

Green Bond Framework

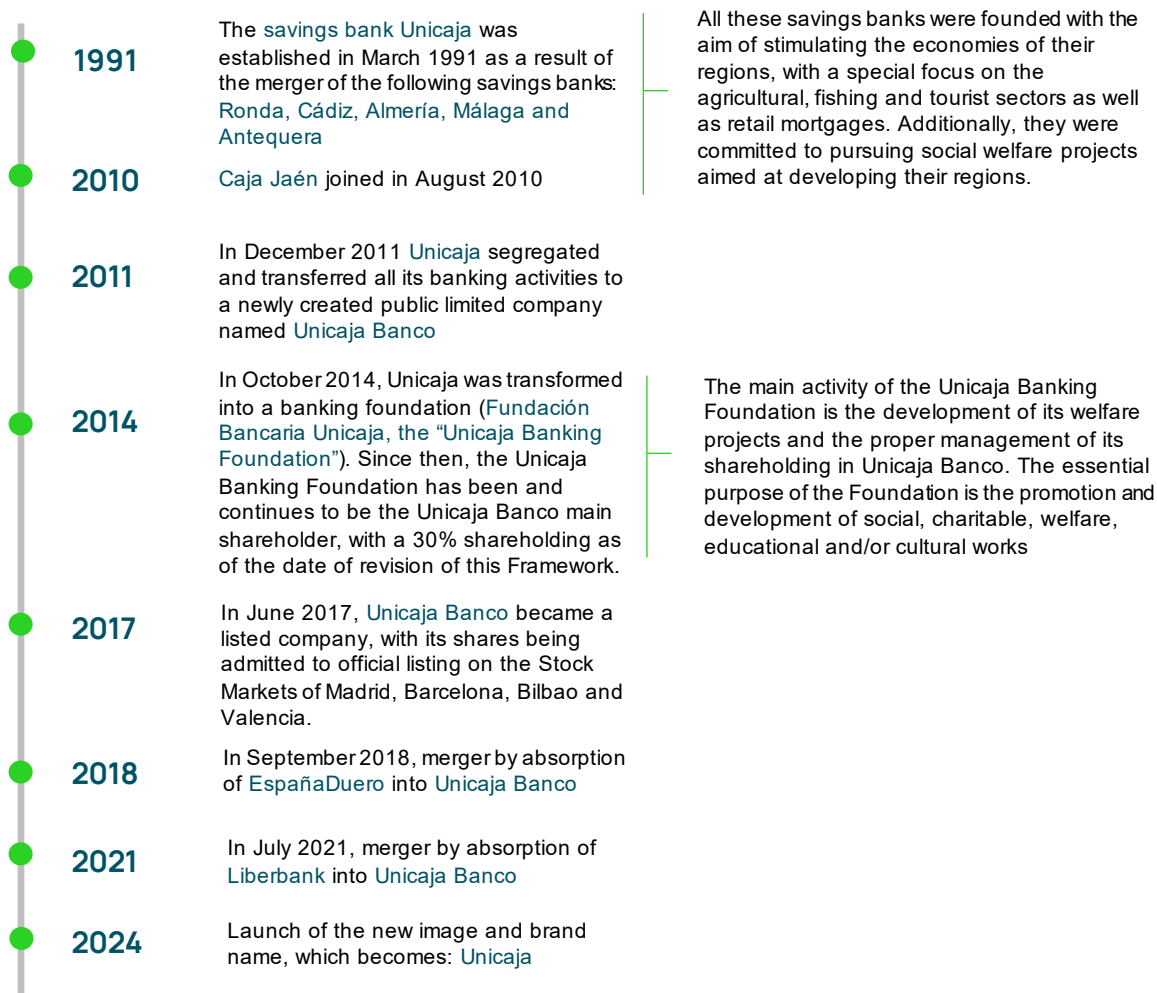
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1. Background

Unicaja takes on the historic mantle from a wide range of savings banks from different geographic areas of Spain, some centuries old, and all with a long trajectory as lending institutions with a marked social character.







Following the aforementioned history of mergers and acquisitions, **Unicaja** is currently the **6th** largest bank in Spain in terms of assets. It has its headquarters in Málaga and leading presence in its **6** regions of origin (Andalusia, Asturias, Cantabria, Castilla-La Mancha, Castilla y León and Extremadura), with a proximity banking approach. It only performs its activity in Spain, with a banking network comprised of around **957** branches, a workforce of over **7,500** employees and a solid customer base of around **4 million** customers.

2. Unicaja's approach to Sustainability

2.1 Sustainability

Unicaja's sustainability commitment is reflected in the way it conducts its business, by maintaining its ongoing responsibility and attention to the needs of its customers, shareholders, employees and other stakeholders, as well as to the economic, environmental and social needs of its areas and territories in which it operates.

 Customers	 Shareholders	 Employees	 Society
<ul style="list-style-type: none"> • Excellence in the quality of service, adaptability and agility of response • Service tailored to the needs of customers • Building long-term relationships and trust (transparency) • Continuous innovation for efficient, value-added solutions 	<ul style="list-style-type: none"> • Sustainable profitability • Effective risk management • Best practices in corporate governance • Solid solvency • Diversification into <i>right-to-win</i> businesses 	<ul style="list-style-type: none"> • Highly qualified and committed team • Continuous development of our professionals • Strong values and culture shared across the organisation. 	<ul style="list-style-type: none"> • Commitment to financial education and inclusion • Impact and social action in the territories • Respect for the environment • Promoting sustainable finance and climate neutrality

The Group's purpose is: "[Helping people to prosper](#)".

Accordingly, the "Sustainability Policy"¹, updated by the Board of Directors in April 2024, specifies Unicaja's positioning with respect to sustainable finance, particularly from the perspective of strategy and general objectives, corporate and business management, and the design and marketing of financial products and services in accordance with ESG criteria, which meet the needs of customers and investors. Simultaneously, the Sustainability Policy also provides a harmonious response to the commitment expressly made by the Group to achieve the Paris Agreement, the Global Compact Principles, the 2030 Agenda and the SDGs, and other initiatives to which the Group has freely and voluntarily adhered, in response to its own strategic positioning, such as the Collective Commitment to Climate Action, assumed at COP25 in Madrid or the Principles for Responsible Banking of the United Nations Environment Programme's Finance Initiative.

¹ [Sustainability Policy](#)

Sustainable Finance Action Plan

Unicaja has continued to implement the measures envisaged in the Sustainable Finance Action Plan, approved in 2020 and revised in 2021, which promotes the integration of ESG criteria in its business model. This is a strategic decision of the entity, approved by the Board of Directors. The implementation of the measures included in the Plan was completed in 2023. A new sustainability strategy will be approved in 2024 for the period 2025-2027, providing continuity to the Action Plan and reinforcing it in certain areas.

Identifying material aspects

As part of its commitment to sustainability, the Unicaja Group carries out an annual analysis to identify the most relevant aspects for its different stakeholders - impact materiality analysis - identifying and defining the main non-financial risks in its business environment. In 2023, this was done, among other elements, through questionnaires focused on: customers, investors and shareholders, suppliers, financial agents and certain key employees.

The Group has identified its material aspects, using as a reference the standards of the Global Reporting Initiative (GRI) and the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

The material aspects identified are associated with the following SDGs, in order of importance:



Integrating ESG Risks

Unicaja considers it essential to establish a climate, social and governance risk management model aligned with the economy's decarbonisation objectives.

This involves establishing policies, processes and metrics for the management, measurement and control of ESG risks, including the consideration of these risks in key processes such as capital assessment, the performance of stress tests, the inclusion of metrics related to these risks in the risk appetite framework and the consideration of climate and environmental risks in corporate objectives and corporate remuneration policies.

Unicaja has developed a methodology for the incorporation of climate and environmental risks in the analysis of investment decisions, both for physical risk and transition risk, with the aim of favouring those operations consistent with the global objectives of ecological transition. These processes involve interaction with customers to obtain information and assess their key performance indicators (KPIs) and sustainability strategy. During 2023, the Group continued to incorporate climate and environmental factors into credit risk decision-making, with a particular focus on the risk acceptance process in the corporate segment, and, since 2024, to its monitoring.

Unicaja sustainable products

Unicaja aims to further embed sustainability in its existing products, as well as contribute to the development of new retail and wholesale financial products and services that promote sustainable consumption and investment patterns.

In 2022 an internal classification system was developed, that takes into account the EU Environmental Taxonomy objectives, and during 2023 the product offer has continued to be expanded in order to provide an adequate response to the expectations and preferences of customers.

Commitments / Partnerships on Sustainability

United Nations Global Compact - Principles for Responsible Banking

Unicaja has been a signatory of the United Nations Global Compact since 2013, and since 2017 a member of the Spanish Network of the United Nations Global Compact. In 2024 Unicaja has adhered to the Principles for Responsible Banking created by the United Nations Environment Programme's Finance Initiative.

National Financial Education Plan

Unicaja, in collaboration with the Unicaja Banking Foundation and other public and private entities, has been developing financial education programmes since 2005, with the aim of increasing the population's economic and financial skills and knowledge, and promoting financial culture, through courses and conferences, publications and various Internet websites.

Social Housing Fund

Unicaja is a member of the Social Housing Fund (*Fondo Social de Viviendas, FSV*) agreement, aimed at renting for families in a situation of special vulnerability. Unicaja has accepted in December 2023 the extension for an additional year, until January 2025.

The contribution of Unicaja to the FSV amounts, to the current date, to 471 homes that can be rented for between 150 and 400 euros per month, depending on the income of the tenants, by families who have lost their home due to non-payment of their mortgage loan and are in a situation of special vulnerability.

2.2 Rationale for Issuance and updated Framework

The publication of Unicaja's inaugural Green Bond Framework in May 2022 reflected the Group's intention to align its financing strategy and funding program with its sustainability strategy and objectives, while promoting and supporting the migration of assets towards a more sustainable balance sheet, with greater resilience to physical and transition risks.

Following the success of the 2022 and 2023 Green Bond issues, Unicaja intends to remain at the forefront of the sustainable finance market. As such, the Group decided to update its Green Bond Framework to capture the evolution of its Sustainability strategy while also reflecting the most recent market practices. This updated Framework includes, among others, a revised process for Project Evaluation and Selection reflecting Unicaja's new organizational structure and internal processes.

3. Unicaja Green Bond Framework

As part of our commitment to sustainability as described above, Unicaja has created the following Green Bond Framework (the "Framework" or "GBF"), under which we intend to issue Green Bonds. The bank may issue green bonds to exclusively finance and/or re-finance, in part or in full, new and/or existing eligible green projects (as defined in section "Use of proceeds") and which are aligned with the four core components of this Framework. The Framework establishes the basic principles considered by Unicaja for the issuance of green bonds, as well as the procedures established for the selection of projects to be financed with the funds obtained and the reporting systems related to the issuances made.

Unicaja's Green Bond Framework is aligned to the ICMA Green Bond Principles² ("GBP") published in June 2021 (with June 2022 Appendix 1). It is represented through the GBP's four core components as well as its recommendations for External Review:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

Unicaja closely monitors the evolution of Sustainable Finance standards and market practices, including those impulse by the European Union regulations, such as the European Union Green Bond Standard³ and EU Taxonomy Delegated Acts. The Framework aims to contribute to the EU Environmental Objectives with a clear focus on Climate Change Mitigation. As such, the Eligibility Criteria of the Green Categories below have been aligned to the Substantial Contribution Criteria of the corresponding EU Taxonomy activities. When the availability of data permits it, further screenings informed by the 'Do No Significant Harm' ("DNSH") and minimum safeguards criteria are performed, ensuring a portion of these Eligible Projects are effectively fully aligned to the EU Taxonomy and part of our Green Asset Ratio ⁴.

This Framework may be updated and amended from time to time in the manner described in this framework below (section "Amendments to this Framework"). Any such updated and amended Framework will be published on the issuer's website and will replace this Framework. Accordingly, any Green Bond then outstanding will be subject to any such updated and amended Framework as may be published from time to time.

3.1 Use of Proceeds

An amount equivalent to the net proceeds of any Green Bond issued under this Framework will be exclusively used to finance and/or refinance, in part or in full,



² [ICMA Green Bond Principles \(GBP\) 2021](#) (with June 2022 Appendix 1). The possible types of Green Bonds to be issued against the framework are as defined in Appendix 1, with the associated disclosure requirements for covered bonds to be followed if relevant.

³ [European Green Bond Standard](#) (30th November 2023)

⁴ This ratio will be released on a recurrent basis in the [Consolidated Non-financial Information Statement](#).

new and/or existing loans, investments or projects that meet the eligibility criteria as outlined below ("green eligible projects").

The date of first drawdown of such green eligible project will be no more than 3 years before the settlement date of the Green Bond issue.

ICMA Eligible Green Project Category	Eligibility criteria	EU environmental Objective and EU Taxonomy Activities ⁵	SDG
Renewable Energy	<p>Eligible projects are loans to finance assets that support the electricity generation from the following technologies: solar, wind, hydro, geothermal, hydrogen and bioenergy, including the acquisition, construction, operation, maintenance or repowering of facilities.</p> <p>Technical screening criteria:</p> <ul style="list-style-type: none"> In the case of geothermal power production, facilities operating with life cycle emissions below 100gCO₂e/kWh are eligible. Hydroelectric power shall include installations with a power density greater than 5 W/m² or life cycle emissions below 100gCO₂e/kWh or the electricity generation facility is a run-of-river plant and does not have an artificial reservoir. Bioenergy can include high-efficiency biomass cogeneration, for which feedstocks are limited to sources that do not deplete existing terrestrial carbon stocks or compete with food production. <p>Eligible projects are loans to finance the development, construction, equipment, operation and maintenance of new or additional energy transmission and distribution networks from renewable sources.</p> <ul style="list-style-type: none"> The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria: (a) the system is the interconnected European system; (b) more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO₂e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; (c) the average system grid emissions factor, calculated as the total annual emissions from 	<p>Climate change mitigation</p> <p>3.10. Manufacture of hydrogen</p> <p>4.1. Electricity generation using solar photovoltaic technology</p> <p>4.3. Electricity generation from wind power</p> <p>4.5. Electricity generation from hydropower</p> <p>4.6. Electricity generation from geothermal energy</p> <p>4.7 Electricity generation from renewable non-fossil gaseous and liquid fuels</p> <p>4.9. Transmission and distribution of electricity</p> <p>4.14. Transmission and distribution networks for renewable and low-carbon gases</p>	 

⁵ The EU Taxonomy economic activities are defined in the Climate Change [Delegated Act](#) (as published in the Official Journal in December 2021).

	power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO ₂ e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period.		
Green Buildings	<p>Eligible projects are loans that promote the acquisition, development and construction of buildings and renovation projects on existing buildings aiming at improving their energy efficiency in line with best available techniques, such as district heating, smart grids and efficient renovation measures.</p> <ul style="list-style-type: none"> • Residential: loans or mortgages to finance the acquisition of homes built before 31 December 2020 with an EPC (Energy Performance Certificate) equal to label A and/or belonging to the top 15% most efficient buildings in a determined area. • Loans or mortgages to finance the acquisition, developments and/or construction of homes built after 31 December 2020 with the Primary Energy Demand (PED) at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified using an Energy Performance Certificate (EPC). • Loans or investments for refurbished (residential) buildings with an energy efficiency improvement of at least 30% 	<p>Climate change mitigation</p> <p>7.1. Construction of new buildings</p> <p>7.2. Renovation of existing buildings</p> <p>7.7. Acquisition and ownership of buildings</p>	  

Exclusionary Criteria:

Under no circumstances will projects included in our exclusion criteria policy be considered eligible under this framework. The exclusion criteria were approved by the Board of Directors on 15 December 2023, and incorporated to the “Corporate Policy for Integration of sustainability factors in credit risk management”, the most recent version of which was approved by the Board of Directors in its session of March 2024; these exclusion criteria ⁶are published on our website.

⁶ [Exclusion criteria](#)

3.2 Process for Project Evaluation and Selection

The proceeds obtained through this type of issuance are used in an unequivocal and demonstrable manner to finance projects associated with sustainability. The eligible projects need to comply with local laws and regulations as well as Unicaja's criteria set out in section 3.1 'Use of proceeds', where specific sectors and types of assets and purposes to which these financings must be directed, are established.

Unicaja has developed a specific and individualized process for the evaluation and selection of the specific eligible projects financed, in order to ensure their positive impact on the sustainability objectives promoted by the Group.

The [ESG working Group](#) will evaluate, on quarterly basis, the potential eligible loans which meet the conditions described above, initially for the existing portfolio and subsequently for the new production. For this purpose, Unicaja uses internal client sources, public databases, external data providers and also the development of its own methodologies. In addition, it has the expert review of an independent third party. The Exclusion Criteria mentioned in section 3.1 'Use of proceeds' also avoids financing activities that may be contrary to the Group's principles of sustainability. In addition, above certain materiality levels, an ESG Due Diligence questionnaire as well as a specific physical and transitional risk analysis procedure at the individual customer level is also mandatory for any lending process.

Based on the above evaluation process, from the assets that meet the criteria, the [ESG working group](#) will select the green eligible portfolio and elaborate a report on quarterly basis. This report will be integrated into the management and reporting processes, first it will be submitted to the [Credit Risk Committee](#), then to the [Steering Committee](#) and, finally, to the [Sustainability Committee](#) of the Board of Directors, for its approval.

Green eligible portfolio evaluation, selection and approval process



3.3 Management of Proceeds

The proceeds allocated under Unicaja's Green Bond Framework, once the projects are evaluated and selected, will be subject to a detailed control through their inclusion in a specific data base (Green Bond register) for monitoring their evolution. The Green Bond register is by nature dynamic which implies that mature or redeemed eligible Projects will be replaced by new eligible Projects on an ongoing basis. This monitoring process will be carried out in accordance with the following principles:

- The green bond register will be constructed and maintained by the [ESG working group](#) and will be subject to quarterly reviews and discussion by the areas involved in the management of the GBF, as well as by the [Credit Risk and the Steering Committees](#).
- The Green Bond register will include relevant information such as details of the bonds issued (ISIN code, size, date of issue and maturity date, among other information) as well as details of the Eligible Green Projects, including the amount of the portfolio by green category and any other information needed to assess the eligibility criteria of any project set by category in this Framework and to calculate the environmental impact associated with any of these projects.
- Unicaja will maintain an excess of eligible projects above the balance issued in the form of green bonds to ensure compliance with the requirements of the use of proceeds and to allow the issuer to fully allocate the proceeds of each green bond to eligible projects as soon as practicable reasonable. However, any balance of unallocated proceeds to eligible projects will be held in accordance with Unicaja's normal liquidity management, including treasury liquidity portfolio, cash, time deposit with Banks that do not include GHG intensive activities. In any case, Unicaja commits to fully allocate the proceeds of any green bonds issued under this Framework within the next 24 months after issuance date.
- Any project attached to a green bond issued that no longer meets the requirements for classification within any of the categories of green projects, will be replaced for another project that meets the eligibility criteria within a maximum replacement period of 12 months.
- Methodologies of general acceptance in the market will be used for the calculation of the environmental impacts associated with Unicaja's green bonds.

3.4 Reporting

During the life of any Green Bond issued under this Framework, Unicaja will provide to investors information on the allocation of proceeds and the environmental impacts. In this sense, Unicaja will report annually until the maturity of the Green Bonds issued on the allocation of the proceeds of the bonds issued under this Framework and the environmental impact of the projects at category level.

The Credit Risk and the Steering Committees will review the above mentioned information which will be included in the following reports:

- Allocation report.
- Report of impacts related to the issue (Impact Reporting).

These reports will subsequently be submitted to the Sustainability and Audit and Compliance Committees and, ultimately, to the Board of Directors for its approval.

The allocation report will be updated in the event of any material changes affecting Eligible Green Projects. The allocation report shall include relevant information that will be adequately incorporated into ESG Risk Management dashboards, including at least:

- Amount of the net proceeds of the Green Bond.
- Percentage of proceeds allocated for financing and refinancing.
- The balance of unallocated proceeds at the end of the reporting period (if applicable).

The Impact Reporting will be issued annually and will incorporate the following information:

- Information on expected environmental impacts by project category (category level).
- Other positive impacts of eligible projects.
- A description of some eligible projects.
- The methodologies and assumptions used for the calculation of the impact.

Green Eligible Categories	Example of impact metrics
Renewable Energy	<ul style="list-style-type: none"> • Estimated annual GHG emissions reduced/avoided (in tonnes of CO₂ equivalent) • Installed capacity (MW) • Estimated renewable energy production (MWh, future projects) or Renewable energy produced (MWh, past and future projects, where feasible)
Green Building	<ul style="list-style-type: none"> • Estimated annual GHG emissions reduced/avoided (in tonnes of CO₂ equivalent) • Environmental Certifications/EPC labels obtained

4. External Review

Green Bond Framework second party opinion

Unicaja has commissioned DNV.GL to conduct the external review under the form of a “Second Party Opinion (SPO)” for the GBF. The SPO will be made available on Unicaja's website.

Verification of annual reports

Unicaja may request on an annual basis, until all the proceeds of the bonds have been allocated and if necessary, in the event of new developments, an assurance report confirming that an amount equal to the net proceeds of the green bonds has been allocated in compliance with all material respects of the criteria set forth in the Framework.

5. Amendments to this Framework

This Framework will be reviewed on a regular basis and such review may result in an update and amendment. The updated Framework, if any, will be published on Unicaja website and will replace this one.

6. Legal Disclaimer

This document (the Green Bond Framework) is intended to provide non-exhaustive, general information.

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This Green Bond Framework is not intended to be and should not be construed as providing legal, financial or technical advice. It should be noted that all of the expected benefits of the Eligible Green Projects referred to in this Green Bond Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, the lack of available Eligible Green Projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Green Projects. It does not constitute an offer or invitation to sell or any

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