Counsel Director	22 February 2021

Changes in the composition of the Board during the financial year 2022

Begoña Amores Serrano and Fernando Hernández Domínguez joined the Board in 2022.

Equality and diversity on the Board of Directors

As of 31 December 2022, there were 5 women on the AXIS Board of Directors (55.6%).

Directors' expenses policy

The members of the Board of Directors receive remuneration for attending Board meetings, except for the Chairman and Vice-Chairwoman, who, as they hold senior management and senior executive contracts, respectively, may not receive attendance fees for attending Board meetings, in accordance with the legislation in force applicable to them in each case. The maximum remuneration for attending the Board of Directors' meetings is established by Ministerial Order of the Ministry of Finance.

In 2022, the annual remuneration received by each member of the Board of Directors amounted to 6,809.77 euros, the same amount as in 2021. There is no wage gap between women and men in the remuneration of the AXIS Board of Directors.

In 2022 the Company did not have any pension obligations towards former or current members of the Board of Directors and senior management, nor did it have any obligations assumed on their behalf under guarantee. Nor were there any loans or advances to members of the Board of Directors and Senior Management.

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 2022 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.

Specialised body set up within the Board of Directors to provide technical support and assistance in the field of monitoring.

INVESTMENT COMMITTEES.

There is one for each of the following funds: FOND-ICOpyme, F.C.R., FOND-ICO Next Tech, F.C.R. and FOND-ICO Infraestructuras II, F.I.C.C., whose members are mainly appointed by Axis or ICO and include at least two independent members. These are the bodies responsible for giving investment and disinvestment operations the green light before they are presented to the Board of Directors.



fundación



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

Governing bodies

Board of trustees

It is the governing, administrative and representative body of the Foundation. It consists 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.

As of 31 December 2022, the Board of Trustees was made up of nine personalities from the economic, cultural and scientific world, five of whom are men and four of whom are women.

NAME	POSITION	POST
José Carlos García de Quevedo Ruiz	Chairman	ICO Chairman
Antonio Cordero Gómez	Deputy Chairman and Trustee	Director General of Finance and Strategy, ICO
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
Marta de la Cuesta González	Trustee	Professor of Applied Economics (UNED)
Lucinio Muñoz Muñoz	Non-Trustee Director of the Foundation	Director of Fundación ICO
Cayetana Lado Castro-Rial	Non-Trustee Secretary	Secretary of ICO's General Board and ICO Director of Legal Counsel

Changes in the composition of the Board of Trustees during the financial year 2022

The following changes occurred during the financial year 2022:

Alfonso Noriega was removed as trustee and vice-chairman of the board of trustees, while Antonio Cordero Gómez was appointed trustee and vice-chairman of the board of trustees. Marta de la Cuesta González was also appointed as trustee.

Equality and diversity in the Board of Trustees

As of 31 December 2022, there were 4 women on the Board of Trustees of Fundación ICO (44%).

Per diem policy of the members of the Board of Trustees

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

Committees

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 set up as a resolution and agreement body in those matters that for reasons of urgency so require, except for the approval of accounts, action plan and functions attributed to the Board of Trustees that cannot be delegated.

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

As of 31 December 2022, the Executive Committee was composed of the following members of the Board of Trustees:

NAME	POSITION
José Carlos García de Quevedo Ruiz	Chairman
Eva María González Díez	Member
Pablo Vázquez Vega	Member
Antonio Cordero Gómez	Member

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

Changes in the composition of the Executive Committee during the financial year 2022

During the 2022 financial year, there was a change in the composition of the Executive Committee, with Antonio Cordero replacing Alfonso Noriega.



Art Advisory Committee

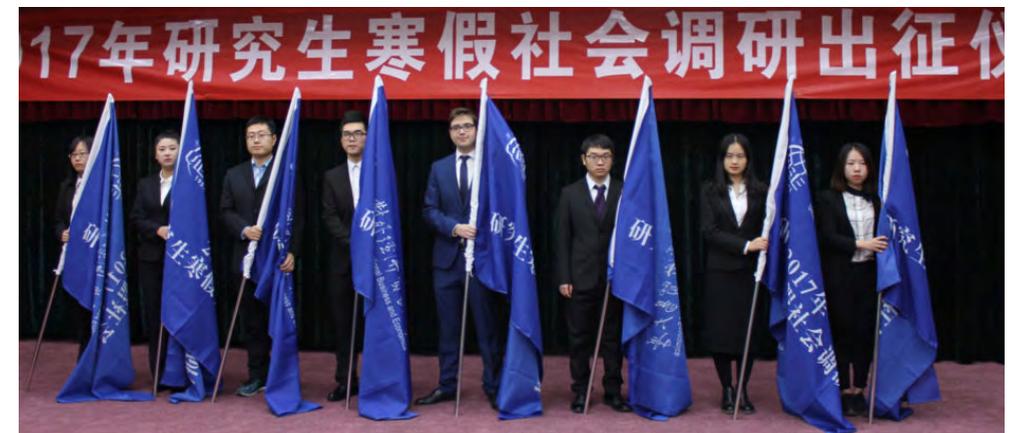
Its functions are to advise on the design of the programming of the Museo ICO museum. It consists of:

- **Francisco Javier Martín Ramiro**, Director General for Housing and Land Secretary General of the Urban Agenda and Housing. Ministry of Transport, Mobility and Urban Agenda.
- **Museo Nacional Centro de Arte Reina Sofía**, represented by its Director, Manuel 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 Fundación ICO – Becas China 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 Centre 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.



1.4 Materiality analysis

The ICO Group has conducted a materiality study that starts with an exhaustive process of internal and external analysis to identify relevant aspects, trends and reference frameworks.

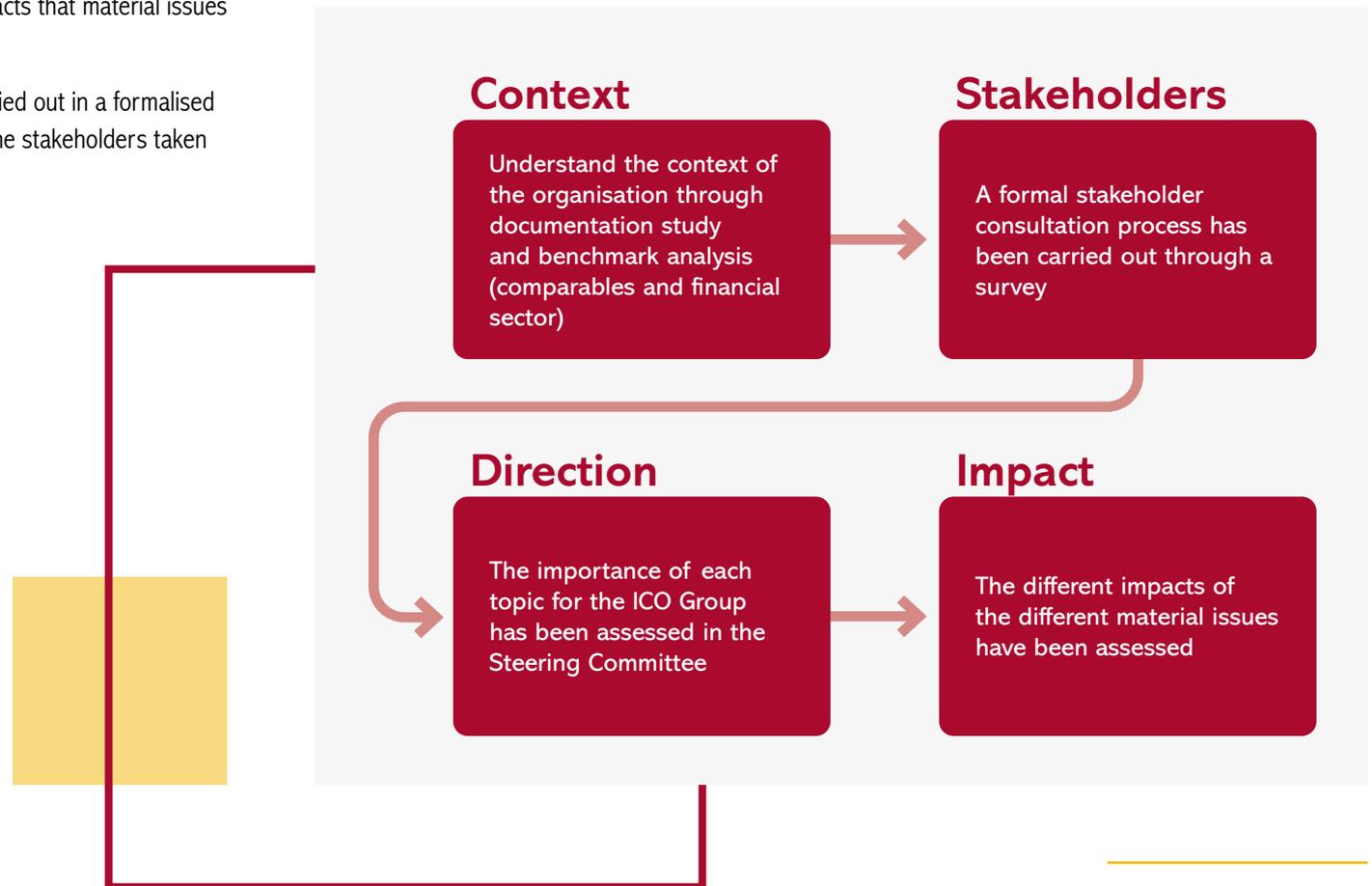
In line with the best standards in the field, the study is carried out from a **dual materiality** and impact assessment perspective. The methodology takes into account, on the one hand, the actual and potential impacts of the Group's activity externally (outward) and the actual and potential impacts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

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

- Workers
- The Self-employed and companies of all sizes
- Financial Institutions
- Analysts, consultants, auditors
- Investors
- Business and sectoral associations
- Public Administrations
- Social organisations
- Media.

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

In addition, an exercise has been carried out to identify the impacts associated with each of the issues on the economy, the environment and people. Taking into account the severity and probability of occurrence, a prioritisation of issues is established through the results of both the outside-in and inside-out exercise.



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

MATERIAL TOPICS ICO GROUP 2022	DESCRIPTION
TM1 - Good Corporate Governance, Transparency and Business Ethics	Maintaining good corporate governance, ethics and transparency requirements builds trusting relationships with the institution and reduces reputational risks. The management of this aspect has a direct impact on investors, as proper risk management provides security and protection of their capital. For other stakeholders, such as employees or society, this aspect translates into greater job stability and wealth generation.
TM2- Financial and non-financial risk management	Appropriate risk management favours the confidence of the different stakeholders towards the entity, offers peace of mind to investors and customers by protecting and creating value to achieve the proposed objectives, improves its competitiveness, shows the organisation's proactivity and enhances its reputation.
TM3 - Sustainable financing linked to ESG criteria	The integration of ESG (Environmental, Social and Governance) criteria in ICO's activity, together with traditional financial and risk criteria, allows us to offer customers long-term financing, investment and savings products that contribute to preventing and mitigating climate change, fostering the transition to a carbon-neutral economy and promoting social development, with the consequent positive impact on all stakeholders and the environment.
TM4- Economic Solvency and Resilience	Maintaining a good performance in this aspect has an impact on all of the entity's stakeholders, generating value, wealth and security for them.
TM5 - Privacy, data protection and cyber-security	Implementing a rigorous privacy and data protection policy is essential to guarantee customers, investors and society in general control over their personal data, its use and destination in order to prevent its unlawful and harmful processing of their personal rights and freedoms. In addition, boosting cyber security enables all employees to work safely and securely, directly impacting their productivity.
TM6 - Digital transformation and innovation	Digitalisation is one of the main vectors for promoting competitiveness, productivity, sustainable economic growth and job creation, as well as providing the productive fabric with greater resilience to face future shocks and dynamism to take advantage of new opportunities. ICO provides the Spanish business community with different mechanisms to promote the investments needed to undertake the digital transformation of companies, especially SMEs and start-ups, and industry in terms of R&D&I. It is also a relevant aspect for the rest of the stakeholders as it contributes to fostering social cohesion.

TM7 - Public-Private Partnership

As stated in SDG 17, public-private partnerships are essential to improve the effectiveness and impact of business activity, as well as to accelerate progress towards the Sustainable Development Goals set out in the 2030 Agenda, which directly impacts all stakeholders.

TM8 - Support for the productive fabric and value creation

Support for the productive fabric is a key enabler for boosting our country's economic activity and promoting shared prosperity. It has a direct impact on job creation, financial stability and the stimulation of economic activity through the various financial formulas and initiatives made available to companies and the self-employed.

TM9- Respect for Human Rights

Respect for human rights must be at the heart of the sustainability strategy of any organisation, regardless of its size and sector. The 2030 Agenda is closely linked to human rights, so avoiding impacts on those rights in the value chain and with stakeholders can be synonymous with important contributions to the SDGs. Human rights are necessary to protect and preserve the humanity of each individual to ensure that all people can live a life of dignity.

TM10 - Customer Experience and Satisfaction

Offering a service that meets customer demands has a direct impact on building long-term relationships. In the rest of the stakeholders, the impact on investors stands out, where quality and excellence translate into higher profitability. For their part, employees and suppliers perceive a high level of demand and need for specialisation. The bank's good performance in these areas has a direct impact on stakeholders by maintaining their confidence in the ICO and protecting their interests.

TM11 - Talent management, training and development of its professionals

Attracting and retaining talent, in turn, helps to ensure good financial results for investors and a higher level of service, resulting from high levels of employee satisfaction. It also has an impact on improving employee performance, behaviour and the working environment, which leads to increased staff satisfaction and therefore overall productivity. Training activities have a direct impact on ICO employees, enabling them to grow professionally and providing them with the tools they need to achieve their professional goals. In turn, specialisation leads to higher profitability through better results and an improvement in the level of service perceived by customers.

TM12 - Employee safety, health and welfare

The objective of implementing Occupational Health and Safety is to anticipate, recognise, evaluate and control risks that may affect the safety and health of the organisation's employees, which directly impacts on promoting the maintenance of the physical, mental and social well-being of employees.

TM13- Diversity, inclusion and equal opportunities

A diverse and inclusive work environment makes employees feel happier and more confident, improving their well-being, self-esteem and pride in belonging. It also has a direct impact on under-represented groups, as inclusion is the basis of a society's prosperity, of its economic, political and social development.

TM14 - Financial education

Education is a basic pillar for financial inclusion and for the protection of users of financial services. By teaching financial concepts, it helps people make better decisions on how to manage their resources, thus contributing to the safety and security of their finances. It has a direct impact on improving understanding of economic concepts, reducing information asymmetries between customers and providers of financial services, protecting the most vulnerable through targeted approaches and supporting market stability.

TM15 - Social engagement and community impact

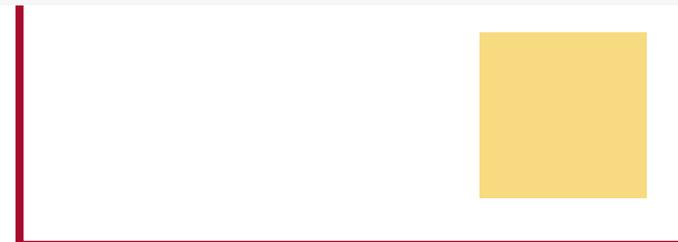
Carrying out activities under the prism of social commitment and positive impact on the community contributes to the development of local economies and different collectives, through the generation of employment and financial empowerment. It also improves the image that customers have of the institution as a responsible institution, has an impact on its positioning, intensifies the relationship and commitment with its employees, increases the likelihood of finding new investors and improves its relationship with all stakeholders.

TM16 - Protecting the environment, combating climate change and energy transition

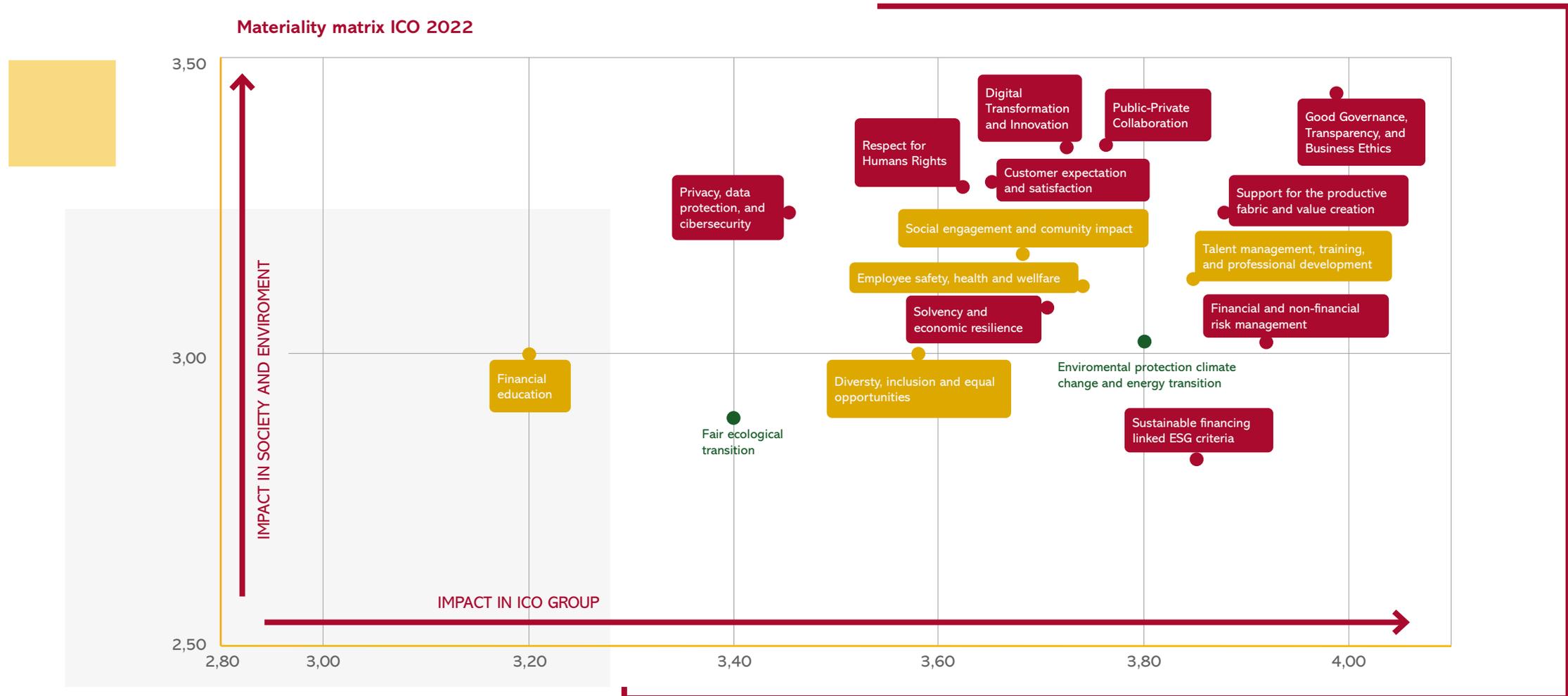
Focusing the purpose of the operations financed and to be financed in the coming years, among others, on green finance related to sustainable mobility; the development of renewable energies, renewable hydrogen; energy efficiency; the circular economy, water treatment, improved energy efficiency and sustainability of buildings, improved accessibility in buildings/housing, urban and rural regeneration and renovation, transport infrastructure projects or construction and rehabilitation of social or affordable housing, has a direct impact on the environment and society.

TM 17 - Just ecological transition

Contributing to a just ecological transition is a key line of action proposed by the International Labour Organisation and the United Nations Framework Convention on Climate Change, to maximise benefits in activity and employment and minimise the negative impacts of the ecological transition and decarbonisation.



These material issues have been prioritised according to the criteria of impact and relevance, resulting in the following materiality matrix where the aspects furthest away from the source are those to be considered as most relevant for the organisation.



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

Catalogue of material themes 2022	STRATEGIC AXIS 2022-2027	SDG
TM1 TM2 TM9	AXIS 4. - Governance	  
TM7	AXIS 1 - Business growth AXIS 3 - Digi-talisation	 
TM4	AXIS 1- Business growth AXIS 4 - Gov-ernance	 
TM3	AXIS 1 - Business growth AXIS 3 - Sus-tainable finance	 
TM5 TM6 TM10	AXIS 2– Digitalisation AXIS 4 - Gover-nance	 
TM8	AXIS 1 - Business growth AXIS 2 – Digitalisation AXIS 3 - Sustainable Finance	   
TM16 TM17	AXIS 3. - Sustainable finance	  
TM11 TM12 TM13	AXIS 4. - Governance	   
TM15 TM14	AXIS 4. - Governance	   

This materiality study was discussed in the Sustainability Committee and, when incorporated into this document, will be approved in the terms described in section 6.

With regard to the year 2021, there has been an update of the material issues considered until then. It moves from seven more general topics (with some subtopics) to the catalogue of 17 discussed above, by updating the methodology to respond to existing and expected standards, formalising communication with stakeholders and assessing impacts in a more sophisticated way.

1.5 ICO group strategy

ICO Group Strategy 2022-2027

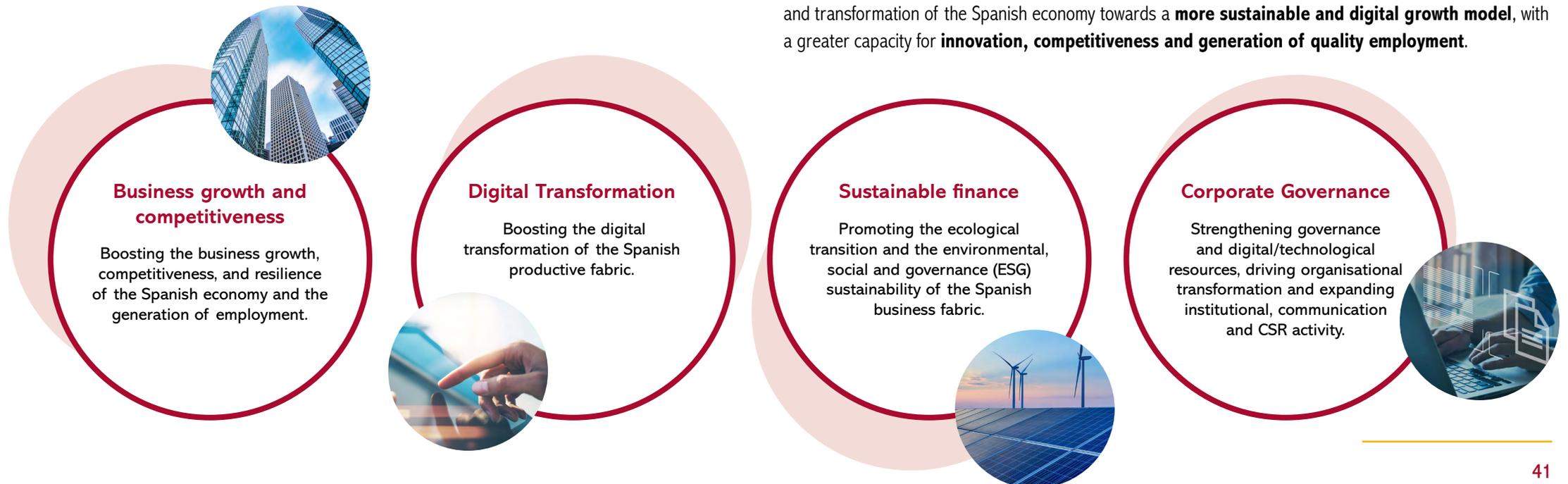
The ICO Group's Strategy for the period 2022-2027 was approved by the General Board in 2021. It is structured around the **ICO** as a credit institution, **AXIS**, as a private equity fund management entity wholly owned by the ICO, and the **ICO Foundation**, as a state public foundation that carries out its activities under the sole sponsorship of the Instituto de Crédito Oficial.

The ICO Group has demonstrated its capacity **to anticipate and adapt** in order to support the business fabric, contributing to the achievement of economic policy objectives and driving growth, job creation and the transformation of the Spanish economy.

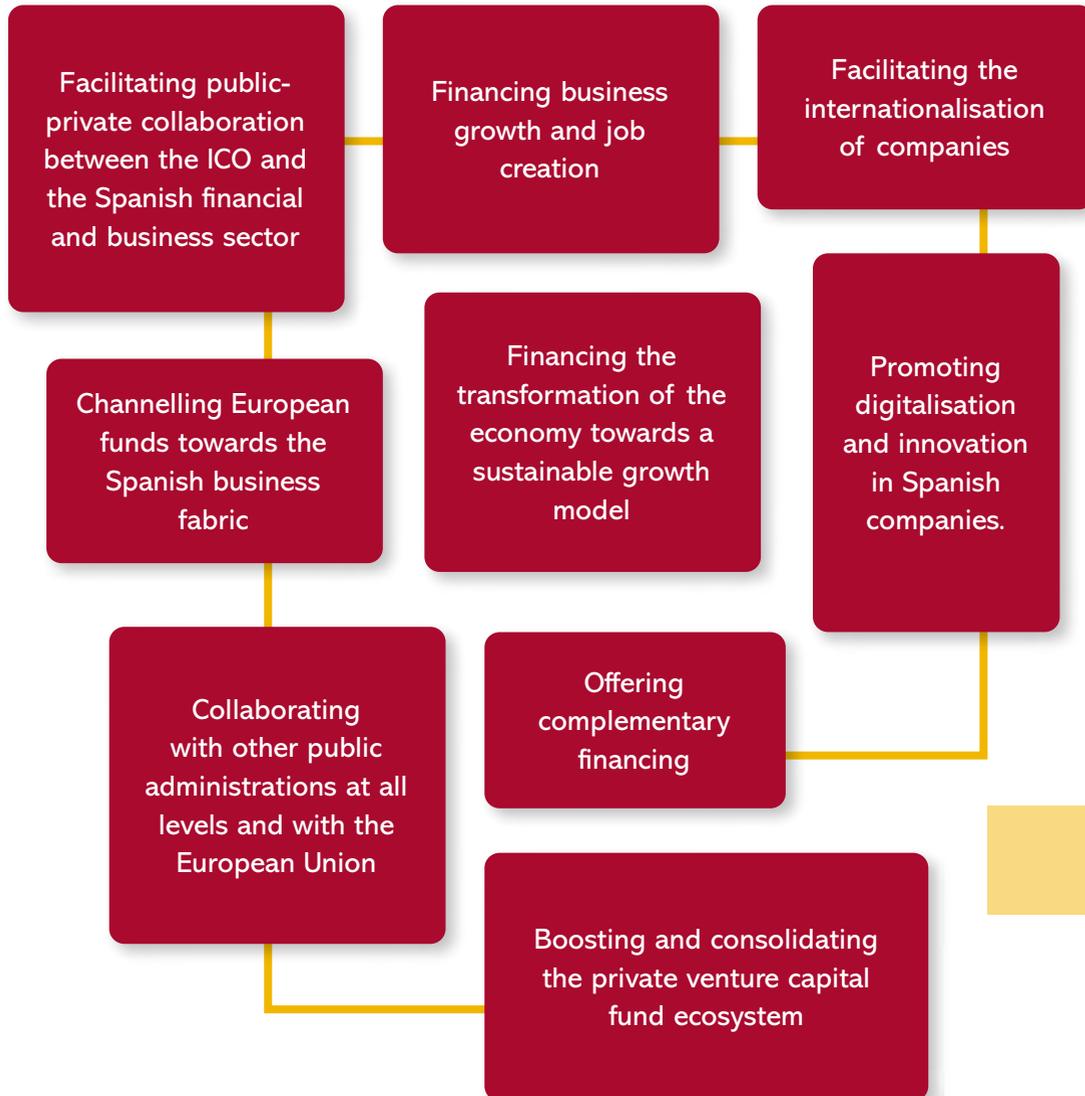


Over the coming years, ICO will continue to provide an **effective response to the needs of Spanish companies**, in order to collaborate in promoting the process of recovery, transformation and strengthening of Spain's growth model, in accordance with the priorities defined in the Spanish Government's **Recovery, Transformation and Resilience Plan**, and in line with the **Next Generation EU Programme and the European Union's Multiannual Financial Framework 2021-2027**.

The ICO Group's Strategy 2022-2027 establishes **4 strategic axes** and 20 action plans to contribute to the mobilisation of resources at national level and from the EU through a **broad and flexible set of financial instruments**, in collaboration with the private sector and the rest of the Public Administrations, to enable the development of transformational and driving business projects to consolidate the process of recovery and transformation of the Spanish economy towards a **more sustainable and digital growth model**, with a greater capacity for **innovation, competitiveness and generation of quality employment**.



Our purpose

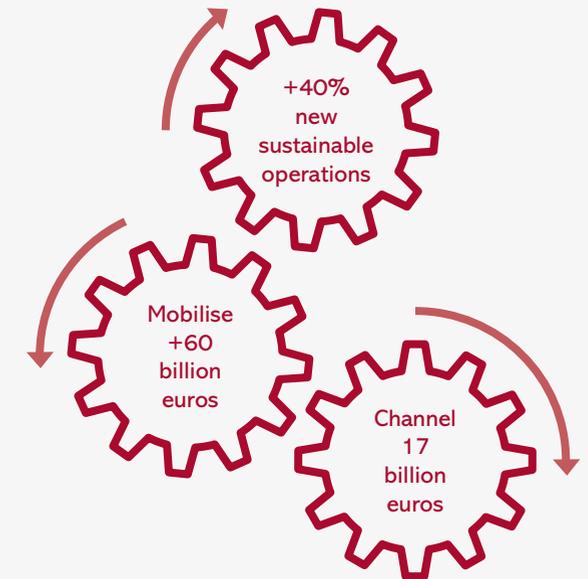


The Strategy 2022-2027 in figures

During the **period 2022-2027**, the ICO Group aims to **channel 17 billion euros directly with its own resources** and **mobilise more than 60 billion euros in public-private partnerships** to contribute to the transformation of the growth model of the Spanish economy and the business fabric and entities of the social economy.

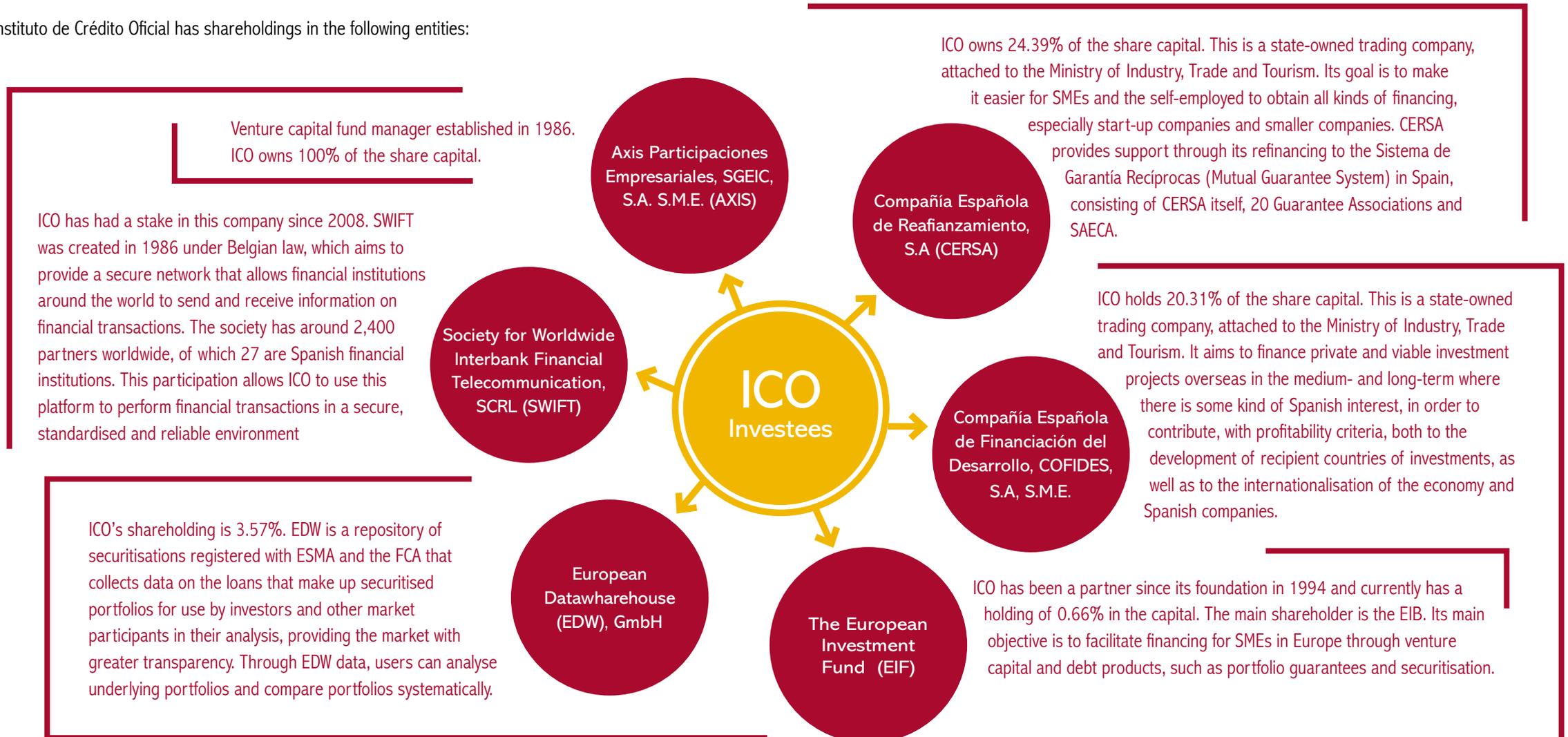
At least **40%** of all new operations in the period 2022-2027 will be **sustainable**.

The ICO is financed through various instruments in the capital markets and always under market criteria, not through the General State Budget. It has the explicit, irrevocable, unconditional and direct guarantee of the Spanish State for the debts and obligations it incurs by raising funds. ICO's objective is to be present in the capital markets through its regular issues, mainly through **green and social bonds**



1.6 ICO Investees

Instituto de Crédito Oficial has shareholdings in the following entities:



1.7 Public-private partnerships and alliances

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

- Business alliances **for the better distribution of financial products**: this includes agreements with intermediary financial institutions, collaboration with other banks in syndicated loans, the network of collaborating agents, agreements with foreign institutions within the framework of the International Channel, liability agreements with international institutions for better financing and collaboration with Funds participating in initiatives promoted by AXIS.
- **Sustainability** partnerships. The ICO Group plays a very active role in relevant sustainability partnerships, as detailed in point 3.2.4 below
- Also very relevant are the agreements with **other Spanish public sector entities** for the launch of joint sectoral initiatives as detailed in this document, in many cases to channel funds within the framework of the Recovery, Transformation and Resilience Plan.
- For their part, **agreements with European institutions** are an essential part of the ICO Group's role in channelling funds, in the context of the Multiannual Financial Framework in force at any given time, with initiatives such as the management of InvestEU guarantees, among others.

- There is also a permanent dialogue and collaboration with **business and sectoral associations and third-sector entities**. The process of dialogue with chambers of commerce, general and sectoral business associations, bank employers' associations and third-sector associations or entities allows a channel of communication and cooperation to be established so that information on the ICO Group's activity is known and disseminated, and to gather concerns. Also through the establishment of partnerships that are translated into concrete initiatives.
- In general, there is also fluid collaboration in formal and informal forums with other **national promotional banks** at the international level, which has led to joint initiatives in different areas. It also participates in **international associations** such as NEFI (The Network of European Financial Institutions for Small and Medium Sized Enterprises) or ELTI (European Long-Term Investors Association) where joint initiatives and collaborations are promoted in their fields of action.



17 ALIANZAS PARA
LOGRAR
LOS OBJETIVOS



Information on agreements signed by the ICO within the framework of Law 40/2015 of 1 October is available on the Transparency Portal accessible from the ICO website².

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

² <https://www.ico.es/web/guest/contratos-convenios-y-subsenciones>

1.8 Economic and financial environment for action

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

The Spanish economy maintained the pace of growth in 2022 despite the adverse environment.

In 2022 as a whole, the Spanish economy maintained the strong economic growth recorded in 2021 (5.5% compared to the previous year). The significant rise in GDP came during a year marked by the outbreak of war in Ukraine, causing a rise in inflation and interest rate hikes, while activity was still recovering after the Covid-19 crisis. In fact, growth has been above successive forecasts by different agencies and reflects greater resilience supported by the measures taken to tackle the energy crisis, the strong rebound in tourism and the dynamism of private consumption, also supported by the positive evolution of the labour market.

In 2022 as a whole, GDP grew by 5.5%, which was also the growth rate recorded in 2021, thus extending the recovery path after the fall in GDP in 2020. Growth in 2022 was underpinned by an expansionary performance of both domestic demand and the external sector. Within domestic demand in 2022, the private consumption and investment in machinery and equipment continued to grow at high rates and construction investment returned to growth. In contrast, public spending decreased in 2022 after increases in 2021 and 2020 to cope with the Covid-19 crisis.

With regard to the labour market, after pre-pandemic employment levels were recovered in 2021, the labour market continued to show strength during 2022 according to both the EPA and the data on enrolment and registered unemployment.

2022 was marked by inflation

In 2022, inflation continued to escalate across the board among economies, which had already been observed throughout 2021 as a result of the effects of supply bottlenecks and rising energy prices, but which was exacerbated by the outbreak of war in Ukraine. The pick-up in inflation intensified to levels not seen in several decades in the different jurisdictions due to the acceleration of energy prices and the rise in the price of many commodities, although it began to moderate slightly at the end of the summer in Spain and, since November, in the Eurozone thanks to the measures implemented and the reduced pressures from some of the causes. The forecasts of the main analysts and institutions for both Spain and the Eurozone as a whole suggest that, in 2023, inflationary pressures will continue to weaken and that the path of price moderation initiated in the last part of 2022 will bring prices back to levels above the monetary policy targets during 2023, although still at levels above the monetary policy targets.



The ECB began the process of normalising its monetary policy in 2022 with sharp interest rate hikes, among other measures.

Against this background of continued increases in inflation and elevated medium-term inflation expectations, and as economies recovered from the most acute phase of the pandemic crisis, the Governing Council of the ECB initiated the process of gradual normalisation of its monetary policy in 2022. This process began with the withdrawal of the extraordinary monetary stimulus implemented during the pandemic, as net asset purchases under the PEPP ended in March 2022. In June, the ECB Council concluded that the conditions for starting interest rate hikes had been met, announcing its intention to raise rates from the summer onwards and to end the purchases. Successive hikes brought the benchmark rate to 2.5% by the end of 2022, while the holdings of securities in the purchase programme were already being reduced. In 2023, monetary tightening has continued as the ECB plans to keep rates at restrictive levels in order, through moderating demand, to bring inflation down over time to the medium-term target of 2%. These high rates will also help to avoid a persistent upward drift in inflation expectations.

This new monetary context has an impact on ICO's financial activity, both from the point of view of the cost of its liabilities and of their pass-through to intermediaries and end customers.

In addition, most central banks have also made a sharp shift in the direction of monetary policy, making 2022 a turning point, ending more than a decade of low rates and ultra-accommodative policies in most economies.

The momentum of European funds continues

At the institutional level, the management of European funds from the Next Generation EU (NGEU) instrument, which aims to mobilise unprecedented resources to boost economic growth, continued during 2022. In the case of Spain, the second disbursement of 12 billion euros was received in 2022 and the third disbursement of 6 billion euros was formally requested in November, linked to the fulfilment of 29 milestones and targets (23 milestones and 6 targets), which had been met during the first half of 2022. In February 2023, the European Commission authorised this third disbursement, making Spain the first Member State to receive authorisation for the third disbursement, demonstrating that it is the most advanced country in the implementation of the funds. In December 2022, the Government approved the addendum to the Recovery Plan, which will mobilise more than 94.3 billion euros to boost the country's strategic reindustrialisation and which incorporates three important new features: allocating the additional transfers corresponding to Spain, which means additional subsidies of 7.7 billion euros; allocating the loans from the Recovery and Resilience Mechanism, of which Spain may request up to 84 billion euros from the European Commission; and allocating funds from the REPowerEU Plan, which aims to save energy, increase the production of clean energy and diversify Europe's energy sources, with an allocation of 2.6 billion euros. The addendum will continue the ambitious reforms and investments of the Recovery Plan, in line with the strategic objectives of the Recovery Plan (green transition, digital transformation, social and territorial cohesion and gender equality) with a focus on strategic autonomy through strategic projects, known as PERTE.

The ICO Group plays a very important role as it participates in different instruments associated with these funds, as discussed in the following pages.

Government forecasts anticipate that these funds will have an impact on Spanish GDP of close to 3 percentage points in 2023, which would increase in 2024 to 3.5 pp with the sum of both the reforms and the investments linked to the funds.



Business rates increased in 2022 as a result of monetary policy normalisation process

The tightening of monetary policy has been reflected in the interest rates applied to households and firms during 2022, as they have been rising especially during the second part of the year. Thus, the average interest rate applied to companies in transactions of less than 1 million euros, which can be taken as an approximation of the interest rate applied to SMEs, went from 1.59% in December 2021 to 3.49% in December 2022.

Interest rates for smaller transactions (up to 250 thousand euros) also increased in 2022. This rate increased from 1.69% in December 2021 to 3.53% in December 2022.

In terms of financial sector activity during 2022, the volume of new business lending grew by 19.9% compared to 2021, however, some slowdown in growth was observed towards the end of the year. Transactions of less than 250 thousand euros increased by 15.7% compared to the previous year, transactions of less than 1 million increased by 14.1% in 2022 and transactions of more than 1 million recorded an even higher increase of 25.7%.

Against this background, bank asset quality has not deteriorated. The NPL ratio of Spanish credit institutions continued to decline in 2022. In December 2022, it stood at 3.5% compared to 4.3% in December 2021. NPL assets thus stood at their lowest rate since December 2008. This decrease is explained by an intensification of the fall in the volume of credit classified as doubtful. In relation to credit to productive activities, this ratio stood at 4.43% (data as of September 2022).

%

The demand for corporate credit as perceived by banks in the bank lending survey did not change significantly during 2022, however, what did tighten were the approval criteria according to the same source. By 2023, this behaviour is expected to continue.

The extraordinary injection of liquidity provided by the State guarantee lines managed by ICO launched in 2020 continues to have an impact on the Spanish business fabric and the financial sector, having made it possible to maintain activity and employment in Spain and to face the challenges of the present from a better position.

The new context of higher interest rates and the withdrawal of the abundant liquidity provided by monetary stimulus is both a challenge and an opportunity for ICO as part of the Spanish financial system. In its role through intermediary entities, the ICO will continue to transfer advantageous conditions so that financing continues to flow towards the productive fabric, while at the same time it will continue to provide direct financing through the different modalities with greater emphasis on priority activities in accordance with the reference frameworks and the Group's Strategy. Also through the other initiatives and activities.



2

Our model for contributing value to society: driving sustainable growth

Economic transformation

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

Global approach

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



Adaptation and anticipation

The capacity to adapt and anticipate the needs of the Spanish economy has been demonstrated in the different stages our economy has gone through. The best example of our vocation for rapid, effective and efficient support was the deployment, in record time, of the State guarantee lines in the framework of the Covid-19 pandemic, which constituted an unprecedented model of public-private collaboration, with more than one million operations guaranteed and more than 140 billion euros mobilised.

Through a variety of instruments

In addition to the traditional products, different initiatives have been incorporated in an attempt to respond to the needs of the moment. Specific products for specific purposes complement the general financial offer, which has also been adapted and made more flexible according to the moment. It can also act as a channel for European or national resources or as a state fund manager.

Long-term vision

Our activity responds to the needs of the moment, but does not forget the long-term objectives. The consolidation of the **process of recovery and transformation** of the Spanish economy, with the boost to the ecological transition and digital transformation, as well as the promotion of environmental and social sustainability and governance, in line with the Sustainable Development Goals, are essential elements of our actions. Not forgetting the objective of business growth as a source of innovation, competitiveness and job creation.



Contribution to the economy and society

This has a positive impact on society at large and on communities. Not only through financial instruments but also through a range of other initiatives with a positive social impact.

Sustainability

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

For this reason, for the ICO Group, sustainability, which takes into account environmental, social and corporate governance factors, is a basic pillar integrated in all its activity in a transversal manner, both in its asset and liability operations and in the internal management of the organisation, from the perspective of governance and corporate social responsibility. ICO's sustainability commitments are set out in the 2020 Sustainability Policy, which will be reviewed and updated during 2023.



2.1 Reference frameworks

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

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

There are also a number of thematic or sectoral economic policy guidelines to which the ICO Group contributes through its activity. Initiatives, such as the Plan for the Internationalisation of the Spanish Economy 2021-2027, Digital Spain 2026 and the National Circular Economy Strategy, determine the priorities and actions planned in these areas.

More specifically, in the area of sustainability, the ICO Group takes the multiple global, EU and national initiatives as a reference when defining its sustainability objectives and strategy.



GLOBAL FRAMEWORKS



Sustainable Development Goals

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



Global Compact

Through the UN mandate to promote the SDGs in the business sector



PARIS2015

The Paris Agreement: COP 21

Art. 2c. "to bring financial flows to a level consistent with a trajectory leading to low-emission climate-resilient development"



United Nations Climate Change Conferences (COP)

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



UN - Environment Programme

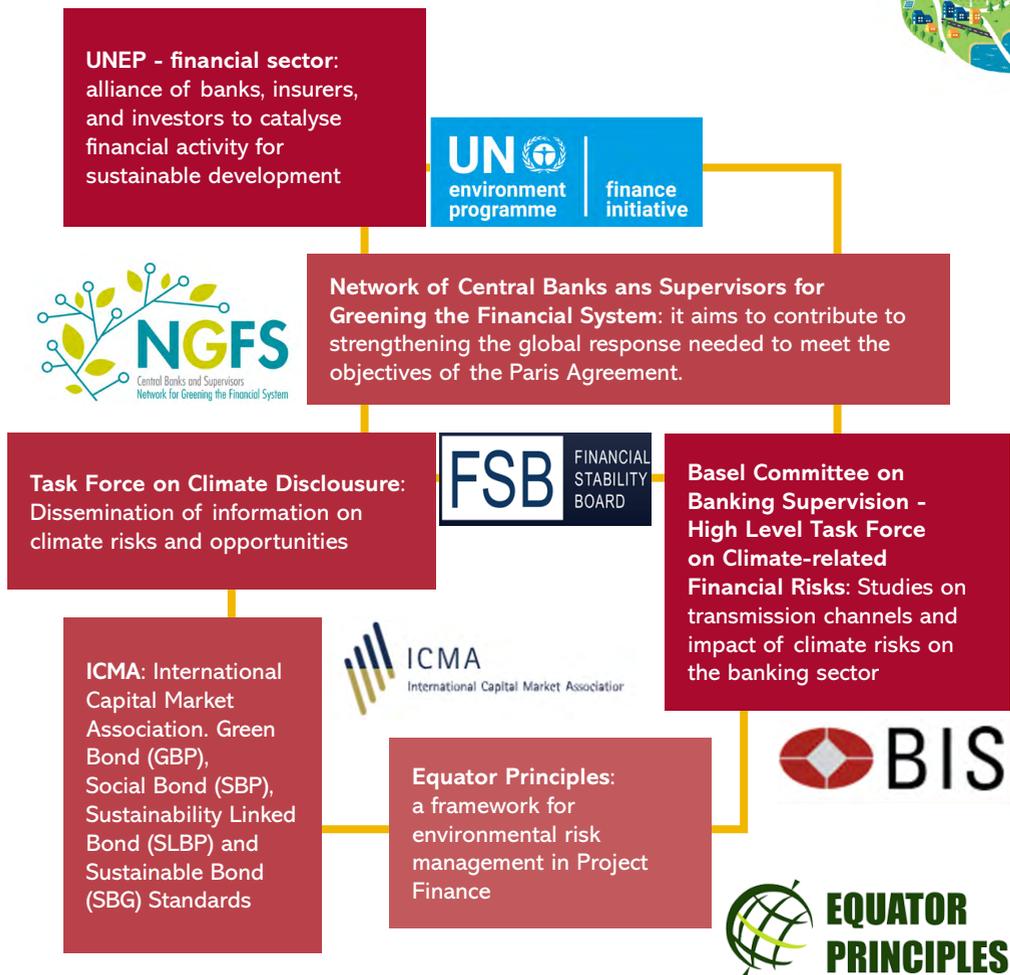
The coherent implementation of the environmental dimension of sustainable development in the UN system



Coalition of Finance Ministers for Climate Action (CAPE)

Forum of economic policymakers to lead the climate response

GLOBAL FINANCIAL SECTOR FRAMEWORKS



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

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



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

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

- The Resilience and Recovery Mechanism (MRR)
- The REACT-EU Fund
 - Invest EU: attracting private investment in support of a sustainable recovery and contributing to building a greener, more digital and resilient European economy, where ICO has a relevant role as an accredited *Implementing Partner* of the European Commission.



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

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



The recent adoption of the Corporate Sustainability Reporting Directive (**CSRD**) in December 2022 is a very relevant frame of reference that should be taken into consideration even if it is not yet fully implemented. The standards **EFRAG** is working on are also a reference for the entire financial sector.



There are also a number of working groups to promote sustainability, many of which the ICO Group is a member and which are discussed below. We highlight here FinResp, which is the Centre for Sustainable and Responsible Finance in Spain, which seeks to contribute to a more sustainable and responsible economic and financial activity, or Spainsif, an association that promotes sustainable investment.



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

Finally, the **Collective Commitment for Climate Action**, signed during COP 25 in Madrid in 2019 by the Spanish banking associations and ICO, is relevant. This is a commitment to reduce the carbon footprint on banks' balance sheets.



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

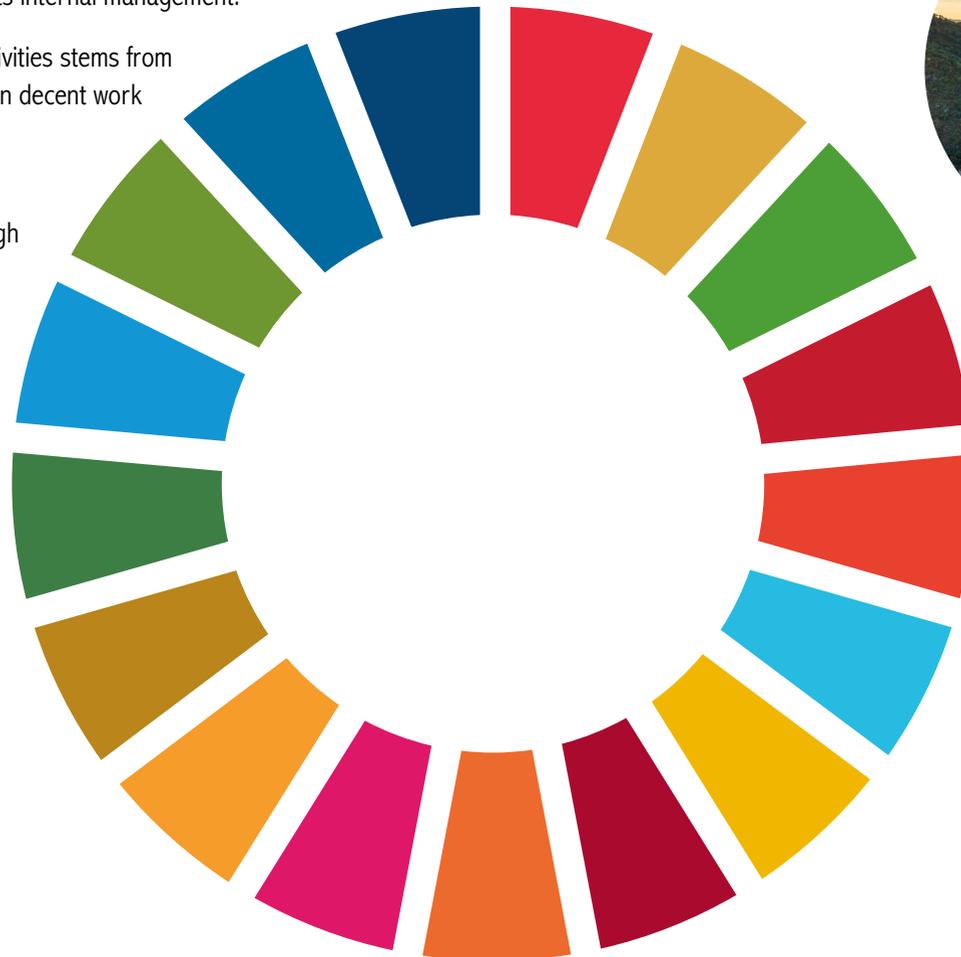
The ICO Group and the sustainable development goals

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

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

Support for projects and activities that promote SDG8 is complemented by the contribution to other relevant SDGs through different actions, such as 7 and 13, which are particularly relevant to our financial activity. In any case, all the SDGs to which we contribute are interconnected and mark the roadmap that the ICO Group offers towards sustainability and social responsibility.

Our main contribution is made through direct and intermediated financing activity. This contribution is quantified under heading 2.3. This is the main contribution which is complemented by other activities, as described in sections 2.2 and 2.4, as well as internal management in chapters 4 and 5 of this document.



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

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

2.2 In n its financing activity: support for the productive fabric

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

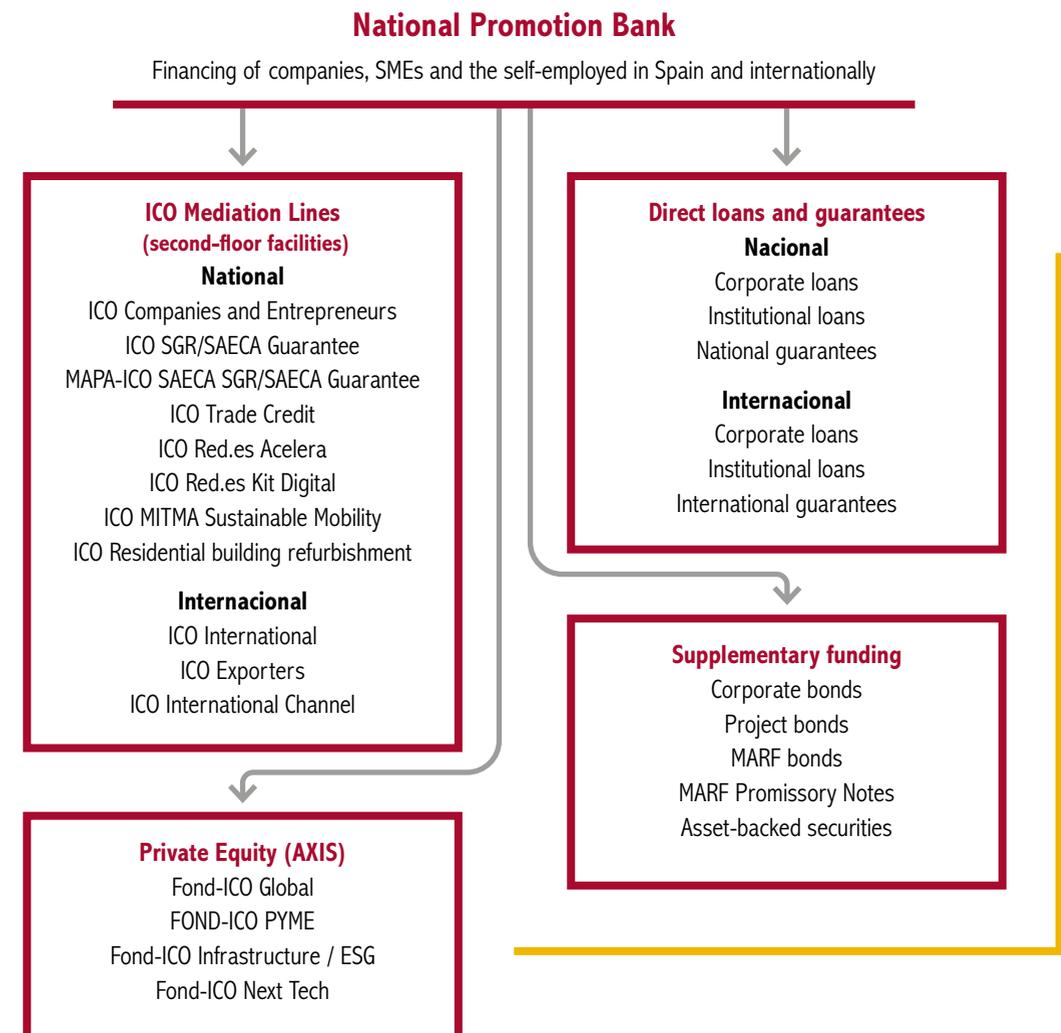
Supporting all companies through its broad portfolio of products and initiatives

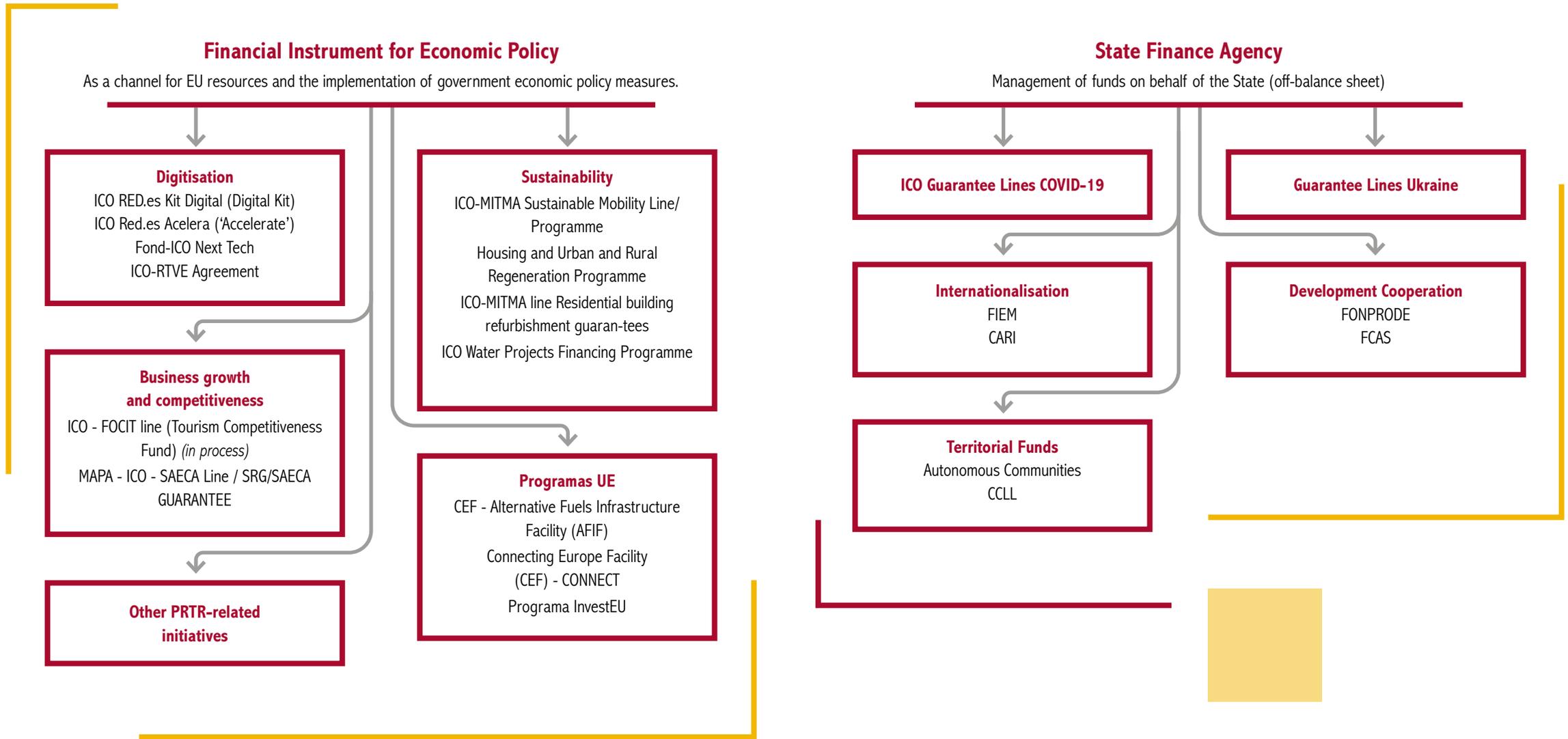
The ICO Group offers a comprehensive range of financing and guarantees through which it contributes to promoting viable business projects, favouring the growth of companies, their long-term investments and their international activity, with the aim of fostering sustainable growth, job creation and the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

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

The ICO Group's activity is largely carried out through strong public-private partnerships with the financial and business sector, which allows it to mobilise greater resources and generate synergies and added value.

ICO GROUP PRODUCTS AND INITIATIVES





WITH A SPECIAL FOCUS ON SMES AND, WITHIN THEM, ON SMALLER ONES

12,388 operations financed in 2022 with ICO Mediation Lines in Spain

99% of operations to companies with less than 250 employees

70% of operations to companies with less than 10 employees

A large part of the ICO Group's financing is aimed at small and medium-sized enterprises and the self-employed in all sectors, since most of the business fabric in Spain is made up of this type of company. Specifically, SMEs and the self-employed accounted for 99.8% of the total number of companies in Spain and generated 64% of total business employment, with data as of 31 December 2022. Moreover, bank loans are the main source of financing for smaller Spanish companies, and they may find it more difficult to access external financing, especially in times of worsening economic prospects or with a tightening of the conditions applied to bank loans.

PROVISIONS FOR ICO MEDIATION LINES IN SPAIN 2022 BY COMPANY SIZE (*)

COMPANY SIZE	No. of OPERATIONS	% OF TOTAL LOANS
Less than 10 employees	8,659	70%
Between 10 and 49 employees	2,827	23%
Between 50 and 149 employees	603	5%
Between 150 and 249 employees	150	1%
More than 250 employees	149	1%
Total	12,388	100%

* Excluding International Channel (6 operations)

Simplicity of processing and favourable terms and conditions are characteristic of the ICO Mediation Lines. The catalogue of Mediation lines is constantly evolving and adapting to the needs of companies and the self-employed, with traditional lines such as Companies and Entrepreneurs and other newly launched lines with specific objectives, which are discussed below.

In its **national mediation activity**, the ICO reinforces its commitment to **sustainable financing** with the approval of the following three new lines of credit that contribute directly to sustainability. They are explained in more detail in the Sustainability section of this document.

- ICO MAPA SGR / SAECA Guarantee line: positive social impact through its support for economic sectors affected by drought and other climatic risks.
- ICO MITMA Sustainable Mobility Line: positive environmental impact through its contribution to the implementation of low-emission zones, transformation of public transport towards zero emissions and, in general, contributing to sustainable mobility.
- ICO residential building refurbishment line: positive environmental impact through its contribution to improving the energy efficiency of residential buildings.

ALSO SUPPORTING LARGE INVESTMENT PROJECTS

3.856 million in provisions in 2022, largely for major projects

Strong support for direct financing of operations with a sustainable component

The ICO, as a national promotional bank, offers direct financing on its own account to Spanish companies for the development of large long-term investment projects, both in Spain and abroad, always respecting the principle of complementarity with private initiative, supporting the maintenance and promotion of economic activities that contribute to growth and the improvement of the distribution of national wealth and, in particular, those which, due to their social, cultural, innovative or ecological importance, deserve to be encouraged.

It should be noted that ICO's direct financing activity for larger companies has a drag and pull effect on the value and supply chains of Spanish content, expanding the activities of medium-sized companies and SMEs, mobilising additional complementary financing resources and the contribution of companies' own funds.

The ICO's product catalogue includes complementary financing instruments so that companies can diversify the means of obtaining resources to carry out their development plans and boost their growth. Through the development of these instruments, ICO contributes added value to corporate financing, expanding the range of products on offer and promoting additional sources of financing. These products are detailed below.

The ICO's new financing activity and issuance of own-account guarantees for companies, entrepreneurs and local authorities amounted to 5,417 million euros in 2022, of which 1,561 million euros were drawn down through ICO Mediation Lines and 3,856 million euros were drawn down through direct activity (including direct loans, guarantees, corporate bonds, project bonds, MARF bonds and notes, and securitisation bonds, both nationally and internationally).

DIRECT ACTIVITY		Provisions 2022 Millions of euros
Direct loans and guarantees		1,916
National		1,145
	Corporate loans	829
	Institutional loans	297
	National guarantees	19
International		771
	Corporate loans	633
	Institutional loans	16
	International guarantees	122
Supplementary funding		1,939
	Corporate bonds	319
	Project bonds	25
	Asset-backed securities	383
	MARF bonds	10
	MARF Promissory Notes	1,202
TOTAL		3,856



ICO's **direct financing activity** contributes to its **commitment to sustainable economic development**, both nationally and internationally, aligning itself with the 17 Sustainable Development Goals of the United Nations 2030 Agenda, with the Paris Climate Agreement (COP 21), with the United Nations Guiding Principles on Business and Human Rights and with the EU Sustainable Finance Action Plan, among others, all of which have been signed by Spain and implemented at European and national level.

Within the framework of **direct financing to large companies**, ICO has **various financial instruments** specifically designed to encourage investment in activities that **contribute to the achievement of sustainability objectives**, such as green and social loans, loans linked to sustainability objectives, the acquisition of sustainable bonds or green securitisations.

In 2022, the **ICO continued to promote sustainability** by approving direct financing operations with a positive environmental and social impact. Further details on the sustainability component of our financing activity can be found in the Sustainability section of this document.

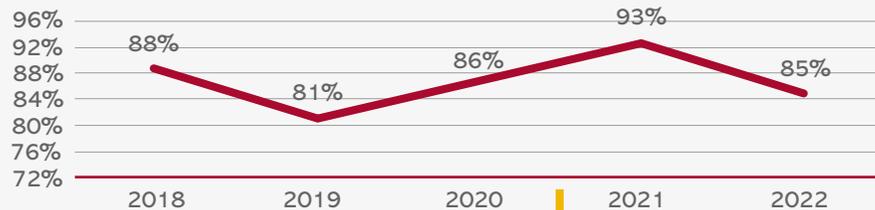
PROMOTING MEDIUM- AND LONG-TERM FINANCING

85% of new formalisations in 2022 are medium to long term

One of the main added values of the ICO focuses on trying to boost long-term financing for companies and the self-employed, so that they have sufficient financial leeway to undertake projects that generate sustainable growth, competitiveness and stable, quality employment. ICO facilitates access to this type of financing, which may be more difficult for some companies.

The new direct financing (including own guarantees) and ICO Mediation formalised during 2022, with maturities of 4 years or more, represents a high percentage of the total new lending activity formalised in the medium and long term, having reached 85% in 2022 and above 80% in the last 5 years. This figure shows the strong contribution of the ICO in boosting long-term investment by Spanish companies that may find it more difficult to finance themselves at longer maturities.

New lending activity entered into for terms of 4 years or more (including guarantees) over total new lending activity entered into in the medium to long term (including guarantees)



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

CAPILLARITY, BROAD TERRITORIAL DISTRIBUTION AND SUPPORT FOR ECONOMIC CONVERGENCE:

53% Mediation + Direct in Spain to Autonomous Regions with <GDP per capita

40% Mediation + Direct in Spain to Autonomous Regions with >unemployment rate

+2,300 municipalities in Spain financed with ICO Mediation Lines

Supporting territorial cohesion through social/affordable housing programmes

One of ICO's main objectives is to provide financing to all Spanish regions, intensifying social and territorial cohesion programmes, such as the construction or rehabilitation of social rental housing with Autonomous Communities and Local Corporations, and promoting initiatives, in public-private collaboration, in those regions most affected by depopulation to finance projects that contribute to reducing the territorial gap.

ICO Mediation Lines 2022*. Amounts available

	Amount (Millions €)	%/Total
To regions with lower GDP per capita than average	728	57%
To regions with a higher unemployment rate than average	472	37%

* Does not include International Channel

ICO's financing through the ICO Mediation Lines and direct financing in Spain has reached all Spanish regions during 2022. From the point of view of the contribution to economic development and cohesion between territories, it should be noted that 728 million of the Mediation lines were channelled to companies located in Autonomous Communities with a GDP per capita below the national average in 2021, which represents 57% of the total amount made available. Regarding regions with above-average unemployment rates in 2022, Mediation provisions amounted to 472 million euros, which represents 37% of the total distributed in Spain.

As for the regional distribution of ICO's direct financing to Spanish companies at the end of 2022, an amount of 1,389 million euros, representing 51% of total financing, was allocated to Autonomous Communities with a GDP per capita below the national average and an amount of 1,123 million euros, representing 42% of the total, to those with an unemployment rate above the national average.

Direct Financing 2022* . Amounts available		
	Amount (Millions €)	%/Total
To regions with lower GDP per capita than average	1,389	51%
To regions with a higher unemployment rate than average	1,123	42%

* Excluding asset-backed securities



In the total of intermediated and direct financing, an amount of 2,117 million euros, representing 53% of the total drawn down, has been directed to regions with a GDP per capita below the Spanish average and an amount of 1,595 million euros, representing 40% of the total drawn down, to those with a higher than average unemployment rate.

ICO Mediation + Direct Financing Lines 2022* . Amounts available		
	Amount (Millions €)	%/Total
To regions with lower GDP per capita than average	2,117	53%
To regions with a higher unemployment rate than average	1,595	40%

* Excludes International Channel and asset-backed securities

ICO has extensive experience in **financing projects** to increase the stock of social or affordable rental housing in different Spanish autonomous communities with the aim, among others, of offering the most vulnerable social groups better options for access to housing. This funding is provided through collaboration agreements and housing agreements with the Ministry responsible at any given time.

ICO also has specific programmes and initiatives to support **territorial cohesion and sustainable activity**, such as the ICO-Housing and Urban and Rural Regeneration Programme, which enables it to finance projects aimed at, among other things, promoting the construction, rehabilitation and conservation of rental housing, improving energy efficiency, decarbonisation, housing sustainability, improving accessibility to housing and the regeneration and renovation of urban and rural areas. The granting of direct ICO financing is additional to the aid that, where appropriate, is granted under the State Housing Plan 2022-2025, the Programmes in force within the general framework of the Recovery, Transformation and Resilience Plan or other Programmes that may be approved in the field of housing

BROAD SECTORAL DISTRIBUTION

All sectors of activity are covered by ICO financing

Special attention in 2022 to sectors most affected by the current economic context, drought and war in Ukraine

The funds lent through ICO Mediation Lines in 2022 have had a broad sectoral distribution, with a greater contribution (51% of the total amount drawn down and 56% of total operations) to those sectors most affected by the consequences of the drought in Spain, such as agriculture, livestock and fisheries, as well as those most affected by the consequences of the current economic context and the war in Ukraine, with more energy-intensive activities such as transport, construction and infrastructure, industrial products and the chemical industry.

ICO MEDIATION PROVISIONS 2022. ACTIVITY SECTOR	Importe			
	AMOUNT (millions of euros)	% W/O AMOUNT	Nº of OPERATIONS	% W/O FINANCING
AGRICULTURE, LIVESTOCK AND FISHING	128	10.1%	2,325	18.8%
TOURISM, LEISURE AND CULTURE	127	10.0%	1,285	10.4%
TRANSPORT AND LOGISTICS	109	8.6%	1,285	10.4%
CONSTRUCTION AND INFRASTRUCTURE	101	8.0%	1,021	8.2%
CAPITAL GOODS AND INDUSTRIAL PRODUCTS	90	7.1%	817	6.6%
CHEMICAL INDUSTRY	88	6.9%	180	1.5%
OTHER SECTORS	625	49.3%	5,475	44.2%
TOTAL	1,268	100.00%	12,388	100.00%

* Does not include International Channel

As for the distribution by sector through direct activity, in 2022 it also shows a wide diversity of economic activities, with a greater weight in activities that require large investment projects, such as the construction and infrastructure sectors, as well as those that promote the energy transition, thus avoiding greenhouse gas emissions, such as the energy and environment-related sectors.

DIRECT ACTIVITY PROVISIONS 2022*. ACTIVITY SECTOR	AMOUNT (millions of euros)	%/Total
CONSTRUCTION AND INFRASTRUCTURE	717	20,6%
ENERGY	498	14,3%
BUSINESS, PROFESSIONAL AND ADMINISTRATIVE SERVICES	448	12,9%
ENVIRONMENT	426	12,3%
OTHER SECTORS	1,383	39,9%
TOTAL	3,473	100,0%

* Excluding asset-backed securities

BOOSTING INTERNATIONALISATION

2,039 million approved in 2022 of direct activity + mediation

29% of total new activity formalised for outward investment by 2022

Boosting the international activity of Spanish companies and attracting foreign investment is one of ICO's priorities, helping to strengthen the foreign sector and consolidating its role as a driving force in the growth, recovery and transformation of the Spanish economy. In fact, ICO is part of and actively contributes to the Strategy for the Internationalisation of the Spanish Economy 2017-2027.

ICO offers a comprehensive range of financing to promote the international activity of companies of all sizes and in all sectors, their export and investment activity, including the ICO Mediation Lines (ICO International, ICO Exporters and ICO International Channel), direct activity for companies through structuring, syndications, Project Finance and corporate debt acquisitions, and the important role of the Institute in granting guarantees in international bidding processes.

The weight of operations formalised for investment outside Spain has been above 28% in recent years, taking into account both direct activity and activity carried out through the ICO Mediation Lines.

Internationalisation	Approved 2022 Millions of euros
	2,039
Direct activity (with endorsements)	1,261
ICO Mediation Lines	778



In terms of ICO's direct activity, new approvals of direct international financing (with international guarantees) amounted to 1,261 million euros at the end of 2022, the purpose of which is to promote projects abroad.

As for ICO's intermediary activity through financial institutions, an amount of 778 million euros has been approved in 2022, earmarked for investments outside the national territory. The following Lines are aimed at the internationalisation of Spanish companies:

- **ICO International Line**, which is aimed at financing investment projects and/or general business needs of the self-employed, companies and Spanish public and private entities, both those domiciled in Spain and those domiciled abroad, with Spanish interest and repayment terms of up to 20 years.
- **ICO Exporters line**, which provides short-term financing to the self-employed and companies for advances on invoices from the company's commercial activity abroad, as well as the company's liquidity needs to cover the costs of production and preparation of the goods or services to be sold abroad.
- **ICO International Channel Line**, which has become increasingly important in ICO's internationalisation activity, with an amount of 293 million euros available in 2022 in 6 contracts with 6 international entities, whose scope of application is located in the LATAM and NAFTA (free trade area between Canada, the United States and Mexico) geographic areas. The aim of the ICO International Channel Line is to promote the activity and financing of projects of companies with Spanish interest with international presence in third markets, through intermediation with institutions. This programme shifts the operating scheme of ICO Lines to multilateral, public promotional or private banks located abroad. This facilitates the application process for companies and incorporates the institution's knowledge of the local market as an added value. In addition, it allows Spanish companies operating in third markets to finance their projects in local currency in the countries where the investment projects or commercial activity is carried out.

ICO International Channel Line

Functional diagram



Since the launch of this funding programme in 2015, a volume of close to €3.3 billion has been approved through 31 operations corresponding to 16 different counterparties. The cumulative amount formalised under the programme is €3.1 bn euros and the volume drawn down is €1.9bn.



PROMOTING DIGITISATION

7.4 billion euros mobilisable, in public-private partnership, towards Spanish companies investing in digital transformation

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

The ICO Group has experience in financing and channelling resources, in public-private collaboration with the financial sector and the Administration, aimed at the digital transformation of economic activity in Spain, particularly SMEs. All of this is in line with the European digital strategy and the Spain Digital Agenda 2026.

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

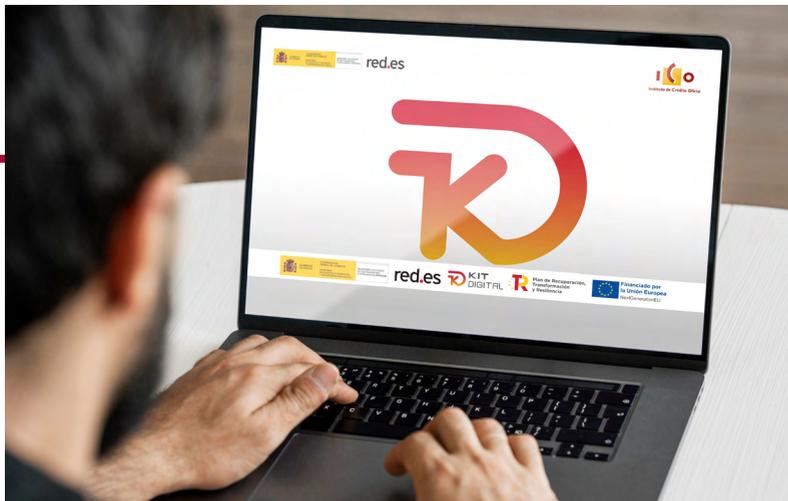
Product of the ICO Group	Purpose	Endowment Millions of euros
ICO-Red.es Kit Digital Line		
Non-repayable aid for small enterprises, micro-enterprises and the self-employed	Collaboration between Red.es and the ICO to promote access to ICO financing through financial institutions for beneficiary companies and digitalisation agents, for those projects that have received aid from Red.es within the Digital Kit Programme.	3.000 M€
ICO-Red.es 'Acelera' Line		
ICO will finance up to 100% of the amount of the project approved by Red.es minus the amount of the grant advance	Loans through an ICO Mediation Line in collaboration with financial institutions to finance the digitalisation process of SMEs and establish measures to support the creation of technological solutions for their digitalisation	Up to 300 M€
Next Tech Fund		
Holdings and underwriting commitments in companies and funds specialising in digital and artificial intelligence sectors	Venture capital fund to promote the development of innovative high-impact digital projects and investment in scale-ups in collaboration with SEDIA, with the potential to mobilise up to €4 billion in public-private partnerships with the Spanish venture capital sector.	2.000 M€
ICO-RTVE Agreement		
	ICO direct financing programme for the production of new audiovisual works, such as feature and short films, films for television, documentaries and animated series and other European works of a cultural nature	Up to 100 M€

DEPLOYING SPANISH AND EUROPEAN INITIATIVES

+25 billion euros with existing initiatives and addendum to the RTR Plan (Spanish Recovery, Transformation and Resilience Plan) to channel budgetary resources and European funds into public-private partnerships

ICO has experience in products that combine financing with the granting of aid or subsidies or guarantees (blending) from national and European bodies, multiplying the effect and creating synergies when it comes to promoting certain activities and mobilising financial resources to make them available to companies and investment and transformation projects.

ICO promotes collaboration with sectoral Ministries, Autonomous Communities and their dependent bodies in channelling budgetary resources and European funds in support of the business fabric, within the framework of the Recovery, Transformation and Resilience Plan.



ICO-Red Accelerate SME (300 million euros in aid)

Accelerating the digitalisation process of SMEs and establish measures to support the creation of technological solutions for their digitalisation.

ICO-Red.es Kit Digital (3,000 million euros in aid)

Accelerating the digital transformation process of SMEs and the self-employed.

ICO-MITMA Sustainable Mobility (1,460 million euros in aid)

Implementing of low-emission zones and digital and sustainable transformation of transport. Financing for companies and municipalities.

Initiatives aligned with the Recovery, Transformation and Resilience Plan

ICO-MITMA Housing Renovation (1.1 billion euros in guarantees)

Encouraging refurbishment works in residential buildings that contribute to improving energy efficiency.

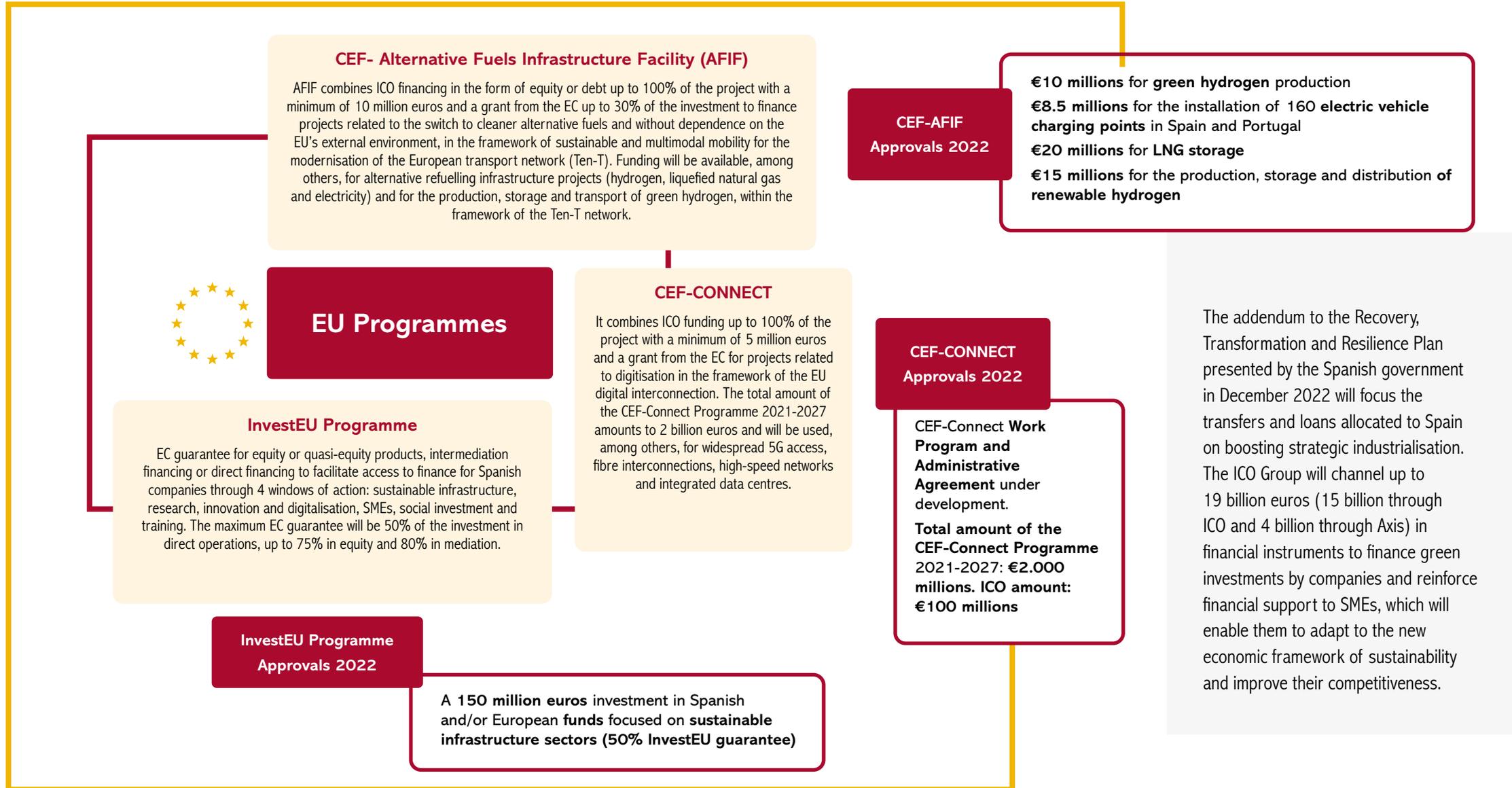
ICO-Tourism FOCIT (220 million euros in aid) - in the pipeline-

Digitalisation, innovation and modernisation of tourism enterprises for energy efficiency and circular economy projects.

ICO-MAPA SAECA (Line=220 million euros; Guarantees=20 million euros)

Financing for general business needs following loss of profit due to drought and other adverse climatic phenomena.

The ICO Group has extensive experience in channelling European funds (such as the Juncker Plan), collaborating with the European Commission, the EIB and the EIF in mobilising European resources for companies and projects of Spanish interest. It is worth mentioning ICO's accreditation in 2020 as an Implementing Partner of the European Commission, which has since enabled it to finance projects through the Connecting Europe Facility (CEF), CEF - Alternative Fuels Infrastructure Facility (AFIF) and InvestEU.



LEVERAGING NEW FUNDING THROUGH COMPLEMENTARY FINANCE

Nearly 2 billion euros of additional funding to be made available in 2022

In recent years, ICO has promoted other complementary sources of financing, which allow diversification of financial resources with alternative sources to banking through bonds, promissory notes and securitisations with the aim of supporting the growth of companies in all sectors and of all sizes, with a special focus on small and medium-sized enterprises.



These complementary sources of funding include:

CORPORATE BONDS	Provisions of 1,939 million euros in 2022	Direct financing programme for companies through the acquisition of bonds and debentures issued by Spanish companies to finance their medium and long-term investment plans. Preference will be given to companies that are certified as responsible emitters or listed on sustainability indices, favouring activities and projects that improve environmental performance.
PROJECT BONDS		Project bond purchase programme as a medium and long-term financing instrument especially linked to large infrastructure financing operations
MARF BONDS AND PROMISSORY NOTES		ICO's direct financing programme for companies through the subscription of MARF promissory notes and bonds to inject liquidity and finance the medium and long-term investment plans of Spanish companies with issuance programmes registered in the Alternative Income Market (MARF).
ASSET-BACKED SECURITIES		General framework for investing in securitisation assets that have an impact on new lending to the productive fabric, as well as alignment with its objectives, for example, in terms of sustainability. The ICO requires as a condition for its participation a commitment from the originating institution to generate new financing for companies and the self-employed in Spain.

DIRECT ACTIVITY. SUPPLEMENTARY FUNDING	Provision 2022 Millions of euros
Corporate bonds	319
Project bonds	25
MARF bonds	10
MARF Promissory Notes	1,202
Asset-backed securities	383
TOTAL	1,939

MANAGING STATE GUARANTEE LINES

ICO-Covid19 guarantee line: 107.187 billion euros of guarantees granted in 1,192,484 operations to almost 675,000 companies and the self-employed since its launch, with a positive impact on maintaining activity and employment

Ukraine Guarantee Line: 649 million in guarantees granted in almost 4,000 operations to more than 3,600 companies during 2022, liquidity tensions due to price increases

The **ICO-Covid19 Guarantee Lines** to support companies and the self-employed, launched in 2020 by the Spanish Government as a result of the situation generated by the Covid-19 pandemic, have been managed by ICO, allowing the provision of liquidity and the financing of investments in the Spanish productive fabric, thus avoiding a negative structural impact on the economy and employment. In addition, flexibility measures have been adopted within the scope of ICO management to adapt the conditions of guaranteed loans and improve business solvency, including, among others, extensions of the maturities of operations, aimed at alleviating the financial burden of the self-employed, SMEs and companies. The Covid-19 Guarantee Lines, managed by ICO, have constituted an unprecedented model of public-private collaboration that has enabled close to 675,000 self-employed workers and companies, mainly SMEs, in 1,192,484 guaranteed operations to access financing to cover their liquidity and investment needs, mobilising, in public-private collaboration, slightly more than 140,000 million euros since its launch, making it the most effective programme in the European Union as a whole. The deadline for granting these guarantees was 30 June 2022, although the ICO continues to carry out the financial management of the amounts guaranteed during the term of the loans.

ICO also manages the **Ukraine Guarantee Line**, included in the Response Plan to Russia's war in Ukraine approved by the Spanish government in 2022 and endowed with up to 10,000 million euros to cover financing granted through financial institutions to companies and the self-employed affected by liquidity tensions due to the increase in energy and other raw material prices as a result of the war in Ukraine. During 2022, guarantees for an amount of 649 million euros have been requested, which has mobilised financing of 839 million euros, through financial institutions, in nearly 4,000 operations to more than 3,600 companies and self-employed people belonging to all productive sectors, with the exception of the financial and insurance sector, and which have been affected by the economic effects of the war in Ukraine. The guarantees will be granted until 31 December 2023.

MANAGING STATE GUARANTEE LINES FOR COMPANIES AND THE SELF-EMPLOYED.

Closing data 2022

GUARANTEE LINES	GUARANTEE REQUESTED Millions of euros	AMOUNT MOBILISED Millions of euros	Nº. of OPERATIONS	Nº. of COMPANIES
ICO- Covid Guarantee Lines19 (from start of Line)	107,187	140,737	1,192,484	674,922
Ukraine Guarantee Line	649	839	3,999	3,638

MANAGING FUNDS ON BEHALF OF THE STATE

198,951 million managed by ICO on behalf of the State at the end of 2022, in addition to the State guarantee lines

Support for the internationalisation of Spanish companies, Spanish development cooperation and the financial sustainability of Autonomous Regions and local entities.

In addition to the management of the aforementioned ICO-Covid19 and Ukraine Guarantee Lines, as a State Financial Agency, the ICO carries out financial services to manage, off-balance sheet and on behalf of other Ministries, certain funds and instruments aimed at **supporting internationalisation** (through FIEM and CARI), **supporting development cooperation** (through FONPRODE and FCAS) and facilitating the **sustainability of regional and local administrations** (through FFCCAA and FFEELL).

At the end of 2022, ICO had managed funds on behalf of the State, including the total amounts formalised under the State Guarantee Lines, with a total balance of **306,787 million euros**

State Financial Agency	2022 Balance
Management of funds on behalf of the State (off-balance sheet activity)	Millions €
ICO Guarantee Lines COVID-19	107,187
Guarantee Lines Ukraine	649
Internationalisation (FIEM + CARI)	6,507
Development Cooperation (FONPRODE + FCAS)	413
Territorial Funds (CCAA + CCLL)	192,031
Total	306,787

SUPPORT FOR INTERNALISATION

ICO acts on behalf of and under the direction of the Secretary of State for Trade of the Ministry of Industry, Trade and Tourism.

Within this framework, ICO manages:

Fondo para la Internacionalización de la Empresa (FIEM) (Corporate Internationalisation Fund)

The fund promotes the export operations of Spanish companies, as well as Spanish direct investment abroad, by financing operations and projects of special interest for the internationalisation strategy of the Spanish economy. Financing may also be made available for the technical assistance that these operations and projects need, in both developed and developing countries.

Reciprocal Interest Adjustment Contract (CARI)

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

SUPPORT FOR DEVELOPMENT COOPERATION

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

Fund for the Promotion of Development (FONPRODE)

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

Cooperation Fund for Water and Sanitation (FCAS)

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

FINANCIAL SUSTAINABILITY OF REGIONAL AND LOCAL GOVERNMENTS

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

Financing Fund for Autonomous Communities (FFCCAA)

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

FUND FOR FINANCING LOCAL ENTITIES (FFEELL)

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

ENERGISING THE PRIVATE EQUITY SECTOR

Axis manages 4 venture capital funds with 7.15 billion under management

The ICO promotes complementary financing for companies through Axis, its 100%-owned venture capital manager, in public-private partnership. AXIS' activity is carried out through investments in private equity and venture capital funds aimed at promoting the creation and growth of companies throughout the entire investment life cycle, from the early stages (business angels, incubation, technology transfer), to start-up, scale-up, expansion and growth capital (equity) and debt. Axis currently manages four funds registered with the CNMV, (Spanish Securities and Exchange Commission), whose sole participant is the ICO, with a total amount of 7.15 billion euros:

During 2022, Axis has approved commitments of 1.79 billion euros through its four funds:

DIRECT ACTIVITY: Private Equity AXIS	Fund size Millions €	Approved commitments 2022 Millions €
FondICO Global.	4,500	410
FondICO Pyme:	250	35
FondICO Infrastructure / ESG	400	55
FondICO Next Tech*	2,000	1,290
Total	7,150	1,790

* Including the European Tech Champions Initiative (ETCI), to be realised through Fond-ICO Next Tech with an ICO commitment approved in Dec/2022 of 400 million euros, to be increased to 1 billion euros in 2023.

Axis' actions complement those of the Institute and reinforce the ICO Group's clear positioning in favour of **sustainability**. A total amount of 673 million euros in sustainable investments has been approved in 2022, as explained in more detail in the Sustainability section of this document.

Fond-ICO Global

A fund endowed with 4.5 billion euros. It is the first public venture capital/private equity "fund of funds" created in Spain and aims to promote the creation of privately managed venture capital funds that invest in Spanish companies at all stages of their development. Through the 15 Fond-ICO Global calls resolved until the end of 2022, investments in Spanish companies have been approved for an amount of 3,427 million euros with an invested volume of 11,474 million euros (multiplier of 3.3x).

**Fond-ICO
GLOBAL**
4.500 M€

Fond-ICO Pyme

Fund endowed with 250 million euros. Its objective is to invest in funds that invest in strategic or innovative segments of activity such as sustainability and social impact or the entrepreneurial ecosystem, also promoting complementary financing to banking through business angels or diversified debt (crowdfunding/crowdfunding).

**Fond-ICO
PYME**
250 M€

Fond-ICO Infrastructure ESG

Fund endowed with 400 million euros. It acts as a minority investor facilitating the development and construction of projects that contribute to a more sustainable and decarbonised economy, prioritising strategic niches within the energy, mobility, environment and social infrastructure sectors, always seeking a clear positive impact for people, the climate and the environment.

**Fond-ICO
Infrastructure
ESG**
400 M€

**Fond-ICO
Next Tech**
2.000 M€

Fond-ICO Next Tech

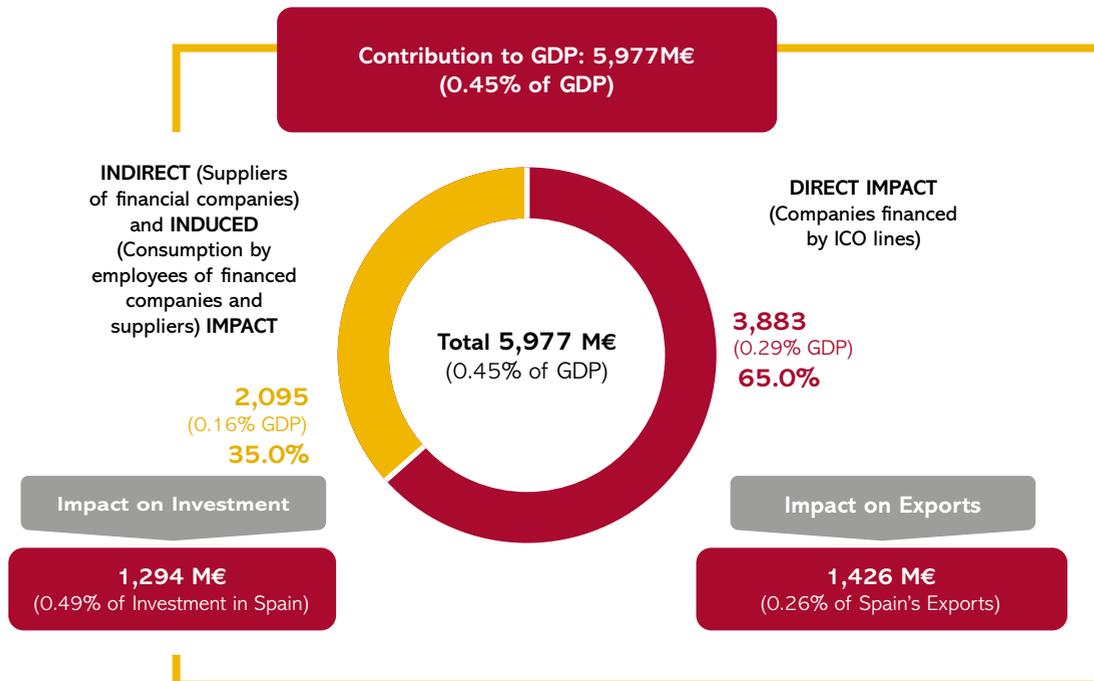
2 billion fund with the possibility of mobilising up to 4 billion euros in public-private partnerships with the Spanish venture capital industry. Fond-ICO Next Tech is a joint initiative of ICO and Axis with the Secretary of State for Digitalisation and Artificial Intelligence (SEDIA), included in the National Recovery, Transformation and Resilience Plan, with the aim of promoting the development of innovative, high-impact digital projects and investment in scale-up companies.

2.3 Positive macroeconomic impact on the Spanish economy

MEDIATION ACTIVITY (SECOND-FLOOR FACILITIES): IMPACT ON GDP AND EMPLOYMENT

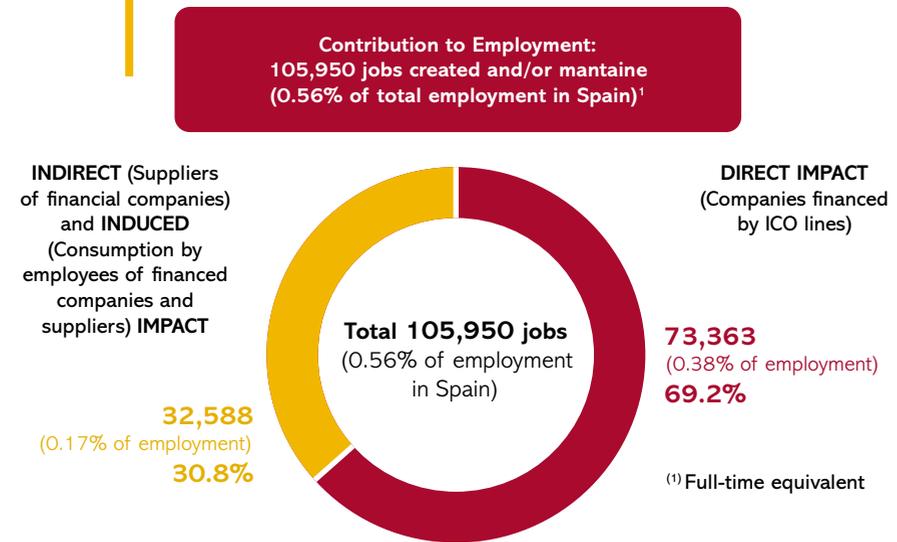
ICO has developed an analysis to quantify the macroeconomic impact of its financing activity. This analysis, based on a methodology that uses the National Accounts' Input-Output Tables combined with statistical and econometric techniques, shows that ICO's important role in the Spanish financial sector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

ICO Mediation Lines 2022 (second-floor facilities)



With regard to the impact on economic activity of the financing distributed by the ICO in 2022 through the Mediation lines, estimates place it at 5,977 million euros in terms of GDP, equivalent to 0.45% of GDP. In the same way, this financing activity led to 1,294 million euros in investment, representing 0.49% of the total gross fixed capital formation (GFCF) made in Spain in 2018. In relation to exports, the impact generated by ICO-mediated financing, estimated at 1,426 million euros, represented 0.26% of the total volume of Spain's exports.

ICO Mediation Lines 2022 (second-floor facilities)



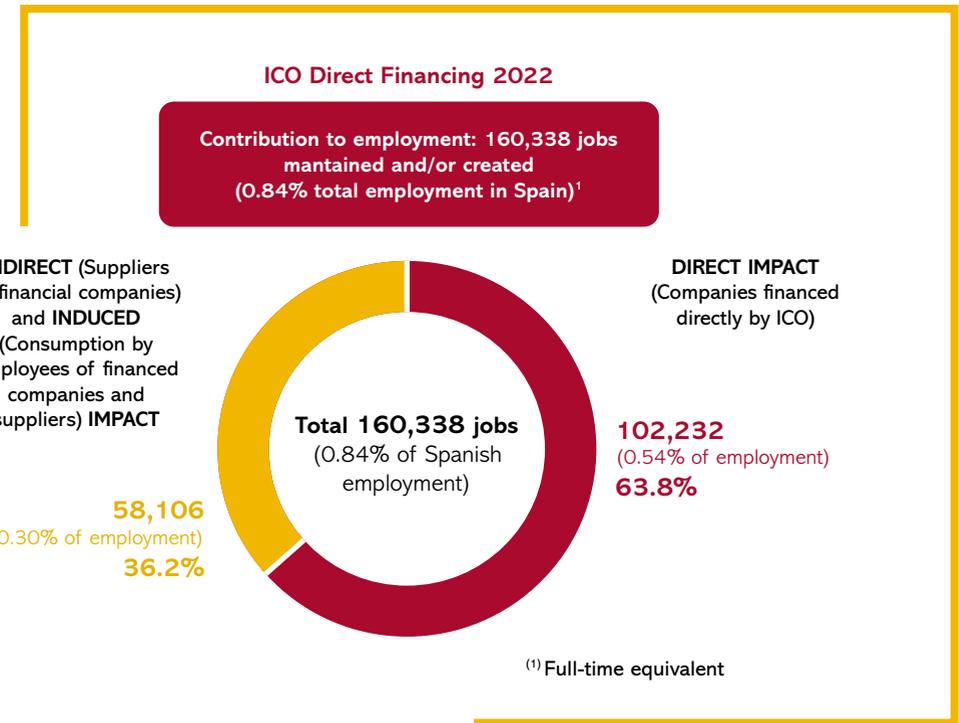
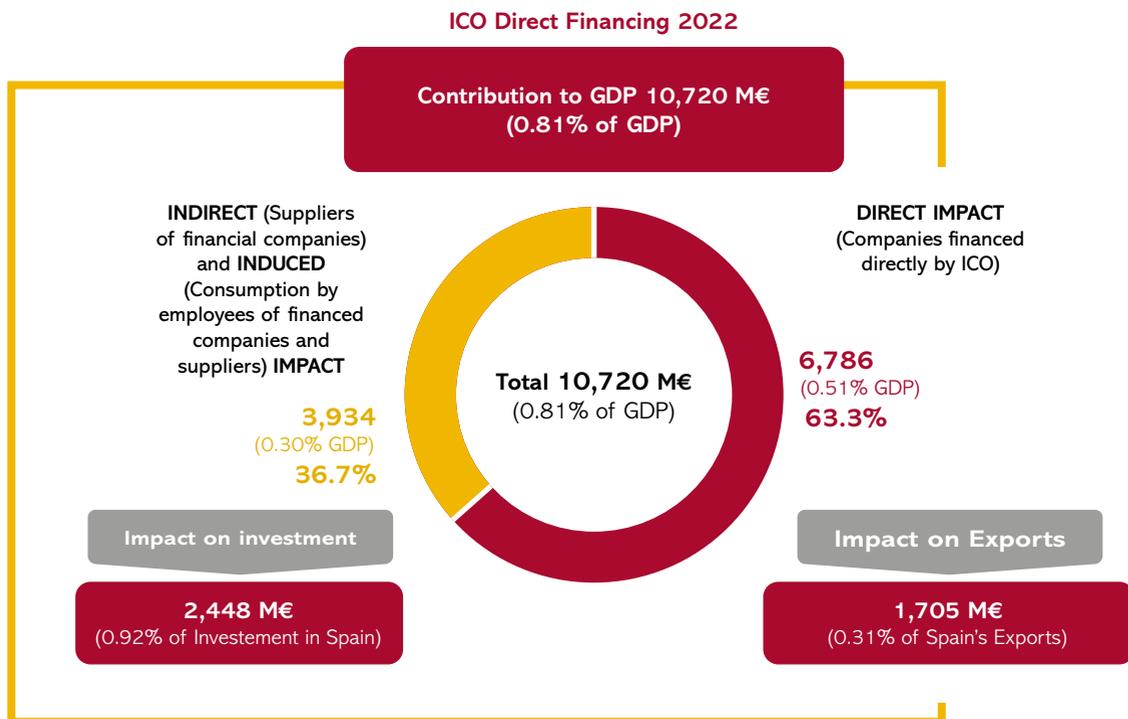
In turn, there is a significant impact on employment. The estimated employment generated and/or maintained as a result of ICO activity in 2022 through Mediation lines is estimated at 105,950 jobs, representing 0.56% of the total volume of full-time equivalent employment.

DIRECT FINANCING ACTIVITY: IMPACT ON GDP AND EMPLOYMENT

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

The estimated impact on economic activity generated by the ICO's direct financing operations formalised in 2022 is estimated at 10.72 billion euros in terms of GDP, equivalent to 0.81% of GDP.

Similarly, these direct financing operations have meant 2,448 million euros in investment, which represents 0.92% of the total gross fixed capital formation (GFCF) in Spain in 2022, and have generated an impact on exports, estimated at 1,705 million euros, which represents 0.31% of the total volume of Spanish exports.



The quantification, in terms of employment generated and/or maintained as a result of these direct financing operations, amounts to 160,338 jobs, which represents 0.84% of the total volume of full-time equivalent employment.

2.4 The priority: driving sustainability in our funding activity

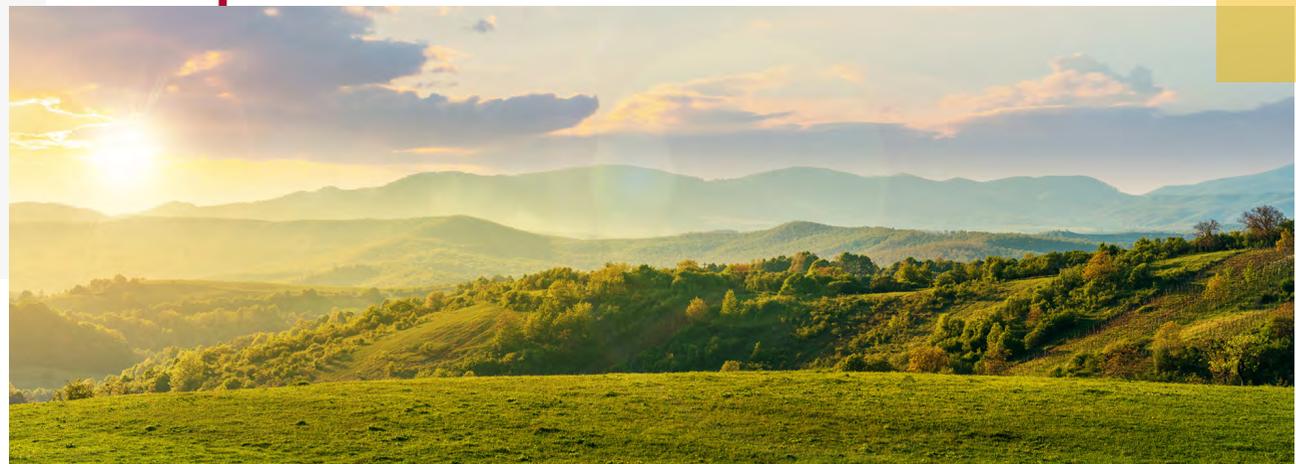
The ICO as a national promotional bank has, among others, a double challenge:

- **Signalling paper.** The role of the ICO Group goes beyond the mere financing of investments for a sustainable economy. In its own activity and in collaboration with other financial actors, ICO aims to contribute to setting standards and generating benchmarks, both in its operations (assets) and in the capital market (liabilities), as venture capital, by playing a signalling role and being at the forefront of the other actors, collaborating with them, accompanying companies or financial institutions, defining standards, acting as a force that leads the way in pioneering initiatives and offering our experience to all stakeholders.
- **Support for structural change.** The ICO Group translates this transformative process into supporting the evolution of its clients towards a Just and Sustainable transition, acting in all sectors and business dimensions, facilitating the transition of the business fabric, leaving no one behind.

In recent years, the ICO Group has given a strong impetus to financing companies for sustainable projects - environmental and social - as a means of promoting the transformation of the Spanish economy towards a more sustainable and fairer model.

The ICO Group has a Sustainability Policy which establishes a general framework for action that is complemented by the rest of the internal policies that govern the Institute's activity, such as the Environmental Policy, the Direct Financing Policy, the CSR Policy, the Equality Plan, the Code of Ethics and Conduct and the Internal Code of Conduct in the Securities Market.

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



CONTRIBUTING TO SUSTAINABLE BUSINESS FINANCING

At least 40% new sustainable financing by 2022-2027

4,946 million euros of net balance of direct sustainable operations at the end of 2022 with positive environmental and social impact, 43% of the total direct portfolio

40,477 million euros of investment mobilised, in public-private partnerships

Detail of the Direct Financing portfolio, total and sustainable, at the end of 2022:

Categorisation Sustainability	Nº. of Operations	Net balance (millions €)	%
Environment	131	3,721	32.6%
Climate Change	118	3,589	31.4%
Water and Marine Resources	12	110	1.0%
Circular Economy	1	22	0.2%
Social	289	1,225	10.7%
COVID measures	54	814	7.1%
Subsidised Housing	223	187	1.7%
Social and health infrastructure	11	208	1.8%
Development Cooperation	1	16	0.1%
Goals	420	4,946	43.3%
Not determined	471	6,470	56.7%
Total	891	11,417	100%



Mobilised Investment (millions €)
31,772
30,374
1,337
61
8,705
3,110
696
4,764
135
40,477
76,101
116,578

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

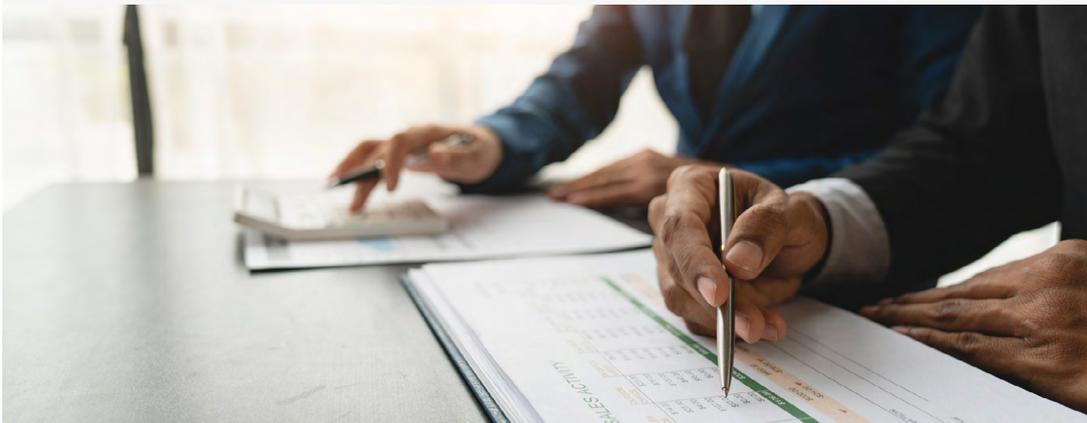
Eligibility of the loan portfolio under European Taxonomy at the end of 2022 (Green Assets Ratio)

25.71% of exposure to eligible economic activities

14.49% exposure to non-eligible economic activities

59.80% exposure in borrowers not subject to NFRD

The ICO has voluntarily calculated the percentage of exposure to eligible economic activities in accordance with the indications set out in Regulation (EU) 2021/2178. The calculation of the ratio is an approximation of the methodology set out in the above-mentioned Regulation (EU). The main improvement compared to the previous year's calculation is based on access to the information disclosed by the counterparties subject to reporting obligations. For generalist operations, the percentage of CAPEX eligibility of counterparties has been used. For the finalist operations, an operation-by-operation analysis has been carried out according to the list of eligible activities defined in Taxonomy. For the eligibility analysis, only the balance of lending activity has been considered.



New sustainable direct activity in 2022

180 sustainable operations approved by 2022

2,223 million approved with a positive environmental and social impact, 55% of total new direct operations

15,931 million euros of investment to be mobilised, in public-private partnership

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

During 2022, ICO continued to drive sustainability by approving operations with a positive environmental and social impact. The **sustainable share** represents **55% of the new direct operations approved**, which translates into a volume of 2,223 million euros of approved financing and mobilised investment of 15,931 million euros.

The amount of operations approved during 2022 with an **environmental impact** totals **1,407 million euros**, with a **mobilised investment of 10,465 million euros**. The largest volume of funding is concentrated in support for the fight against climate change, with a total amount of 1,402 million euros allocated.

The amount of approved operations with a **social impact** totals **816 million euros**, with a **mobilised investment of 5.466 million euros**. The largest volume of funding, totalling 363 million euros, corresponds to operations approved to meet liquidity and working capital needs as a result of the economic impact of COVID-19. Secondly, operations contributing to social inclusion were financed to the tune of 304 million euros. Finally, within the ICO Housing and Urban and Rural Regeneration Programme 2022-2025 for the financing of operations that promote social housing, operations amounting to 149 million euros have been approved.

Detail of new approved direct activity, total and sustainable, at the end of 2022:

Categorisation Sustainability	Nº. of Operations	Amount (millions €)	%
Environment	48	1,407	34.6%
Climate Change	47	1,402	34.5%
Water and Marine Resources	1	5	0.1%
Circular Economy	-	-	-
Social	132	816	20.1%
COVID measures	125	363	8.9%
Housing	5	149	3.7%
Social and health infrastructure	2	304	7.5%
Development Cooperation	-	-	-
Sustainability	180	2,223	54.7%
Not determined	345	1,843	45.3%
Total	525	4,066	100%



Mobilised Investment (millions €)
10,465
10,459
5
-
5,466
1,224
155
4,087
-
15,931
14,970
30,901

During 2022, work has continued on the standardisation of the sustainability information included in the operations proposal, which includes, among other fields, identification of the contribution to taxonomy and SDG targets, compliance of sustainable financing with international standards, compliance with Equator principles, which has been completed on a voluntary basis during this financial year. In addition, clauses are being incorporated in asset deal contracts to include sustainability reporting obligations.

New direct activity aligned with SDGs by 2022

Impact of operations on 11 SDGs

Decent work, energy transition and sustainable mobility are the most important

ICO's activity is aligned with the sustainability objectives established by the United Nations in the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda.

During 2022, ICO's direct activity has contributed to a large part of the 17 SDGs, with a greater weight in those SDGs that focus on inclusive and sustainable economic growth, energy and climate transition, and sustainable mobility:

- **SDG 8** Decent work and economic growth, with an approved amount of **2.49 billion euros** and a mobilised investment of 18.058 billion euros.
- **SDG 7** Affordable and clean energy, **and SDG 13**. Climate Action, with an approved amount of **845 million euros** and a mobilised investment of 6,083 million euros.
- **SDG 11** Sustainable Cities and Communities, with an approved amount of **376 million euros** and a mobilised investment of 3,058 million euros. This objective is promoted through the funded sustainable mobility projects, and the operations of the Housing and Urban and Rural Regeneration Programme.

Detail of new direct activity approved according to SDGs at the end of 2022:

SDG		Approvals (millions €)	%
SDG 1	No poverty	-	-
SDG 2	Zero hunger	3	0.1%
SDG 3	Good health & well-being	25	0.6%
SDG 4	Quality education	5	0.1%
SDG 5	Gender equality	76	1.9%
SDG 6	Clean water and sanitation	3	0.1%
SDG 7	Affordable and clean energy	159	3.9%
SDG 8	Decent work and economic growth	2,490	61.2%
SDG 9	Industry, innovation and infrastructure	212	5.2%
SDG 10	Reduced inequalities	-	-
SDG 11	Sustainable cities and communities	376	9.2%
SDG 12	Responsible consumption and production	33	0.8%
SDG 13	Climate action	686	16.9%
SDG 14	Life below water	-	-
SDG 15	Life on land	-	-
SDG 16	Peace, justice and strong institutions	-	-
SDG 17	Partnerships to achieve the goals	-	-
TOTAL		4,066	100%

x 7,25



SDG		Mobilised Investment (millions €)
SDG 8	Decent work and economic growth	18,058

x 7,19



SDG		Mobilised Investment (millions €)
SDG 7+13	Affordable and clean energy Climate action	6,083

x 8,13



SDG		Mobilised Investment (millions €)
SDG 11	Sustainable cities and communities	3,058

ICO lines of credit for sustainability mediation

3.88 billion euros mobilisable for sustainable investments, in public-private partnership

During 2022, ICO has collaborated with other Ministries in the implementation of the following lines to channel budgetary resources and European funds. ICO's objective in managing the lines, in public-private collaboration, is to encourage Spanish companies to finance sustainable projects.

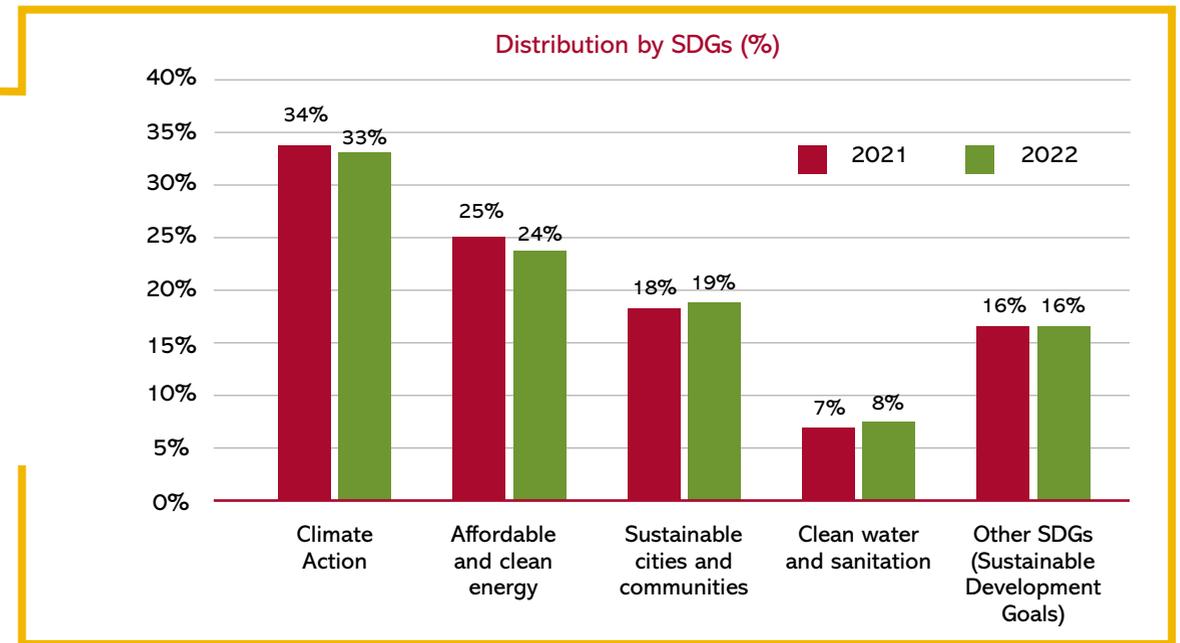
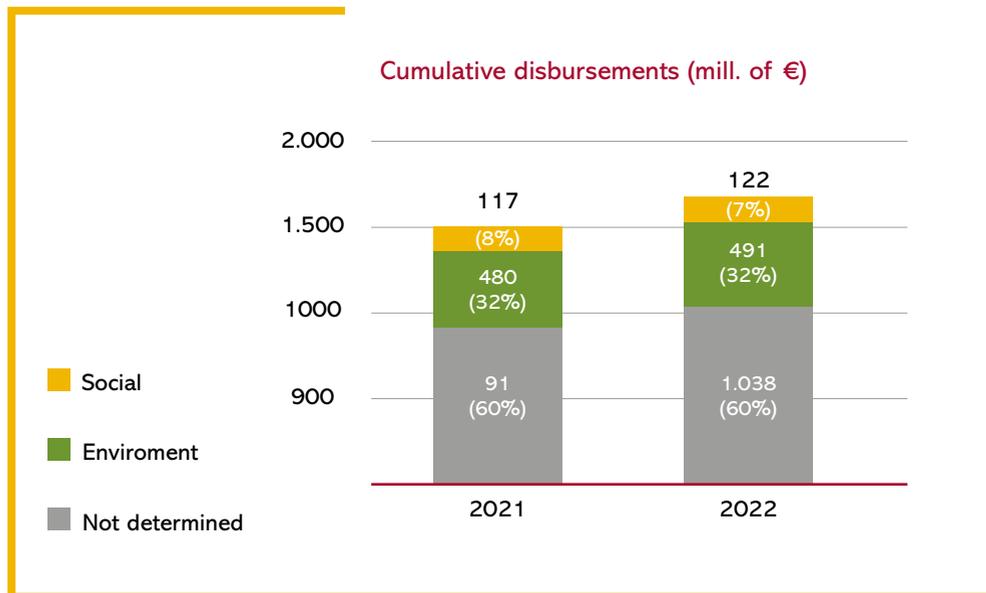


In addition, at the close of 2022, ICO began processing the ICO-Tourism FOCIT line to finance energy efficiency and circular economy projects in tourism companies, which is expected to come into operation in 2023.

The activity of the ICO International Channel Line is aligned with the ICO Group's Strategy and with ICO's various cross-cutting priority lines of action, including environmental and social sustainability. In **terms of commitment to sustainability**, it should be noted that 37% of the cumulative disbursements of the ICO International Channel Line have been categorised as sustainable at the end of 2022, of which 30% is environmental and 7% is social. A categorisation by main contributions to SDGs has also been made, as shown below.

During 2022, ICO has implemented the Sustainability Annex in the 2022 ICO Mediation Lines, which will allow obtaining sustainability information from SMEs in a very capillary way. In line with ICO's commitment to financing operations that contribute to the transition towards an inclusive and environmentally responsible economy, the 2023 ICO Mediation Lines will include the reporting of information from entities to ICO on the portfolio financed through the Mediation Lines, including especially data on the sustainability of operations to identify companies and projects aligned with the goal of sustainable development. During 2022, the reporting of information on sustainable activities and projects has been voluntary for financial institutions, becoming mandatory in 2023, to encourage awareness and identification of sustainability in the SME segment, as well as to ensure alignment with ICO's strategic objectives.

ICO International Channel Line: Cumulative disbursements and distribution by SDGs



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

77% sustainable of new AXIS approvals by the end of 2022

673 million euros of sustainable approved amount in 2022

Axis' actions complement those of the Institute and reinforce the ICO Group's clear positioning in favour of sustainability. In the financial year 2022, Axis has approved a total amount of 673.4 million euros in sustainable investments through venture capital activity.

Axis implements sustainability criteria through the following financial instruments:



Fund	Target achieved in 2022	Approvals 2022
Fond-ICO Global	In its last two calls for proposals, the digitalisation and ESG sustainability criteria of companies and projects have been included as qualitative criteria to be assessed for the selection of funds	380* million euros
Fond-ICO Infra II	Focused on participation in sustainable infrastructure projects in the transport, energy, social and service sectors, with a clear positive impact on people, climate and the environment. During 2022, a total of 50 million euros has been invested in three funds under Article 9 of the SFDR Regulation (EU), whose investments will be used for activities and projects contributing to the objectives of Climate Change Mitigation and/or Transition to a Circular Economy	50 million euros
Fond-ICO Next Tech	200 million has been approved in 2022 for investment in two sustainable funds. One of these funds, under Article 9 of the SFDR Regulation (EU), targets sustainable investments in the Green Tech, AgriTech & Sustainable Food, and Circular Economy sectors. The other fund, under Article 8 of the SFDR Regulation (EU), is dedicated to investments in eHealth, financial technology, consumer, new smart mobility, logistics and energy. Furthermore, 20 million euros has been approved for investment in companies with business models that have a positive social and/or environmental impact	220 million euros
Fond-ICO Pyme	In 2022, 20 million euros have been invested in two funds that make investments with social impact and 3.4 million euros in companies that promote social and/or environmental sustainability through their activities	23.4 million euros

* Transactions pending registration as Chapter 8

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

ICO finances renewable hydrogen projects and charging points for electric vehicles

It also invests in green infrastructure venture capital funds

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

During 2022, ICO has approved up to 250 million euros in InvestEU Programme initiatives, participating as an investor in Green Deal Infrastructure Funds (InvestEU for Green Deal Infrastructure Funds), within the InvestEU SIW window.

One of the investments will consist of ICO's participation with 100 million euros, together with the main European National Promotional Banks, the EIF and private investors, in the newly created Marguerite III fund. This fund will be the first operation under the product presented under the InvestEU programme. In addition, ICO will be able to participate with up to 150 million euros in green funds under InvestEU's Sustainable Infrastructure Window.

In addition, during 2022 ICO has approved long-term financing operations, which will be submitted to the European Commission to obtain the CEF-AFIF mechanism subsidy, to finance, among others, investments linked to the production, storage and distribution of renewable hydrogen, as well as electric vehicle charging points at stations in Spain and Portugal.

The ICO Group will channel up to 19 billion euros (15 billion through ICO and 4 billion through Fond-ICO Next Tech managed by Axis) in financial instruments to finance green investments by companies and reinforce financial support to SMEs, which will enable them to adapt to the new economic framework of sustainability and improve their competitiveness.

BOOSTING AND EXPANDING THE SPANISH AND EUROPEAN SUSTAINABLE BOND MARKET

13 issues until 2022 (4 green and 9 social) for an amount of 6.55 billion euros

Promote projects that generate a positive social and environmental impact

The Institute finances its medium and long-term activity mainly through debt issues in the capital markets and through bilateral loans from multilateral financial institutions. During 2022, medium- and long-term funds of 4,329 million euros were raised, of which 1 billion euros were sustainable issues (23% of the total). ICO channels the funds raised through these operations to the business fabric through its direct financing programmes, the ICO Mediation Lines and funds managed by AXIS.

The ICO issued its **fourth green bond in May 2022** for an amount of **500 million euros** to finance sustainable projects carried out by Spanish companies that contribute to boosting the **ecological transition**. The green bond financed 8 projects in the categories of renewable energies and clean transport, which will help to avoid the emission of 114,111 tonnes of CO₂. The green bond issues launched by the ICO accumulate an issued volume of 2 billion euros, which strengthens its commitment to the development of the market for this type of transaction. Thanks to the funds raised in these operations, ICO has so far promoted 30 renewable energy and clean transport projects by Spanish companies, which have mobilised an investment of approximately 13 billion euros and will prevent the emission of more than 692,000 tons of CO₂ per year.

In addition, ICO issued its **ninth social bond in September 2022** for an amount of **500 million euros**, which will be used to finance, in public-private partnership, projects that promote **social and territorial cohesion** and generate a positive impact on employment. The funds obtained through the social bonus reported in 2022 (eighth) financed 5,004 projects, which allowed the creation or retention of around 38,000 jobs. In addition to the category of financing to SMEs in regions with below average GDP per capita, funds have also been allocated to provide financing to companies facing natural or health disasters, to provide access to health care through the construction of a hospital, to socio-economic promotion and

empowerment through the financing of a project that has provided job opportunities for more than 300 people with disabilities and, finally, to social housing, with the construction of 81 homes to incorporate them into the rental market for vulnerable groups.

With these two new issues in 2022, the Institute has issued **9 social bonds** totalling **4,550 million euros** and **4 green bonds** totalling **2 billion euros**, thus consolidating ICO's position as one of the benchmark issuers in this market at European level.

SUSTAINABLE BONDS: 13 issues up to 2022 (4 green and 9 social) for a total amount of 6.55 billion euros

GREEN BONDS

Emissions	Impact	Sector
4 emissions*	More than 13 billion euros mobilised	Renewable energy
2 billion euros in total, including 500 million euros in 2022	More than 692,241 mt CO2 avoided 30 projects supported	Energy efficiency Mobility Circular economy Water treatment

SOCIAL BONDS

Emissions	Impact	Sector
9 emissions	69,204 projects funded	Economic and territorial cohesion
4.550 million euros in total, of which 500 million euros in 2022	444,812 positions created or maintained 300 job opportunities for people with disabilities 81 social housing units 1 hospital with a capacity for 339,494 patients	Depopulation Autonomous Regions with GDP per capita below the average Social housing Education Healthcare

*The fifth green bond was issued in February 2023 for an amount of 500 million euros.



Transparency towards investors remains a cornerstone for ICO. In 2022, the impact reports corresponding to the social bonus and green bonus issued in 2021 have been published. Through these reports, ICO provides information to investors about the destination of the funds raised and the impact generated.

PROMOTING VARIOUS SUSTAINABILITY INITIATIVES

Ensuring a more sustainable and inclusive economic growth model

Equator Principles

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

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

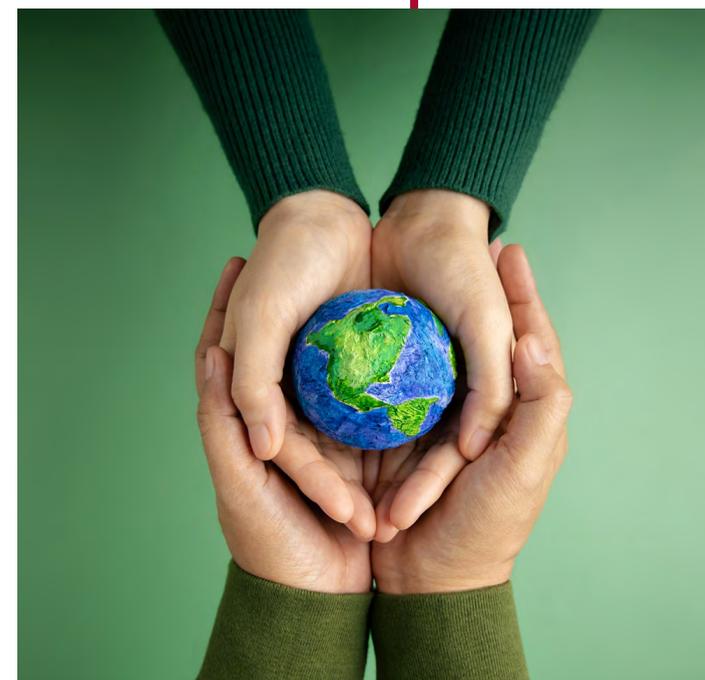
ICO voluntarily adopts the Equator Principles and undertakes to be a benchmark in their management and compliance, including the publication of all projects financed within its scope, on an annual basis and following the reporting guidelines indicated in the Principles themselves.

Progress in measuring the carbon footprint of our portfolio - PCAF

In its commitment to decarbonisation, and aware of the weight that greenhouse gas emissions represent for a credit institution, the ICO Group has begun the process of calculating the carbon footprint of its lending and investment portfolio, as a first challenge to be able to set targets for reducing its CO2 emissions. To quantify these financed emissions, the ICO has chosen the PCAF (Partnership for Carbon Accounting Financials) methodology, based on the GHG Protocol, as it is an internationally recognised standard. Work is progressing well and is expected to produce quantitative results in 2023.

International Climate Finance Strategy Task Force

ICO is part of the International Climate Finance Strategy working group, whose main objective is to increase Spain's commitment to international climate finance, with an increase of up to 1.35 billion euros from 2025. To this end, specific objectives include setting up a working group to identify cooperation and investment opportunities in developing countries and an inter-ministerial unit to implement reporting obligations under the EU and the United Nations Framework Convention on Climate Change (UNFCCC)/Paris Agreement. Spain must send annually to the EU, and every two years to the UNFCCC, updated information on its climate finance to non-Annex I countries under the UNFCCC.





Participation in the pilot project of a tool for measuring the contribution to SDGs

ICO has participated, through the Climate Change Office, in the pilot project to evaluate the user experience of the tool for the contribution of public companies to the 2030 Agenda carried out by the Ministry of Finance for a systematic alignment of the General State Budgets to the SDGs. Through this tool, the contributions of different initiatives to the different Goals were systematically assessed through the proposed methodology.

Joint initiatives with other National Promotional Banks

- **Joint Initiative on Circular Economy (JICE)**: ICO has been part of this initiative since 2019, together with other national promotional banks (BGK in Poland, CDC in France, CDP in Italy and KfW in Germany) and the EIB, aiming to prevent and eliminate waste, increase resource efficiency and foster innovation by promoting circularity in all sectors of the economy. The JICE involves a common funding commitment for the initiative for the period (2019-2023) of 10 billion euros (2 billion euros/year). ICO has committed 120 million euros per year and 600 million euros in total.



- **Clean Oceans Initiative (COI)**: From 2020, ICO will participate in this initiative together with the EIB, AFD, KfW, CDP and EBRD (new partner from 2022) to support projects in Asia, Africa and Latin America that reduce ocean pollution, with a special focus on plastics and other solid waste through projects for the collection, treatment, recovery and recycling of this waste. The initiative was extended to 4 billion euros in early 2022 (more than double the initial amount). By August 2022, 53 operations have been formalised between the six partners of the initiative for an amount of 2,104 million euros of financing, which represents more than 50% of the target achieved (the IOC's target is 4 billion euros by 2025), with 3 years remaining until the end of the initiative in 2025. By sector, 60% is wastewater treatment, 21% is solid waste treatment and 19% is storm treatment.



3

Commitment to society: beyond our financial activity

The ICO Group's activity is eminently financial, and therefore projects its effects on Spanish society and the Spanish economy mainly through its financial initiatives. These impacts are those developed above. However, not all of the Group's contribution to society is through its financial products. 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. The Corporate Social Responsibility Policy and the Sustainability Policy specify the Group's strategic orientations.

The bulk of the Group's non-financial activities with an impact on society are carried out through the ICO Foundation, whose activity is summarised in the specific section, which has an impact on multiple fronts of support for culture, knowledge and sustainability in general. But these actions are not exhausted here, as there are positive contributions through human rights policies, the treatment of customers and suppliers or specific initiatives such as corporate volunteering. Finally, the ICO Group also contributes to the support of public expenditure through the generation of profits from its activity and the payment of the corresponding taxes in Spain.



3.1 ICO Foundation. Promoting culture and knowledge

AREA OF ART AND SUSTAINABLE ARCHITECTURE

> ICO COLLECTIONS (24.475,10 €)

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 2022 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 the Fundación ICO and the Reina Sofía National Museum and Art Centre (MNCARS) on 30 August 2012, which has been extended twice, seven works from the ICO Collections have been on deposit at the MNCARS since 9 July 2013.

> TEMPORARY LOANS

During the year 2022, three requests for temporary loans from the ICO Collections were dealt with.

> ICO COLLECTIONS ON THE CER.ES NETWORK

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

> ICO MUSEUM EXHIBITIONS (€804,675.57)

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

Throughout 2022, the exhibition activity offered to the public at the ICO Museum was as follows:

“Anna Heringer. La belleza esencial” [Anna Heringer. Essential beauty], “Juan Baraja. Contra todo lo que reluce: efectos del tiempo (PHE22)” [Juan Baraja. Against All That Glitters: Effects of Time (PHE22)] y “Amaneceres domésticos. Temas de vivienda colectiva en la Europa del siglo XXI” [Domestic dawns. Collective housing issues in 21st century Europe].

A catalogue was published for all these exhibitions, which were visited by a total of 38,718 people, an increase of 27% compared to 2021.

> 20/XXI. IMAGES OF SPAIN (€6,804.65)

The conceptual phase of this wide-ranging photographic project, which aims to open a debate on the current situation in Spain and generate a new and important public heritage, was completed in 2022. In addition, as a pilot project, the photographer Juan Baraja was commissioned to add 16 works from his series “Y vasca / Euskal Y” to the ICO Collections.

> COMPLEMENTARY ACTIVITIES (€68,687.28) AND INCLUSION AND ACCESSIBILITY (€57,828.31)

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

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

SUSTAINABLE ECONOMY AND FINANCE AREA

The Economics Area promotes activities aimed at generating and disseminating knowledge in economic and financial matters, mainly through shared reflection and debate between experts and agents in these fields, with a special focus on Circular Economy and sustainable finance.

PUBLICATIONS

Classics of Spanish economic thought

During 2022, work was carried out on the preparation of new works within the collections of classics of international and Spanish economic thought, which will be published in 2023.

EURO Yearbook 2022 (€11,198)

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

Published under the title “The Euro in 2022. Good Policies, a Gap Year on Reforms”.

On 17 February, a presentation was made at a virtual event organised in collaboration with the European think tank Bruegel, with the participation of the Secretary of State for the Economy and Business Support, Gonzalo García Andrés, the Governor of the Bank of Spain, Pablo Hernández de Cos, María Demertzis, Deputy Director of the *think tank* Bruegel, Fernando Fernández, Director of the Yearbook, and the Presidents of the ETF, Jorge Yzaguirre, and of the ICO Foundation, José Carlos García de Quevedo.

A dissemination campaign was also carried out through social networks and four videos “Dialogues on the euro” were recorded with the participation of Sofía Rodríguez, Antonio Carrascosa, Enrique Feás and Ignacio Torreblanca.

In addition to this Yearbook, the website of the Competition Yearbook has also been maintained with the repository of all issues published from 1996 to 2019 and work has been carried out on two books on Public Banking and Company Valuation in collaboration with the Fundación de Estudios Bursátiles y Financieros, to be published in 2023.

Sustainable finance publications (€46,251.21)

Work began on the creation of a new publication, the “ICO Foundation’s Sustainable Finance and Circular Economy Notebooks” through a call for tenders, which was won by International Financial Analysts (IFA). During 2022, work was carried out on the contents of the first issue, focusing on the impact of climate risks on the financial sector, which was presented to the public in January 2023.

The publications are conceived as a biannual publication on relevant and topical issues related to sustainable finance and the circular economy in Spain and the EU, with a practical and useful approach for the different audiences, institutions and sectors concerned.

TRAINING

> FUNDACIÓN ICO - CHINA SCHOLARSHIP PROGRAMME

Call 2022-23 (*Budget pending the closure of the 2022-23 programme: €192,000)

The Foundation's China Scholarship Programme, initiated in 2003, has trained approximately 400 young Spanish professionals in Chinese language, culture and economy through an academic and immersion programme, with very good results. As of March 2020, the Programme was affected by restrictions on international mobility, with courses being held online and no longer possible to travel to Beijing.

The 2021-22 scholarship holders completed their studies in June 2022.

The 12 students of the 2022-23 call started online classes in September 2022 at the three universities with which the agreement is maintained. It is expected that during the second semester, they will finally be able to travel and continue their studies in person.

> MUSEOGRAPHY SCHOLARSHIP (€12,043.62)

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

On 30 November 2022, the two-year period of enjoyment of the Museography Scholarship ended for Marina Domínguez Natal, who joined the Foundation on 1 December 2020.

The 2022 grant was launched and the management of the whole process was carried out. The new grant holder joined the Art Department in March 2023 and will spend a full year in training.

> E-FP PROGRAMME (*Budget pending closure of the programme: €30,000)

This collaboration was maintained with the Créate Foundation and the Spanish Chamber of Commerce, through the contracting of the Programme Coordination services, which ensure the quality of the contents, the fluidity of contacts between the agents involved, the preparation and analysis of indicators and attention to the network of mentors.

> FINANCIAL EDUCATION (*Budget pending programme closure: €33,000)

It is articulated through two main activities:

- Financial Education Plan.

We have collaborated by publicising the Financial Education Day celebrations on social networks and by participating in the Assembly of Collaborators that took place on 16 September 2022.

- "Training course on financial education for primary school teachers".

Through an agreement signed with the Universitat de Barcelona and the Universitat Autònoma de Barcelona, work has continued on the creation of the *online* course aimed at primary school teachers, in order to provide them with the knowledge and tools that will enable them to teach the essential concepts of financial education to their pupils.

> CIRCULAR ECONOMY (€14,410)

MOOC on circular economy

In December 2022, the MOOC that had opened in March and was aimed at SMEs, carried out together with UNED (corresponding to the 2021 budget), ended. 542 people have enrolled in the course, of which 18.82% have completed it (considered a very good completion rate). The final survey shows a high level of satisfaction. <https://iedra.uned.es/dashboard>

Circular economy podcast series

As part of this collaboration with the UNED, a series of podcasts were created in 2022 to bring the knowledge and tools developed to an even wider audience. They are broadcast on Radio3 and in them, SMEs and funding bodies talk about their experience in two areas: their contribution and participation in the processes of the circular economy and the aspects linked to the financing of these processes. They can be heard at <https://canal.uned.es/>

INSTITUTIONAL PROGRAMMES AND PARTNERSHIPS

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

> **Training Programme: Sustainable Suppliers** (€50,000)

Programme created by the UN Global Compact Spain (UN Global Compact), Fundación ICO and ICEX Spain Export and Investment. This is an international programme aimed at training the supply chains of large Spanish companies, partners of the initiative in Spain, in the field of sustainability, taking as a reference the Ten Principles of the UN Global Compact and the Sustainable Development Goals (SDGs).

> **Sustainable finance in Spain: an analysis from a risk and public finance perspective** (€12,000)

This study is carried out with the UCM (Complutense University of Madrid), through the ICEI, and aims to present an analysis of sustainable finance in Spain, the role of public banking in its development and to propose a regionalised indicator of direct and indirect financial risks in the different economic sectors. The Chair, Prof. D. Emilio Cerdá Tena, is the coordinator of the research team.

> **Fundación ICO collaborates with Fundación SERES, Fundación Sociedad y Empresa Responsable, as a partner** (€7,900).

SERES activities and products are designed to boost and measure the social impact of business activity, contributing to the promotion of corporate social engagement. Thus, the SERES Social Footprint Index[®] is a methodology that allows companies to identify the relevant (material) social contributions of their projects, the identification of metrics that enable their comparability and, above all, provides a framework of transparency in the award criteria for NextGen grants linked to the value not only of the environmental impact of the projects but also their objective social contribution.

> **VII Meeting of Multilatin Companies** (€12,000)

Organised by the Fundación Iberoamericana Empresarial, it was held at the headquarters in Santander on 13, 14 and 15 July 2022. This edition was dedicated to analysing the global panorama and the main challenges facing Ibero-America in the aftermath of the covid-19 pandemic, given the effects it has had on all aspects of life, highlighting the fundamental role of multi-Latin companies in the development and integration of the region.

> **X German-Spanish Forum** (€620)

Co-organised by the Liz Mohn Centre of the Bertelsmann Stiftung and Telefónica, with the support of the ICO Foundation, it was held in Berlin on 18 October under the theme "Building a Digital and Sustainable Future Together".

The aim of the Forum was to strengthen bilateral ties between the two countries, as well as to exchange views on the challenges in the fields of sustainability and digitalisation in Europe and to develop joint solutions to shape this transformation, gaining in competitiveness.

Inaugurated by HM King Felipe and the President of the Federal Republic of Germany, Frank-Walter Steinmeier, it was part of the official visit of the Spanish monarchs to Germany, which highlights the excellent relationship between the two countries.

> **BRUEGEL Membership** (€50,000)

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

> **Fundación Carolina** (*Budget pending project closure: €45,000)

In November, a collaboration agreement was signed with the Carolina Foundation with the aim of holding an international seminar in January 2023, under the title "Spain, the EU and Latin America: a renewed cooperation for sustainable development", as well as to prepare and publish a book compiling the sessions and the conclusions.

3.2 Our role in society

3.2.1 HUMAN RIGHTS

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

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



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

- 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.
- Reconciling work, family and personal life.
- Professional development and training.
- Workplace health and safety.
- Balancing professional activity with respect for the environment.
- The socio-occupational inclusion of groups with functional diversity.
- Corporate volunteering.

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

As a signatory to the Ecuador Principles, it relies on due diligence processes to determine and avoid the impact of its major funding projects on Human Rights.

In its relationship with suppliers and in compliance with the requirements of the Public Sector Contracts Law, ICO prohibits the contracting of individuals or legal entities convicted of terrorism, constitution or integration of a criminal organisation or group, illicit association, illegal financing of political parties, human trafficking, corruption in business, influence peddling, bribery, fraud, crimes against the Public Treasury and Social Security, crimes against workers' rights, prevarication, embezzlement, negotiations prohibited to civil servants or money laundering. Procurement systems ensure compliance with procurement conditions without the need to have a specific supplier monitoring and auditing system. No supply chain non-compliance has been detected in 2022.

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

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

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

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

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

During 2022, no complaints were received in relation to human rights violations in the course of ICO's business, its business partners or its suppliers.

3.2.2 SUPPLIERS

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

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

For its part, AXIS does not have the status of contracting authority, and is governed by the provisions of Articles 321 and 322 of the aforementioned Law. In compliance with this, it has approved the Internal Contracting Instructions that regulate procurement procedures, guaranteeing the application of the principles of publicity, competition, transparency, confidentiality, equality and non-discrimination.

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

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

All tenders and contracts signed are accessible through the Public Procurement Platform.

In 2022, 48 tendering processes were launched for the procurement of goods and services for a total amount of 35.8 million euros, of which 33.8 million euros corresponded to the 11 tendering processes subject to harmonised regulation.

During the financial year 2022, payments were made to suppliers amounting to 30.65 million euros, of which 30.45 million euros corresponded to suppliers resident in Spain (99.3%).



3.2.3 CLIENTS

Measures for the health and safety of consumers

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

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



Claims systems, complaints received and their resolution

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

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

- Written customer service is provided through the corporate website (<https://www.ico.es/web/ico/contact>), where those interested may request further information about the products or express their complaints or suggestions. This tool also allows us to ascertain the actions and information that the institutions' offices have on the ICO Group's facilities. This tool also enables clients to learn about other ICO Group activities not necessarily related to financing products.
- There is a call centre, managed by the firm Konecta, which communicates through telephone calls, the Click to Call application, and through Web Chat, a communication channel with customers implemented in 2020.
- The ICO Group has implemented face-to-face customer service to assist all clients who decide to request information or make their complaints and suggestions directly at the Institute's premises.

During 2022, there has been an overall decrease in the number of telephone and written contacts from citizens compared to 2021 (13% overall), as a result of the reduced need for secured funding from companies. The increase in interest in the Mediation Lines has meant that the drop was not as sharp as it was in 2021 compared to 2020.

Face-to-face care experienced a significant increase in 2022 due to the fact that in 2021 it was not provided until the last quarter of the year due to covid-19 health restrictions.

Support channel	2022	2021	Variation (%)
In writing			
Complaints	289	537	-46%
Requests for information	3,536	5,231	-32%
Suggestions	6	7	-14%
Call Centre			
Telephone support	13,708	15,485	-11%
Click to Call	1,713	905	89%
Web chat	2,378	2,235	6%
Direct care	567	152	273%
Total	22,115	24,552	-10%

The financial solvency measures enabled by the Code of Best Practices (CBP) approved by RD-law 5/2021, as well as the extensions approved by the Agreement of the Council of Ministers in June 2022, have maintained the interest and enquiries of the clients of the Covid-19 Guarantee Line. Telephone enquiries and petitions on the Business and Entrepreneur Line have increased by almost 40% compared to 2021, while complaints have been reduced by 60%. Citizens have shown a lot of interest in it and it seems that, in 2022, banks have offered it to their customers more than in 2021.

The number of incidents reported on the handling of banks has been reduced in 2022 and, as in 2021, the main problems were related to incidents in the processing and denial of CBP Extensions and Transfers.

The average response time was 3.2 days for complaints (4.4 in 2021), as they required third-party checks, and 1.41 days for requests for information (1.75 in 2021).

In addition, an annual survey is conducted among the credit institutions mediating ICO loans to ascertain their expectations of demand for these products, the reasons for their evolution, and opportunities for improvement. The latest survey showed that banks expect a greater demand for credit from the Spanish business community.

3.2.4 COLLABORATION WITH STAKEHOLDERS ON SUSTAINABILITY ISSUES

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

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

ICO is also an active member of associations aimed at promoting sustainable finance. Since 2021, the Institute has been a member of the Spanish Sustainable Finance Observatory (**OFISO**), a meeting, information and debate forum for companies, financial institutions, public administrations, investors and other agents of the financial industry, as well as a platform to give visibility and notoriety to its commitment to Sustainable Finance. It is also a member of **SPAINSIF**, where in 2022 ICO was a member of the Board of Directors and Executive Committee, holding the vice-presidency of Group I, which represents the group of Financial Institutions. We also participate in **FINRESP** (Centre for Responsible and Sustainable Finance), which aims to address the difficulties and needs of the business community, in particular Spanish SMEs, to contribute positively to the commitments of the 2030 Agenda

In addition, it is a member of **FORETICA**, from where ICO led the launch of the CSR Action Group for public companies. In 2022, ICO continued to co-lead the working group, which has 30 public entities with a vocation to advance towards the achievement of the 2030 Agenda, in which public companies exchange knowledge, implement individual and joint actions for the integration of the SDGs and promote best management practices in the field of Sustainability and CSR. As an additional objective, this Group aims to

serve as an example and guide to act as a driving force and lever for change for the rest of the economic and social actors. In 2022, the Group directed its efforts towards carbon neutrality in public companies and towards promoting health and well-being in the workplace

ICO is one of the 18 public companies that signed in 2021 the collaboration agreement with the Secretary of State for the 2030 Agenda. A **collaboration agreement** that facilitates the exchange of good practices in the implementation of the SDGs and their targets, and the development of joint projects in the field, including certification of goods and services. In addition, this partnership also supports outreach and awareness-raising activities for the achievement of the 2030 Agenda. Throughout 2022, through this Working Group, ICO has been involved in the promotion of relevant issues such as responsible public procurement, Human Rights and Due Diligence, Sustainability Indicators and Reports, Circular Economy, among others.



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

Within the framework of this working group, in 2022, ICO presented different initiatives to strengthen the role of women in its different fields of action:

- Endorsement of the European Parliament's **#WhereAreThey**

ICO is committed to the promotion of female talent and the participation of women in conferences and debates.

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

- **ASCRI Diversity Club.** The ICO Group, through AXIS, its Venture Capital manager, is adhering to this initiative whose objective is to promote measures in the Venture Capital & Private Equity industry that promote gender equality, diversity, parity and talent.

- **Level 20.** The ICO Group, through AXIS, its venture capital manager, is a member of the Spanish Level20 Committee. A non-profit organisation that aims to have women occupy 20% of senior management positions in the private equity industry. It represents a network with a presence in several countries through its 12 committees.

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

- Attract more women to the sector.
- Ensure that there is support to retain as many women as possible in the industry.
- To help those women who have the ability and determination to reach the highest levels of the profession to do so.

- **UN Women's Empowerment Principles (Global Compact and UN Women).**

- **Promoting gender equality in SMEs.** Through the initiative [icopymeods.ico.es](https://www.icopymeods.ico.es)

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

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



3.2.5 CORPORATE VOLUNTEERING

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

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

Throughout 2022, this commitment materialised in a series of activities carried out in collaboration with the following entities:

Fundación Leucemia y Linfoma (Leukaemia and Lymphoma Foundation) collaborated in the 13th edition of the Leukaemia and Lymphoma Foundation Basketball Tournament and the Gifts with Heart campaign, both organised to raise awareness in society of the need to take an active role in the fight against leukaemia, lymphoma and myeloma by donating bone marrow. In total, a contribution of **€2,000** was made.

Gmp Foundation participated in the 22nd Solidarity Paddle Tennis Tournament for Companies, which raised funds for the project developed with the Fundación Sin Daño, aimed at providing robotic arms (“Armeo Spring”) to the Niño Jesús University Children’s Hospital in Madrid. Thanks to this technology, children with brain damage or cerebral palsy will be able to work on movements and therapeutic exercises in an interactively and visually, thus improving their recovery and quality of life. A contribution of **€1,750** was made.

Madrid Golf Federation participation in the 2022 edition of the Adapted Golf Tournament to promote awareness and participation in support activities that favour the social integration of people with intellectual disabilities and disadvantaged groups. A contribution of **€1,000** was made.

Rafael del Pino Foundation workshops given by ICO employees in schools in the Community of Madrid to raise awareness of the 10 Principles of the Global Compact and the SDGs among high school students. No monetary contribution was made.

Clowns Without Borders Foundation In 2022, a children’s Christmas party for employees’ children was organised with the support of the Clowns Without Borders Foundation. The funds were donated to the Caravana de Risas project in Mexico to provide emotional support to refugee and displaced children in Mexico. A contribution of **€5,500** was made.

International Cooperation The ICO Group took part in the 10th Inter-company Charity 7-a-side Football Tournament organised by Cooperación Internacional to help children at risk of social exclusion. This project focuses on promoting the comprehensive socio-educational development of minors through educational reinforcement activities and the development of skills that favour healthy lifestyles, social inclusion and child and youth participation, through prevention and intervention actions complementary to standard educational, leisure and social services. A contribution of **1,500** euros was made.

3.2.6 RESULTS, TAX AND SUBSIDY INFORMATION

The ICO Group is taxed only in Spain. Profit before tax in 2022 (consolidated data for ICO and AXIS):



There is a Fiscal Management procedure on which the tax compliance approach is based. The ICO is taxed under all applicable taxes, without any speciality as a credit institution and as a public law entity. The tax strategy consists of complying with all legal obligations.

GRI INDICATORS - YEAR 2022 (ICO and AXIS):

Economic value generated:

233
 million euros
 (gross margin)

Economic value distributed:

102
 million euros
 (including staff costs, other administrative costs and contributions and taxes)

Fundación ICO prepares its accounts separately from the other entities of the ICO Group. The profit before tax in 2022 was 24,436.71 euros. The Foundation does not pay tax on the profits arising from its foundational activities, by virtue of the provisions of Law 49/2002, of 23 December, on the Tax Regime for Non-Profit Entities and Tax Incentives for Patronage.

In 2022, Fundación ICO received a grant of 60,000 euros from the Ministry of Transport, Mobility and Urban Agenda under the General State Budget Law for 2022, within the budget application 17.10.2610. 78714 "Capital transfers to Families and Non-Profit Institutions". ICO and AXIS do not receive public grants.

4

Our way of doing things: responsible management

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

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

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



4.1 Risk management: identification and monitoring

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



COMPLETE SYSTEM FOR RISK MANAGEMENT

Involvement of the General Board

The Risk Map sets out the guiding principles in this area

Coherence between risk treatment instruments

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

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

1st line of defence. The units of the Directorate General Business have the main responsibilities for risk identification, recognition and management.

2nd line of defence. The risk management function should oversee the effectiveness of risk management, being responsible for identifying, measuring, monitoring and disclosing risk at the enterprise level, independent of the first line of defence. It also includes the compliance function which is responsible, inter alia, for ensuring that the bank operates with integrity and in accordance with applicable laws, regulations and internal policies.

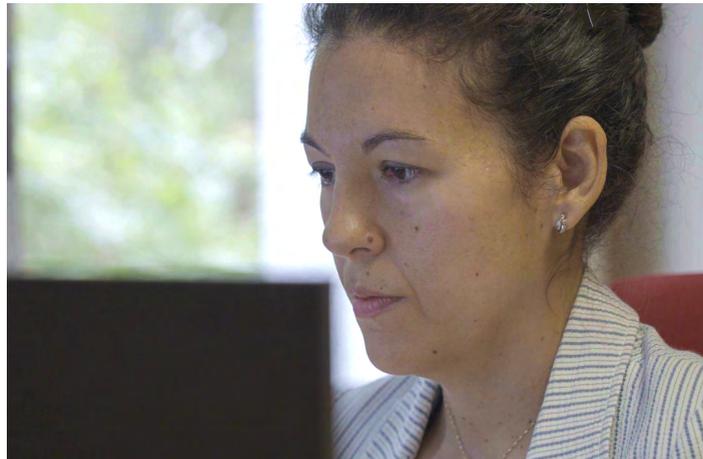
3rd line of defence. The internal audit function conducts both risk-based and more general audits and reviews to ensure that the overall governance framework, including the risk governance framework, is effective and that policies and processes are in place and consistently applied, providing independent and objective advice.

Financial risks

ICO possesses appropriate methodologies and procedures adapted to its specific nature that enable the identification, management, monitoring and control of financial risks, which allows them to be monitored and followed up. In particular, ICO has a Risk Policy Manual approved in 2013 and amended on several occasions since then (most recently in October 2022) which sets out in detail the treatment of these risks, which in this manual are grouped into three main categories: liquidity, market and credit (which is the one that receives the most detailed treatment). This risk treatment is carried out in accordance with existing regulations, both in terms of Bank of Spain circulars or recommendations and international standards, such as the Basel II Capital Accord.

Operational risks

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



Climate/environmental risks

As regards climate and environmental risks, in line with ICO's strategic plan, sustainability is transferred to the entity's risk management through the implementation and incorporation of the environmental performance ratio. This level III indicator (according to the classification included in the Risk Appetite Framework described below) is not linked to capital, so the thresholds are defined according to the Institute's strategic criteria that allow the development of a business plan aligned with international and national commitments in environmental matters, seeking to promote the sustainable economic growth of companies and achieve a portfolio in which the sectors with the greatest environmental risk gradually lose weight, limiting the physical and transition risk of the portfolio. For the categorisation of operations that can be included as environmental, categories are identified according to internal criteria, including, among others, the Taxonomy³ of Objectives approach developed to date, and internationally recognised standards such as the *Green Loan Principles* (Loan Market Association and Asia Pacific Loan Market Association) and the *Sustainability Linked Loan Principles* (Loan Syndications and Trading Association).

³ The methodology for the Taxonomy will be incorporated into the categorisation as and when the Taxonomy regulation comes into force.

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

Required by Bank of Spain in accordance with banking supervision regulations

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

The **Capital and Liquidity Self-Assessment Report (CLAR)** is one of the existing tools in this area. The ICO is required to prepare the CLAR, a document in which institutions identify, measure and aggregate their risks in order to determine the capital and liquidity needed to cover them and in which they plan their capital and liquidity levels over the medium term. Since 2016, a multidisciplinary ICO team has been in charge of preparing the Institute's CLAR every year. Over the last few years, the ICO's risk profile has remained at low to medium-low levels. This report includes three stress tests (macroeconomic, business and liquidity) on the ICO's baseline scenario, with a time horizon of 3 years. The tests serve to determine the ICO's capital needs in the event of the different scenarios envisaged in the tests, determining its ability to cope with crisis situations. In addition, the liquidity stress scenario will also analyse the evolution of different metrics related to the Institute's liquidity. Once this has been done, the ICO's General Board must take cognizance of and approve the CLAR, which is then submitted to the Bank of Spain.

The **Risk Appetite Framework (RAF)** defines a series of indicators (29 in total) at three different levels according to their importance in the management of the Institute:

3 indicators of Level I: two of them required by the Regulator, which measure the capital and liquidity position, and a third one, which measures the impact on the income statement in a stress scenario on ICO's 5 main direct borrowers.

5 indicators of Level II: regulatory or basic indicators that develop the previous ones for the most relevant risks of ICO, whose objective is to measure the impact on capital and liquidity and their evolution.

21 indicators of Level III: monitoring and management indicators, which make it possible to control the evolution of the ICO's current activity, including those related to environmental risk and technological risk.

The RAF is reviewed annually and is adapted according to the results of the CLAR.

4.2 General instruments for responsible management

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



THE STRUCTURE OF THE ICO INCLUDES APPROPRIATE RISK MANAGEMENT UNITS

The Internal Audit and Compliance units cover functions that are fundamental to the treatment of risks

In any event, the General Board is involved in the management of the

Internal Audit Department and Audit Committee. The ICO has a policy, called "Internal Control Functions", which sets out the internal control bodies of the Institute and the internal control functions performed by them. As set out in the policy, the ICO has risk measurement methodologies in place, which allow for an appropriate analysis of the various risk factors to which it is exposed. Furthermore, the identification, quantification, control and continuous monitoring of risks allow an appropriate relationship to be established between the profitability obtained from the transactions carried out and the risks assumed, and an adequate internal control environment.

In accordance with the Basel Committee on Banking Supervision's Principles of Corporate Governance for Banks, the ICO has in place a sound corporate governance framework with well-defined organisational responsibilities for risk management, commonly referred to as the "three lines of defence" mentioned above: - The Business Line. - A Risk Management and Compliance function independent of the first line of defence and - An Internal Audit function independent of the first and second line of defence.

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

In accordance with the Audit Guidelines approved by the General Board, the Internal Audit Function at the ICO is exercised by the Audit and Compliance Committee and the Internal Audit Department. This department audits business and operational procedures, risk management and the internal control system on an ongoing basis. The internal control carried out by the Internal Audit Department is reinforced by the work of the Audit and Compliance Committee, whose functions include proposing measures to speed up and facilitate compliance with recommendations. In order to comply with article 43.2 of Royal Decree 84/2015, of 13 February, which implements Law 10/2014, of 26 June, on the regulation, supervision and solvency of

credit institutions, the Internal Audit function reports periodically to the General Board of ICO on the verification work carried out by the Internal Audit function.

Externally, the ICO Group periodically submits its actions to the control of external experts and different national bodies (Intervención General de la Administración del Estado -IGAE, Inspección de los Servicios del Ministerio de Asuntos Económicos y Transformación Digital, Tribunal de Cuentas, Banco de España and, more recently, the Independent Authority for Fiscal Responsibility - AIREF) and those EU bodies that are competent to do so. In 2022, 26 audit reports were issued, with no significant findings.



Regulatory Compliance Area and Regulatory Compliance Technical Committee. 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.

For its part, the Technical Committee on Regulatory Compliance also performs functions in the processing of issues related to the prevention of money laundering and the financing of terrorism and due diligence measures, as well as those matters referring to the correct application of the data protection policy. It is also aware of and analyses new regulations that may apply to the ICO and proposes relevant training actions in this area. Finally, it also ensures the implementation of the decisions taken by the Audit and Compliance Committee.

4.3 Specific ethical and responsible management tools

Without prejudice to the global nature of the measures and tools described so far and the interrelation between them, the main tools available for ethical and responsible management are grouped thematically below. The ICO Group has developed management and corporate governance tools that ensure ethical behaviour, sustainability and transparency in all its areas of activity and internal management.

FIGHT AGAINST FRAUD, CORRUPTION, MONEY LAUNDERING AND TERRORIST FINANCING

In compliance with applicable regulations and with a cross-cutting approach for the entire organisation

In all the Group's actions, undesirable conduct, such as that described above, is prevented through due diligence. Prior to approval, all direct operations are screened for these risks. In 2022, 525 operations were analysed in COPER. Specific tools include:

Code of Conduct, Internal Code of Conduct for the Securities Market and Ethical Channel. The purpose of ICO's Code of Ethics and Conduct is to define and develop the basic foundations of behaviour and the necessary guidelines for action so that the Institute's principles are manifested in the individual actions of its employees, managers and directors, in internal and external relations with customers, suppliers and third parties, as well as in its actions in the markets. Therefore, the Code of Ethics and Conduct is applicable to all ICO staff and members of the General Board, as well as to trainees in training at the Institute; 100% of them receive it upon joining the Institute. In the case of suppliers, the service provider will be required to comply with the code for those of its employees who provide services for ICO. This section on the regulation of ethical conduct also includes internal policies relating, among other issues, to Social Responsibility, Corporate Gifts, Travel, Representation Expenses and Corporate Credit Cards.

Securities Market Conduct identifies the units of the ICO Group that carry out activities related to the securities market and defines the separation they must adopt to avoid potential conflicts of interest or insider trading. The version in force was approved by the General Board in February 2017 and has been last revised in February 2022. No breaches of the code of conduct were recorded in 2022.

The Code of Conduct and the Internal Code of Conduct of the Securities Market are public and accessible through the website⁴.

The Ethics Channel allows employees to report potentially significant irregularities with respect to the Code of Ethics and Conduct on a confidential, non-anonymous basis. There is a compliance committee that receives such communications and processes them. Among its functions is to report to the General Board on non-compliance: in 2022 there was no non-compliance. In 2022, one complaint was received through the Ethics Channel, of a labour nature, which was handled and resolved by HR.

Prevention of money laundering and terrorist financing. The ICO Group is aware of the important role that financial institutions play in prevention and therefore collaborates with the competent authorities and joins forces with the rest of the Spanish financial system in the fight against all forms of money laundering and terrorist financing. The Prevention of Money Laundering policy, the latest version of which was approved by the General Board in December 2022, sets out the rules of action and control and communication systems to prevent access to the institution by undesirable persons or groups, and establishes the criteria for accepting customers. The aforementioned Policy is developed in a procedure called Money Laundering and Terrorist Financing Prevention Management, incorporating the latest regulatory developments at national and European level. In compliance with the aforementioned Policy and

⁴ <https://www.ico.es/en/web/guest/pol%C3%ADticas-internas-de-funcionamiento>
<https://www.ico.es/web/guest/sostenibilidad/compromisos-y-estrategias>

the Group's Training Plan, in 2022 a training action was carried out in which a total of 149 people from the ICO Group took part, called: "The prevention of money laundering: Royal Holder in Legal Entities", given by the Analysis and Communication Unit of the Centralised Body for the Prevention of Money Laundering, General Board of Notaries.

In addition, following the recommendations of the External AML/CFT Expert, a physical mailbox was installed at the ICO's headquarters, managed by the Regulatory Compliance area, to facilitate the anonymous submission of internal complaints and reports of irregularities, which, should they occur, would be handled either directly through the Regulatory Compliance area or through communication to the Ethics Channel. This mailbox is located in an accessible area of the ICO's headquarters, but is free of security cameras and not directly associated with the Regulatory Compliance area. No notifications were received through this mailbox in 2022.

Anti-Fraud Measures Plan. The Ministry of Economic Affairs and Digital Transformation has updated the Anti-Fraud Measures Plan within the scope of the Recovery, Transformation and Resilience Plan in order to comply with EU requirements on the prevention, detection and correction of fraud, corruption, conflict of interest and double funding. These measures are applicable to the ICO Group, and imply a commitment to the highest standards of legal, ethical and moral compliance and to the strictest principles of integrity, objectivity and honesty, so that its activity is perceived by all its stakeholders as being opposed to fraud and corruption in any form.

All internal regulations are in line with the general aim of preventing fraud or other undesirable conduct. For example, the Direct Funding Policy contemplates a series of exclusions from funding to potential clients operating in non-cooperative jurisdictions in tax matters, subject to sanctions or other assumptions such as human rights violations.

DATA PROTECTION AND CYBERSECURITY

To comply with legal obligations and to ensure the highest standards of protection

Protection of personal data. The ICO has approved a personal data protection policy adapted to EU Regulation 2016/679 and Law 3/2018, which is developed and implemented in the internal processes and processing carried out at the Institute itself. Furthermore, it has a Register of Processing Activities and its website provides information on the ICO's policy on the protection of personal data. In addition, the ICO Group has a data protection officer who oversees, confidentially and independently, compliance with personal data protection regulations within the Group. There were no data protection incidents in 2022.

Information Security Committee.

Information Security Policy. Information security management is carried out in an integrated and coordinated manner with the requirements inherent to the nature of our activity in order to prevent potential threats. All of this in accordance with current legislation and, in particular, with the National Security Scheme. Specifically, the National Security Status Report (INES) periodically assesses the security status of systems as a method of security governance, and no significant deficiencies have been detected.



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Sustainability is an overarching principle for the whole of activity

In accordance with the ICO Group's Strategy 2022-2027, the Group's actions are aimed at transforming the growth model of the Spanish economy towards a more sustainable and digital model with a greater capacity to generate quality employment. In this way, sustainability has become a strategic axis that permeates the

ICO Group's activity as a whole. In this way, sustainability is reflected both in terms of assets and liabilities, as well as in all aspects of the Group's activities. This commitment to sustainability at all levels includes continuous reporting of regulatory developments, benchmarks, actions taken and metrics to the General Board on a regular basis

Sustainability Policy.

The Sustainability Policy, approved by the General Board in February 2020 and which will be reviewed and updated in 2023, establishes sustainability as a basic guiding pillar of the ICO Group's actions, both for its asset and liability operations, as well as in the internal management of the organisation, also from the perspective of governance and Corporate Social Responsibility (CSR). Therefore, it involves all areas of the organisation and its activity, acting as a foundation of management that allows it to fulfil its mission as a public and promotional bank. The effects of this orientation spill over into other policies, such as direct funding, which envisages the impossibility of financing projects with potential negative social or environmental impacts where there is no adequate mitigation.

Sustainability Commission.

This committee meets every three months, or more frequently if deemed appropriate, and its functions include defining the concept of sustainability adopted by the ICO Group, as well as raising awareness and communicating it to the entire workforce. This committee, chaired by the Chairman of ICO and comprising members from all Directorates General, AXIS and the ICO Foundation, is also in charge of preparing and monitoring ICO's position on the activity considered sustainable by the ICO Group. It also identifies regulatory developments on sustainability that affect the ICO Group and, where appropriate, is responsible for the implementation of such standards. Finally, it also promotes and coordinates the initiatives on sustainability that are carried out in the ICO Group, as well as any other issue on sustainability that may arise outside the scope of the above.

Environmental Policy.

In order to guarantee a respectful and preventative approach towards the environment, the ICO Group has approved and documented an environmental policy that has been fully adapted to the requirements of the ISO 14001 Environmental Management Systems standard since 2020 and a code of good environmental practices. ICO, as a signatory of the 10 Principles of the Global Compact, the Equator Principles and the Spanish Collective Commitment to Climate Action signed with the AEB, CECA and other Spanish financial institutions, and in its alignment with the 17 Sustainable Development Goals for the 2030 Agenda and the Paris Climate Agreement (COP-21), is committed to the control and management of its direct and indirect environmental impacts. In 2021, the Environmental Management System was certified by European Quality Assurance as detailed in section 4.4.5 on Certifications.

Corporate Social Responsibility Policy.

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 its activity are established: good governance and transparency, respect for the environment and the 10 principles of the United Nations Global Compact.

STAFF MANAGEMENT

With respect for workers' rights

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. The following chapter provides details on the management of ICO Group staff.

Management by objectives. Management model implemented to effectively direct and improve ICO's performance, establishing strategic and general objectives and helping to generate a culture of valuing the professional merits of employees. 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 Steering Committee are subject to the approval of the Ministry of Economic Affairs and Digital Transformation. All employees receive an annual performance appraisal.

The Management by Objectives System, which enables variable remuneration to be linked to the achievement of objectives, also incorporates those directly related to sustainability and digitalisation, fostering their integration into the culture of the organisation with full alignment of this system with that established in the Group's Strategy. Thus, in 2022, in line with the Strategy for the period 2022-2027, a specific target for direct sustainable activity was set, which, as in 2021, was met.



ORGANISATION AND QUALITY

To ensure effective and accountable management

Quality Policy. The ICO has implemented a process management model and approved a Quality Policy fully adapted to the ISO 9001 standard. This Policy is the appropriate framework for the development of the procedures and tools necessary for the establishment of quality objectives and the implementation of an effective Quality Management System, based on the requirements of ISO 9001. It aims to identify and satisfy the needs and requirements of ICO's internal and external customers and stakeholders. The ICO is also geared towards operational excellence, with the implementation and application of efficient processes and products, carried out with the full involvement of all employees.

Regulatory map. The ICO Group has a comprehensive, coherent and systematic body of rules and regulations, geared towards ensuring that the overall operation of the ICO is in line with the best standards in the industry and with all the ethical and responsible management practices discussed in this section.

TRANSPARENCY

To provide society with information on its activities

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, it provides direct access to the Transparency Portal of the Spanish Government, through a link available at the website www.ico.es. In this way, it makes it easier for the user to consult all available data. Every year, the Auditors' Report on the "Consolidated Annual Accounts and Consolidated Management Report" is prepared and published on the website, with all the economic information and information relating to its activity as a financial institution, including this Non-Financial Information Statement (NFIS). The annual accounts are audited by an independent expert. This NFIS is prepared in accordance with the GRI Standards and the requirements of Law 11/2018 on non-financial reporting and diversity. This NFIS is also subject to independent expert verification to increase stakeholder confidence. In this spirit, the ICO Group has produced a Progress Report in relation to the United Nations' 10 Global Compact Principles.

In addition, in order to increase public awareness of the Group's activities, intense communication and dissemination work is carried out, as detailed in section 4.4.4



4.4 Main results of internal management

These internal management issues lead to the results discussed below. The ICO Group, like any entity, consumes resources as detailed below, including the estimated carbon footprint for 2022. It also refers to the communication of the activity and, finally, to the certifications obtained that demonstrate the effectiveness of the current management systems.

4.4.1 RESPONSIBLE USE OF NATURAL RESOURCES

The ICO Group identifies the following environmental aspects in the development of its activity in the corporate facilities:

Consumption of resources. ICO carries out regular awareness-raising campaigns on the consumption of electricity, water and paper in order to ensure the responsible use of these resources by employees in the workplace and that these habits can be transferred to the personal sphere.

Atmospheric emissions. A relevant objective for ICO is to avoid and reduce greenhouse gas emissions as much as possible. This is done through the implementation of energy-saving measures and the use of energy from renewable sources in the heating and air conditioning of its offices. In addition, in order to reduce its carbon footprint per employee, it promotes the use of alternative means to travel, such as video conferencing, and seeks to minimize travel as much as possible.

Waste generation. ICO has at its facilities the necessary means to segregate and recycle the waste generated in the development of its activity and seeks to use ecological and recycled materials.

Biodiversity protection. ICO only operates in Madrid in locations that do not generate negative impacts on biodiversity and land use.

With regard to the consumption of natural resources, the ICO Group consumes the resources necessary for the performance of its activity, with a lower impact than other sectors of activity. In any case, an annual consumption measurement is carried out in order to analyse the impact of the measures implemented.

The return of employees to a higher degree of presence in the 2021 financial year led to an increase in electricity consumption. In 2022, this electricity consumption decreased compared to the previous year, but was still above the consumption in 2020. All energy consumption comes from electricity consumption. As a measure to promote sustainable mobility through the use of electric vehicles instead of fossil fuel vehicles, in 2022, ICO maintained 8 electric vehicle charging points located in the parking spaces made available to ICO employees. These 8 recharging points can serve up to 19 vehicles in a shift system. For the allocation of parking spaces, the criterion of the environmental categorisation of the vehicle is included in the scoring scale.

On the other hand, the ICO Group does not have fleet cars, so it does not generate indirect energy consumption.

Water consumption has recovered in 2022 after the low consumption of the previous two years, due to the increased presence of staff at ICO Group sites.

Paper consumption has maintained a downward trend due to the greater use of digital formats to the detriment of physical formats in work documentation.

NATURAL RESOURCE	UNIT	2022	2021	2020
ELECTRICITY	kWh	1,997,767	2,204,474	1,892,489
WATER	m ³	2,274	1,352	1,461
PAPER	kg	4,229	5,613	7,200

4.4.2 CIRCULAR ECONOMY AND WASTE MANAGEMENT

The segregation of waste at the plant is one of the objectives defined by the ICO Group within its environmental management system. From 2021, the ICO Group has had environmental islands equipped with containers for waste segregation. These areas are installed on the office floors. In each of them there are 3 islands that allow the proper segregation of the waste generated in the workplace. These areas have been completed with containers for the collection of Covid-19 related waste (masks, gloves, etc.) installed since 2020 and present throughout the year 2022. Due to the activity carried out, food waste is not relevant and there are no specific measures.

Saving measures for the consumption of paper, toner and other materials include the following:

- The digitalisation of signatures in daily operations
- The allocation of laptops to all staff, allowing double monitors at workstations, reducing the need for paper documents.
- Programming printers to print double-sided by default, and restricting colour printers to centralised services.
- Use of recycled paper in all printers available on each floor.
- Printer equipment that incorporates a standby power saving system, which allows for greater energy efficiency.

Consumption of paper and cardboard as well as plastics and packaging remained in line with the previous year in 2022 after lower consumption data in the atypical year 2020. Similarly, the consumption of toners and ink cartridges also recovered in tandem with the recovery of a higher level of attendance. Other consumptions, such as fluorescent tubes, batteries and accumulators, are conditioned by the placing of orders of different amounts due to the less uniform nature of their consumption, which has an impact on the figures presented.

Below are the figures for the main consumptions in 2022 and the two previous years:

WASTE MANAGED	UNIT	2022	2021
Paper and cardboard	Litres (estimated)	38,400	38,400
Plastic and packaging	Litres (estimated)	38,400	40,000
Organic waste	Kg. (estimated)	288	288
Toner and ink cartridges	Units	99	63
Fluorescent tubes	Units	310	305
Batteries	Units	384	694
Batteries	Units	3	127

It also provides data on the evolution of consumption per employee of the ICO Group:

WASTE MANAGED	UNIT	2022	2021
Paper and cardboard	litres per employee	109	109
Plastic and packaging	litres per employee	109	113
Organic waste	Kg per employee	0.81	0.82
Toner and ink cartridges	Units per employee	0.28	0.18
Fluorescent tubes	Units per employee	0.88	0.86
Batteries	Units per employee	1.09	1.97
Batteries	Units per employee	0.01	0.36

4.4.3 POLLUTION. EMISSIONS. INTERNAL CARBON FOOTPRINT

The products and services offered by the ICO Group do not themselves generate greenhouse gas emissions that seriously affect the environment. In other words, the carbon footprint is the one that comes from the development of its activity (carbon footprint inherent to an organisation).

With regard to pollution, the products and services offered by the ICO Group **do not generate noise pollution that could substantially affect the environment. Neither does it generate light pollution that could substantially affect** the environment. There are therefore no specific measures in these two areas.

The ICO's activity is mainly carried out in the offices of its only headquarters in Madrid, located at Paseo del Prado, 4, and in its annex building, Calle los Madrazo 36, 38, so the emissions generated correspond mainly to electricity consumption, maintenance and recharging of air-conditioning equipment and fuel for a generator set. Additionally, the building has a photovoltaic panel installation on its rooftop, however, this installation has not been taken into account to reduce the calculation of emissions, as the energy produced is discharged into the electricity grid and is not destined for self-consumption. In 2022, this facility generated 2,243 kWh, well below the figure of 5,834 kWh in 2021 and previous years due to a breakdown that caused the facility to be out of service during peak production months, although the facility was restored within the same year 2022.

The ICO Museum (Calle Zorrilla 3 - Madrid 28014) hosts different exhibitions, and the management of this activity and space also generates electricity and refrigerant gas consumption.

In addition, the ICO has a warehouse located in the Gitesa Industrial Estate in Daganzo de Arriba (Madrid), which serves as logistical support and documentation archive, and which generates emissions from electricity consumption and refrigerant gases.

Finally, the ICO Group does not have a fleet of vehicles, nor does it need one to carry out its activities, which are mainly carried out at the offices at Paseo del Prado, 4 - 28014 Madrid. However, it does have a vehicle that Parque Móvil del Estado makes available to the Chairman of the ICO for his business trips, the management, maintenance and fuel of this vehicle being the responsibility of Parque Móvil del Estado, and therefore this vehicle has been excluded from the calculation of ICO's emissions to avoid double-counting.

Below is an estimate of total emissions for the year 2021 (adjusted from previous reports) and 2022. This carbon footprint includes in its calculation direct emissions (scope 1) and indirect emissions from the purchase of electricity and other energy (scope 2). In direct emissions, the amount of CO2 equivalent is calculated by taking into account both the CO2 emissions themselves and the CH4 and N2O emissions of the installations, according to the table of emission sources below.

With regard to Scope 3, an estimate has been made in relation to employee business travel. All calculations have been carried out in accordance with the indications published by the Ministry for Ecological Transition and Demographic Challenge (MITECO), using the calculator published by MITECO for scopes 1 and 2 and the ZeroCO2 initiative calculator for scope 3 .

For the year 2022, a provisional calculation of the carbon footprint including scopes 1, 2 and 3 (of the employee commuting part) has been made. The same tools have been used for the calculation as for the 2021 calculation, as they were available at the date of this report.

EMISSIONS (t CO ₂ e)	2022	2021
Direct emissions (Scope 1)	168.21	137.01
Indirect emissions purchased energy (Scope 2)	542.49	597.31
Indirect emissions from business travel (Scope 3)	64.37	11.21
Total	775.07	745.53

⁵ <https://www.ceroco2.org/sobre-nosotros>

Scope 3 indirect emissions (from employee business travel) indicate a significant increase in estimated emissions in 2022, compared to the 2021 estimate, due to the gradual normalisation of travel activity following the Covid-19 pandemic. The widespread use of videoconferencing tools, the use of which the Group encourages, means that the number of trips remains significantly below pre-pandemic figures.

The evolution of emissions (referring to scopes 1 and 2) shows a reduction of the carbon footprint of 3.3% in 2022 compared to the previous year. Below is a summary of the carbon footprint results for the last two years. Given the virtual stability of the average number of ICO Group employees over the last two years, the decrease in the carbon footprint per employee (3.03%) was almost equal to the aforementioned decrease in the aggregate carbon footprint.

	2022	2021
Carbon footprint (t CO ₂ e). Scope 1 and 2	710.70	734.32
Footprint per employee (t CO ₂ e)	2.0190	2.0802



2022
Carbon footprint

-3.3%
t CO₂e

In the above calculations, the following elements have been taken into account, valued according to the location of the various ICO Group facilities:

Location	Emission sources	Scope 1	Scope 2
Edificio Paseo de Prado, 4 – 28014 Madrid	Air conditioning equipment	Possible refrigerant gas recharges	-
	Electricity	-	Electricity consumption
	Generator set	Diesel B	
Edificio los Madrazo 36, 38 – 28014 Madrid	Air conditioning equipment	Possible refrigerant gas recharges	-
	Electricity	-	Electricity consumption
	Generator set	Diesel B	
Museo ICO -Calle Zorrilla 3 – 28014 Madrid	Air conditioning equipment	Possible refrigerant gas recharges	-
	Electricity	-	Electricity consumption
	Generator set	Diesel B	
Nave Polígono Industrial Gitesa – Daganzo de Arriba (Madrid)	Air conditioning equipment	Possible refrigerant gas recharges	-
	Electricity	-	Electricity consumption
	Generator set	Diesel B	

Based on the carbon footprint data of recent years, ICO is in a position to register its carbon footprint and apply for the MITECO “Calcula” [Calculate] and “Compensa” [Compensate] labels. In this sense, the possibility of implementing some kind of emissions compensation system is being assessed. In fact, an Emission Reduction and Offset Plan is being considered, based on the consistent measurement and comparison of ICO’s carbon footprint in previous years.

4.4.4 COMMUNICATION FOR SUSTAINABLE GROWTH

The ICO Group's 2022-2027 strategy focuses on promoting activities that contribute to the transformation of the Spanish production model, boosting business growth, innovation and digitisation, internationalisation and environmental, social and governance sustainability.

For the ICO Group, it is a priority to contribute to a model of recovery and sustainable growth in all the actions it carries out, in line with the guidelines set by the Government in the Recovery, Transformation and Resilience Plan for the Spanish economy, which reflects the priorities established in the European Next Generation EU programme and the Multiannual Financial Framework 2021-2027.

These strategic objectives have been integrated as a priority focus in the Institute's current communication policy and are conveyed externally through the different channels we use.

During the year 2022, in addition to the usual communication actions, efforts have been focused on:



1. Updating the ICO website to align it with the ICO Strategy 2022-2027, reinforcing and creating specific content on our priorities through the sections on Business Growth, Sustainability and Digitalisation.

In 2021, the design, architecture and content of the ICO Group's websites were revamped to align them with the Institute's strategic objectives and adapt them to the provisions of Royal Decree 1112/2018 of 7 September 2018 on accessibility of public sector websites and applications for mobile devices.



In 2022, we went a step further and have worked on updating the architecture and expanding the content to align it with the ICO Strategy 2022-2027, reinforcing and creating content specific to our priorities through the sections on Business Growth, Sustainability and Digitalisation.

In addition, a new version of the website has been created in English, transferring the same contents as the Spanish website and the new sections linked to the ICO Strategy 2022-2027. In this way, the user will enjoy an easy navigation and homogeneous content in both languages.



2. 2. Creation of new audiovisual and digital material, with content aligned with the ICO Strategy 2002-2027 to reinforce communication. Several interactive videos and infographics have been produced for use on the web, social networks...

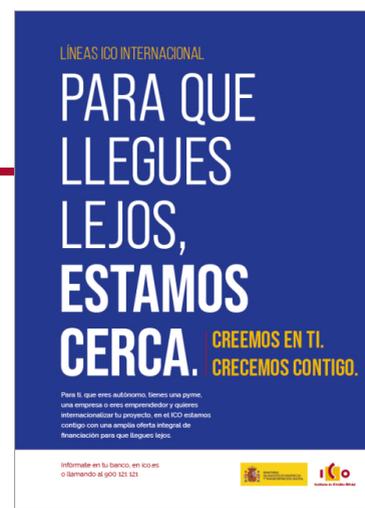
A. Other communication actions carried out in 2022



General



ICO Lines National



ICO Lines International

1 NATIONAL ADVERTISING CAMPAIGN.

An adaptation of the 2021 campaign has been made, with three different materials:

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

The campaign concentrated on a single round from 17 November to 20 December 2022. In media planning, digital media insertion has been increased. The media in which the ICO was present were press, radio, outdoor, and internet.

The main metrics show a good performance of the ICO Funding and ICO Lines 2022 advertising campaign in the online channel. The data for the fourth quarter, when the campaign was implemented, compared to the previous quarter are as follows:

SESSIONS **+120.96 %**

PAGE VIEWS **+57.96 %**

NEW USERS **+167.01 %**

2 INTERNATIONAL ADVERTISING CAMPAIGN

“ICO GREEN AND SOCIAL BONDS. Supporting Sustainable Growth in Spain”

In the international arena, ICO is also carrying out an advertising campaign with the dual objective of supporting the Institute’s role as an issuer in the capital markets and reinforcing ICO’s identification as one of the benchmark players in the development of the social and green bond market.

The campaign was focused on two phases during the months of May-June and September-October. 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.





3 ON-LINE COMMUNICATION CHANNELS

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

In addition, in recent years the **ICO Newsletter** has been consolidated as ICO's communication channel with the self-employed and SMEs to publicise the activity, the main products and financing programmes of the ICO Group, as well as the success stories of our client companies. The newsletter is published monthly (11 issues) and is distributed by e-mail to the ICO database (approximately 380,000 contacts), with an **average opening rate of around 36.34%**. On the website, the Newsletters received **85,878 visits (2.12% more than in 2021)**.

On the other hand, an **Investors Newsletter** is published quarterly, which offers updated 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 (over 1,500 records).

In terms of **social networks**, the **@ICOGob** profile **on Twitter** is noteworthy. Twitter has established itself as one of the main online channels for ICO to publicise its activity.

In 2022, the number of **own tweets and retweets published** on the official Twitter profile @ICOGob amounted to **588**, 30.09% more than in 2021.

Of the total number of tweets published in 2022, **9 out of 10** tweets were accompanied by graphic or audiovisual material (photographs, infographics, videos).

The **interaction rate** stood at **3.72%**, an increase of more than 24% over the previous year.

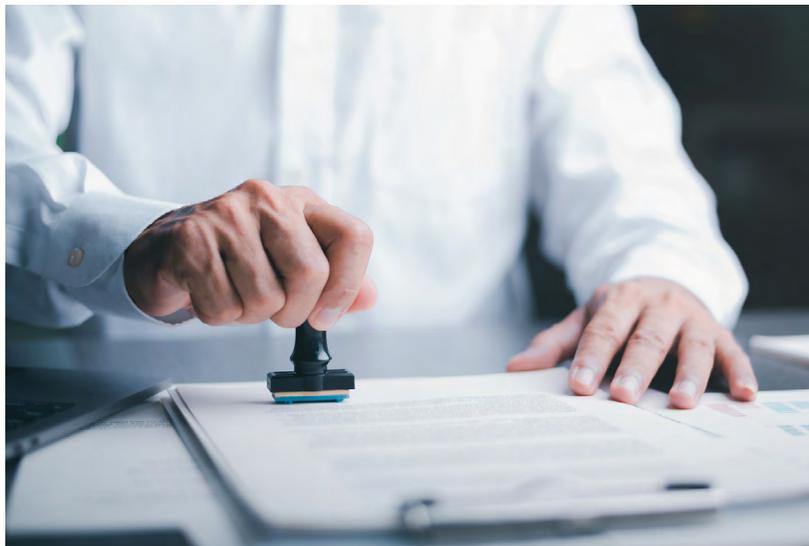


@ICOGob

4.4.5 CERTIFICATIONS

As a result of the application of the entire policy structure and management instruments, ICO has obtained several certifications confirming compliance with the highest standards.

A certification of its **Environmental Management System** was obtained in 2021, in accordance with the requirements of the **ISO 14001** standard. This certification guarantees to third parties that ICO follows good practice standards to help protect and respect the environment at all levels of its activity. The certification of the environmental management system is an objective established in the Environmental Policy of the Instituto de Crédito Oficial, and affects the procedures for the identification and evaluation of environmental aspects, the identification and treatment of environmental risks



and opportunities, as well as the procedures for the management, control, monitoring and evaluation of environmental performance in the development of our activity. The ICO Group's Environmental Management System develops the Environmental Policy, which, in order to guarantee environmentally friendly action, includes the following commitments, among others:

- Identify environmental aspects and control the associated environmental impact.
- Identify and assess compliance with legal requirements and other environmental and biodiversity protection requirements voluntarily subscribed to by ICO (Equator Principles, 10 Principles of the Global Compact, Paris Agreement).
- Identify and assess the risks and opportunities that its activity and its products and services have on the environment.
- Measure GHG emissions and carrying out prevention, reduction and remediation actions.
- Facilitate the segregation and management of the waste generated in its facilities, and promote awareness among its professionals so that waste segregation practices are also applied in their daily lives.
- Formalise agreements that promote circular economy practices for the reuse of waste.
- Implement tools for environmental protection and pollution prevention.
- Promote sustainable and responsible consumption of natural resources, and define energy efficiency and improvement plans.



Precautionary principle: ICO has implemented an environmental management system that meets the requirements of ISO 14001. This management system is certified by European Quality Assurance (EQA). The control and monitoring of the management system is the responsibility of the general services and heritage unit, which is equipped with the necessary resources to carry out this function. As the environmental impact is insignificant, there is no specific provision or guarantee in the income and expenditure budget to cover environmental damage.



In April 2022, ICO obtained a certification that its quality management system complies with the requirements set out in the international standard **ISO 9001:2015**. The quality management system applies to the development of all the activities carried out by the ICO, both management and support, in its triple role as National Promotion Bank, Financial Instrument for Economic Policy and State Financial Agency. The international ISO 9001 standard regulates the quality process in all areas of development, implementation and improvement, and is consistent with ICO's Quality Policy. This certification, also issued by EQA, demonstrates to stakeholders ICO's commitment to quality and to the procedures established in this ISO 9001 standard.

As mentioned in chapter 2, the ICO Group plays a very important role in the management of various instruments in the framework of the European Union. A large part of this activity is done thanks to the accreditation obtained by ICO in 2020 as **Implementing Partner of the European Commission** for the management of European programmes, in particular InvestEU. This accreditation followed a comprehensive review of ICO's policies, processes and actions in the 9 pillars defined by the European Commission (*Pillar Assessment*), which include aspects such as internal control, accounting, external audit, management of financial instruments, contracting procedures, data protection or exclusions from funding, among others. This test was passed by ICO in its entirety, which on the one hand allows for the management of European funds and guarantees and on the other hand demonstrates that it complies with EU management standards.

There are also extra-financial ratings by specialised and independent rating agencies that categorise the ESG performance and risk of ICOs and whose ratings can be found at <https://www.ico.es/web/guest/sostenibilidad/evaluacion-divulgacion-y-trasnparencia>

ICO is also certified as a **Family-Responsible Company (EFR)** by the Másfamilia Foundation. This EFR certification shows the ICO Group's firm commitment to progress in the area of work-life balance in order to improve the quality of life of its employees, and it is one of the first companies in the public sector to have this certification. In order to obtain the certificate, a thorough process of diagnosis and external audit was carried out to accredit the implementation of processes that promote quality employment, equal opportunities and cohesion between family and professional life, based on the legislation in force. This certification is also subject to periodic review, the last renewal having taken place in December 2022.

Shows commitment to improve the quality of life of its employees

5

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.

In its relationship with the professionals who make up the organisation, ICO is committed to:

- 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.
- Reconciling 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 social and work contexts.
- Corporate volunteering, developed through collaboration agreements with social entities.



ICO's commitments to its staff are set out in the Sustainability Policy approved in 2020, and are embodied in the personnel policies and procedures and in the actions carried out in each of its areas.

5.1 Staff data

A. STAFF DISTRIBUTION

1) Distribution of ICO Group staff by age, gender and professional groups.

During 2022, the average number of staff of the ICO Group was 352. Of these, 93% carry out their professional activity at ICO, while 5% work at AXIS and 2% at Fundación ICO.

As of 31 December, the ICO Group's staff numbered 364 people, with this month being the largest in terms of staff size as a result of the incorporation of people selected through the Institute's job offer. The staffing percentages of each of the 3 entities of the group remained the same in December as the annual average.

By age group, occupational group and gender, the average distribution of the workforce in 2022 was as follows:

ICO GROUP	AVERAGE 2022			TOTAL
	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old	
Management staff		5	12	17
Women		3	3	6
Men		2	9	11
Middle managers		32	24	56
Women		22	8	30
Men		10	16	26
Technical Staff	11	105	104	220
Women	7	67	62	136
Men	4	38	42	84
Administrative Staff		13	44	57
Women		12	38	50
Men		1	6	7
TOTAL ICO	11	156	185	352
Mujeres	7	105	111	223
Hombres	4	51	74	129

In line with the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, as well as national and international regulations, the ICO Group does not employ any under-age employees.

In addition, the ICO Group was supported by 28 young university graduates participating in the SEPI Foundation's practical training scholarship programme. Of these, 97% were in the under-30 age group, and 52% were women.

The high specialisation of the products and services offered by ICO Group entities is reflected in the distribution of staff by professional group. As a result, 63% of the workforce is in the professional group of Technicians.

With regard to the distribution of the workforce according to age, most of the workers are in the "Over 50" age bracket, with an average of 185 people in this age bracket (52% of the workforce).

Given the nature of ICO as a national Public Business Entity, 100% of our staff carry out their professional activity in Spain.

Stability in the workforce is a characteristic feature. Compared to 2021, there has been a decrease by two persons.

2) ICO Group staff new hires and terminations

During 2022, 47 employees joined the ICO Group's workforce, 53% of whom are women. 15 of the discharges were under 30 years of age and the remaining 32 were between 30 and 50 years of age.

34 employees (47% women) left the company, the most common cause being leave of absence (58%). In 2022, there were no dismissals due to redundancy.

In 2022, there was one voluntary departure in management (male), none in middle management and one in administrative staff due to termination of contract (female). The breakdown of technical staff is as follows:



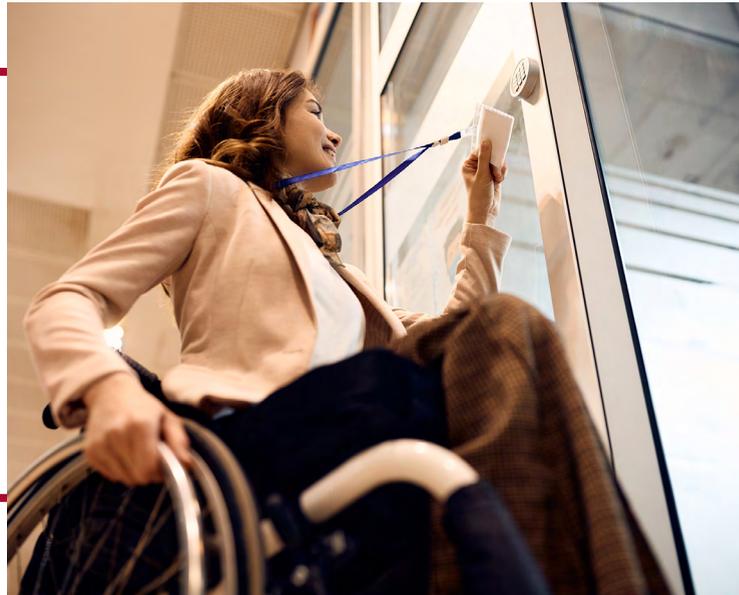
DISTRIBUTION OF LEAVES 2022									
	TOTAL	Retirement	Dismissal	Leave of absence	Voluntary Termination	Dismissal	Termination of Contract	Absolute Permanent Incapacity	Other Causes
TECHNICIAN	32	2	0	19	2	0	8	0	1
Women	15	0	0	10	2	0	3	0	0
Men	17	2	0	9	0	0	5	0	1

Note: All of the terminations recorded (34) in 2022 correspond to ICO. There were no terminations at AXIS or at Fundación ICO.

3) Employees with disabilities

There are 5 people with a recognised disability (functional diversity/physical disability) on the staff, 80% of whom are women and 20% men.

In addition, ICO has signed an agreement with the A LA PAR Foundation through which 2 people with disabilities completed their studies by doing internships at ICO during the year 2022.



Likewise, since November 2021, ICO has been authorised by the Regional Ministry of Economy, Finance and Employment of the Community of Madrid to comply with the disability quota on an exceptional basis by adopting alternative measures by contracting with Special Employment Centres for the provision of certain services. During the year 2022, 6 contracts were maintained with these centres. The services associated with these contracts are provided by 16 people with disabilities working at the ICO Group's headquarters, of whom 8 are women and 8 are men.



5.2 Contract modalities

1) Total number and distribution of employment contracts. Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification

As of 31 December 2022, the average number of ICO Group staff working under permanent contracts was 327 (93% of the total). In 2022, staff working under temporary contracts represented 5%, these contracts were signed exclusively to cover temporary disability leave, maternity/paternity leave and vacant positions until they are filled indefinitely through public employment offers. Also, in 2022, staff working part-time due to retirement accounted for 2%.

ICO	AVERAGE 2022		
	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
PERMANENT	9.3	145.1	171.8
Women	5.3	95.5	103.7
Men	4.0	49.6	68.2
Management staff	-	5.0	12.3
Women	-	3.3	3.0
Men	-	1.7	9.3
Middle managers	-	32.2	24.5
Women	-	21.8	8.3
Men	-	10.3	16.2
Technical Staff	9.3	97.8	99.3
Women	5.3	61.2	61.4
Men	4.0	36.6	37.9
Administrative Staff	-	10.2	35.7
Women	-	9.2	30.9
Men	-	1.0	4.8

ICO	AVERAGE 2022		
	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
PART-TIME	-	-	8.6
Women	-	-	4.7
Men	-	-	3.9
Technical Staff	-	-	3.9
Women	-	-	2.9
Men	-	-	3.7
Administrative Staff	-	-	3.3
Women	-	-	1.8
Men	-	-	0.3

ICO	AVERAGE 2022		
	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
TEMPORARY	2.2	11.1	3.4
Women	19.0	9.4	2.7
Men	7.0	1.7	0.8
Technical Staff	2.2	7.8	1.3
Women	1.6	6.1	0.6
Men	0.6	1.7	0.8
Administrative Staff	-	3.3	2.1
Women	-	3.3	2.1
Men	-	-	-

5.3 Average salaries and pay gap

A. AVERAGE SALARIES

1) Average salaries and their evolution by gender, age and professional classification.

For the calculation of these data, the total remuneration (salary, in kind and non-wage) of the workforce at 31 December 2022, annualised, has been taken into account to avoid deviations due to the date of incorporation, including the variable remuneration regardless of its accrual, and is broken down by professional group, age and gender.

GENERAL METRICS (EUROS)	2022	2021
Salary expenditure	17,540,886	16,382,466
ICO average salary	52,205	50,720
ICO median salary	47,649	45,441
Minimum interprofessional salary	14,000	13,300

The average wage increased by 2.9% in 2021 compared to the previous year.

Average salary of senior management	2022	2021	% crec.	WOMEN 2022	MEN 2022	DIFFERENCE (W-M)
Average salary of senior management	98,150	95,497	2.8%	97,996	98,305	-0.2%
Average salary Head of Department	85,755	82,921	3.4%	85,878	85,685	0.1%
Average salary Area Manager	68,561	67,225	2.0%	67,776	69,565	-1.1%
ICO average salary Technicians	48,846	47,991	1.8%	49,889	47,327	2.1%
ICO average salary Administrative	38,129	36,748	3.8%	38,262	36,832	0.3%
ICO minimum salary Technicians (entry level)	30,380	29,352	3.5%	30,380	30,380	0.0%
ICO minimum salary Administrative (entry level)	20,678	19,979	3.5%	20,678	20,678	0.0%

Note: For the calculation, the salary expenditure of the Chairman and Senior Management has not been considered, as this information can be found in section 1.3. Governance and Management Structure. Middle management is broken down between departments and areas as they are categories with differentiated salary authorisations.

GRI INDICATORS:

The Chairman's salary is **3.06 times** the median salary of the rest of the organisation

The 2022 salary increase for the Chairman was identical to that of all employees

The ratio between the basic wage and the average wage is:

- 185% for women and 178% for men in administrative groups
- 164% for women and 156% for men in technical groups
- 223% for women and 229% for men in area leadership positions
- 283% for women and 282% for men in department leadership positions
- 323% for women and 324% for men in management positions

The average remuneration of the groups reflected in this table in 2022 was 52,205.02 euros. Comparatively, 3.7 times higher than the Spanish minimum wage of 14,000 euros in 2022.

The remuneration of the ICO Group staff has been updated in accordance with the provisions of the budget regulations, which in 2022 authorised an increase of 3.5% over the remuneration in force on 31 December 2021. The process of setting remuneration is subject to the applicable budgetary rules.

The average salary at AXIS, at the end of 2022, was of 55,495.53 euros. On the other hand, the average salary of the ICO Foundation at the end of the year was 40,086.16 euros.

In both cases, given the small size of the staff, the average salary broken down by professional group and gender is not provided as such information would violate personal data protection legislation.

ICO	AVERAGE 2022			
	Average ICO	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
Management staff	98,150.49	-	97,888.90	98,324.88
Women	97,995.91	-	97,618.14	98,562.57
Men	98,305.07	-	98,701.17	98,206.04
Department Heads	85,755.38	-	85,920.55	85,660.99
Women	85,878.09	-	85,597.78	86,719.00
Men	85,685.26	-	86,888.84	85,484.66
Heads of area	68,561.42	-	65,621.43	73,155.16
Women	67,775.71	-	64,368.34	74,164.51
Men	69,565.40	-	67,501.07	74,186.67
Technical Staff	48,845.79	33,947.08	41,899.40	58,872.83
Women	49,888.91	34,406.36	43,134.04	59,646.54
Men	47,327.49	33,430.39	40,047.44	57,750.96
Administrative Staff	38,129.24	-	32,596.67	39,544.55
Women	38,261.67	-	33,080.94	39,590.06
Men	36,831.50	-	27,753.95	39,100.89
TOTAL ICO	52,205.02	33,947.08	47,877.68	57,823.60

B. SALARY GAP

From the analysis of the salary record data, it can be concluded that **there are no significant salary differences between men and women** at the ICO.

In 2022, in compliance with the provisions of art. 28.2 of the Workers' Statute and Royal Decree 902/2020, of 13 October, on equal pay for men and women, and in line with the commitments made in the 2nd Equality Plan, ICO drew up a wage register at the end of the 2022 financial year.

This wage register makes it possible to analyse the wage gap between women and men and thus determine whether there is a gender pay gap.

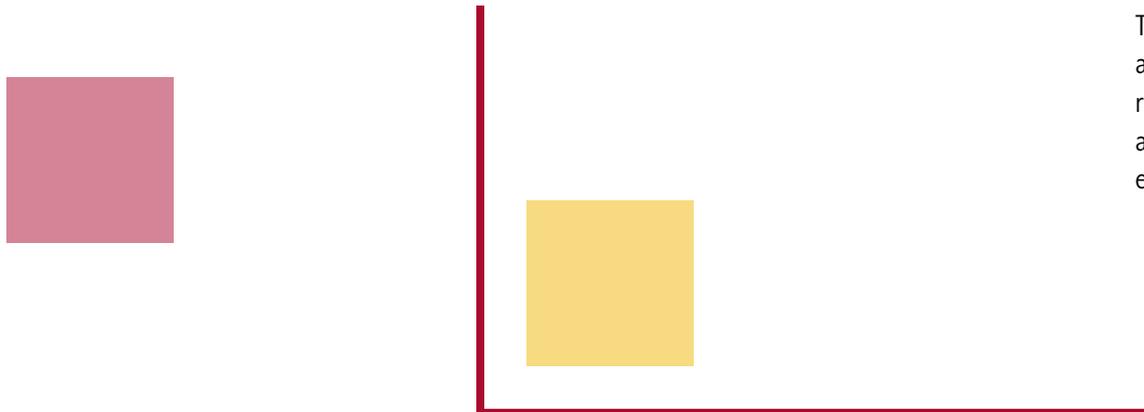
The concept of positions of equal value is reflected in the calculation of the pay gap, which compares the total remuneration received by men and women in positions of equal value in the Group. For this purpose, it has been decided to classify the staff subject to the collective agreement according to professional group and salary level, following the job structure agreed with the legal representation of the workers. With regard to the staff excluded from the scope of application of the agreement, a distinction has been made within middle management between the posts of area manager and department manager. In addition, a comparison of salaries of upper management (Management, Senior Management and Chairman's Office) has been carried out.



For each of the above positions, the median of the total pay received by all men and women in these positions is calculated. The salary gap is calculated as the percentage resulting from dividing the difference of the median male pay minus the median female pay by the median male pay. The total salary gap is calculated as the weighted average of the gaps obtained for each job.

As of 31 December 2022, the ICO salary gap for positions of equal value is 0.15%.

The regulations governing the remuneration policy for management and middle management positions are set by the Ministry of Finance and Civil Service and guarantee equality between men and women in remuneration. Likewise, the collective agreement establishes pay levels for staff covered by the collective agreement (belonging to the professional groups of Technicians and Administrative staff) that guarantee equal salaries for people with the same pay level. Pay grade promotion is linked to performance appraisal.



5.4 Work organisation

A. TYPES OF WORKING DAY

As of 31 December 2022, the average number of the ICO Group's staff working under the split working day regime amounted to 324 persons (92% of the total). Staff working a continuous working day accounted for 1% and those working a reduced working day due to work-life balance reasons such as partial retirement, relief contract, care of ascendants or descendants 7%.

ICO GROUP	AVERAGE 2022		
	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
CONTINUOUS	-	-	3.0
Women	-	-	1.0
Men	-	-	2.0
Technical Staff	-	-	3.0
Women	-	-	1.0
Men	-	-	2.0
Administrative Staff	-	-	-
Women	-	-	-
Men	-	-	-

ICO GROUP	AVERAGE 2022		
	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
SPLIT	11.3	142.8	169.9
Women	6.8	92.5	103.0
Men	4.5	50.3	66.9
Management staff	-	5.0	12.3
Women	-	3.3	3.0
Men	-	1.7	9.3
Middle managers	-	32.2	24.5
Women	-	21.8	8.3
Men	-	10.3	16.2
Technical Staff	11.3	94.1	96.5
Women	6.8	55.8	59.8
Men	4.5	37.3	36.7
Administrative Staff	-	12.5	36.6
Women	-	11.5	31.8
Men	-	1.0	4.8

ICO GROUP	AVERAGE 2022		
	Under 30 years of age	Between 30 and 50 years of age	Older than 50 years old
REDUCED	-	13.4	8.9
Women	-	12.4	4.3
Men	-	1.0	4.6
Technical Staff	-	11.4	3.9
Women	-	11.4	0.3
Men	-	1.0	3.7
Administrative Staff	-	1.0	5.0
Women	-	1.0	4.1
Men	-	-	0.9

The measures contemplated in the plan include facilitating the provision of public services by public employees through different organisational formulas that fully guarantee attention to citizens. In particular, it established the strengthening of remote working, through the voluntary implementation of a remote working system to reduce the energy impact and make it possible to reduce travel, with the consequent energy savings, as well as a significant reduction in consumption in the work centres.

In this context, the ICO Group approved its distance working plan. As of 31 December 2022, 325 employees have joined, 36% men and 64% women, representing 89% of the total ICO Group workforce.

Telework has proven to be a key tool in modernising and making work management more flexible. For its effective operation, the ICO Group is subject to the rules and regulations of the State Administration. In 2022, the ICO Group implemented its Distance Working Plan within the framework of energy saving and efficiency measures for the General State Administration and state public sector entities, approved by the Council of Ministers Agreement of 24 May 2022.

Employees who are members of the Distance Working Plan			
	Nº of applications	Nº of employees	% applications
Activity	305	339	90%
AXIS	15	18	83%
FUNDACIÓN ICO	5	7	71%
TOTAL ICO GROUP	325	364	89%

5.5 Work-life balance

1) Measures aim to facilitate the enjoyment of work-life balance and encourage the co-responsible exercise of work-life balance by parents.

The Institute's commitment to work-LIFE balance responds to the search for the well-being of the people who form part of ICO, our main source of value. Work-life balance seeks to balance the achievement of work and private life objectives using flexible formulas that allow for the development and success of both. Therefore, it is not just about paid leave. It is a way of organising the working environment that makes it easier for men and women to carry out their work, and personal and family responsibilities.

ICO has been certified as a Family-Responsible Company by Fundación Másfamilia since December 2014, by the efr 1000-1 standard, and has been renewed in December 2022. This management and work organisation model provides a simple and effective work-life balance methodology and enables progress to be made in the implementation of a social, work and, business culture based on flexibility, respect, and mutual commitment. For the effective implementation of this model, ICO has an efr Model Reconciliation and Equality Management Procedure.

As a driver of well-being and in response to the commitment of the people who make up the organisation, ICO's management model aims to:

- Contribute through its policies to eliminate of barriers that hinder the participation of women and men in their personal lives and the company's processes.
- Promote a work environment compatible with personal development, allowing its professionals to balance the fulfilment of their work responsibilities in a public institution such as ICO with the needs of their personal and family life.

ICO GROUP	AVERAGE 2022		
	Under 30 years old	Between 30 and 50 years old	Over 50 years old
Upstream care			1.0
Administrative Staff			1.0
Women			1.0
Offspring care		12.4	
Administrative Staff		1.0	
Women		1.0	
Technical Staff		11.4	
Women		11.4	
Men		1.0	
Partial retirement			7.9
Administrative Staff			4.0
Women			3.1
Men			1.3
Technical Staff			3.9
Women			1.0
Men			3.7

To guarantee and ensure that the values and principles underlying ICO's commitment to work-life balance are properly complied with, an external communication channel has been set up so that ICO staff, as an efr certified entity, can express their complaints and claims regarding work-life balance directly to the Fundación Másfamilia. It guarantees the absolute confidentiality of the information received through this channel. During 2022, the Fundación Másfamilia has not received any complaints or claims through this channel.

The ICO has 91 conciliation measures divided into 4 blocks. For those measures that go beyond the current legislation (44), employees have been consulted to assess their degree of satisfaction with them. All of them are equally applicable to all staff. The results of this survey are shown below.

Employee voice	Quality of employment	Flexibility in time and space	Family support	Personal and professional development
Knowledge	95%	97.5%	94%	94.9%
Use	60.9%	69%	32.3%	51.2%
Satisfaction (0-10)	7.3	8.9	7.7	7.3
Relevance (0-10)	7.2	8.4	7.3	7.3

The ICO also has an ethics channel available to its staff for reporting breaches of its code of conduct and a Compliance Committee that keeps a record of all reports received through the ethics channel or any other means that the person making the report considers appropriate. The Compliance Committee guarantees the confidentiality of the complaints received. In 2022, one complaint was received, which was dealt with and resolved following the procedure.

	Data 2022			Data 2021		
	Men	Women	Total	Men	Women	Total
Total number of employees who have been entitled to parental leave	6	7	13	4	5	9
Total number of employees who have taken parental leave	6	7	13	4	5	9
Total number of employees who have extended their parental leave with parental leave in 2022	1	4	5	0	3	3
Return to work rate (employees who returned to work after parental leave in the year over the total number of those who were due to return) (%)	100%	100%	100%	100%	100%	100%
Retention rate (employees retained 12 months after return out of the total number of returnees) (%)	100%	100%	100%	100%	100%	100%

2) Implementation of digital disconnection policies in the work environment

Within the framework of the remote work plan approved in the ICO Group in 2022, the right to digital disconnection outside working hours is recognised under the terms established in article 88 of Organic Law 3/2018, of 5 December, on Personal Data Protection and guarantee of digital rights. Following the implementation of the remote working regime, a specific policy is expected to be approved within the framework of the new work organisation in 2023. In addition, the corporate email tool invites you to schedule emails sent outside normal working hours to be received the following day within normal working hours.

5.6 Health and safety

The ICO Group considers it essential to strengthen and control the occupational health and safety of its staff, as expressed at the highest level in the Sustainability Policy approved by the General Council, which includes occupational health and safety as a commitment to employees.

The management of health and safety in the workplace affects 100% of the workforce, and is developed through two main lines of action: (A) technical prevention refers to the specialities of safety at work, industrial hygiene, ergonomics, and applied psycho-sociology, which includes occupational risk assessments, action plans to eliminate or minimise the risks detected, monitoring the implementation of action plans, the preparation and implementation of emergency and evacuation plans, health and safety training and the coordination of preventive activities; and B) occupational medicine, with the performance of medical check-ups for staff, the protection of particularly sensitive employees and the adaptation of workstations with specific ergonomic material, as well as programming preventive activities and campaigns to maintain and improve the health of workers and encouraging the development of both a preventive culture and healthy habits among the workforce.

In 2022, the prevention service was carried out in collaboration with Grupo MPE Prevención de Riesgos Laborales, as an external prevention service, which also holds ISO 9001 and ISO 14001 certifications for its quality and environmental management system. AXIS and the Foundation have their external prevention services.

Occupational health and safety is monitored by the Health and Safety Committee, made up of 3 representatives from the Company and 3 from the Workers' Legal Representation, and by the Medical Service (company doctor) and the External Prevention Service (prevention technician). The Health and Safety Committee meets quarterly. During 2022, 4 meetings were held, recorded in minutes, which dealt with issues related to the appointment of alarm and evacuation teams and first intervention teams, training in occupational risk prevention for office staff (including teleworking), certification of COVID-19 protocols and monitoring of the impact of COVID-19 on the workforce and accidents at work. This body participates in the elaboration, implementation, and evaluation of the

risk prevention plans and programmes in the company. No risks of major injuries have been identified and no such events have occurred. Workers can report any risks or incidents directly to HR or through union representatives.

In 2022, 193 medical check-ups were carried out in the ICO Group, representing 55% of the group's average workforce. In addition, a course entitled "Prevention of occupational risks for office staff" was given to 215 people, all of them from ICO.

There is a procedure for the coordination of business activities in compliance with R.D. 171/2004, which details the functions and measures to be adopted in these situations.

In addition, as part of its commitment to the health of its employees, the ICO Group has a medical service available to all its employees at the work centre, from Monday to Friday mornings, for medical, nursing, and physiotherapy consultations. The health service for the medical care of ICO staff is authorised by the Health Department of the Community of Madrid. This measure promotes health care, conciliation, flexibility, and the reduction of absenteeism by facilitating medical consultation and assistance for ICO staff at the workplace.

During 2022, 1,565 medical consultations were provided, which means an average of 130 consultations per month, 32% to men and 68% to women. Of the total assistance, 48% was provided by a medical professional, 42% by a nursing professional, and 10% by the physiotherapy service. An average of 82 workers per month have been assisted. By type of assistance, 84% was due to common illnesses, 1% to non-occupational accidents and the remaining 15% to health campaigns. In 2022, two health campaigns were carried out, a vaccination campaign to prevent seasonal flu and a campaign to prevent cardiovascular risk. A total of 207 professionals benefited from these campaigns, which were aimed at the entire workforce.

In addition, the ICO collaborates annually with the blood donation campaign promoted by the Red Cross. In 2022, 22 volunteers were able to donate blood at the work centre. This helped to improve the lives of 66 people, as each donation saves three lives.

Sick leave and absenteeism

On the other hand, 4,368 days of sick leave were recorded, 72% for common illness and 28% for maternity or paternity. In addition, there were 6 accidents on the way to and from work, 5 were women and 1 man, all of them minor (4 of them without medical leave). The 2 occupational accidents requiring medical leave affected women. In 2022, no occupational illnesses or deaths due to occupational accidents were recorded. Due to the nature of the ICO Group's activities, there is no risk of occupational illnesses covered by current legislation, as assessed by the prevention service.

The number of absenteeism hours recorded in 2022 was 26,442, bringing the absenteeism rate at ICO to 5%. This rate represents a slight upturn compared to 2021, when it stood at 4%, but remains at lower levels than in 2019.



ICO	2022			2021		
	Total	Men	Women	Total	Men	Women
Number of days off work	4,368	1345	3023	3768	1075	2693
Number of absence hours	26,442	5,899	20,543	24,310	8,162	16,143
Number of total occupational accidents	6	1	5	1	0	1
Number of occupational accidents in itinerary	6	1	5	0	0	0
Number of occupational accidents requiring time off work	2	0	2	1	0	1
Frequency rate (%)	0	0	0	0	0	0
Incidence rate (%)	0.62	0	0.62	0.31	0	0.31
Absenteeism rate (%)	5	3	6	4	5	6

The frequency rate does not include accidents on the way to and from work. The calculation is based on one million hours.

At AXIS and Fundación ICO, no occupational accidents or occupational diseases were recorded in 2022.

Health certifications

In 2021, following an exhaustive audit process, the ICO Group obtained AENOR certification of protocols for action against COVID-19. This certification extended to all the Group's activities and facilities, explicitly including ICO, AXIS, ICO FOUNDATION, and ICO MUSEUM, and has remained in force during the 2022 financial year.

The AENOR certificate is a formally recognised external guarantee of the effectiveness of the measures implemented in the Group, the suitability of the protocols, and compliance with the guidelines laid down by the Ministry of Health and the Community of Madrid, both in the work centre where the offices are located and in the ICO Museum facilities, thus guaranteeing the safety of the staff providing services in the facilities and of visitors to them.

It should also be noted that the AENOR certification process requires the ICO Group to undergo periodic audits in which the correct application, maintenance, and updating of the existing protocols are verified, which further reinforces the ICO Group's commitment to complying with its high standards of safety and prevention. In short, the AENOR certification endorses all the measures that have been implemented by the ICO Group since March 2020, under appropriate and effective risk management, which has enabled the Group to continue its activity in the best health and safety conditions for people accessing its facilities and to conclude the process of returning to normality that has been achieved in 2022, without incident.



5.7 Social relations

A. ORGANISATION OF SOCIAL DIALOGUE

In line with Principle 3 of the Global Compact, ICO respects the right of its staff to join trade unions according to their needs and to form their Works Council.

At ICO, the Works Council acts as a collegiate body representing the workers and interacts with the company through its autonomous functioning, and its participation in different committees (Joint Committee, Health and Safety Committee, Training and Professional Promotion Committee, and Social Affairs Committee), in addition to the working groups and specific negotiating committees that may be set up to deal with specific issues that may require it.

To carry out its functions, ICO has provided the Works Council with its own physical space to meet and keep documentation, as well as its e-mail address to receive queries and a space on the Intranet to publish its information.



B. PROCEDURES FOR INFORMING, CONSULTING, AND NEGOTIATING WITH EMPLOYEES

Concerning the existing means of informing staff, the ICO, in addition to sending general and personalised communications by e-mail, has a channel on its Intranet for announcements, new developments, and news items related to the institution's activities. This channel also encourages the participation of all employees in the institution's development, either by providing comments on the news published or through the suggestions channel, Aporta Tu Idea (Contribute Your Idea).

1) Percentage of employees covered by collective bargaining agreements by country

The VI Collective Bargaining Agreement, published in the BOCM on 11 January 2014 (http://w3.bocm.es/boletin/CM_Orden_BOCM/2014/01/11/BOCM-20140111-3.PDF), which applies only to ICO staff, and is currently in force.

The social benefits are stipulated in the Collective Bargaining Agreement and apply to all staff on equal terms.

The agreement applies to 80% of ICO's staff, excluding the Chairman, the management team, and the professional group of middle managers, whose employment relationship is governed by the terms of their contracts.

2) Review of collective bargaining agreements, particularly in the field of occupational health and safety

The ICO Works Council has 13 members, representing 3 different trade unions. 46% of the members of the Works Committee are women.

During the 2022 financial year, 9 meetings of the Joint Committee and the Health and Safety Committee were held and 1 agreement was reached. In addition, dialogue tables were set up with employee representatives to address issues relating to the working conditions of greatest concern to the workforce.

5.8 Training

A. POLICIES IMPLEMENTED IN THE FIELD OF TRAINING

Training and empowering staff are key to contributing to the Sustainable Development Goal: “Decent work and economic growth”. The ICO Group encourages the improvement of the knowledge, skills, and abilities of its human and intellectual capital and, at the same time, by its mission to promote the growth and development of the country, it responds to the training needs of other groups, such as young people and people with intellectual disabilities, to help them enter the labour market.

This commitment of the ICO Group to professional development and training is included in the Sustainability Policy and is materialised in the Training Policy and in the Training Plan on which planned and unplanned training actions are developed annually in response to needs identified throughout the year.

In 2022, the Institute has maintained its demanding level of staff training hours, given that it has been adjusted by 15% less than in 2021, taking into account the exceptional increase in 2021 to return to the pre-pandemic situation. This has been reduced from 18,508 to 15,750 hours from 2021 to 2022, respectively, and the investment has decreased by 28% from €155,592 to €111,874 from 2021 to 2022, respectively.

This commitment to the professional development of ICO’s human and intellectual capital is reflected in the fact that investment in training represents 1.10% of ICO’s salary expenditure in 2022. It is also reflected

in the average number of hours per employee, which stands at 42 hours in 2022, 19.23% less than in 2021 in ICO and AXIS. The year 2021 saw an exceptional increase due to the pandemic in 2020, although the current number of hours is back in line with the average for the two years before the pandemic (45.75 hours per employee, average for 2018 and 2019).

The ICO Training Plan includes training objectives that are materialised with the number of hours and investment in the following areas: training in sustainability, in the Systems Plan, on-the-job training related to the ICO’s activity and regulations, language learning and improvement, and the development of personal skills useful for the performance of jobs.

In line with the above, 64% of the investment made is devoted to language learning and improvement, 17% to on-the-job training, 7% to sustainability training, 3% to systems plan training, and 9% to skills training and postgraduate training, and certifications.

DISTRIBUTION OF TRAINING HOURS BY OCCUPATIONAL GROUP - ICO GROUP

	2022	2021	WOMEN 2022	MEN 2022	HOURS PER PERSON (TOTAL)	HOURS PER PERSON (WOMEN)
MANAGERS	758	431	255	503	44.5	42.5
MIDDLE MANAGERS	1,693	2,379	1,109	583	29.7	37.0
TECHNICIANS	11,458	12,964	8,235	3,223	52.1	60.6
ADMINISTRATIVE	2,050	2,387	1,997	53	36.0	39.9
GRANT HOLDERS	124	347	76	49	--	--
TOTAL	16,083	18,508	11,672	4,411		

DISTRIBUTION OF INVESTMENT IN TRAINING BY TYPE OF COURSE - ICO GROUP

	2022	2021	Increase	WOMEN	MEN
LANGUAGES	74,384	74,334	0%	54,601	19,784
ON-THE-JOB TRAINING	18,966	74,001	-74%	14,424	4,542
SUSTAINABILITY	8,003		-	3,746	4,257
SYSTEMS PLAN	3,600	1,200	200%	2,250	1,350
SKILLS TRAINING	327	791	-59%	327	0
FORMACIÓN ACADÉMICA, POSTGRADO Y CERTIFICACIONES	9,772	5,266	86%	9,022	750
TOTAL	115,052	155,592	-26%	84,369	30,682

The differences between women and men must be interpreted as the weight of each sex in the workforce or category as a whole.

This year, in line with the Training Plan, training in sustainability has been differentiated from on-the-job training, where it was located in the previous year. Likewise, the training in new technologies has been called the Systems Plan, to facilitate the adaptation of the human team to the new technological tools needed to implement the projects developed by ICO, also promoting training in useful skills for digital transformation.

Lastly, it should be noted that the ICO Group plans to offer voluntary access to the training activities contained in its Training Plan to professionals who are on childbirth and childcare leave, breastfeeding leave, or leave of absence to care for children or family members so that their absence is not a barrier to professional progress. 53% of the professionals who have taken any of these leaves wanted to participate in the training programme during this period.



5.9 Universal accessibility for people with disabilities

A. ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

The ICO Group has facilities, tools, and workstations adapted to allow accessibility for people with reduced mobility or other types of functional disabilities who carry out their professional activity at ICO or who visit the facilities. Thus, the staff includes 5 people with recognised disabilities (functional diversity/physical disability), 80% of whom are women.

The ICO Foundation holds the Accessible Tourism badge awarded to the ICO Museum for incorporating universal accessibility measures in its establishment and for its commitment to welcoming and attending to people with disabilities and with accessibility needs in general, developed through the provision of adapted, easy-to-read material on the Museum's exhibitions or the organisation of activities with a sign language interpreter.

The ICO's corporate portal is designed to comply with [Royal Decree 1112/2018](#) of 7 September on Accessibility of Public Sector Websites and Applications for Mobile Devices. Thus, a practical and accessible corporate portal is made available to society, guaranteeing access to the information and services on its pages to all users without any limitation or restriction based on disability, medium, or context through which this portal is accessed.

At the same time, the www.ico.es portal aims to adapt to the standards and regulations in force about accessibility, complying with the double A (AA) verification points defined in the Web Content Accessibility Guidelines (WCAG 2.1) specification belonging to the W3C.

B. INTEGRATION OF PEOPLE WITH DISABILITIES

Since 2016, ICO has been hosting several students from the ALAPAR Foundation who are part of the CAMPVS educational project aimed at young people with functional diversity who, after completing their formal training, wish to access higher education to develop a higher degree of personal, social and professional competence.

With this programme, these young people specialise in the administrative branch, acquiring general knowledge of business, information technologies, economics, law, financial culture, and English, as well as working on personal autonomy and socio-labour skills. The studies last three years and end with a six-month training internship in the company, a stage in which ICO helps them to complement their training with practical experience and to acquire the knowledge and skills necessary to function fluently in the work environment.

Since the start of the collaboration with the ALAPAR Foundation, ICO has taken in a total of 13 students, of whom 7 have found employment, 3 of them are preparing for competitive examinations and the rest of the students are continuing their training to improve their employability.



5.10 Equality and diversity

A. EQUALITY

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 employment offer processes and in tenders for the purchase of goods or the contracting of services.

In the previous sections, we can see the breakdown of the workforce by gender, and how women have greater participation in practically all professional groups. In terms of female representation on governing bodies, it is worth highlighting the representation achieved on the General Council of ICO (37% women and 63% men), on the Board of Directors of AXIS (56% women and 44% men), and the Board of Trustees of the ICO Foundation (44% women and 56% men).



B. MANAGEMENT OF DIVERSITY AND THE FIGHT AGAINST INEQUALITIES AND DISCRIMINATION

1) Measures for Women Empowerment

In the third year of the II Equality Plan, approved at the end of 2019, actions were carried out in the seven axes that structure the Plan. Of the 45 measures of which the II Equality Plan consists, 43 (96%) have been fulfilled in 2022 and another 2 are in progress. In total, 108 actions have been carried out

In 2020, ICO joined the Where Are They? Manifesto, an initiative launched by the European Parliament to promote and strengthen the presence of women in discussion forums and conferences. During 2022, ICO participated in 220 conferences as a speaker (both in person and online), organised in collaboration with various institutions, sectoral associations, and collaborating agents, covering the entire country. Of the total number of conferences, the President of the ICO participated as a speaker in 57 of them. In the remaining 163 conferences, 85 women participated in the representation of the ICO (52%).

2) Protocols against sexual and gender-based harassment

The prevention of sexual and gender-based harassment, 2nd ICO Equality Plan has a procedure against harassment in the workplace available to all employees that specifically includes the prevention of sexual and gender-based harassment. To date, this has not been activated at any time.

In addition, as part of the commitments made in the Equality Plan, ICO has joined the Ministry of Equality's Red de Puntos Violeta (Purple Points Network) initiative to combat gender-based violence and to disseminate, on a massive scale, the information needed to know how to act in the event of violence against women.

3) Measures adopted to promote employment

The ICO, as a public sector entity and by the provisions of the Basic Statute of the Public Employee, promotes access to employment under the principles of equality, merit, and ability through periodic competitive examination procedures with public notice, reserving a quota of no less than 5% of vacancies to be filled by people with disabilities.

Internally, the ICO encourages professional development and internal job mobility among its employees through the system of promotion by filling vacancies established in the institution's Collective Bargaining Agreement.

In addition, the ICO has signed a collaboration agreement with the SEPI Foundation whose objective is to organise and develop a programme of practical training scholarships in the work centres of the ICO Group, under the supervision of suitable tutors, aimed at young people with recent university degrees to facilitate and prepare them for their access to the world of work, enabling them to acquire practical knowledge, maturity, employability, status and vision of the business world. In 2022, the ICO Group welcomed 18 scholarship holders from the SEPI Foundation, whose scholarships have a maximum duration of 18 months.

At the end of the scholarship, ICO surveys to find out their degree of satisfaction. In 2022, the average level of satisfaction of the 25 scholarship holders who completed their scholarship at ICO was 8.84 out of 10, highlighting the success of the programme. Another noteworthy fact is that many of them, once they have finished their scholarship, take part in the selection processes organised to recruit permanent staff. In fact, in the last two ICO Job Offers, 6 of the selected candidates were previously ICO scholarship holders of the SEPI Foundation.

Collaterally, there are further advantages in broadening the framework of participation in the company by involving the professionals in the successful implementation of the Fellowship Programme. Although some act as tutors and others as trainers, they all have the opportunity to participate in the orientation and integration of the trainees. In addition to the practical training, they are offered the possibility of attending training actions that are tailor-made for ICO staff, as long as places are available.

In 2022, ICO has received a grant to participate in the "First Professional Experience Programme in Public Administrations" within the framework of the Transformation and Resilience Recovery Plan, which aims to hire young unemployed people in the form of an internship contract, so that they can acquire their first experiences



in employment, as well as social and professional competences and skills. The grant will enable the recruitment of 25 young people on 12-month training contracts in 2023.

All this results in a better social reputation for ICO, which offers real opportunities for labour market insertion by increasing the employability of young people.

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About the report

This report forms part of the Management Report of the Consolidated Annual Accounts of the ICO Group, per articles 44.1 and 6 of the Code of Commerce, as amended by Law 11/2018 on Non-Financial Information and Diversity.

This report has been prepared following the Global Reporting Initiative (GRI) standard for the preparation of sustainability reports, as well as taking into account the reference frameworks described throughout the document and, in particular, the Sustainable Development Goals. The GRI methodology allows reporting on the most relevant issues about the sustainability of the company and its management.

In the following point of the document, the concordance of the different reporting requirements by GRI, Law 11/2018, the Global Compact Principles, and their relationship with the SDGs are detailed in table form.

For the drafting of the Statement of Non-Financial Information, information has been gathered from all available and timely internal and external sources, and internal documents of the organisation such as the Strategic Plan, relevant Policies and Procedures, as well as all internal reporting and monitoring information have been taken into account to give a true picture of the company's performance in terms of sustainability and social responsibility.

SCOPE AND APPROVAL

The Statement of Non-Financial Information forms part of the management report of the consolidated annual accounts of the ICO Group and therefore follows the same approval procedure, i.e., it is drawn up by the Chairman in March each year and subsequently approved by the Operations Committee, the highest governing and management body of the ICO Group, and endorsed by the General Council in its capacity as the Institute's highest governing body.

The information in this document refers, among others, to the broad sustainability performance of the ICO Group between 1 January and 31 December 2022, based on the materiality study described in section 1.4. Where possible, data has been provided on a consolidated level. Where the information does not refer to all the companies included in the scope, this is expressly stated. This report is prepared on an annual basis.

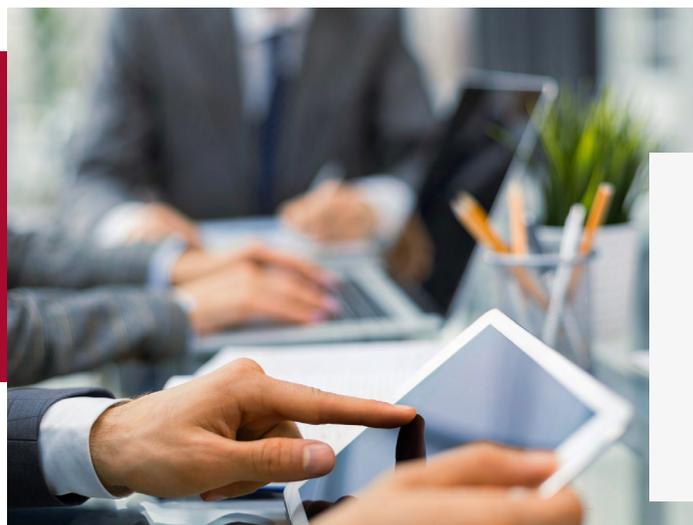
PRINCIPLES FOR THE PREPARATION OF THE STATEMENT OF NON-FINANCIAL INFORMATION

The principles contained in the European Commission's guidelines (2017/C 215/01) have been taken into account in preparing this NFS, in particular, the principles according to which the information disclosed should be meaningful; faithful, balanced, and understandable; and complete but concise.

In this respect, the ICO Group's NFI contains the information necessary to understand its performance, results, and situation, as well as the impact of its activity, relating at least to environmental and social issues, as well as personnel, respect for human rights and the fight against corruption and bribery. The non-financial information provided enables a true and fair view to be obtained of the aspects developed, providing information that is comparable with other entities or with previous years where applicable.

Likewise, the content of the non-financial information statement has been defined taking into account the stakeholders and the material aspects identified. In this respect, the ICO Group has carried out a materiality study through an exhaustive process of internal and external analysis to identify the relevant aspects. The study has been carried out from a dual materiality and impact assessment perspective, and includes the different aspects ordered by priority, with more specific explanations as to why they are relevant.

The annual accounts and financial information of the ICO Group have been audited by the Intervención General de la Administración del Estado (IGAE) through Mazars Auditores, S.L. Concerning the Statement of Non-Financial Information, the ICO Group has submitted its content to verification by independent experts to increase the confidence of stakeholders, which was carried out by CAVALA Gabinete de Asesoría Empresarial, S.L. During the verification process, it was verified that the structure of the document allows the information to be read quickly and clearly. Furthermore, the veracity of the information and the reliability of the sources used have been checked.



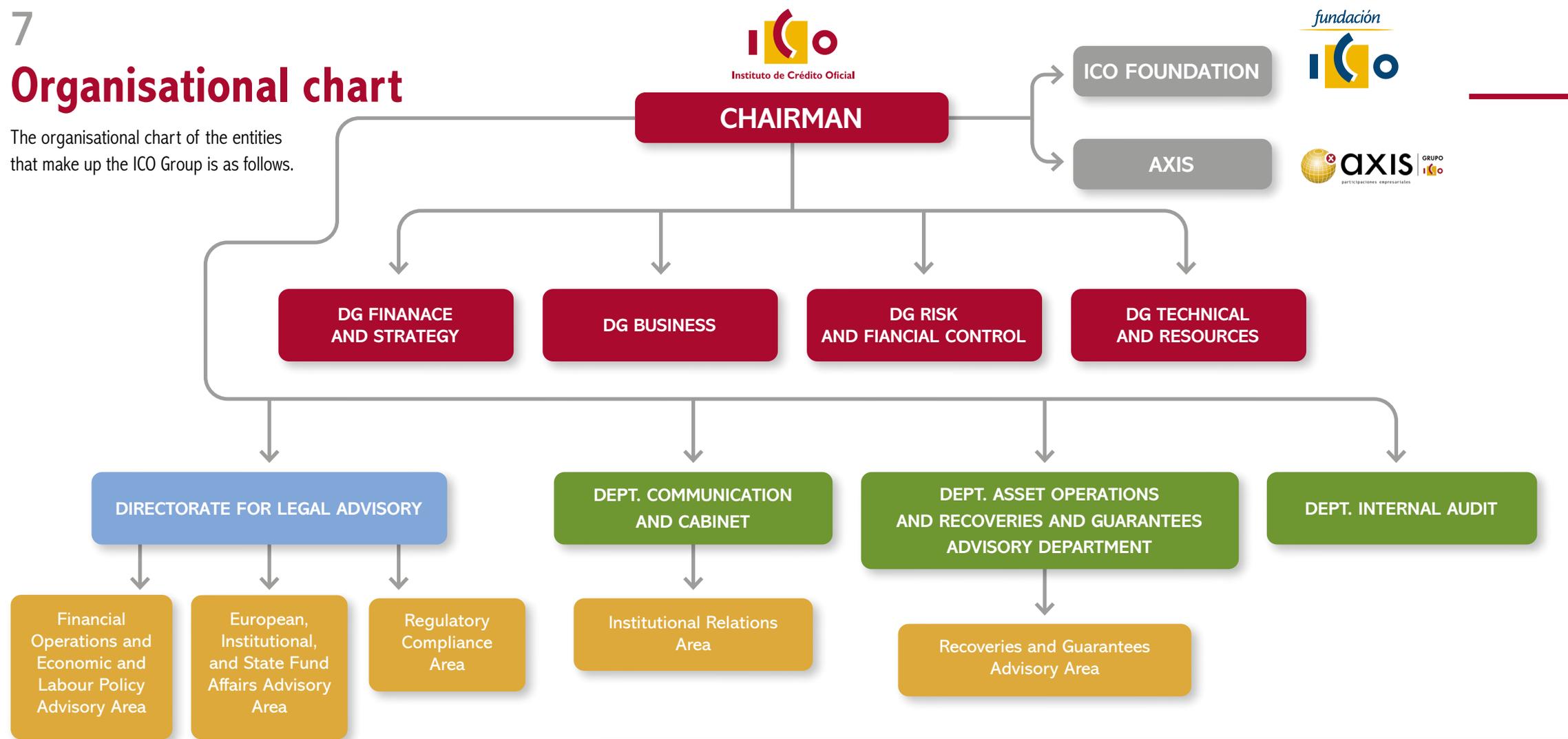
CONTACT

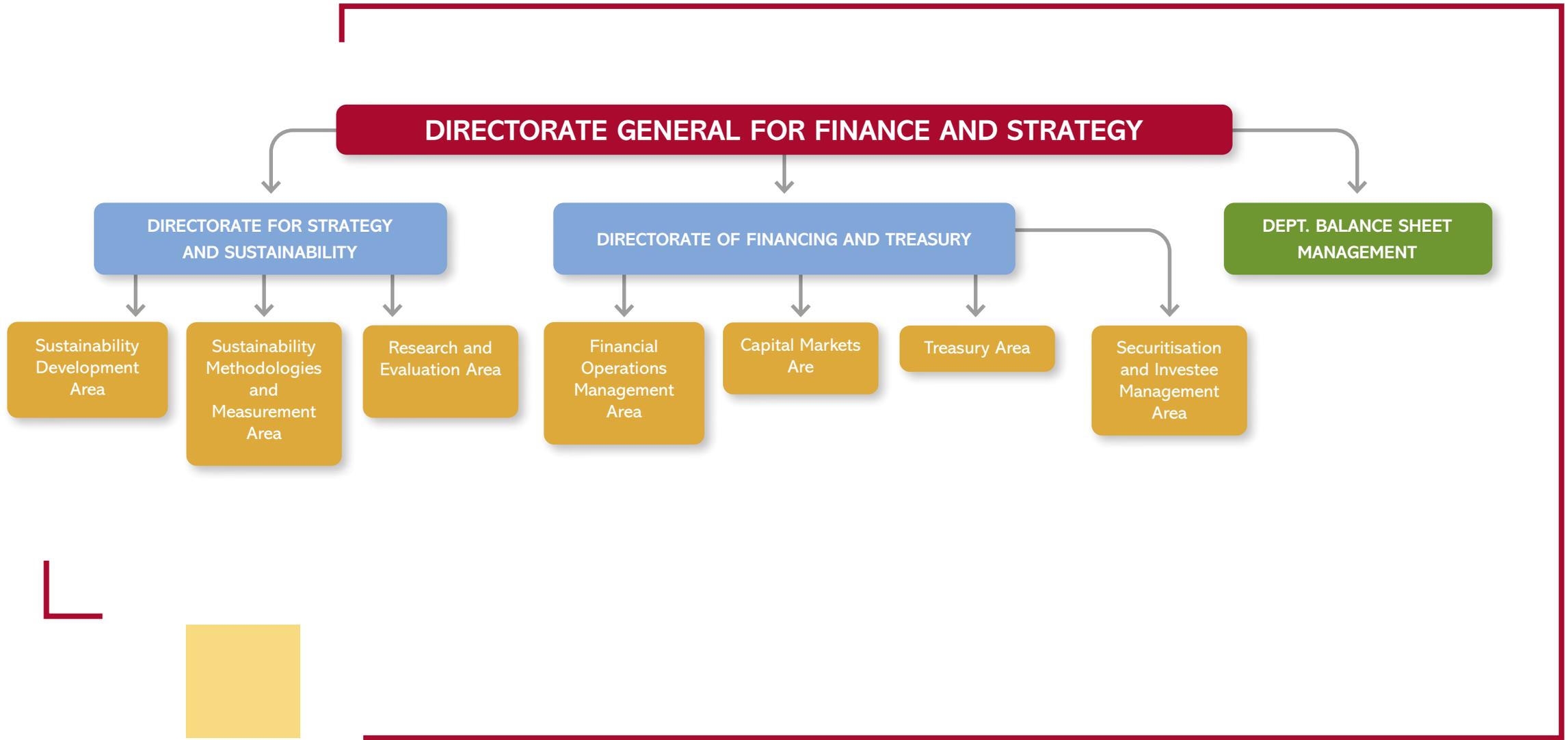
For any questions regarding the content of this report, please contact:
estudios.evaluacion@ico.es.

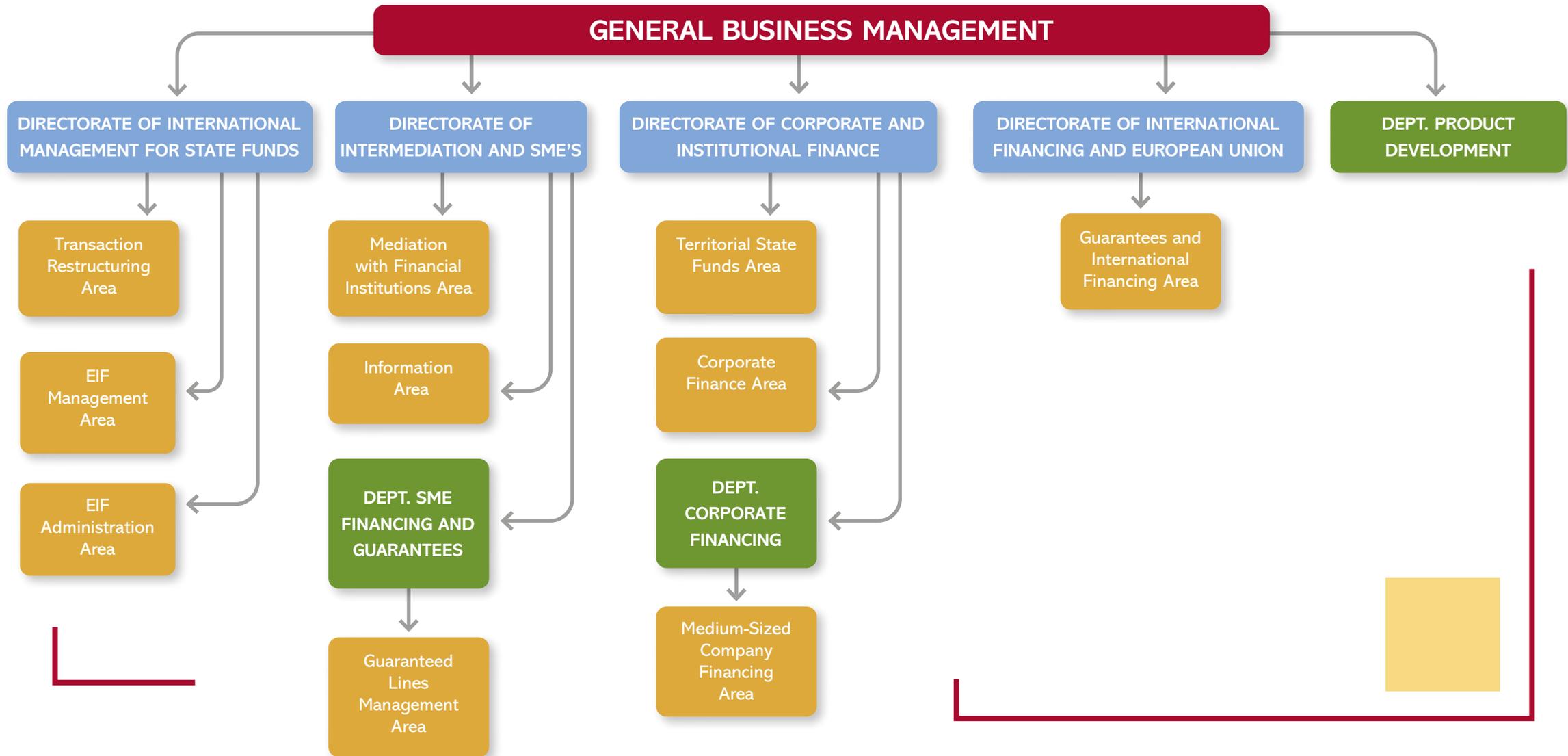
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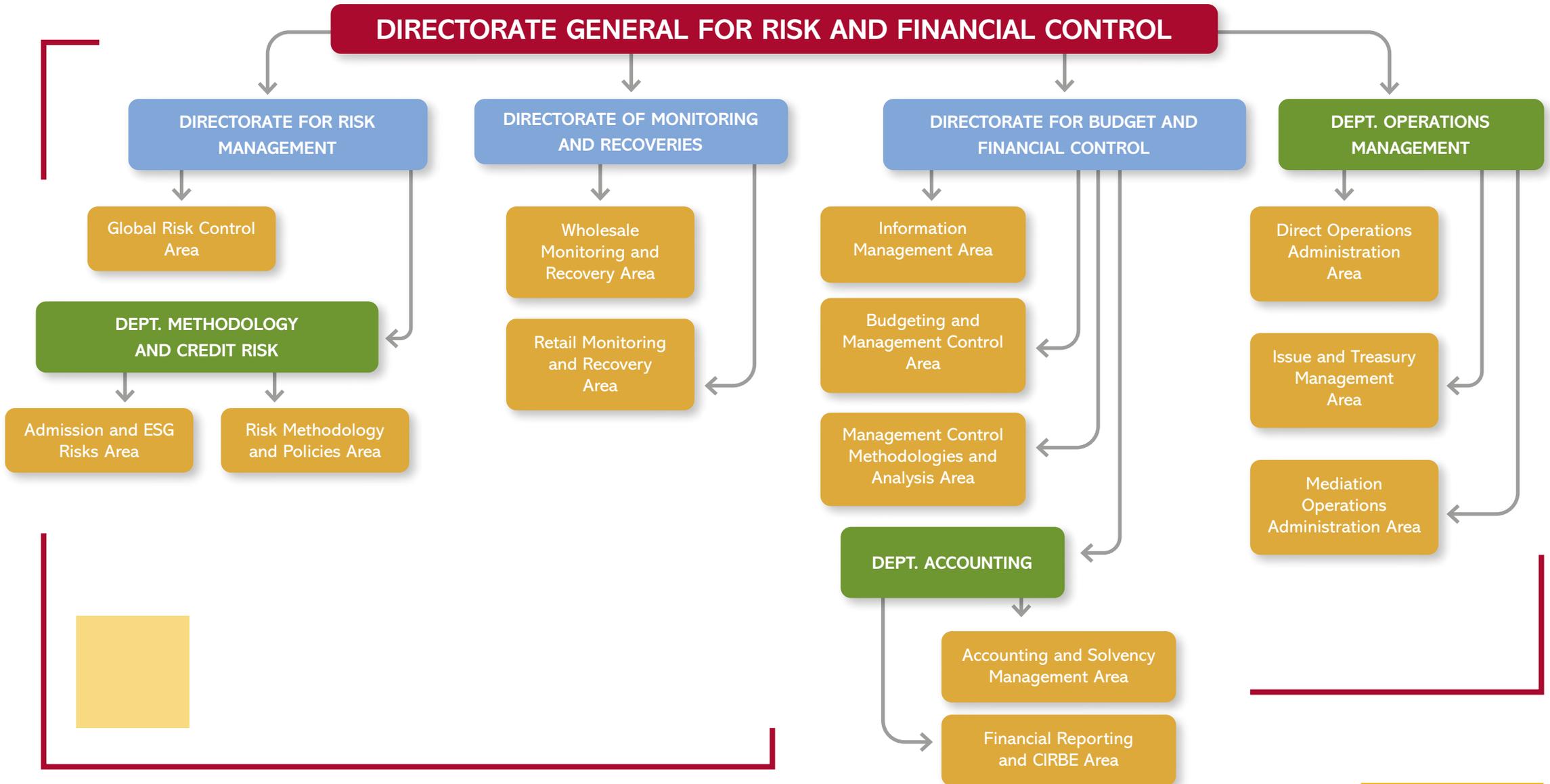
Organisational chart

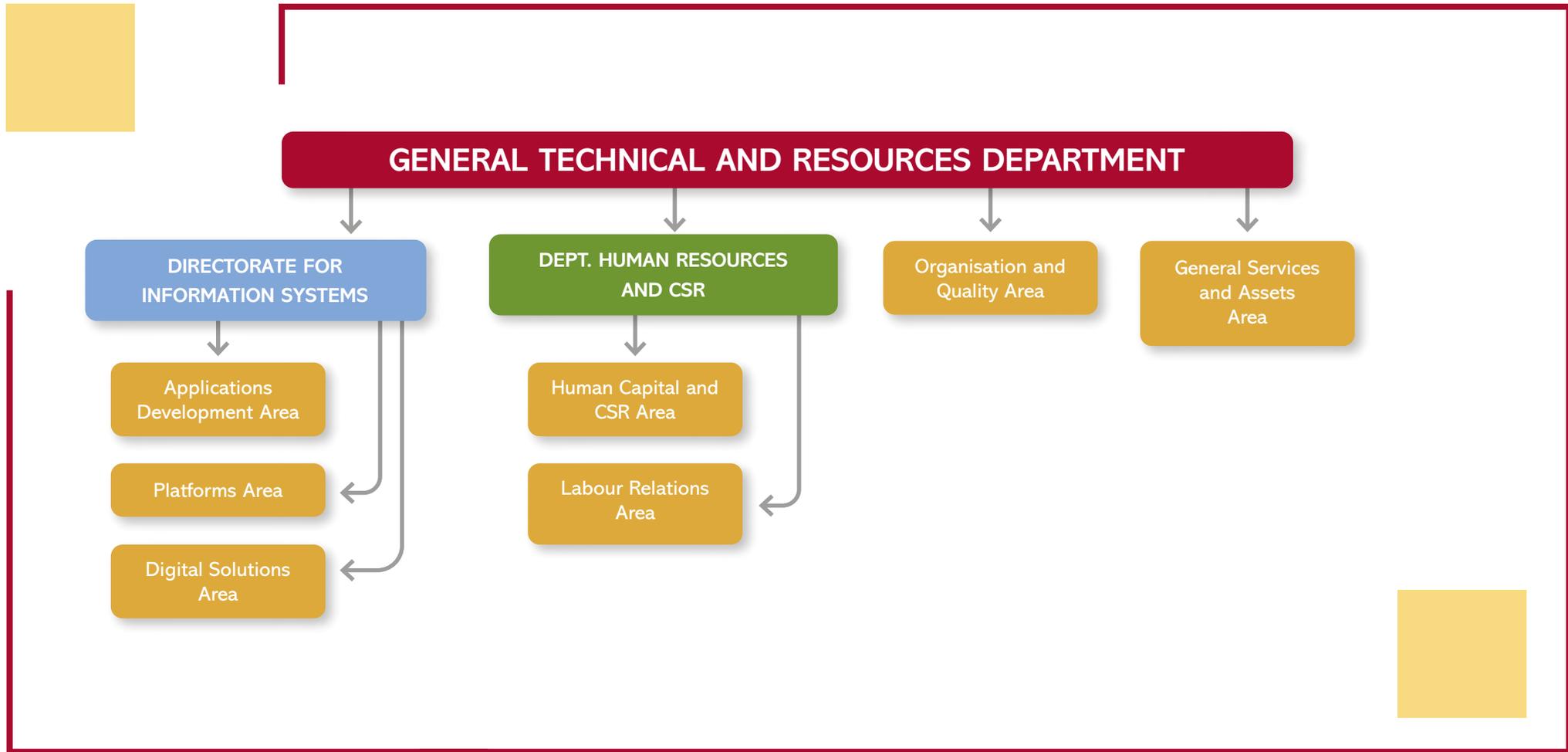
The organisational chart of the entities that make up the ICO Group is as follows.















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Table of contents law 11/2018 and GRI

Table of contents Law 11/2018

	Description Law 11/2018	Chapter
Business Model	Brief description of the group's business model - Business environment - Organisation and structure - Markets in which it operates - Objectives and strategies - Factors and trends likely to affect its future development	1. The ICO Group, its Strategy, and Environment
Policies Applied	- Policies applied by the group in non-financial aspects, due diligence procedures applied, and actions taken - Results of these policies accompanied by key non-financial performance indicators	4.1. Risk management: identification and monitoring 4.2. General tools for responsible management
Main risks	- Main risks related to non-financial aspects linked to the group's activities - Procedures used to identify, assess and manage these risks - Impacts identified on the main risks in the short, medium, and long-term	4.1. Risk management: identification and monitoring
Non-Financial KPIs	Non-financial key performance indicators that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance, and reliability.	2.2. In its financial activity: support for the productive fabric 2.3. Positive macroeconomic impact on the Spanish economy 2.4. The priority: boosting sustainability in our financial activity 3.2. 6. Results, fiscal and subsidy information 4.4. Key internal management results 5. Human resources and diversity management

	Description Law 11/2018	Chapter
Environmental Management	<ul style="list-style-type: none"> - Current and foreseeable effects of the company's activities on the environment, health, and safety. - Environmental assessment or certification procedures - Resources dedicated to environmental risk prevention - Application of the precautionary principle - Amount of provisions and safeguards for environmental risks 	4.4. Key internal management results
Pollution	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution.	4.4. 3. Pollution. Emissions. Internal carbon footprint
Circular Economy and Waste Prevention and Management	<ul style="list-style-type: none"> - Waste prevention, recycling, reuse, or other forms of recovery and disposal measures. - Actions to combat food waste 	4.4. 2. Circular Economy and Waste Management
Sustainable Use of Resources	<ul style="list-style-type: none"> - Water consumption and water supply by local constraints - Consumption of raw materials and measures taken to improve the efficiency of raw material use - Direct and indirect energy consumption - Measures to improve energy efficiency - Use of renewable energy 	4.4.1. Responsible use of natural resources 4.4.2. Circular Economy and Waste Management 4.4.3. Pollution. Emissions. Internal carbon footprint
Climate Change	<ul style="list-style-type: none"> - Significant elements of GHG emissions generated as a result of the company's activities, including the use of the goods and services it produces. - Measures to adapt to the consequences of climate change - Voluntary medium- and long-term reduction targets set to reduce GHG emissions - Means implemented to reduce GHG emissions 	4.4. Key internal management results 2.4. The priority: boosting sustainability in our financial activity
Biodiversity Protection	<ul style="list-style-type: none"> - Measures to preserve or restore biodiversity - Impacts caused by activities or operations in protected areas 	4.4. Key internal management results 2.4. The priority: boosting sustainability in our financial activity

	Description Law 11/2018	Chapter
Employment	<ul style="list-style-type: none"> - Total number and distribution of employment contracts, the average annual number of permanent contracts, temporary contracts, and part-time contracts by gender, age, and occupational classification. part-time contracts by gender, age, and occupational classification - Number of dismissals by sex, age, and occupational classification - Average earnings and their evolution broken down by sex, age, and occupational classification or equal value - Pay gap, the remuneration of equal or average jobs in the company - Average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes, and any other payments disaggregated by gender. - Implementation of policies of disconnection from work - Employees with disabilities 	<ul style="list-style-type: none"> 5.1. Staff data 5.2. Types of contracts 5.3. Average earnings and the wage gap 5.9. Universal accessibility for people with disabilities 1.3. Governance and Management Structure
Work organisation	<ul style="list-style-type: none"> - Organisation of working time - Number of hours of absenteeism - Measures aimed at facilitating the enjoyment of work-life balance and encouraging co-responsibility on the part of both parents. 	<ul style="list-style-type: none"> 5.4. Work organisation 5.5. Work-life balance
Health and Safety	<ul style="list-style-type: none"> - Health and safety conditions at work - Accidents at work (frequency and severity) and occupational diseases, disaggregated by gender 	<ul style="list-style-type: none"> 5.6. Health and safety
Social Relations	<ul style="list-style-type: none"> - Organisation of social dialogue, including procedures for informing, consulting, and negotiating with employees - Percentage of employees covered by collective agreements by country. - Balance of collective agreements, particularly in the field of health and safety at work 	<ul style="list-style-type: none"> 5.7. Social relations

	Description Law 11/2018	Chapter
Training	<ul style="list-style-type: none"> - Policies implemented in the field of training - Total number of training hours by occupational category 	5.8. Training
Universal Accessibility for People with Disabilities	Measures implemented by the organisation to facilitate accessibility (physical and digital) for people with disabilities	5.9. Universal accessibility for people with disabilities
Equality	<ul style="list-style-type: none"> - Measures to promote equal treatment and opportunities between women and men - Equality plans - Measures to promote employment - Protocols against sexual harassment and harassment based on sex - Integration and universal accessibility for people with disabilities - Anti-discrimination and diversity management policy 	5.10. Equality and diversity
Respect for Human Rights	<ul style="list-style-type: none"> - Implementation of human rights due diligence procedures - Prevention of risks of human rights abuses and measures to mitigate, manage and redress potential abuses committed - Denunciation of cases of human rights abuses - Promotion of and compliance with the provisions of the International Labour Organisation's core conventions related to respect for freedom of association and the right to collective bargaining - Elimination of discrimination in respect of employment and occupation - Abolition of forced or compulsory labour - Effective abolition of child labour 	3.2.1. Human rights
Combating Corruption and Bribery	<ul style="list-style-type: none"> - Measures to prevent corruption and bribery - Measures to combat money laundering - Contributions to foundations and non-profit organisations 	3.2.1. Human rights 4.3. Specific tools for ethical and responsible management



	Description Law 11/2018	Chapter
Company Commitments to Sustainable Development	<ul style="list-style-type: none"> - Impact of the company's activity on employment and local development - Impact of the company's activity on local populations and the territory - Relations maintained with local community stakeholders and the modalities of dialogue with them - Partnership or sponsorship actions 	2.3. Positive macroeconomic impact on the Spanish economy 2.2. In its financial activity: support for the productive fabric 2.4. The priority: boosting sustainability in our financial activity 3.1. ICO Foundation Promoting culture and knowledge 3.2. Our role in society
Subcontracting and Suppliers	<ul style="list-style-type: none"> - Inclusion of social, gender equality, and environmental issues in the procurement policy. - Consideration in relations with suppliers and subcontractors of their social and environmental responsibility. - Monitoring and audit systems and results of audits 	3.2.2. Suppliers
Consumers	<ul style="list-style-type: none"> - Consumer health and safety measures - Claims systems, complaints received, and their resolutions 	3.2.3. Customers:
Tax Information	<ul style="list-style-type: none"> - Profits earned country by country - Taxes on profits paid - Public subsidies received 	3.2.6. Results, Tax, and Subsidy Reporting



GRI Content Index with references to Global Compact Progress Report and SDGs

Statement of Use	The ICO Group has prepared the report following the GRI Standards for the period from 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Fundamentals 2021
Applicable GRI Sector Standards	Not applicable as there is no sectoral standard developed for the banking sector.



Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
The organisation and its reporting practices				
GRI2: General Contents 2021	GRI 2-1	Organisational details	General Information	1.1. Composition 1.2. Nature and Functions
	GRI 2-2	Entities covered by sustainability reporting	General Information	1.1. Composition 6. About the Report
	GRI 2-3	Reporting period, frequency, and contact point	General Information	6. About the Report
	GRI 2-4	Updating of Information	General Information	4.4.3. Pollution, Emissions, Internal Carbon Footprint
	GRI 2-5	External Verification	General Information	6. About the Report

Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
Activities and employees				
GRI2: General Contents 2021	GRI 2-6	Activities, value chain, and other business relationships	General Information	1.2. Nature and Functions 1.5. ICO Group Strategy 2.2. In its financial activity: support for the productive fabric 2.4. The priority: driving sustainability in our financial business 3.2.2. Suppliers 3.2.3. Customers
	GRI 2-7	Employees	Principle no. 6	8 5.1. Staff Data 5.2. Contract Modalities
	GRI 2-8	Non-employed workers	Principle no. 6	8 5. Human Resources and Diversity Management



Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions	
General Content					
Governance					
GRI2: General Contents 2021	GRI 2-9	Governance structure and composition	General Information	5, 16	1.3. Governance and Management Structure
	GRI 2-10	Nomination and selection of the highest governance body	General Information	5, 16	1.3. Governance and Management Structure
	GRI 2-11	Chairman of the highest governance body	General Information	16	1.3. Governance and Management Structure
	GRI 2-12	Role of the highest governance body in overseeing sustainability reporting	General Information	16	1.3. Governance and Management Structure 4.1. Risk management: identification and monitoring 4.2. General instruments for responsible management
	GRI 2-13	Delegation of responsibility for impact management	General Information		1.3. Governance and Management Structure 4.1. Risk management: identification and monitoring 4.2. General instruments for responsible management 4.3. Specific tools for ethical and responsible management
	GRI 2-14	Role of the highest governance body in sustainability reporting	General Information		6. About the Report
	GRI 2-15	Conflict of Interest	General Information	16	1.3. Governance and Management Structure
	GRI 2-16	Communication of critical concerns	General Information		4.1. Risk management: identification and monitoring 4.2. General instruments for responsible management 4.3. Specific tools for ethical and responsible management

Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions	
General Content					
	GRI 2-17	Collective knowledge of the highest governance body	General Information	4	1.3. Governance and Management Structure
	GRI 2-18	Performance evaluation of the highest governance body	General Information		1.3. Governance and Management Structure
	GRI 2-19	Remuneration policies	General Information		1.3. Governance and Management Structure
	GRI 2-20	Process for determining remuneration	General Information	16	1.3. Governance and Management Structure 5.3. Average earnings and wage gap
	GRI 2-21	Annual total compensation ratio	General Information		1.3. Governance and Management Structure
Strategy, policies, and practices					
GRI2: General Contents 2021	GRI 2-22	Sustainable Development Strategy Statement	General Information		1.5. ICO Group Strategy
	GRI 2-23	Commitments and policies	General Information Principle N°. 10	16	1.5. ICO Group Strategy 4.1. Risk management: identification and monitoring 4.2. General instruments for responsible management 4.3. Specific tools for ethical and responsible management 3.2.1. Human Rights
	GRI 2-24	Incorporation of commitments and policies	General Information		4.1. Risk management: identification and monitoring 4.2. General instruments for responsible management 4.3. Specific tools for ethical and responsible management

Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
GRI2: General Contents 2021	GRI 2-25	Processes to remedy negative impacts	General Information	12, 13, 14, 15 3.2.3. Customers 4.1. Risk management: identification and monitoring 4.2. General instruments for responsible management 4.3. Specific tools for ethical and responsible management 5.5 Reconciliation
	GRI 2-26	Mechanisms for seeking advice and raising concerns	Principle N°. 10	16 3.2. 3. Customers 4.3. Specific tools for ethical and responsible management
	GRI 2-27	Compliance with legislation and regulations	Principles N°. 7,8,9	12, 13, 14, 15, 16 4.3. Specific tools for ethical and responsible management
	GRI 2-28	Membership of associations	General Information	1.7. Public-Private Partnerships and Collaboration 3.2.4. Collaboration with sustainability partnerships
Stakeholder engagement				
GRI2: General Contents 2021	GRI 2-29	Approach to stakeholder engagement	General Information	1.4. Materiality Analysis 3.2.3. Customers
	GRI 2-30	Collective bargaining agreements	General Information	8 5.7. Social relations

Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
Material issue				
GRI3 Material issues 2021	GRI 3-1	Process for determining material issues	General Information	1.4. Materiality Analysis
	GRI 3-2	List of material issues	General Information	1.4. Materiality Analysis
TM1 - Good Corporate Governance, Transparency, and Business Ethics				
GRI3 Material issues 2021	GRI 3-3	Management of material issues	Principle Nº. 10	16 1.2. Nature and Functions 1.3. Governance and Management Structure 4.1. Risk management: identification and monitoring 4.2. General instruments for responsible management 4.3. Specific tools for ethical and responsible management
GRI 205 Anti-Corruption 2016	GRI 205-1	Operations assessed for risks related to corruption	Principle Nº. 10	16 4.3. Specific tools for ethical and responsible management
	GRI 205-2	Communication and training on anti-corruption policies and procedures	Principle Nº. 10	16 4.3. Specific tools for ethical and responsible management
GRI 207 Taxation 2019	GRI 207-1	Tax approach	General Information	16 3.2.6. Results, Tax, and Subsidy Reporting
	GRI 207-2	Tax governance, control, and risk management	General Information	16 3.2.6. Results, Tax, and Subsidy Reporting



Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions	
General Content					
TM2 - Financial and non-financial risk management					
GRI3 Material Issues 2021	GRI 3 - 3	Management of material issues	Principles N°. 7,8,9	16	4.1. Risk management: identification and monitoring
GRI 201 Economic Performance 2016	GRI 201 - 2	Financial implications and other risks and opportunities arising from climate change	Principles N°. 7,8,9	13	2.4. The priority: driving sustainability in our financial business 4.1. risk management: identification and monitoring 4.2. General instruments for responsible management 4.3. Specific tools for ethical and responsible management
TM3 - Sustainable finance linked to ESG criteria					
GRI3 Material Issues 2021	GRI 3 - 3	Management of material issues	Principles N°. 7,8,9	7, 8, 9, 10, 11, 13, 14, 15	1.5. ICO Group Strategy 2.1. Frameworks 2.4. The priority: driving sustainability in our financial activity
GRI 203 Indirect Economic Impacts 2016	GRI 203 - 1	Investments in infrastructure and services supported	Principles N°. 7,8,9	7, 8, 9, 10, 11, 13, 14, 15	2.2. In its financial activity: support for the productive fabric 2.4. the priority: promoting sustainability in our financial business



Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
TM4 - Solvency and economic resilience				
GRI 3 Material Issues 2021	GRI 3 - 3 Management of material issues	General Information	8, 16	2.2. In its financial activity: support for the productive fabric 2.4. the priority: promoting sustainability in our financial business
GRI 201 Economic Performance 2016	GRI 201 - 1 Direct economic value generated and distributed	General Information	8, 16	3.2.6. Results, Tax, and Subsidy Reporting
TM5 - Privacy, data protection, and cybersecurity				
GRI 3 Material Issues 2021	GRI 3 - 3 Management of material issues	General Information	16	4.3. Specific tools for ethical and responsible management
GRI 418 Customer Privacy 2016	GRI 418 - 1 Justified complaints concerning violations of customer privacy and loss of customer data	General Information	16	4.3. Specific tools for ethical and responsible management

Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions	
General Content					
TM6 - Digital transformation and innovation					
GRI3 Material Issues 2021	GRI 3 - 3	Management of material issues	General Information	9, 16	1.5. ICO Group Strategy 2.2. In its financial activity: support for the productive fabric
TM7 - Public-private partnerships					
GRI3 Material Issues 2021	GRI 3 - 3	Management of material issues	General Information	16, 17	1.7. Partnerships and public-private collaboration
TM8 - Support for the productive fabric and value creation					
GRI3 Material Issues 2021	GRI 3 - 3	Management of material issues	General Information	1, 2, 3, 8, 10, 17	2. Our model for adding value to society: Driving sustainable growth
GRI 203 Indirect Economic Impacts 2016	GRI 203 - 2	Significant indirect economic impacts	General Information	1, 2, 3, 8, 10, 17	2.3. Positive macroeconomic impact on the Spanish economy



Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
TM9- Respect for Human Rights				
GRI3 Material Issues 2021	GRI 3 - 3	Management of material issues	Principles N° 1 and 2	16 3.2.1. Human Rights
TM10 - Customer experience and satisfaction				
GRI3 Material Issues 2021	GRI 3 - 3	Management of material issues	General Information	16 3.2.3. Customers

Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
TM11 - Talent management, training, and development of your professionals				
GRI 3 Material Issues 2021	GRI 3 - 3	Management of material issues	Principles No. 3, 4, 5, and 6	4, 5, 8 5. Human Resources and Diversity Management
GRI 401 Employment 2016	GRI 401 - 1	Recruitment of new employees and staff turnover	Principles No. 3, 4, 5, and 6	5, 8 5.1. Staff Data
	GRI 401 - 3	Parental leave	Principles No. 3, 4, 5, and 6	5, 8 5.5. Reconciliation
GRI 404 Training and Education 2016	GRI 404 - 1	Average hours of training per year per employee	Principles No. 3, 4, 5, and 6	4, 5, 8 5.8. Training
	GRI 404 - 2	Programmes to improve employees' skills and programmes to assist the transition	Principles No. 3, 4, 5, and 6	8 5.8. Training
		Percentage of employees receiving regular performance and career development reviews.	Principles No. 3, 4, 5, and 6	5, 8 4.3. Specific tools for ethical and responsible management



Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions	
General Content					
TM12 - Safety, health, and well-being					
GRI3 Material Issues 2021	GRI 3 - 3	Management of material issues	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
	GRI 403 - 1	Occupational health and safety management system	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
GRI 403 Occupational Health and Safety 2019	GRI 403 - 2	Hazard identification, risk assessment, and incident investigation	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
	GRI 403 - 3	Occupational health services	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
	GRI 403 - 4	Worker participation, consultation, and communication on health and safety at work	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
	GRI 403 - 5	Worker participation, consultation, and communication on health and safety at work	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
	GRI 403 - 6	Promotion of worker health	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
	GRI 403 - 8	Coverage of the occupational health and safety management system	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
	GRI 403 - 9	Work-related injuries	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety
	GRI 403 - 10	Occupational diseases and illnesses	Principles Nº. 3, 4, 5, and 6	3, 8	5.6. Healthy and Safety

Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
TM13- Diversity, inclusion, and equal opportunities				
GRI 3 Material Issues 2021	GRI 3 - 3	Management of material issues	Principles N°. 1, 2, 3, 4, 5, and 6	5, 8, 10, 16 5. Human Resources and Diversity Management
GRI 401 Employment 2016	GRI 401 - 2	Benefits for full-time employees that are not provided to part-time or temporary employees.	Principles N°. 3, 4, 5, and 6	8 5.7 Social relations
GRI 405 Diversity and Equal Opportunity 2016	GRI 405 - 1	Diversity of governing bodies and employees	Principles N°. 3, 4, 5, and 6	5, 8 1.3. Governance and Management Structure 5.1. Staff Data 5.10. Equality and Diversity
	GRI 405 - 2	Ratio between the basic salary and remuneration of women and men	Principles N°. 3, 4, 5, and 6	5, 8, 10 5.3. Average earnings and wage gap
GRI 406 Non-discrimination 2016	GRI 406 - 1	Cases of discrimination and corrective action taken	Principles N°. 3, 4, 5, and 6	5, 8, 16 3.2.1 Human Rights
TM14 - Financial education				
GRI 3 Material Issues 2021	GRI 3 - 3	Management of material issues	General Information	4 3.1. ICO Foundation Promoting culture and knowledge



Standards GRI	Description	Global Compact Progress Report Ref.	SDG Ref.	Page / Link / Omissions
General Content				
TM15 - Social commitment and community impact				
GRI 3 Material Issues 2021	GRI 3 - 3	Management of material issues	General Information	4, 12 2. Our model for adding value to society: Driving sustainable growth 3. Commitment to society: Beyond our financial activity
GRI 204 Sourcing practices 2016	GRI 204 - 1	Proportion of spending on local suppliers	General Information	12 3.2.2 Suppliers
TM16 - Environmental protection, combating climate change and energy transition				
GRI 3 Material Themes 2021	GRI 3 - 3	Management of material issues	Principles N°. 7,8,9	7, 11, 13, 14, 15 2.1. Frameworks 2.4. The priority: driving sustainability in our financial business 4.4. Key internal management results 3.2.4 Working with Sustainability Partnerships
TM17 - Just ecological transition				
GRI 3 Material Issues 202	GRI 3 - 3	Management of material issues	Principles N°. 7,8,9	7, 11, 13, 14, 15 2. Our model for adding value to society: Driving sustainable growth 3. Commitment to society: Beyond our financial activity

ANNEX. Glossary of abbreviations

AEB	Spanish Banking Association
AFD	Agence Française de Développement
AFIF	Alternative Fuel Infrastructure Facility
AIREF	Independent Authority for Fiscal Responsibility
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
APP	Asset Purchase Programme
ASCRI	Association for Capital, Growth, and Investment
BGK	Bank Gospodarstwa Krajowego - The National Promotional Bank of Poland
BIS	Bank for International Settlements
CAPE	Coalition of Finance Ministers for Climate Action
CAPEX	Capital Expenditure
CARI	Reciprocal Interest Adjustment Contract
CBP	Code of Best Practices
CDC	Caisse des Dépôts et Consignations Group - French National Promotional Bank
CDP	Cassa Depositi e Prestiti - Italian National Promotional Bank
CECA	Spanish Confederation of Savings Banks
CEF	Connecting Europe Facility
CERSA	Compañía Española de Reafianzamiento
CESCE	Spanish Export Credit Insurance Company
CNMV	Spanish Securities and Exchange Commission
COFIDES	Spanish Development Financing Company
COI	Clean Oceans Initiative
COP	United Nations Climate Change Conferences

COPER	Operations Committee
CSRD	Corporate Sustainability Reporting Directive
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECB	European Central Bank
EDW	European Datawarehouse, GmbH
EFR	Family-Responsible Company
EFRAG	European Financial Reporting Advisory Group
EIB	The European Investment Bank
EIF	European Investment Fund.
ELTI	European Long-Term Investors Association
EPA	Labour Force Survey
EQA	European Quality Assurance
ESG	Environmental, Social, and Governance
ESMA	European Securities and Markets Authority
FCA	Financial Conduct Authority
FCAS	Cooperation Fund for Water and Sanitation
FFCAA	Financing Fund for Autonomous Communities
FFEELL	Local Entities Financing Fund
FIEM	Fund for the Internationalisation of Enterprise
FINRESP	Spanish Sustainable and Responsible Finance Centre
FOCIT	State Financial Fund for Tourism Competitiveness
FONPRODE	Fund for the Promotion of Development
FSB	Financial Stability Board
GHG Protocol	Greenhouse Gas Protocol
GRI	Global Reporting Initiative

IACL	Capital and Liquidity Self-Assessment Report
ICEI	Complutense Institute of International Studies
ICEX	Spanish Institute for Foreign Trade
ICMA	International Capital Market Association
IGAE	General Intervention of the State Administration
INES	National Status of Security Report
JICE	Joint Initiative on Circular Economy
KFW	Kreditanstalt für Wiederaufbau - National Promotion Bank of Germany-
MAPA	Ministry of Agriculture, Fisheries and Food
MAR	Risk Appetite Framework
MARF	Alternative Fixed Income Market
MITECO	Ministry for Ecological Transition and the Demographic Challenge
MITMA	Ministry of Transport, Mobility, and Urban Agenda
MOOC	Massive Online Open Courses
MRR	Resilience and Recovery Mechanism
NAFTA	North American Free Trade Agreement
NEFI	Network of European Financial Institutions for Small and Medium Sized Enterprises
NFRD	Non-Financial Reporting Directive
NGEU / NextGen	Next Generation EU
NGFS	Network of Central Banks and Supervisors for Greening the Financial System
OFISO	Spanish Observatory for Sustainable Finance
PCAF	Partnership for Carbon Accounting Financials
PEPP	Pandemic Emergency Purchase Programme
PERTE	Strategic Projects for Economic Recovery and Transformation
PNIEC	National Integrated Energy and Climate Plan

SAECA	State Agricultural Guarantee Company
SDG	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SGR	Mutual Guarantee Societies
SIW	Sustainable Infrastructure Window
SWIFT	Society for Worldwide Interbank Financial Telecommunication
UCM	Complutense University of Madrid
UIMP	Menéndez Pelayo International University
UNED	National University of Distance Education
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UIMP	Universidad Internacional Menéndez Pelayo
UNED	Universidad Nacional de Educación a Distancia
UNEP	UN Environment Programme /Programa de las Naciones Unidas para el Medio Ambiente
VPO	Vivienda de Protección Oficial



Instituto de Crédito Oficial

Paseo del Prado, 4
28014 Madrid

www.ico.es