



Banco Sabadell

Corporate Social Responsibility Policy Report 2017

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Banco Sabadell's approach to Corporate Social Responsibility (CSR) relies on doing business in an ethical and responsible way, with a focus on excellence and a commitment to society by providing the best solutions to the challenges it faces. Anticipating and engaging through responsible business development, a commitment to employees, to the environment and to society in all of the territories where the Bank does business. Each and every professional in the organisation has a part to play in applying the principles and policies of corporate social responsibility so as to fulfil this aim and commitment on behalf of Banco Sabadell.

In addition to complying with applicable regulations, Banco Sabadell has a set of policies and codes of conduct that guarantee ethical and responsible conduct at all levels of the organisation at all levels of the organisation and in all Group operations, and it applies them to its suppliers, incorporating social and environmental responsibility into the supply chain.

Responsibility for oversight and monitoring of these policies, procedures and codes of conduct lies with the Corporate Ethics Committee, whose members are appointed by the Board of Directors. The Corporate Social Responsibility Committee drives and coordinates Group strategy, policy and projects in the area of CSR.

At Banco Sabadell, Corporate Social Responsibility is also visible in its support of international initiatives and commitments and in the certifications and qualifications it has received.

Planned Corporate Social Responsibility initiatives continued to be implemented in 2017 in four main areas of action: responsible business, commitment to employees, commitment to the environment and commitment to society.

1. Responsible business

Beyond the frameworks established, and with the purpose of creating a future which has a positive impact on society, Banco Sabadell continues working on initiatives which are especially relevant, such as social housing, customer vulnerability, transparent or ethical and solidaric investing, amongst other actions.

Social housing

Through Sogeviso, Banco Sabadell has a housing programme to deal with situations of social exclusion among its mortgage customers. Depending on the mortgage customer's situation, a number of solutions are offered, ranging from an affordable rent to rent/social contract, which include various services.

In 2017, 2,912 new reduced rent contracts were arranged, and the social contract continues to be rolled out as an annex to the reduced rent contract. This service involves assigning a social worker to provide support to vulnerable families in cooperation with the local government social services, combined with training, preparation for job interviews and coaching for employability; additionally, efforts are made to enhance these customers' socio-economic situation by working with Banco Sabadell Group suppliers, public administrations and third-sector organisation. In this context, since its implementation until the end of the year, the social contract has been subscribed to by 3,769 families, recovering 48% of the total number of families for which the Bank facilitates housing solutions, due to such families experiencing mortgage debt overhang due to the loss of their income. The number of families to which the bank had provided affordable or social rent solutions amounted to 8,656 by the end of 2017.



Since 2013 Banco Sabadell has adopted the Social Housing Fund (FSV) Agreement, contributing 400 homes to the same. The majority of these homes are for customers who have experienced home repossession or foreclosure from January 2008. 90% of the total is covered by a valid social renting contract.

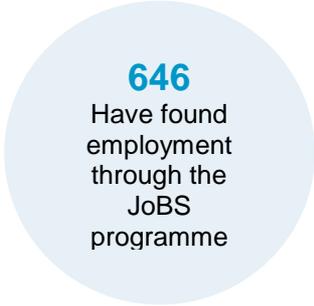
Also during the year, with the objective of limiting the effects of over indebtedness and facilitating the recovery of debtors at the risk of social exclusion, the Bank has renewed its adherence to the Code of Good Banking Practice, and approved 198 mortgage debt restructuring agreements.

Additionally, the Bank has also assigned 101 properties to 48 not-for-profit institutions and foundations with a mandate to assist and support the most underprivileged social groups.

Vulnerability

Some of the solutions that Banco Sabadell provides to facilitate the financial inclusion of vulnerable customers are implemented via *Sogeviso* through the JoBs placement programme. These support actions focus on reinforcing the beneficiaries' skills through personalised coaching or training, focused on actual labour market demand. JoBs connects customers with the job offers that best suit their professional and personal profile so as to maximise successful placements.

Since the start of the programme in October 2016, 2,464 persons clients have benefited, and 646 had obtained a job. Additionally, through the JoBS programme, 3 agreements have been signed with companies in different sectors, such as Manpower, Mullor and Fundació Formació i Treball.



646
Have found
employment
through the
JoBS
programme

Transparency

In order to enhance relations with customers and facilitate the comprehension of their relationship, the Bank continued the process of simplifying contracts by rewriting them in more straightforward, less technical language, while maintain the legal and informative certainty to which customers are entitled. It simplified the catalogue of demand accounts, by applying the advantages of the initial 111 products to 31 new offerings.

It is now possible to arrange for a number of associated products that a customer needs with just one signature, which shortens the process and reduces paperwork.

Ethical and solidaric investing

Banco Sabadell encourages responsible investing by offering customers a number of ethncial investment products which also contribute to solidaric projects. In the area of investment, both pension fund manager BanSabadell Pensiones EGFP SA and, since 2016, Aurica Capital, a venture capital enterprise that invests in Spanish companies with plans to expand in foreign markets, have adopted the Principles for Responsible Investment in the "investment manager" category. These principles cover social, environmental and governance criteria in management policies and practices.

Products in this area include Fondo de Inversión Sabadell Inversión Ética y Solidaria F.I., (a mutual fund) Sociedad de Inversión Sabadell Urquijo Cooperación, S.I.C.A.V, S.A., (an investment company) Plan de Pensiones BS Ético y Solidario, and Plan de Pensiones BanSabadell 21 F.P (pension plans), as well as G.M. PENSIONES, F.P (a pension plan for Group employees).

In 2017 the Corporate Ethics Committee chose 22 projects mostly aimed at covering social exclusion risks, improving the living conditions of people with disabilities and meeting basic food and health needs. Over €430,000 were granted to solidaric organisations and projects in 2017.

Contribution to solidarity organisations and projects	Sabadell Inversión Ética y Solidaria FI	Sabadell Urquijo Cooperación SICAV	Plan de Pensiones Ético y Solidario (pension plan)
Supervision of securities selection criteria	Ethics committee	Ethics committee	Ethics monitoring committee
Equity (€) 2017	107,940,519	5,375,556	19,588,068
Amount granted in 2017 (€)	225,530	35,377	173,318
Beneficiaries in 2017: Institutions and solidarity projects	18 projects	4 projects	1 project

Business ethics

Banco Sabadell views ethics as one of its core corporate values, and in this regard, it works actively to combat corruption.

For a financial institution, it is of critical importance to avoid being used for money laundering activities or for the financing of terrorism. For this reason, the Bank, as well as its subsidiaries, have implemented measures and due diligence procedures to guard against risk when accepting customers, as well for the ongoing monitoring of customer relationships. In each external office, as well as in all national and international subsidiaries, a person is appointed who regularly reports any corruption and money laundering incidences to the Compliance Committee.

Additionally, the Bank also takes great care to supervise loan applications and accounts held by political parties, and applies rigorous customer acceptance procedures. The Bank does not make contributions to any political party nor to any persons holding public office or related institutions.

In terms of transparency, all donations to NGOs and charitable organisations are analysed and assessed by the Bank's Sponsorship Committee or the Board of Trustees of the Foundation, in accordance with the principles laid down in the Bank's Social Action Policy. Furthermore, Banco Sabadell Foundation accounts are audited by external auditors.

It is also worth noting that Banco Sabadell has a gift acceptance policy, which explicitly requires employees to reject gifts, as well as any counterparty or personal benefit offered by customers or suppliers which may constrain or condition their decision making ability.

2. Commitment to employees

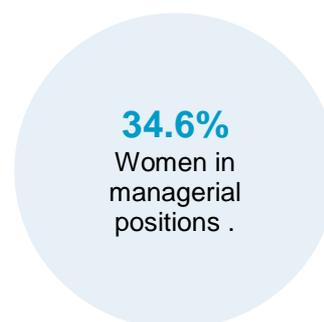
All of the people who work for, or at, Banco Sabadell Group are the Group's main asset for the transformation of the business and the Group's contribution to society. The management of talent, diversity and the empowerment of the teams create a framework in which the welfare of people and professionals are synonymous, and focused towards a long term relationship.

Gender

Banco Sabadell guarantees gender equality in selection, training and promotion processes, as well as in salary and working conditions. This commitment, for each one of the aspects of the employment relationship, is embodied in the Equality Plan, the human resources policy and the Code of Conduct.

To this end, the Bank continues working to prevent any kind of gender-based discrimination at work. In 2017 Banco Sabadell fulfilled and exceeded the commitment it made in 2014 when it signed a Cooperation Agreement with the Spanish Ministry of Health, Social Services and Equality that set a target that women should account for 18% of senior management roles by 2018.

At Group level, 34.6% of managerial positions in Banco Sabadell are held by women.



For the period 2016-2020 the Bank has set a target of promoting 450 women to positions of responsibility in the organisation. 198 women have been promoted since the programme began, 38% of the final target. The Bank also took part in events and initiatives that promote gender equality and leadership, such as 'Inversión y Finanzas', 'Mujer Hoy', "Women, Leadership and #climate change" or the "Mujeres influyentes" forum. The Bank has also made online gender equality training available to employees.

Work-life balance

Banco Sabadell has measures in place, applicable to all employees in the organisation, to help promote a better work-life balance. Available benefits include the option of shorter working days, paid and unpaid leave for various reasons: breastfeeding, maternity, caring for a relative, special circumstances, paternity) and several forms of flexitime.

In 2017 the Bank broadened this range of measures to include a reduction of between 20% and 50% of the working day to attend to personal needs, the ability to purchase holidays (up to 31 additional days against the employee's salary) and partial retirement (for employees over the age of 61 who can cut their working day by between 25% and 50%). In coordination with existing measures, a work-life balance unit was created with the mission of providing advice, intermediation and guidance for managers and employees.

Professional development

Banco Sabadell gives priority to employees' personal well-being as well as their professional growth. The Talent Department handles the induction and development of new hires and monitors their retention, all of which are key factors for competitiveness, leadership and excellence.

During 2017 the Group continued to promote its learning model, instituted in 2016, by expanding Sabadell Campus and its constituent schools and learning spaces: the School of Management, the Commercial School and the Finance School. 89% of employees received training and employees took 137,000 training sessions.

Diversity

Banco Sabadell also promotes diversity through the integration in the workplace of differently-abled people by means of non-discriminatory recruitment policies. The Group takes measures to adapt job briefs where needed. In this regard the Group takes measures to adapt the job role to requirements. In 2017 a pilot programme was begun with the Fundación DKV Integralia to hire persons with disabilities at some subsidiaries.

3. Commitment to the Environment

Banco Sabadell has an environmental policy which sets out its commitment to the environment and to combating climate change. The policy focuses on minimising the environmental impacts of the processes, facilities and services inherent to the business, managing business-related environmental threats and opportunities appropriately, and promoting a commitment to the environment by all persons with whom the Bank comes into contact. In this respect, the Bank has joined a number of global initiatives, including the Equator Principles and the Carbon Disclosure Project (CDP).

Commitment to the Planet

Since 2011, Banco Sabadell has applied the Equator Principles, an international voluntary framework of policies, standards and guidelines coordinated by the International Finance Corporation (IFC), a World Bank agency, whose aim is to determine, assess and manage the environmental and social risks of structured finance deals amounting to 10 million dollars or more and of corporate loans amounting to 100 million dollars or more. Under these standards, a social and environmental impact assessment is carried out that, in some cases, results in minimisation, mitigation and offsetting measures, subject to review by an independent expert. Banco Sabadell publishes an annual report on its corporate website which includes detailed information of the projects related to the Equator Principles.

In 2017, Banco Sabadell signed 11 deals incorporating the Equator Principles, 91% of which related to renewable energy projects

All Group branches have access to information to assist them in assessing any environmental risk associated with the industry or business of a company that is being evaluated. The assessment is one of the documents on which the transaction credit risk evaluation is based and it has an influence on the final decision.

Regarding its business activities, Banco Sabadell promotes the development of a more sustainable energy model through direct investment in projects and the funding of renewable energies.

Thus, in 2016 and until 2019, Banco Sabadell, through its subsidiary Sinia Renovables, has commenced a new investment round in which it will allocate €150 million euros to this type of asset. In line with the Bank's internationalisation strategy, the Sinia programme will include

investments in Spain, Mexico, the UK and a number of Latin American countries, the first capital investments in Mexico have been carried out, which is where Sinia is present in 217 MW wind farms. Sinia has an additional portfolio in Spain, comprised of its presence in 106 MW in wind and 18 MW in photovoltaic. Renewable electricity generation in Spain that is attributable to Sinia totals 181 GWh per year, exceeding the electricity consumption of Banco Sabadell's branches and corporate offices.

To date, Banco Sabadell has provided over €1,048 million in funding to renewable energy generation projects

Another environment-related area of the Bank's business is financing energy-efficient equipment and facilities by means of special-purpose renting and/or leasing products; these are used to finance projects in such areas as public lighting, biomass fired boilers and cogeneration facilities.

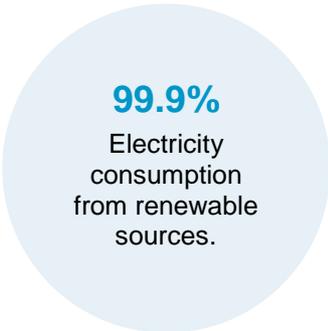
Responsible consumption

As regards the Bank's own infrastructure, it has an environmental management system that is certified to the ISO 14001 standard and covers six Central Services buildings. To reduce energy consumption, the Bank undertakes continuous improvement initiatives to make its facilities and processes more eco-efficient.

Energy consumption (Energy management)

With the objective of reducing its energy consumption, Banco Sabadell works to continuously improve the eco-efficiency of its facilities and processes. Some of the principle measures implemented are described below:

- The total energy consumption in Spain in 2017 amounted to 82,824MWh, compared to 89,808MWh in 2016. It is worth noting that during this year the Bank's total renewable electricity consumption stands at 99.96%, mainly thanks to its maintenance of the contract with Nexus Renovables which supplies 99.93% of the Bank's total energy, guaranteeing that its origin is 100% renewable. As a result of this, a reduction of 99.83% has been achieved in terms of CO2 emissions (scope 2) (electrical consumption, using 2014 as a base year).
- The majority of the branch network offices are equipped with centralised lighting and climate control systems. Additionally, the corporate centres are equipped with lighting motion detectors and LED lamps (Light Emitting Diode).



99.9%
Electricity
consumption
from renewable
sources.

- Low energy consumption lighting and light activation systems for billboard advertising, adapted to daylight hours.
- In the corporate centres and larger offices, climatization installations are equipped with energy recovery systems.
- The branch network uses Thin Client computers (central branch network infrastructure, whereby applications and software are virtually linked to servers) which consume 90% less energy. Since 2015 the implementation of these computers has also been initiated in corporate centres.

CO2 tn	2017	2016	2015	2014
<u>Scope 1</u> / Direct activities: emissions generated by company facilities and vehicles	763	648	600	552
<u>Scope 2</u> /Indirect activities: emissions due to electricity consumption in Spain	22	54	3,321	12,890
<u>Scope 3</u> / Other indirect activities: emissions derived from business trips (plane, train and car)	3,337	3,477	3,862	3,143
Total CO2 emissions generated by the Group in Spain	4,122	4,179	7,783	16,585
Total CO2 emissions generated per employee	0.2	0.2	0.5	1.0

The Bank publishes a more detailed disclosure of these emissions on its Corporate Website, with the breakdown for each scope.

Total energy consumption	2017	2016	2015	2014
Total energy consumption (MWh)	82,824	89,809	99,389	104,419
Electricity supplied by Nexus Renovables, 100% renewable guarantee (% of supply of total electrical energy).	99.93%	99.84%	72%	26%

Nexus Renovables supplies energy to Banco Sabadell which is 100% generated from renewable sources.

Consumption of materials (management and reduction of other consumption)

Paper consumption: sustainability lies in reducing, reusing and recycling. Paper consumption in Spain in 2017 amounts to 988 tonnes, a 33% reduction in the last two years. In parallel, the principal actions to reduce paper consumption have been:

- 24/7 availability of the service for customers, through distance channels: the ATM network, by telephone, email or through social networks. Customers can access 100% of their correspondence electronically through the website/or their mobile phones.

- The branch network is equipped with digital tablets and systems such as Instant Selling to capture customers' signatures. In 2017 the use of these tablets and systems led to the elimination of more than 26 million printed forms. Additionally, the printing of 4.7 million pages has been prevented thanks to the use of the digital contracting systems. In the future the bank aims to adapt more operations to these devices and progressively continue to reduce paper consumption.
- The conventional paper used by the bank is FSC-certified (Forest Stewardship Council). The certification is a guarantee that the wood with which the product is made is taken from forests which are managed under the criteria of the Forest Stewardship Council and certifications of the quality and environmental management system ISO 9001/ISO 14001. All of the group's printers are configured to print on both sides of the paper.

Paper consumption:	2017	2016	2015	2014
Paper consumption (tn)(*)	988	1,062	1,469	1,039
(*) Volume of paper (ISO4 format) used during the year				
Use of recycled paper in the branches and corporate centres (%)	9%	9%	7%	12%
(**) of the total consumption of paper (white and recycled) in Spain.				
Use of recycled paper in 13 corporate centres (%)	80%	84%	84%	81%
(***) of the total consumption of paper (white and recycled) in 13 corporate centres with a post room.				

National scope.

Water consumption: Group water consumption in Spain is limited to sanitary use and for the watering of certain landscaped areas. 100% of the water consumed derives from the supply network. The Group's headquarters are located in urban areas where the water collected and discharged is done so through the urban network.

With regard to eco-efficiency, bathroom facilities and taps are fitted with water-saving mechanisms. In this regard, the Bank's headquarters in Sant Cugat are fitted with a device that collects rainwater and grey water to reuse it as irrigation water. At the same time, the landscaped areas are comprised of native plants with low irrigation requirements.

Waste management: In all of the Group's facilities, paper waste is treated as confidential documentation to be destroyed, and 100% of the waste is recycled by authorised waste managers. The corporate centres and branches are equipped with waste separation facilities for plastics, organic materials and batteries. Together with Ricoh and the HP Planet Partners programme, the collection and reuse of used toner cartridges is carried out, together with the management of technology waste through authorised waste managers.

Specific control mechanisms exist for waste management in branches due to be closed or merged. Surplus technology hardware or furnishings in good condition at branches or work centres due to be closed or merged are donated by the Bank to NGOs and local not-for-profit entities.

Environmental awareness: In terms of environmental training and awareness, an online training course is available to the entire workforce. This training is obligatory for all employees of the certified corporate headquarters.

From the internal platform “BS Idea” employees can submit their thoughts and suggestions to improve the different areas of the bank, including environmental aspects and the fight against climate change. In 2017 employees submitted more than 22,000 ideas. The most voted ideas amongst employees are awarded a prize, and they are analysed by a multidisciplinary team for their subsequent implementation. Some examples in terms of the sustainability are the contributions in the total or partial saving of paper, digitalisation (digital signature, contracts, virtual reports etc.), energy saving (implementation of solar panels in corporate centres etc.) or the increase in electric vehicles for employees (renting, purchase subsidy etc.)

In relation to business trips and travel, environmental and cost rationalisation criteria are applied, favouring the means of transport which emits the lowest level of CO2 emissions and “in itinere” travel. The group encourages the use of the internal car-pooling platform. The group also encourages the use of videoconferencing for meetings and one-to-one meetings, teleworking pilots as well as the use of virtual communities for areas such as learning and continuous training.

Sustainable mobility

There was also an increase in the range of sustainable vehicles (with emissions equal to or less than 120 gr CO2/km) in the Bank’s vehicle leasing pool; accounting for 78% of the entire fleet. The Bank has also contributed to sustainable mobility in such cities as Terrassa and Bilbao by financing hybrid city buses and 100% electric taxis in collaboration with leading industry brands.

4. Commitment to Society

Banco Sabadell shows its commitment to society by permanently engaging with the community and sharing its concerns. Financial education, social action and support for initiatives with a social impact are the key elements of this commitment, which is also expressed through the corporate volunteer programme and initiatives by divisions of the Bank and by the Banco Sabadell Foundation.

Financial Education

The Bank promotes and takes part in a number of financial education initiatives. For the Bank, this means going beyond merely responding to the training needs of segments of society, yet also accompanying them in the development of skills and abilities for decision making processes.

- **For children (aged up to 13):** since 2010, through the drawing competition “What is money for? (*¿Para qué sirve el dinero?*)”, at <http://paraquesirveeldinero.com/> which includes educational activities and educational materials, in collaboration with teachers and educators who encourage the development of creativity, the importance of saving, the value of money and solidarity.

This year, a children’s economic dictionary has been included, linked to an educational guide, which helps children to become more familiar, word by word, with the uses of money and responds to their questions. Additionally, for each drawing that Banco Sabadell receives, it makes a donation to a solidarity cause, and in terms of social networks, the drawings which receive the highest number of votes are also awarded a prize. At 2017 year-end, participation reached close to 5,000 children, in line with the previous year. In January 2018 the competition ended with more than 7,300 participations.

- **For young people:** For the fifth consecutive year the Bank has been participating in the Catalan Schools Financial Education programme for young people since its inception; This programme is taught in more than 320 education centres, with more than 70,400 students who participate in the programme. This is equivalent to 30% of students in their final year of compulsory education (*4º ESO*) in Catalonia.

Since three years ago the Bank also participates in the “Your finances, Your future” programme, in partnership with the Spanish Banking Association (AEB for its acronym in



Financial
education
programmes
hosted by
more than
200

Spanish) and the Junior Achievement Foundation (JA), with coverage of more than 100 centres throughout Spain.

In 2017 a total of 32 volunteers have participated, including current and retired employees.

In the framework of this programme Banco Sabadell has also participated in the first Financial Innovation Camp organised by AEB, mentoring students in their final year of compulsory education, by designing an app proposal in response to a real problem

Financial education via volunteer programmes		2017	2016	2015
Number of volunteers	EFEC	179	164	120
	JA	32	34	30
Number of beneficiaries	EFEC	9,082	4,736	16.550 (*)
	JA	430	426	405

(*) Global scope of the programme

- **For SMEs** For the last five years Banco Sabadell has worked in collaboration with AENOR, AMEC, Arola, CESCE, Cofides, Esade and Garrigues have sponsored the “Export to Grow” (*Exportar para crecer*) programme to help small and medium-sized firms expand into foreign markets. In 2017, five sessions were held on the US and India, with over 420 people attending in cities such as Barcelona and Madrid.

The Bank also extended its commitment to support and advise customer companies through the *Sabadell International Business Program*, a training initiative held simultaneously in Barcelona, Madrid, Valencia, Oviedo, San Sebastián and Málaga in collaboration with the University of Barcelona (UB). In this first edition, over 70 participating companies will obtain a university certificate in International Trade.

Another accompaniment initiative is Sabadell Link, an audio-visual channel which, amongst other functions, facilitates contact with the principal managers of the representative offices in Europe, Asia, Africa and America. The exporter kit, which is available on the International Business website, is a group of tools to develop foreign trade activities with the maximum guarantees, converting them into another resource which is frequently consulted for the internationalisation process.

The Bank is also party to an agreement with the AEB, the CNMV and the Bank of Spain to promote the National Financial Education Plan. This Plan, which follows the recommendations of the European Commission and the OECD, is designed to improve public understanding of financial matters by providing people with basic skills and tools to manage their financial affairs in a well-informed, responsible way.

Corporate Volunteer Programme

Banco Sabadell encourages community and volunteer work by its employees by providing the necessary resources.

In 2017, the in-house website, Sabadell Life, became more firmly established; with over 9,800 users, it covers more than 200 community and volunteer initiatives put forward by the Bank and its employees. Applying the dynamics of gamification, the more community-minded employees exchanged their prizes for donations to one of the causes sponsored by Sabadell Life through its Actitud Solidaria platform: A programme by Arrels Fundació for homeless people, a programme by Alzheimer Catalunya for people with dementia, and the Fundación Vicente Ferrer's paediatric care initiative.

Apart from the financial education programmes mentioned previously, the initiatives with the largest number of volunteers, were:

- Programmes to leverage the knowledge and experience of current and former employees to favour people at risk of social exclusion:
 - o Fundación Exit's "Coach" project, which mentors young people at risk to improve their employability. In 2017, 23 corporate volunteers have spent more than 500 hours mentoring young people aged between 16 and 18 to improve their employability in Madrid, Barcelona and Alicante.
 - o Transpirinencia Social Solidaria walk, a socio-educational programme aimed at social inclusion.
- Contributions to/participation in solidaric campaigns:
 - o Trailwalker hike in which more than 70 teams participated in, winning the prize for the highest amount raised in which over more than 400 volunteers took part.
 - o The Carrera de la Mujer (a fun run for women) in which the Bank paid 360 entry fees.
 - o Over 280 blood donations.
 - o Collaboration with the Fundación Magone, with the contribution of over 400 Christmas presents in response to letters by boys and girls at the risk of exclusion in regions such as Alicante, Barcelona, Bilbao, Madrid, Malaga, Oviedo and Valencia.

- Other activities designed by the employees themselves, such as the “Imparables” campaign to raise funds for medical research into leukaemia for the Fundació Josep Carreras, in which more than 80 volunteers participated. .
- Projects aimed at integration and improving employability:
 - An alliance with Càritas on the “Feina amb Cor” programme in which unemployed people and people at risk of social exclusion aged over 40 and do not receive economic support took part. Banco Sabadell is the only financial institution linked to the project, and offers such persons the possibility of finding employment in its branches, carrying out administrative and Customer Service tasks in a temporary manner, above all, during holiday periods.

Of the 14 persons who participated in the *Feina amb Cor* programme, 11 continue to work for Banco Sabadell.

Solidarity

Banco Sabadell carries out some of its community support work through its foundation, Banco Sabadell Foundation, whose work is organised around talent, science, culture and social entrepreneurship. Key initiatives by the Foundation include a Prize for Biomedical Research and a Prize for Research in Economics, both of which aim to give recognition and support to the achievements of young Spanish researchers in those disciplines.

The Foundation does not only prove its commitment to talent through the recognition offered by granting awards and prizes, yet also by offering training opportunities via new awards and scholarship cycles. IV Banco Sabadell Dummy Award, 3 scholarships to carry out internships at the Banco Interamericano de Desarrollo (BID) at its headquarters in Washington and XVI Joan Guinjoan Award for Young Composers, aimed at composers of all nationalities, aged under 35. Additionally, the Foundation also awards four scholarships for the Master’s Degree in Translational Biomedical Research at the Vall d’Hebron Institut de Recerca (VHIR).

Alliances in social innovation and talent

B-Value, innovation programme for social organisations Ship2B Foundation with the collaboration of Banco Sabadell Foundation drives and develops the BValue programme, the objective of which is to help professionalise, transform and improve the value proposal of not-for-profit institutions in any area of activity. After the first stage, 10 finalist proposals are selected which receive support for the launch of a crowd funding campaign through which their proposals are shared and validated. Lastly, the projects are submitted during a Demo Day, where Banco Sabadell Foundation grants different economic support.

In 2017 a total of 40 social institutions have been selected to participate in this first edition of B-Value. 100 mentors specialising in different sectors have participated in the programme. Thirty of them, Banco Sabadell employees, have also participated in 4 face-to-face workshops held in Barcelona and Madrid.

B-Challenge, young talent programme. Since 2016, Banco Sabadell Foundation and Foundation Ship2B have worked together to detect and reward innovative projects which offer improvements in terms of the orientation and employability of young people. With the B-Challenge programme, after the selection, training and accompaniment process of 20 projects, four projects with the most potential are selected.

Through the crowd funding campaign *#YoCreoTalento* the talent of the 4 winning projects of the B-Challenge is supported. These are social challenges which proposal innovative solutions using self-sustainable business models.

Solidaric Attitude

In addition, by organising initiatives on a cross-divisional basis, Banco Sabadell seeks to contribute to social welfare using business ventures of its own. This was the case with an alliance signed with Worldcoo, a start-up in which the Bank invested through its BStartup 10 programme, to use its online banking system to enable customers to make donations to solidaric initiatives.

In 2017, through Worldcoo, the solidarity attitude of customers and employees has been channelled, making it possible to carry out 10 projects with more than 2,400 donations for more than 34,000 beneficiaries. This platform enabled an effective response to several emergencies, such as the earthquake in Mexico, when it helped over 2,500 children and families, and support for over 2,200 refugees through Proactiva Open Arms's "Misión Mediterráneo".



34,000
beneficiaries
thanks to the
solidarity of
employees and
customers

5. Corporate norms and institutional commitments

Beyond its actions and initiatives, which are summarised in this report, Banco Sabadell has a series of codes, policies and regulations which determine its commitment to the Group's purpose, and it also maintains several national and international agreements which frame this commitment.

Principles and Policies

- Code of Conduct: applies generally to all persons directly involved with the Group, whether as employees or as members of its governing bodies.
- The Internal Code of Conduct in connection with the securities market.
- Suppliers' Code of Conduct.
- Policy on ethics and human rights.
- Corporate Social Responsibility Policy.
- Policies related to stakeholders (shareholders and investors, customers, suppliers, employees, the environment and the community).
- Equality Plan.
- Code for the use of Social Media.
- Membership of AUTOCONTROL, a self-regulatory advertising standards body.
- Adoption of the Code of Good Banking Practice

Contracts, Agreements and Commitments

- Signatory of the United Nations Global Compact, in respect of human and labour rights, the environment and the fight against corruption.
- Signatory of the Equator Principles, requiring it to take account of ESG issues in financing major projects and in large corporate loans.
- Integration of CSR policies into business practice in accordance with ISO 26000 guidelines.
- Signatory of the United Nations Principles for Responsible Investment, in the "investment manager" category.
- Party to an agreement between the Spanish Banking Association (AEB), the CNMV and the Bank of Spain to carry out a programme of activities as part of the National Financial Education Plan.
- Inclusion in the FTSE4Good and FTSE4Good IBEX sustainable stock market indices.
- Awarded the European Foundation for Quality Management (EFQM).
- (EFQM) Gold Seal of Excellence ISO 9001 certification, valid for 100% of processes and for Group activities in Spain.
- ISO 14001 certification for the six corporate headquarters.
- Signing of the Carbon Disclosure Project (CDP) in connection with action against climate change and CDP Water Disclosure.