

A low-angle, upward-looking photograph of a large, mature tree. The thick, dark brown trunk of the tree is prominent on the right side, branching out into a dense canopy of vibrant green leaves that fills most of the frame. The background is a clear, bright blue sky. The overall composition conveys a sense of growth, strength, and natural beauty.

Creand[©]

**Annual
corporate
report**

2022

Creand[®]

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2022

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Accompanying the economic recovery

Antoni Pintat Mas

Chair of the Board of Directors of Crèdit Andorrà

We bid farewell to a 2022 characterised by the coexistence in our home of two factors that have resulted in a situation as complex and uncertain as it is optimistic and hopeful. The first was a turbulent international environment with a major impact on the economy in general. And the second was Andorra's recovery in activity, which confirmed that it had emerged from the crisis caused by the pandemic.

We started the year with a war in the heart of Europe, with negative consequences for the continent's economy: the energy crisis and the lack of raw materials catapulted global inflation to 8.8%. In this context, central banks were forced to end the era of negative interest rates. Stopping inflation ushered in a scenario of sharp rate hikes not seen in the past 20 years and forced the International Monetary Fund to downgrade its global growth outlook.

At the same time, Andorra received tourists again, and saw business pick up once more for companies and family life go back to normal after two challenging years. The country also managed to attract entrepreneurs, business owners and people looking for a great place to live.

This domestic context led to significant growth in the country's economy. Real GDP in 2022 recorded an increase of 8.8%, up to €2.798.8 billion, as a result of the positive evolution of

all sectors, with the construction (+7.4%), retail and hospitality industries (+11.8%) in the lead. This recovery environment was confirmed by the IMF in its report on the country, in which it highlighted the important role played by a banking sector that it described as resilient, with stable liquidity and capital. In the case of Crèdit Andorrà, this is confirmed by liquidity and solvency ratios of 157.71% and 17.09%, respectively.

The Bank was not unaffected by these two factors, which we were able to learn from. From the first, we were able to emerge stronger; from the second, we reinforced our banking model committed to the country.

We worked alongside the Andorran economy in the toughest moments of the pandemic and we did so again this year, increasing credit investment by 9.4%, up to €2.761 billion. We also contributed 28% to corporate social responsibility activities, at more than €2.86 million. Let's not forget the support we provided for the new economy through the Scale Lab programme, which manages a fund of nearly €5 million.

Believing in the country and in people brings us one of our greatest assets: the trust of our customers. This is confirmed by the increase in managed resources, which were 21% higher than in 2021 (€22.24 billion vs. €18.365 billion), and deposits, which were 30% higher, up to €5.22 billion.

In 2022, we reaped the fruits of careful and prudent management in recent years, focused on strengthening the Crèdit Andorrà Group in terms of capital and liquidity ratios, allowing us to take on two significant transactions. We completed the first in Spain, with the purchase of the family office and advice division of GBS Finance, while the second was in Andorra, with the purchase and merger of Vall Banc, financed with equity and which we can only describe as a resounding success in operational and business terms. Fitch Ratings recognised this in its assessment last September, when it maintained Crèdit Andorrà's rating at "BBB-" and upgraded its outlook to stable.

All in all, these milestones have enabled us to close 2022 having gained market share, turnover (19.7%, up to €25.002 billion) and with a profit of more than €43 million (30.5% more than in 2021), in a positive growth trend that allows us to face the most immediate challenges with more certainty and stability.

One such challenge is continuing to create value for our more than 400 shareholders – after the incorporation of 20 new ones – which this year has resulted in an ROE of 8.09% and a profit per share of €48.12 (30.6% higher than in 2021) and which, based on the figures presented, allows us to propose a dividend of €11 million.

Another challenge is continuing to have the best talent. Good results can only be achieved



with a professional team that is highly qualified and above all immensely committed. The 782 people who make up the Crèdit Andorrà Group team have amply demonstrated this.

We cannot, however, lose sight of our aim of making Crèdit Andorrà the bank we all want it to be. We face 2023 with the desire to work alongside entrepreneurs, the self-employed and business owners in their businesses; to support families, young people and others to start new life projects; and to support athletes, artists and groups to grow.

We start the year with many challenging initiatives, one of which is the implementation of the new Creand brand in Andorra, once it has already been consolidated in Spain, Luxembourg and America. For this reason, I would like to end by thanking all those who have made it possible and who continue to make it possible. With the support of customers, shareholders, employees and the whole of society, Crèdit Andorrà wants to continue creating the Andorra of the future. I invite you all to be a part of it.

01

Our value creation model

Crèdit Andorrà in figures

Main milestones of 2022

Quality and excellence in banking practice

Market risks and opportunities

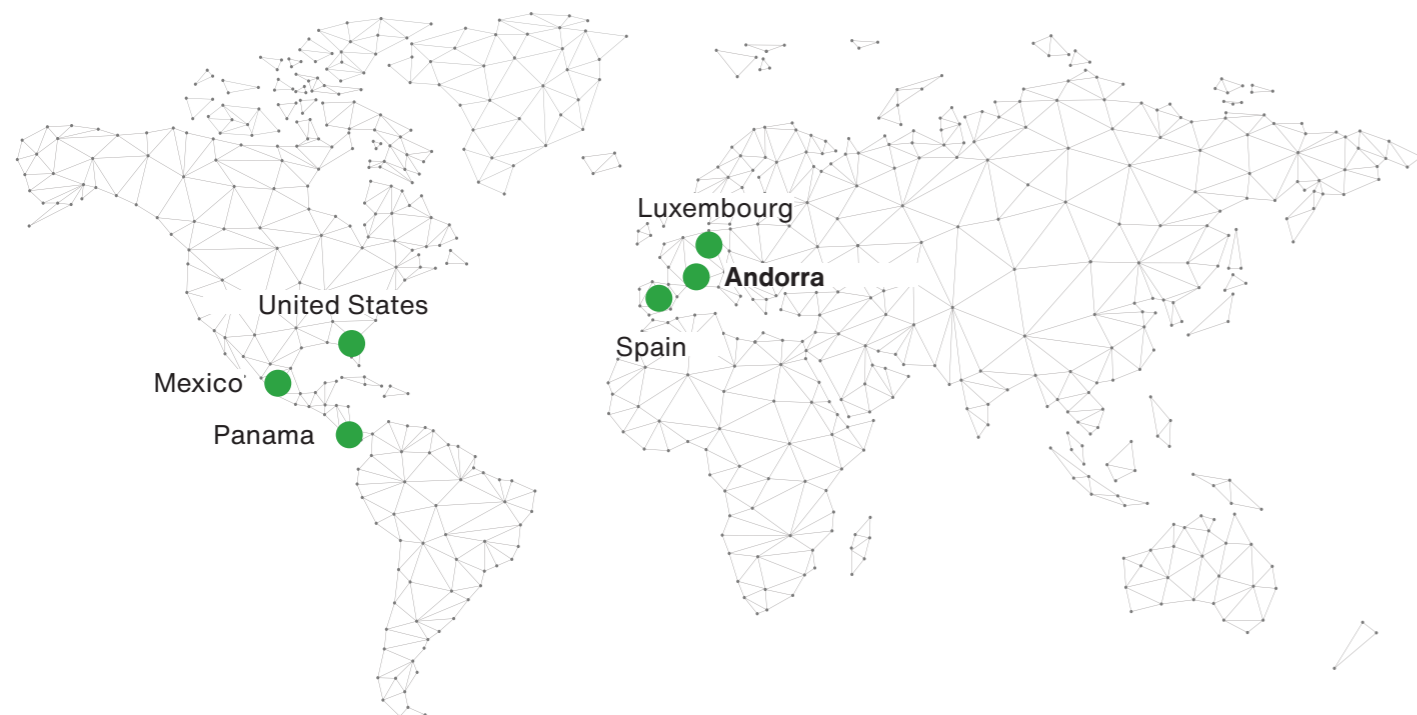
Letter from the CEO

Our value creation model

Market presence:
business model and lines

Crédit Andorrà in figures

As the leading financial group in the Principality of Andorra, we offer private banking, commercial banking, asset management and insurance services, which we reinforce with a presence in the financial markets of Spain, Luxembourg, the United States (Miami), Mexico and Panama.



6 countries
4 banking licences
5 asset managers
1 foundation

The Crédit Andorrà Group continues to ensure value creation through strategic alliances that have allowed the integration of new businesses, both in Andorra and in Spain.

Crédit Andorrà's purchase and integration of Vall Banc, culminated in June.

Creand Wealth Management's purchase of the family office business of GBS Finance.*

* Pending approval by the Spanish regulatory bodies.

Solid, responsible banking



Balance sheet
(in thousands of euros)

6,601,220
Assets

559,408
Net equity

25,001,555
Turnover

22,240,462
Assets under management

5,219,871
Customer deposits

2,761,093
Credit investment



Profit/loss
(in thousands of euros)

185,469
Total net operating income

46,526
Pre-tax profit/loss

43,036
Net profit



Profitability and efficiency (%)

71.49%
Efficiency ratio

8.09%
RoE

0.65%
RoA

10.26%
RoTE



Main ratios
(%)

17.09%
Solvency ratio

157.71%
Liquidity ratio

5.46%
NPL ratio

44.63%
NPL coverage ratio

Committed banking



Environment

Crédit Andorrà strengthens its commitment in the fight against climate change

- > Identification of climate change risks and opportunities
 - > Approval of the Sustainable Mobility Plan
 - > Obtaining the Llum Verda (Green Light) seal: 100% renewable energy consumed
 - > Expanding the scope of our carbon footprint calculation
- 52%**
scope 1 and 2 CO₂ emissions (market-based)*
- 26%**
fuel consumption

> Aligned with the Government of Andorra's climate strategy

Energy Efficiency Plan

Sustainable Mobility Plan

*The market-based method of emissions considers the specific emission factor of the specific energy supplier (in the case of Crédit Andorrà, in 2022, the factor is equal to 0, as all the electricity it consumed was of 100% guaranteed renewable origin).



People

Because people are key at Crédit Andorrà, we invest in the talent and quality of life of our professionals

491
Staff in Andorra

291
International staff

99%
permanent contracts

49%
women in the workforce

100%
of the workforce have received training

€478
average investment in training

Healthy Company Programme

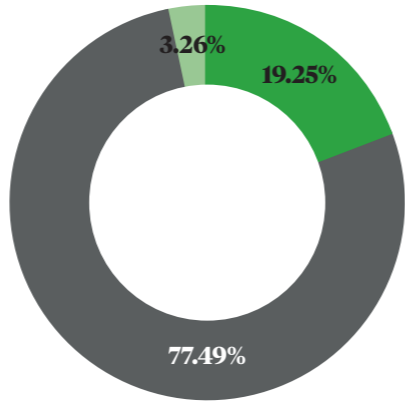


Country

Crédit Andorrà maintains its commitment to society through investments that give back to Andorra, with new sports sponsorships and economic, cultural and social collaborations

2.86
million euros of overall investment in society

6.66%
of the Bank's profits



- Community
- Economic revitalisation
- Environment



Customers

Reinforcement of its leading position in the Andorran finance sector with the acquisition of Vall Banc

79.11%
Retail banking

1.25% Corporate banking
19.64% Private banking

Proximity and personalisation in our service

11
branches

22
ATMs

New private banking office

We promote digitalisation, offering new operational capabilities

54.71%
of our customers are already digital | ▲ 2%

+4.7
millions logins to e-Credit | ▲ 12%

+855,000
transactions through e-Credit | ▲ 22%

We promote fluid and constant communication

+20,000
followers on social networks | ▲ 21%

+790,000
impacts on customer communications

+1,600
appearances in the country's media

Supporting channel for sports sponsorships

Quality in management

Best bank of the year in Andorra

Best bank in private banking

Best digital bank in Andorra

Best bank for CSR in Andorra

■ Main milestones of 2022

January <ul style="list-style-type: none"> > Crèdit Andorrà, new sponsor of the Carmen Thyssen Museum Andorra > Ten years of collaboration between the Fundació Crèdit Andorrà and the Càritas Andorrana Food Bank > The Crèdit Andorrà Group finalises an agreement with Grup Risk and sells the stake in the Spanish holding ERSM Insurance Brokers 	February <ul style="list-style-type: none"> > Creand Wealth Management formalises the purchase of the high net worth advisory business and family office of GBS Finance > Crèdit Andorrà formalises the purchase of 100% of Vall Banc 	March <ul style="list-style-type: none"> > Best digital bank and best bank for CSR in Andorra according to the <i>Global Banking & Finance Review</i> > ACA eSports is born, the first digital sports project in Andorra 	April <ul style="list-style-type: none"> > The Crèdit Andorrà Group obtains a profit of €33 million and turnover grows by 19.6% in 2021 > The rebrand to Creand is completed across all the Group's international subsidiaries 	May <ul style="list-style-type: none"> > Launch of the Innovation Hub, a pioneering project to share knowledge between companies and start-ups 	
June <ul style="list-style-type: none"> > Crèdit Andorrà completes integration with Vall Banc 	July–August <ul style="list-style-type: none"> > New sponsorships of Vicky Jiménez and Mònica Doria > The country's single ski pass is born, giving access to 303 kilometres of slopes 	September <ul style="list-style-type: none"> > The new financial education series is presented > Crèdit Andorrà signs up to the Llum Verda certification programme > Fitch reaffirms Crèdit Andorrà's rating at BBB–, highlighting its strength and improved profitability 	October <ul style="list-style-type: none"> > Sponsorship of Joan Verdú for three seasons, until 2025 	November <ul style="list-style-type: none"> > Crèdit Andorrà was voted the best bank in Andorra in private banking by the <i>Financial Times</i> 	December <ul style="list-style-type: none"> > Crèdit Andorrà is recognised as Andorra's Bank of the Year by the Financial Times Group > New Tax Free agreement for Crèdit Andorrà customers

Quality and excellence in banking practice

Awards and accolades



Andorran Bank of the Year

The award emphasises the Bank's strategy, focused on strengthening the growth of the business and the progress of the country through strategic alliances, the international consolidation with the new Creand brand and the improvement of added value to the customer through digitalisation and specialisation.

+ Further information



Best digital bank and best bank for CSR in Andorra

The awards are a recognition of the Bank's track record in understanding the banking of the future, based on digitalisation and a commitment to sustainability.

+ Further information

Best bank in Andorra in private banking

Crédit Andorrà was recognised as the best bank in Andorra in private banking for the second consecutive year by financial publications *The Banker* and *Professional Wealth Management* (PWM), belonging to the Financial Times editorial group, which annually award the best entities on an international scale.

The award highlights the Bank's growth plan through the development of strategic alliances and corporate operations, in addition to the work done to unify the brand internationally, with the aim of strengthening customer service.

+ Further information

Certifications

Fitch Ratings

Fitch Ratings reaffirmed Crédit Andorrà's long-term rating of "BBB-" and upgraded its outlook to stable. The agency emphasised that "the Bank's strong position in Andorra will be further strengthened by the acquisition of Vall Banc, which will result in enhanced domestic market share and an improved earnings generation capacity".

+ Further information

Quality in processes and management

Investment division

Crédit Andorrà Asset Management renewed its ISO 9001:2015 certification. The external verification report endorses the effectiveness of the quality management system and continuous improvement to ensure customer satisfaction.

Crédit Andorrà Asset Management also renewed its GIPS certification for another year. This international standard ensures the use of ethical and transparent processes when it comes to calculating and publishing customers' returns on investment.

+ Further information

Environmental management

Crédit Andorrà renewed the ISO 14001:2015 certification of its Environmental Management System (EMS) for another three-year series (2022-2024).

The accreditation reaffirms the entity's commitment to the environment, with a management model that stands out for its soundness, robustness and continuous improvement.

+ Further information

Market risks and opportunities



Financial security and transformation

The digitalisation of financial services, the optimisation of organisational structures and internal processes, as well as the implementation of forms of work flexibility, oblige us to continuously adapt to maintain cybersecurity standards, incorporating new technological tools and establishing reinforced procedures to face the risks arising from the digital transformation of the business.



Governance, regulation and risk management demands

As digitalisation has reshaped banking and financial services, regulatory, risk and compliance strategies have evolved.

We have increased collaboration with all market participants in order to ensure compliance with the new regulatory requirements, implementing innovative risk management and calculation methodologies, with the aim of operating according to the best market practices.



Security, solvency and financial strength as competitive advantages

The entry of new market players, such as fintech companies, or the frequent corporate transactions in the sector will allow us to grow and create synergies for the benefit of customers, the central focus of our activity.



Integrating sustainability into the banking business

The risks and opportunities associated with environmental, social and governance (ESG) issues are increasingly relevant to financial institutions. At Crèdit Andorrà, we are focusing our efforts on including the management of ESG aspects with the aim of continuing to build the sustainable business model demanded by customers, shareholders, regulators, employees, rating agencies and other stakeholders.



Banking as an economic driver

The banking sector contributes to global development by financing the real economy, creating skilled jobs and through fiscal responsibility.

Crèdit Andorrà has an active presence across all economic sectors of the country and actively contributes to the growth of emerging activities with high added value through projects such as Scale Lab and the Innovation Hub.

A year of growth and investment

Xavier Cornella Castel
CEO

2022 has been a year of great progress for the Crèdit Andorrà Group in achieving the goals set out in the business and corporate strategy, despite the environment of uncertainty that has characterised the year.

The Group's profit stood at €43.1 million, with an increase of 30.7% compared to the previous year. The recovery of activity in Andorra, organic growth both domestically and in the international markets in which we operate, and the culmination of two strategic acquisitions – Vall Banc and GBS Finanzas Investcapital AV – largely explain this result.

This is a result that in terms of turnover has meant an increase of 19.7% compared to 2021, to €25.002 billion, nearly half of which corresponds to Andorra (€11.599 billion, 16.4% more than the previous year). The purchase transaction of Vall Banc and the good evolution of the domestic economy have increased figures that until now had shown signs of stagnation. The good news is that the Andorran financial market is growing again, confirming how successful management has been in recent years, which has allowed us to ensure sustained growth in terms of turnover.

The economic recovery has encouraged consumption by companies, families and individuals. This is confirmed by the volume of loans granted to customers, which has risen to €2.383 billion in Andorra (up 12.70%) and up to €2.761 billion (up 9.4%) for the Group

as a whole. Customers have reaffirmed the trust they have placed in us over the years as a leading entity. This trust is reflected in the increase in managed resources, up to 22.24 billion (up 21.1%), and deposits (5.22 billion, 30.5% more than in 2021), favoured by the environment of positive rates.

The international business, focused on private banking and asset management, has continued in the upward direction of recent years. The careful management and consolidation of the service have made it possible to counteract the poor performance of the financial markets on an international scale and to strengthen organic growth.

The Spanish subsidiary Creand Wealth Management stands out, with a turnover of €3.429 billion (38% more than in 2021), to which the purchase of the advice division and family office of GBS Finance has contributed. Creand Wealth & Securities Luxembourg also recorded strong organic growth, with an increase of 13.5%, up to 9.492 billion. Miami continues to strengthen itself as the centre of the Group's activity in Latin America, where a global turnover of €1.939 billion is managed.

At the same time, the insurance business recorded a strong performance for the Group, with a recurring profit of €5.1 million (pre-tax).

All these figures translate into solvency and liquidity ratios of 17.09% and 157.71%, respectively, in addition to equity of 559 million, which allow us to speak of a solid and con-

sistent Group with good capital and liquidity ratios. These are essential attributes when it comes to maintaining an adequate level of investments to grow and manage future projects, as well as to reward shareholders with the payment of dividends.

The future for Crèdit Andorrà is, however, being built day by day. Our strong involvement in the strategic snow sector led us last year to unify the resorts of Soldeu-El Tarter and Pal-Arinsal under the banner of SETAP 365. In 2022, we brought this to fruition through the Andorra Pass, a new single pass for the whole country. It is with the same vision for the future that we wanted to strengthen our support for competitive skiing, with the presence in the finals of the European Alpine Ski Cup and the individual sponsorship of Joan Verdú until 2025.

We pursue stable and quality relationships both with our customers and with shareholders, employees and society as a whole. This is how we launched the pioneering Innovation Hub project, which brings companies in the country into contact with start-ups. We also started a financial education series by experts from the Investment division, to accompany customers and users in decisions related to banking and financial services, and we have made progress in our commitment to sustainability with the presentation of the first performance report within the framework of the United Nations Environmental - Finance Initiative (UNEP FI).



These initiatives are just a brief sample of our economic, social, cultural and environmental involvement, which we materialise with an investment in these areas that grows year on year and that in 2022 reached €2.86 million (28% more than the previous year), 6.66% of the Group's profits.

At the beginning, I referred to the great progress made this year. They would not have been possible without the team of professionals who work at the Crèdit Andorrà Group. Within our respective areas of expertise, each and every one of us got through a complex and successful year thanks to drive, commitment, many hours of work and enthusiasm. We will need all these attributes further to face two important milestones in 2023: the preparation of the 2024-2026 strategic plan and the arrival of the new Creand brand. Already implemented in the subsidiaries, it is now Andorra's turn. Although the name is changing, our very essence of service – the value that has defined us for more than 70 years – remains unchanged.

Finally, we want to thank you all – customers, shareholders, employees and Andorran society – for always supporting us.

Our value creation model

We have continued to make progress with the 2020-2023 strategic vision, adapting to new challenges and ensuring the achievement of the set objectives, in order to maintain the entity’s leadership in the Andorran financial market, both in terms of business creation and profit generation.

“Mission

Contribute to the financial development of customers, shareholders and employees, and to Andorran social progress.”

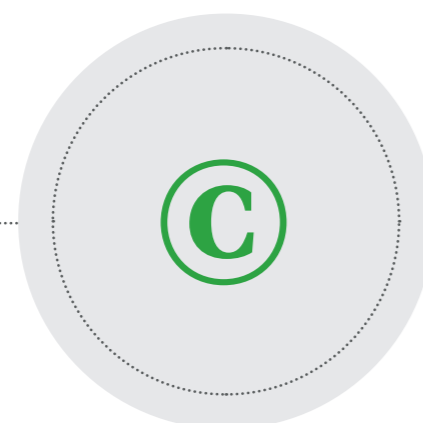
Values



Empathy and closeness



Pioneering spirit



Capacity for service



Social commitment

Market presence: business model and lines

In Andorra, we are characterised by the high degree of capillarity of what we offer in terms of products, services and business lines, which we focus on abroad with a global positioning in private banking and asset management.

Commercial banking (retail and corporate)

We offer financing, savings and investments services and products to individuals and companies. We are committed to the digital transformation of the business through e-Crédit, our online banking platform, the Merkaat investment advisor and the continuous improvement of our financial solutions.

Private banking and wealth management

We provide customers and investors with the support of a global financial brand in the field of private banking and wealth management.

Insurance Group

Andorran market leader in life insurance, the Group specialises in risk, health, savings and pension plan products.

Asset management

We provide a comprehensive financial asset management service, with a broad and diversified vision thanks to our international geographic presence.

Social activity and philanthropy

We work with the aim of a bank committed to the environment, the country and people, in parallel with the work performed by the Fundació Crèdit Andorrà.



02

Growth through solid, responsible management

Driving the Group's business
strategy

Corporate governance

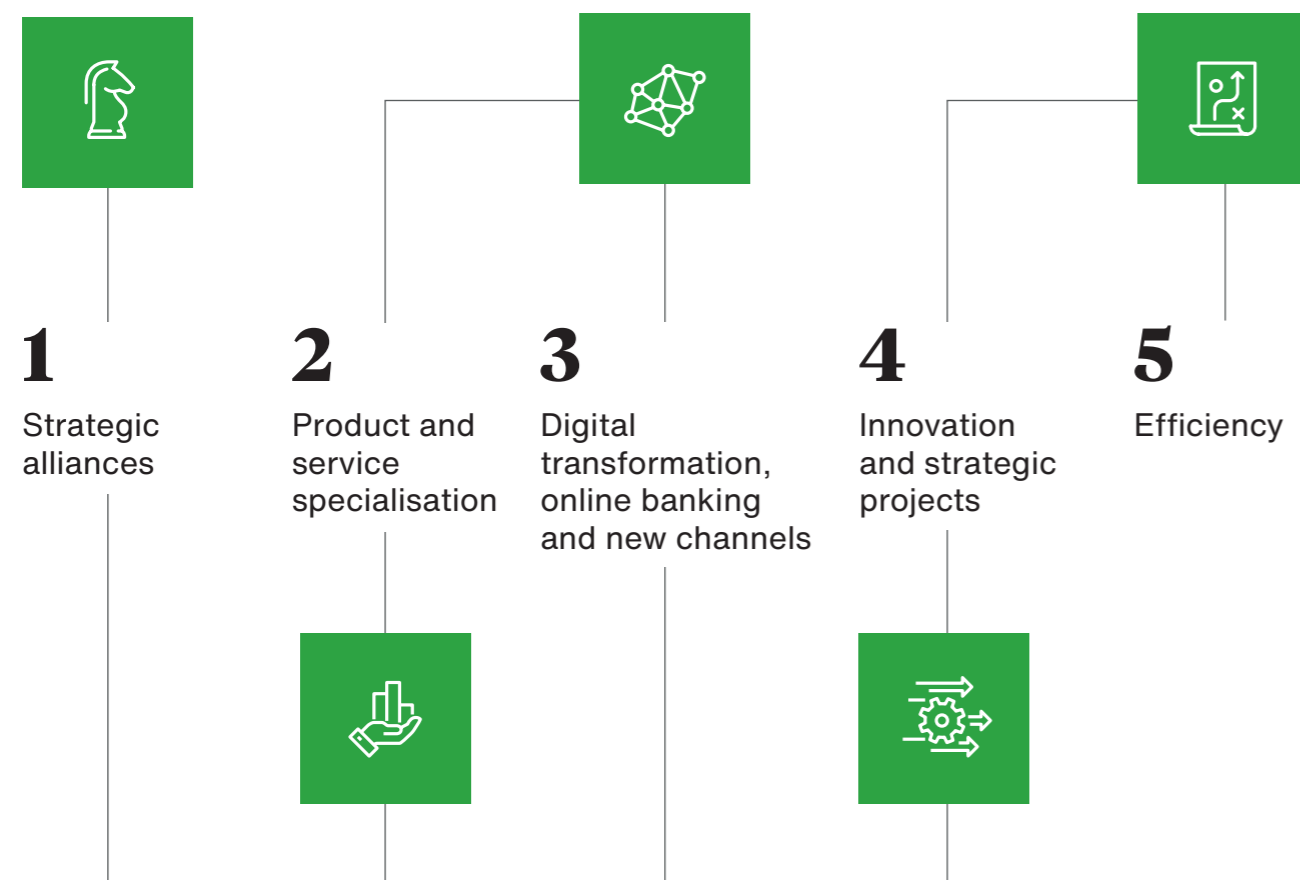
Driving the Group's business strategy

2022 has been marked by the culmination of strategic corporate transactions for the Crèdit Andorrà Group, the result of our robustness and financial solvency.

In Andorra, the merger of Vall Banc has allowed us to strengthen our position in the financial market and increase our presence in the private banking segment. In Spain, the purchase

of GBS Finanzas Investcapital AV, specialised in advice for high net worth individuals and in family office, strengthens the activity in the neighbouring country through Creand Wealth Management.

These transactions consolidate a business model that exceeds €24 billion, confirming that our Strategic Plan is on the right track.



1. Strategic alliances

Milestones for the 2022 financial year



Completion of the Vall Banc acquisition and integration process.

Acquisition of GBS Finance in Spain.

Reorganisation of the insurance business.

Unification of Andorra's ski resorts.

First evaluation of the banking project committed to by UNEP FI.

Future challenges



Consolidate the strategic transactions already begun.

Implement the new Creand brand in Andorra.

Strengthen the company's institutional relations.

Strengthen the alliance with Caser in insurance.

Advance in the validation by an external entity of UNEP FI performance.

Vall Banc: complete the merger

The purchase transaction of Vall Banc, financed entirely with equity and formalised in February, culminated in June once the integration of products, services and teams had been completed.

The transaction has contributed €1.9 billion to the turnover of the absorbed entity, in parallel with a subsequent transaction that will be undertaken by the Spanish subsidiary Creand Asset Management.

The entity will integrate the financial advice company Argenta Patrimonios into its business structure, in a transaction that is expected to be completed in 2023 once authorisation has been received from the Spanish regulator.

“The culmination of the merger with Vall Banc means the consolidation of Crèdit Andorrà’s leadership in the Andorran market, giving us more visibility in private banking and driving the growth of the commercial and insurance businesses.”

Xavier Cornella,
CEO of the Crèdit Andorrà Group

The key dates of the merger

- **26 September 2021:** Crèdit Andorrà makes public the agreement with the J. C. Flowers & Co fund to acquire 100% of Vall Banc, a transaction that will be financed entirely with equity.
- **11 February 2022:** The purchase transaction of Vall Banc is formalised, once authorisation has been received from the Andorran Financial Authority and the Spanish CNMV.
- **From February to June 2022:** The two entities operate autonomously through their respective offices and central services.
- **22 June 2022:** Crèdit Andorrà completes the merger with Vall Banc with the operational integration, formalising the commercial merger before a notary public.

SETAP 365: unifying skiing in Andorra

SETAP 365, the company that incorporates the Soldeu-El Tarter and Arinsal-Pal ski areas and is 39.80% owned by Crèdit Andorrà, finalised its functional organisational chart in 2022, with David Hidalgo as the CEO.

One of the first missions of the new holding has been to work to offer users the Andorra Pass, one single pass for the more than 303 kilometres of skiing that the country offers.



Timeline of a historic agreement

- **September 2021:** Ensisa, owned by the Comú de Canillo and Crèdit Andorrà, reaches an agreement with EMAP, owned by the Comú de la Massana, to join together the Soldeu-El Tarter and Arinsal-Pal ski resorts.
- **December 2021:** SETAP 365 is established as a new company that will manage the two ski areas, with a shareholding divided between the Comú de Canillo (40.24%), the Comú de la Massana (19.96%) and Crèdit Andorrà (39.80%).
- **July 2022:** Pal Arinsal is incorporated into Grandvalira Resorts and the Andorra Pass is born, giving access to the country’s 303 kilometres of slopes.


Insurance: consolidate the alliance with Caser

The agreement with Caser Seguros allows us to continue promoting the insurance divisions of the two entities, increasing the added value to the customer and ensuring the competitiveness and efficiency of the business.

The alliance started in 2019 in the field of life insurance and was extended in 2021 to non-life insurance.

Sustainability: two years on from signing the UNEP FI Principles for Responsible Banking


During the last year, we have developed plans and lines of work to make progress with the two strategic objectives set.



Objective 1:
Equality and diversity

We have run diagnostics on gender equality that will culminate in 2023 in an Equality Plan. Measures to promote diversity within the organisation will be structured around this plan.

During the second stage, the goal is to extend this objective to our product and service offering.




Objective 2:
Response to climate change

We have identified the risks and opportunities related to climate change to progressively integrate them into the organisation's risk management policies, procedures and methodologies, defined by its risk appetite framework (RAF).


We take the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Paris Agreement as benchmarks.

In parallel, we have expanded the scope for calculating the carbon footprint to advance the improvement of our operations and contribute to the mitigation of climate change.




Evaluation

In compliance with the commitment made with UNEP FI, this year we informed the organisation of our performance in defining the objectives and progress of the action plan.



Governance

In order to monitor and review the established objectives and the degree of achievement, a multidisciplinary working group has been set up to coordinate the implementation of the initiatives. Likewise, the entity is working to provide itself with its own governance framework through a new sustainability policy.



Commitment

The Principles for Responsible Banking establish the responsibility of banking entities in creating a sustainable future and in aligning the sector with the United Nations Sustainable Development Goals and the 2015 Paris Agreement on climate.



2. Product and service specialisation

Milestones for the 2022 financial year

Scale Lab fund minimum ticket size reduction to €50,000.

Marketing of the new venture capital fund Moby Dick Film Capital.

Customised product and service offering in line with customer interactions with digital banking.

Future challenges

Promote the monetisation of digital channels by improving the online banking product and service offerings.

Develop products and services to meet the needs of different customer segments in the country.

Develop products that provide access to credit and financing and investments with an ESG component.

Enhancement of personalised customer service and offerings

With the aim of continuing to offer a specialised range of products and services increasingly adapted to customers' needs, we are committed to developing a bank tailored to the customer.

Crédit Andorrà is working to enhance customer service and offer products and services that meet each customer's needs, based on analysing their interests through the interactions they have with the digital bank.

Access to credit and financing

Motivated to offer the most suitable solutions to satisfy customers' wishes and needs, we have several alternatives to facilitate access to credit.

Préstec Il·lusió (Dream Loan)

Consumer loan to finance specific wishes or needs.
The maximum amount is €40,000 over a period of up to five years.

766
loans

Funding of studies

Study grant: to help finance the cost of long-term education and related expenses.
Study loan: offers students of the University of Andorra funding for their studies.

97
full study grants

First Business Loan

Aimed at entrepreneurs and business owners who need initial funding to establish their business.

203
loans

Quick Credit

Offers financing for low-value purchases, up to €5,000, and can be requested directly from the business for amounts exceeding €300.
Quick Credit is available at more than 300 establishments in the country.

742
loans

Car Credit

Aimed at people interested in buying any type of vehicle, whether new or second-hand.

2,480
loans

Products and services for retail customers

A wide variety of payment solutions provide convenient service and offer associated benefits.



With the collaboration and sponsorship of the Club Piolet, we are bringing a savings culture to the little ones.

986
PIOtargeta cards



With the 16PUNT30 Young Person's Card (Targeta Carnet Jove), we bring our younger customers exemptions from cash machine fees, ongoing benefits and discounts on products and services, and a huge range of financing facilities to access training and university studies.

7,140
16PUNT30 Young Person's Cards



The wide range of preferential services it offers makes it our most exclusive card.

486
Visa Infinite cards



Only for members of the Automòbil Club d'Andorra, it offers extensive discounts and the option to direct debit payments to any other entity in the country.

3,464
ACA Master cards



Users of Crèdit Andorrà's UNICEF Card contribute through an annual personal donation and the Bank contributes 50% of any fees paid for international purchases made using the card.

584
UNICEF cards

	2020	2021	2022
Crèdit Andorrà's contribution	€8,857.48	€10,140.88	10,932.71*
Customer contribution	€21,850.00	€20,830.00	19,420.00**

(*) This amount is equal to 50% of the usage fees for the 2022 financial year, transferred to UNICEF in February 2023.
(**) This amount is the total of all the amounts that card holders contributed in 2022.

Innovative investment

We offer participation and investment options in leading start-ups in technologically innovative sectors and generating high added value.



Cardumen Deep Tech Fund II

A venture capital fund that invests in technology start-ups in Israel with high growth forecasts and focused on value creation, marketed by Creand Wealth Management (Banco Alcalá).
Focused on institutional investors and family offices who want to participate in the Israeli technology industry, a leading and competitive country in innovation, with a highly complex market in terms of foreign investment.

Scale Lab Andorra Fund

Scale Lab Andorra is an investment fund that acquires shares in newly founded companies that base their business model on differential technology and that have high growth potential. Crèdit Andorrà gives them a boost through its business hyper-acceleration programme.
In 2022, the minimum investment ticket size was reduced, going from €100,000 to €50,000.

Commercial management of the new fund Moby Dick Film Capital

Creand Wealth Management exclusively markets the venture capital fund Moby Dick Film Capital.
With €30 million, it is the only fund registered in Spain that allows access to investments for the financing of cinematographic productions with huge commercial potential.

Responsible financing

Crèdit Andorrà is committed to continuing to make progress with the introduction of environmental criteria in its financing policy.



Préstec Regenera (Regeneration Loan)

This loan makes tailor-made financing available to companies and individuals for constructing or refurbishing property using environmental sustainability and energy efficiency criteria.

Crèdit Cotxe Verd (Green Car Credit)

Product with advantageous financing conditions to encourage the purchase of electric or hybrid cars.
This financing is connected to the Engega plan, promoted by the Government, which involves all seven parishes, FEDA, the Automòbil Club d'Andorra (Andorra Automobile Club), the energy distribution companies and the Associació d'Importadors de Vehicles (vehicle importers association).



3. Digital transformation, online banking and new channels

Milestones for the 2022 financial year



Improve customers' omni-channel experience, focusing on complementing and synchronising all digital channels.

Definition of a digital transformation plan aligned with the Bank's strategy.

Incorporation of online contracting processes for certain products and services.

Future challenges



Continue to improve customers' omni-channel experience by enhancing synergies between channels and strengthening non-face-to-face customer service (online banking/Contact Centre).

Continue developing customer-orientated online/mobile banking and digital payment platforms with new functionalities.

Continue to incorporate new product contracting processes.

Continue to increase the entity's number of digital customers and their digital interactions with the entity, whether operational, relational or commercial.

Strengthen the relationship channels with the different stakeholders, promoting online corporate channels and social media.

“For the third year in a row, Crèdit Andorrà has been awarded Best Digital Bank in Andorra (2022) by the international financial publication, the *Global Banking & Finance Review*. The award distinguishes innovation, strategy and progressive and inspiring changes undertaken by those financial entities that stand out for their work and experience in certain business areas.”

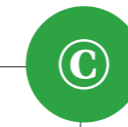
The Crèdit Andorrà Group is working on digital transformation in a systemic manner, with a structure that entails the entire organisation across the board being able to put the best so-

lutions forward to our customers. In order to offer agile and efficient services to our customers, we base our actions on promoting two fundamental aspects:

Strategic pillars



Usability, to facilitate and improve customers' user experience.



Security, key to offering a trustworthy service.



Online banking that looks to the future



Continue to increase the business obtained from digital channels by improving our sales offerings.



The increase in operations from these channels.



The improvement of the omni-channel offer with new mobile applications and mobile payments.



The establishment of tools that enable remote customer service.



The digitalisation of critical processes, such as the progressive implementation of digital signatures throughout the entity, in order to offer more secure and sustainable services.

Online banking in figures



54.71%
of Crèdit Andorrà
customers
are digital.



4.7
million online
banking logins.
▲ 12%



+856,000
online banking
transactions.
▲ 22.25%



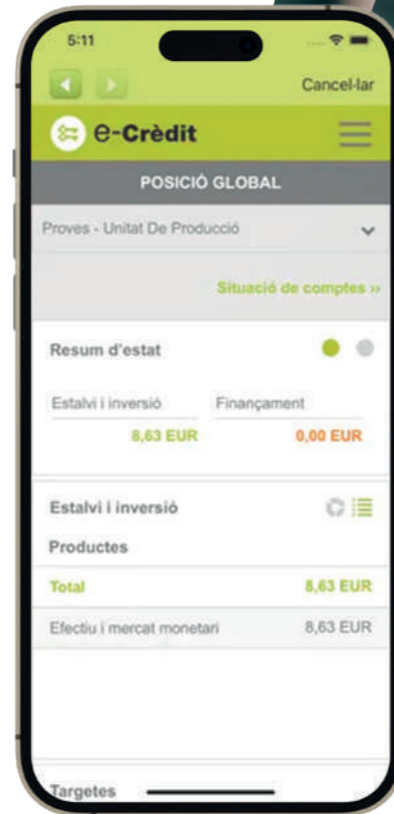
+3.3
million mobile
banking
logins.
▲ 12%



+566,000
transfers.
▲ 20.44%



+8,600 transactions
to buy and sell securities and
investment funds through
e-Crédit.



803

requests for appointments
with managers through online
banking.
▲ 41.62%



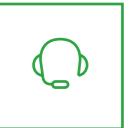
7,888

forms received
from digital channels.
▲ 136%



4,810

customers using the
El meu gestor (my manager)
service.
▲ 74%



+34,000

messages through El meu gestor (my manager).
▲ 26%



Easy, expert and secure banking

We have incorporated new services in order to improve the user experience, while taking advantage of digital banking functionalities for a more agile and simple transaction.



Joint signature

Allows online banking customers to perform transactions in accounts that require more than one signatory. The new functionality makes it possible to send the transactions to be signed by each of the necessary signatories. The signatories will receive a document in their e-mail for them to sign. Once all of them have validated it, the transaction will take place.



New change to card limits

Customers will be able to change the payment limit of their cards through online banking, a service that until now could only be done in person or over the phone.



Appropriateness test via online banking

A test aimed at customers who want to purchase complex investment products, assessing their investment knowledge. You can now do it through online banking, without the need to go to a branch.



e-Crédit

The renewal of the web ecosystem has also extended to transactional banking, with the establishment of a new notification centre, which brings new functionality to online banking with the aim of improving transactions, such as transfer alerts, expiry of standing orders, securities execution orders, among others.



e-Broker

A digital platform integrated into e-Crédit which makes the most relevant information on the markets available to users so that they can invest in equity instruments and investment funds in an easy, visual and intuitive manner.



TPV Crèdit Link

A payment gateway that allows payments to be made via e-mail, SMS, WhatsApp or any other social network for businesses, without the need to have a website.



New SMS/OTP validation system via a telephone number

New SMS/OTP validation system for customer transactions, replacing the old coordinates card. Another validation system via phone number has also been included, to strengthen transaction security.



Digital signature

Customers can electronically sign their most frequent transactions in the commercial network of branches with the same level of trust and security as with a traditional signature.



Remote contracting of products and prior appointment

We offer the registration service for online banking over the telephone, without the need to travel to a branch. We have also provided an appointment service, where customers can choose the day and time and decide whether they prefer an in-person appointment at a branch or a phone appointment.



MONEI

Crédit Andorrà provides users with access to online sales through the fintech MONEI to be able to integrate their business within major e-commerce platforms such as Shopify, WooCommerce or Wix, among others.



TPV Crèdit Virtual

An online payment gateway for customers to make online sales and accept card-ordered payments through a secure e-commerce platform.

85
registrations
▲ 8%

+11,000
transactions
▲ 150%

+€5 million
in volume of transactions
▲ 136%

Contact Centre: quick response and customer service

The Contact Centre is Crèdit Andorrà's telephone and online banking support service, which centralises all telephone support provided to customers and users in relation to its operations.

The Contact Centre seeks to provide maximum efficiency to the user and a better service, together with other channels such as e-Crèdit online banking, the e-Crèdit mobile apps, Crèdit Wallet and Merkaat, and communication through WhatsApp.

As part of the Vall Banc integration process, the Contact Centre has absorbed a significant volume of calls to attend to and resolve customer doubts in the migration process of their data, products and services, providing up-to-date information at all times to customers for their peace of mind and confidence.



Efficiency
83.92% telephone service level



Timetable
Monday to Friday:
8 a.m. to 8 p.m.
Saturday: 9 a.m. to 3 p.m.



24/7 service, 365 days a year
(card service)

New Tax Free agreement for Crèdit Andorrà customers



We have reached an agreement with B Free Tax Back, to make it easier for Crèdit Andorrà customers who shop abroad to get the tax they paid on invoices back. The agreement makes it possi-

ble to offer a preferential return percentage of VAT on purchases compared to what is generally applied through the b.free digital solution.

Listening to the customer, an ongoing goal




Impact on corporate social media

**Twitter
(Corporate)** 
1,111 followers
204,340 (reach)

**Twitter
(Research)** 
859 followers
461,426 (reach)

Facebook 
5,721 followers
94,807 (reach)

LinkedIn 
12,501 followers
286,730 (reach)

YouTube 
518 followers

Communications with customers

18
advertising
campaigns

+2
million impressions

659,828
customers in
305 e-mails

58,722
customers in
15 letters
by post

791,644
total impacts

73,094
customers in
40 communications
by SMS

Sales and marketing initiatives

45
marketing
communications

10
sales
follow-ups

31
draws

61
campaigns

101
data analyses

Customer Service – Contact Centre

94,063
calls received

83.92%
service level

16,473
e-mails handled



4. Innovation and strategic projects

Milestones for the 2022 financial year



- Establishment of 49 relationships between companies and start-ups during the first year of the Innovation Hub.
- Expansion of the portfolio of start-ups of the Scale Lab programme, up to a total of 27 by 2022.
- Launch of the new Scale Lab programme website.
- Scale Lab fund minimum ticket size reduction to €50,000.
- Launch of Vesto, a digital investment platform.

Future challenges



- Expand the successful relationships promoted between companies and start-ups within the framework of the Innovation Hub.
- Consolidate the portfolio of start-ups included in Scale Lab.
- Continue to enhance support and commitment with the country's innovation and entrepreneurship clusters.

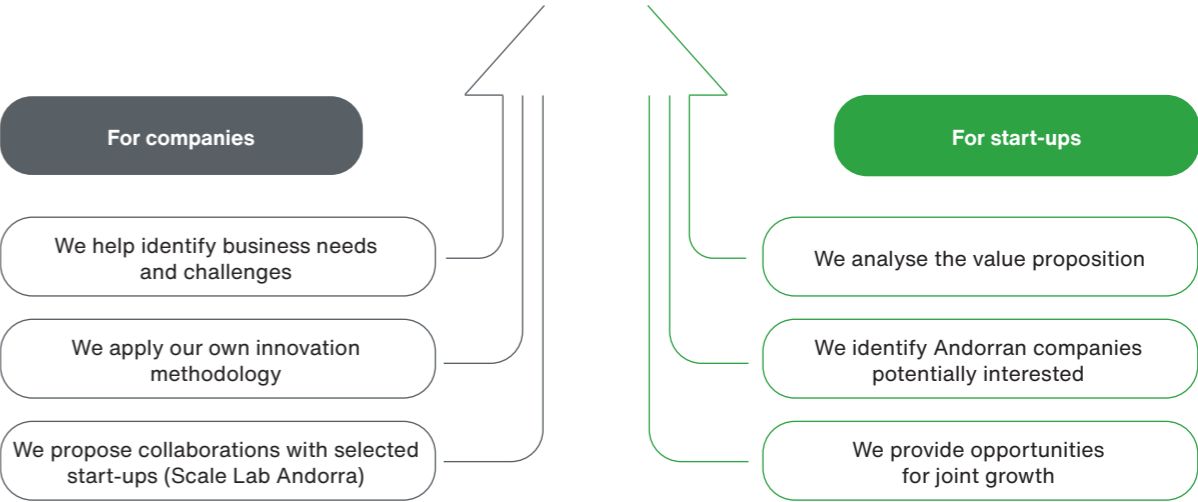
Innovation Hub: bringing companies and start-ups together for the creation of a new economy

Crédit Andorrà's Innovation Hub is a pioneering project to generate and share knowledge between small- and medium-sized companies in the country and start-ups with innovative business solutions.

The project generates value jointly between the two economic stakeholders, who have a cross-functional Crédit Andorrà team through which they can share concerns and solutions and initiate joint projects.

The Innovation Hub is based on its own methodology.

A shared value project for companies



The Innovation Hub in figures



Scale Lab Andorra

The business hyper-acceleration programme aimed at technological companies in the growth or consolidation phase has involved the Scale Lab Andorra fund investing in 27 companies.



What is Scale Lab Andorra?

The programme mainly analyses five strategic sectors for the diversification and growth of the Andorran economy: fintech, energy efficiency/sustainability, health and well-being, leisure/sports and mobility. Companies from other sectors with the ability to generate a positive impact on the economic development of the country are also taken into account.



Minimum investment

To promote the capillarisation of the programme and the access of small investors, the minimum capital contribution has been reduced to €50,000, through the Sicav - Scale Lab SIO (Strategic Investment Opportunities) compartment.



Proximity

Communication has gotten a strong boost, through the programme's own new website (<https://scalelabandorra.com/>). We are also very active through social media such as LinkedIn, an indispensable professional platform to encourage collaboration between the different stakeholders involved.

Participating companies



Fintech

Nemuru
Polaroo
Cleverea
Payflow



Energy efficiency /Sustainability

Sateliot
Saalg



Health and well-being

Genomcore
Cellab
Elem
Durcal



Leisure/ Sports

Skitude
Tuvalum
Bejao



Mobility

Tuklo



Retail/Tourism

Byhours
Consentio
Vasquiat
Jurny
Miss Tipsi
Proppos



Others

Assembler
Institute of Technology
Chatwith
Arengu

Vesto, the platform that democratises investments

As part of the strategic objective of seeking alliances that provide added value and drive the Bank's digital transformation, we continue our collaboration with Uniq Ventures as a partner specialising in detecting business opportunities through start-ups focused on the fintech and insurtech universe.

The experience with Uniq Ventures has led to this year's market launch of Vesto, a digital investment platform that allows users to make fractional North American investments starting from as little as €5.

The innovation is that it's the users themselves who decide, thanks to the financial education content that the application incorporates and to the same community of users.



Accessible

Digital, open to all types of customers and minimum investment of €5.



Collaborative

It allows users to connect and interact with other users, share knowledge about investments and make decisions in a more informed way.



Own governance

Users have access to financial education content to learn how to invest and stay informed about market trends.

Vesto in figures

+7,700
registered users

TOP 20
of the most downloaded apps in 2022



5. Efficiency

Milestones for the 2022 financial year



- Ensuring organisational, systems and business operations in the integration process of Vall Banc.
- Improvement of the efficiency of the services provided through the Contact Centre.

Optimisation and efficiency in processes while maintaining business operations and customer service have been the two pillars on which the entity's Efficiency Plan is based.

With regard to the merger of Vall Banc, the magnitude of the transaction required a programme of planning, execution and resolution of the integration process of all business, operational and personnel structures.

Future challenges



- Continue to seek efficiencies in provision of products and services.

The Atenea Plan made it possible to conclude a highly complex strategic transaction in record time. The Contact Centre absorbed a large part of the service enquiries related to new customers: e-Credit logins, changes of cards and IBAN accounts, etc.



Merger transaction in fewer than 300 days



26 September 2021: Crèdit Andorrà makes public the agreement with J. C. Flowers to acquire Vall Banc

Andorran and Spanish regulators approve the acquisition



11 February 2022: The purchase of 100% of Vall Banc's share capital is formalised



The absorption process begins

Customers
Analysis of products and services. Integration into Crèdit Andorrà's offerings

Corporate
Closing operations and business plans

People
Team integration



30 June: The merger is completed with full operational integration



Audit of the data migration process and post-AFA communication

Corporate governance

Corporate governance is the pillar that allows execution of the Crèdit Andorrà Group strategy. For this reason, we have continued to implement the necessary actions to consolidate and strengthen the entity’s governance and align the entity with the best international practices in terms of banking transparency and ethics.

✓

Milestones for the 2022 financial year

Supervision of risks in the integration of Vall Banc.

Appointment of the CEO.

Approval of a new regulatory compliance policy.

Approval of the new credit risk management and control policies, and liquidity risk management and control.

➤

Future challenges

Continue implementing the decentralised regulatory compliance framework for the Group as a whole.

Continue implementing the new applicable regulations in the banking, investor and insurance sector.

Incorporate ESG controls in the internal audit function.

Provide the organisation with a sustainability governance framework.



“I especially value the confidence the Board of Directors has in me. My commitment remains unchanged to make Crèdit Andorrà a benchmark in customer service, innovation and digital transformation, ensuring excellence and growing in a sustained and sustainable manner both in Andorra and in the other geographies in which we operate.”

Xavier Cornella
CEO of the Crèdit Andorrà Group

Ownership structure

The share capital of Crèdit Andorrà, SA is represented by two types of shares: Class A shares and Class E shares, with the same economic and political rights.

On 31 December 2022, the share capital of Crèdit Andorrà, SA amounted to €63,102,130, distributed into 901,459 shares, spread across 894,396 Class A shares (99.22%) and 7,063 Class E shares (0.78%).



Governance structure

The Bank’s corporate governance model promotes a culture of corporate and ethical responsibility that is reflected in a solid structure based on internal control and risk management.

General Shareholders’ Meeting

Made up of all the shareholders of the entity, it resolves on and adopts agreements on the matters of its competence according to what is established in the corporate by-laws.

1

ordinary call

120

attending shareholders

1

extraordinary call









87

attending shareholders

Board of Directors

A fully representative body, it is responsible for the Bank’s governance powers. It approves the basic guidelines for acting as well as the risk policies and strategy, those for internal monitoring and regulatory compliance.

The incorporation since 2018 of independent directors as heads of the delegated committees meets the criteria of professionalism, suitability and experience, and favours the appropriate exercise of the management, supervision and control functions assigned to each committee.

	Antoni Pintat Mas Chair		Jaume Casal Mor Deputy Chair
	Xavier Cornella Castel CEO		Rosa Pintat Santolària Member
	Ramon Aznar Pascua Member		Alfons Casanova Martí Independent Director
	André Roelants Independent Director		Àngel Cadena Falip Secretary (non-member)

With the formalisation, in February, of the purchase of Vall Banc, the two entities came to have the same Board of Directors and the same Executive Committee.

Thus, until the formalisation of the merger, in June, Antoni Pintat chaired the two Boards of Directors and Xavier Cornella chaired the two Executive Committees. This governance model facilitated a faster and more efficient integration and decision-making process.

The formalisation of the integration, on 22 June 2022, led to the dissolution of Vall Banc and its governing bodies, resulting in a single Board of Directors and Executive Committee for Crèdit Andorrà.

12 sessions

Delegated Committees

They assist the Board in various matters, including strategic decision-making, and are headed by independent directors.



Audit and Risk Committee

It establishes and oversees Crèdit Andorrà’s internal control and risk appetite, ensuring that it is adequate and effective, that it includes the establishment of risk control, regulatory compliance and internal audit functions which are robust and independent, and that it provides an adequate environment for the preparation of accounting and financial information.

5 sessions



Appointments and Remunerations Committee

By delegation of the Board of Directors, it holds the key function of establishing and overseeing the remuneration policy and succession plans for people with particularly key roles within the entity. It is also in charge of establishing and overseeing the long-term remuneration framework of the main directors and members of the Board.

5 sessions



Preparatory Committee

It prepares the agenda and the matters to be discussed at Board meetings.


7 sessions

Management bodies

The Executive Committee is the main management body of Crèdit Andorrà and has a management structure, with an approach based on criteria of effectiveness in decision-making, agility in management and adaptation to the new demands and needs of the financial sector.


Among the responsibilities assigned to it is the implementation of the strategy, policies and management systems, controls and risks for the Bank to run properly.

Management team




Xavier Cornella Castel
CEO


Business




Martí Alfonso Simón
Head of the Andorran Banking Business Division



Esteban J. Estévez Zurita
Head of the International Banking Business Division




Eduard Galceran Cerqueda
Head of Investments, Innovation and Strategic Projects




Josep Brunet Niu
Head of the Insurance Group

Strategic Support




Francesc Obiols Argerich
Head of Human Resources*




Núria Roca Mateo
Corporate Communication, Marketing and New Channels*


Finance and monitoring




Arpine Abgaryan Ghazaryan
Head of the Legal Advisory Office, Regulatory Compliance and Money Laundering Prevention



Francesc Jordà Blanes
Head of Financial Planning, Operations and Resources




Xavier Soro Ventura
Head of Global Risk



Ramon Lladós Bernaus
Head of Group Internal Audit*

Social commitment



Francesca Ros Pascuet
Head of Fundació Crèdit Andorrà*

* Not a member of the Executive Committee.

Committees

There are also several decision-making committees:

Assets, Liabilities and Risks Committee

Investment Strategy Committee

Senior Loans Committee

Information Security Committee

Internal Control and Communication Body

Ethics Committee

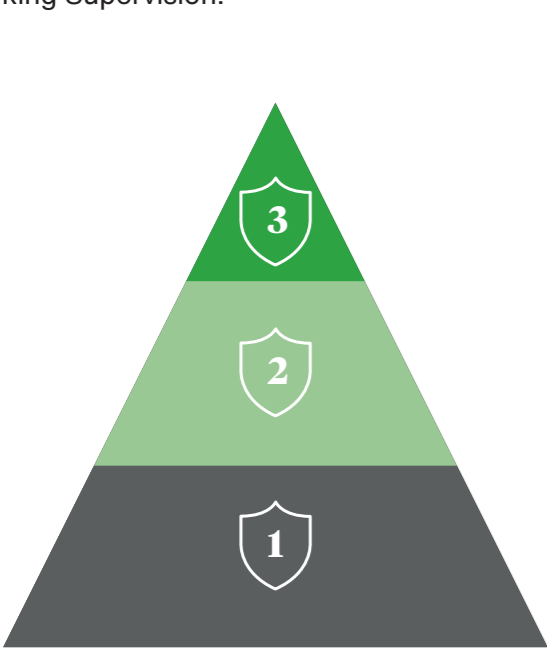
Efficiency Committee

Comprehensive risk management

Risk management framework

Our corporate governance system is structured within a framework that defines responsibilities in risk management following the model of the three lines of defence, according to the recommendations of the Basel Committee on Banking Supervision.

These lines of defence are segregated and work in-dependently, but in coordination with each other.



Internal Audit, the **third line** of defence, regularly checks that the policies, procedures and activities that constitute the internal control system are suitable and monitors effective implementation thereof. Configured as an independent division, it reports hierarchically to the Board of Directors through the Delegated Audit and Risk Committee, to which it regularly reports its activity and the results of its reviews.



The **second line** of defence, through the independent divisions of **Risk Calculation, Management and Supervision and Regulatory Compliance and Money Laundering Prevention**, ensures the effective control of risks and ensures that they are managed in accordance with the risk appetite level defined by the Board of Directors. The heads of division report to the Audit and Risk Committee and, where appropriate, to the Board of Directors. It should be noted that our regulatory compliance system is decentralised, so that, although the parent company can establish criteria and conduct controls at the Group level, each subsidiary reports to its Board of Directors.



The **first line** of defence is made up of the **business units** and support divisions (including those specialising in risks), which ensure that the management and exposure by risk type are adequate.

Internal Audit

The audit plan deployed during 2022 is part of the new approved three-year Internal Audit Plan, based on risks and fully in line with the guidelines established in the Bank's Strategic Plan, as well as the regulatory and sector contexts.

The plan takes into account the broad spectrum of risks to which the entity is exposed and, based on the work planned, aims to evaluate the effectiveness of the internal control system, with the aim of providing independent conclusions to the Board of Directors, Management and authorised third parties.

The recommendations issued as a result of the work conducted aim to increase the effectiveness of the control environment, with improvements that may be of an operational, organisational, governance and compliance nature.

This new Internal Audit Plan, in addition to considering the environmental audit in its own framework of action, foresees the gradual review of the incorporation of ESG aspects in other business units and operations.



“The function is fully aligned with the new risk landscape in the financial sector. Risks derived from multiple regulatory, operational and technological impacts that have led to the approval of a new three-year Internal Audit Plan, which ensures the independence, effectiveness and continuous improvement of internal controls.”

Ramon Lladós Bernaus
Head of Internal Audit

Integration risks

The acquisition and integration process of Vall Banc has involved significant risk management, with the active participation of the different lines of defence that make up the Bank’s risk management framework.

Given the nature of the transaction, in the initial phase, the second and third lines of defence played a prominent role. Later, it was the first line that took a more active role.



Second line

Directly and continuously involved across all phases of the transaction (acquisition and integration), it responded to the needs of the affected areas and supervised compliance with the regulations and the Group’s internal policies to minimise non-compliance and reputational risks. It also supervised the financial risks associated with the transactions and portfolio of Vall Banc that have been absorbed.



Third line

Involved in the supervision and risk management functions, mainly in those related to the review of the process of migrating customer data from Vall Banc to Crèdit Andorrà. The financial year was closed without incident and in an environment of adequate control, with subsequent communication to the AFA.



First line

The business areas and other corporate support units also played a role in managing the associated risks, from the analysis, management and integration of products and services; customer service; systems operation, people management or external communication.

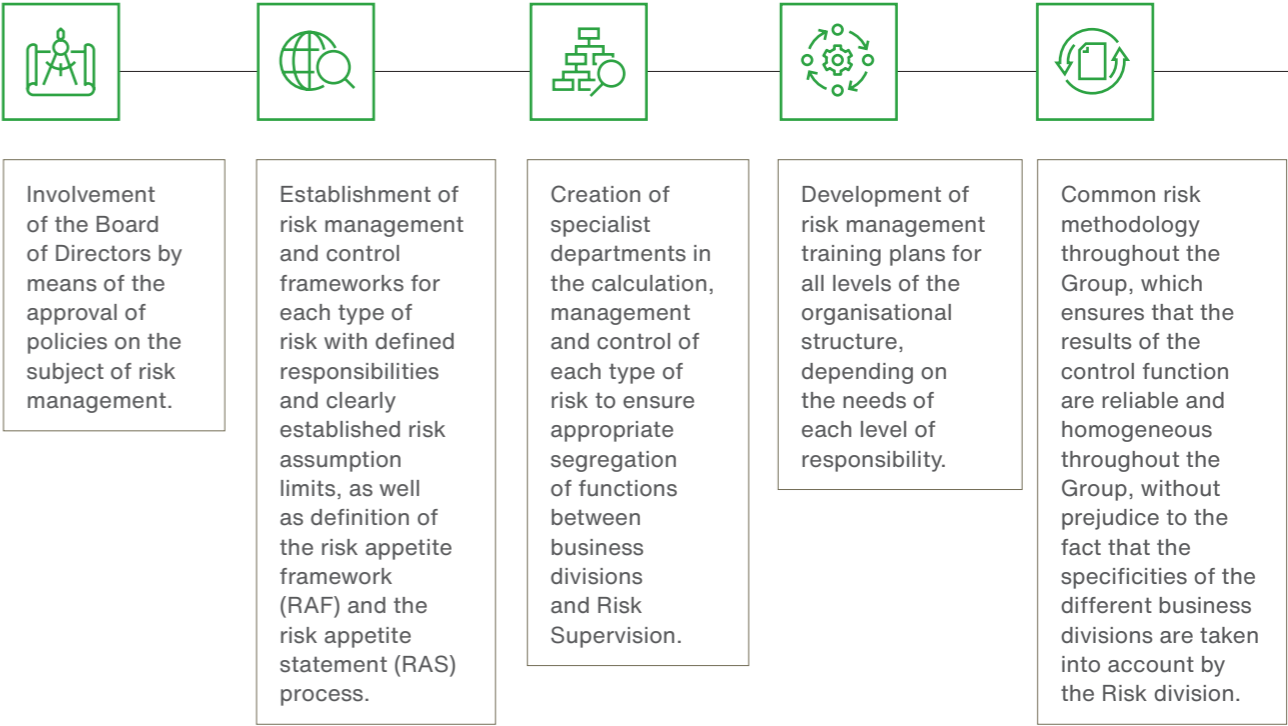


“ Risk management is a key aspect for the sustainability of the business and also in the relationship with our stakeholders. Through the *Solvency Report* and *Capital and Liquidity Self-Assessment Report*, we ensure a transparency exercise on how we link risk management with strategic decisions.”

Xavier Soro Ventura
Head of Global Risk

Risk supervision

In order to carry on banking with a conservative and low/moderate risk profile, it is essential to have a risk culture throughout the organisation.



In 2022, the Global Risk division consolidated the use of the innovative risk control and calculation methodologies implemented during the 2021 financial year in line with the best market practices in Europe, with the aim of increasing internal capabilities against possible future risks.

Following the avalanche of banking and financial regulations by institutions and regulators, we continue to focus efforts on an action plan until 2025 in order to comply with the new requirements in terms of reporting all risks and solvency. Using a comprehensive perspective, we work to homogenise the response given

both from the parent company and from the European subsidiaries, thanks to joint and coordinated efforts between the teams and committees responsible for the different geographies, allowing us to harmonise adaptation to the various regulations according to the expected entry into force in the different jurisdictions.

There is also a growing importance of sustainability risks in the financial materiality of the business, to which the Bank provides coverage within the framework of the UNEP FI Principles for Responsible Banking.

Identification of climate change risks and opportunities

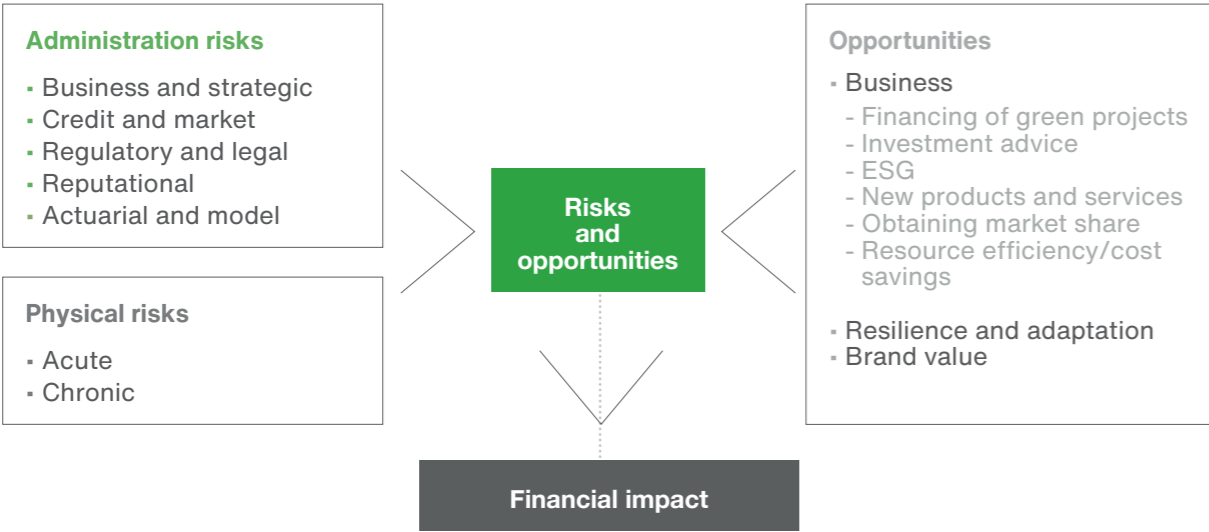
Within the framework of the implementation of the Principles for Responsible Banking, and with the aim of responding to climate change, we conducted an initial exercise to identify the risks and opportunities arising therefrom, taking as a frame of reference the work of the Task Force on Climate-Related Financial Disclosures (TCFD).

We thus worked to identify the risks and opportunities arising from climate change and to analyse how they may impact the profile and risks traditionally monitored

(credit, business, etc.). The aim is to continue working on the integration of the climate risks identified in the organisation’s risk management procedures and methodologies.

Likewise, and making progress in matters of transparency and disclosure, we incorporated information relating to the identification and management of climate risks and opportunities in the 2022 *Solvency Report* and *Capital and Liquidity Self-Assessment Report*.

Climate Risks and Opportunities Integration Framework (TCFD)



Regulatory Compliance and Money Laundering Prevention



“ The growing demands for governance, regulation and risk management require the development of new procedures and methodologies. We are focused on ensuring compliance across all business divisions according to international standards to ensure that customers feel secure and confident in the entity, thereby providing a secure customer experience and earning their trust.”

Arpine Abgaryan Ghazaryan
Head of Legal Advisory Office, Regulatory Compliance and Money Laundering Prevention

Regulatory Compliance and Money Laundering Prevention Department

The Regulatory Compliance department is the internal and permanent body responsible for identifying, evaluating, monitoring and reporting the risk of non-compliance, understood as the risk of incurring legal or regulatory sanctions, material financial loss or loss of reputation.

Likewise, it is responsible for advising and assisting in all areas of regulatory compliance, a role that includes responding to enquiries from the Bank’s operational units and training all employees, among others.

Scope of the department

- Investor protection in the provision of investment and ancillary services.
 - Automatic exchange of tax information.
 - Customer service.
 - Personal data protection.
 - Advising the various business lines.
 - Impact study of regulation and standards.
 - Drafting of procedures and policies to ensure regulatory compliance in the Bank's activity.
 - Bank awareness in regulatory compliance matters.
- Control of compliance with legal and regulatory obligations of ethical and conduct rules and internal policies, by the Bank, senior management and its staff, in addition to advising the Board of Directors.
 - Regular evaluations of the suitability and efficacy of the measures and procedures established to detect any non-compliance, as well as the measures taken to combat the Bank's possible shortcomings in compliance with its obligations.
 - Monitoring market abuse.

In the internal control function, the new regulatory compliance policy was approved in 2022, to adapt it to the Group's decentralised model, but subject to the parameters of the matrix. Likewise, the department has been involved in supervising the acquisition and integration processes conducted in the Group (Vall Banc in Andorra and GBS Finance and Argenta in Spain).

With regard to money laundering prevention – a strategic area from a risk perspective and which is subject to control by both the banking and financial regulators and the Bank's other stakeholders – the department has promoted a study of inherent and factual risks of all subsidiaries in money laundering matters.

Integrity and ethics in management

The protection of corporate reputation implies scrupulous compliance with the current regulations, as well as a development of our ban-

king practice according to ethical principles and integrity, in all areas of business and operations and towards all stakeholders.



Conduct towards customers

The customer is at the centre of Crèdit Andorrà's activities, in order to establish lasting relationships based on mutual trust and the contribution of value.



Tools:
Code of ethics and conduct + Code of Ethics of the Association of Andorran Banks



Conduct towards the markets

Promoting transparency in the markets and preserving the legitimate interest of investors underpin the actions of the administrative bodies, management and all employees, reinforced by the prevention of market abuse.



Tools:
Internal regulation of conduct in the stock market (RIC) + Conflict of interest management policy



Personal data protection

Ensuring the security and trust of all the people with whom we relate is a key objective of our activity, framed within an environment of data confidentiality and transparency regarding the accessibility of users when it comes to allowing us to use their data.



Tools:
Data protection policy



Committed to human rights

As a signatory member of the Global Compact of the United Nations since 2016, the Group undertakes to respect the 10 guiding principles, in the areas of human rights, labour standards, the environment and anti-corruption measures.



Tools:
Corporate Social Responsibility Policy

The activity of the Crèdit Andorrà Group is guided by policies, principles and regulatory frameworks that ensure that a culture of corporate social responsibility is instilled in all our activities, both linked to banking and financial business and in relation to corporate proces-

ses and services. The Group has also adopted different policies and procedures for the development of its business practice, ensuring compliance with the applicable legislation and in accordance with market standards.¹



Investment and risk management policy

Applicable to the Group, it aims to maintain the Group's future robustness by ensuring an adequate financing and liquidity structure. The risk management part focuses on mitigation and the prudent assumption of the different types of risk to which the organisation is exposed. It establishes the line of action for the internal control and information systems, as well as the monitoring and follow-up mechanisms for such risks.



Code of ethics and conduct

It regulates behavioural guidelines for all employees. It considers the trust of customers, shareholders and society as the cornerstone of the business.



Policy for Prevention of Money or Asset Laundering and Terrorist Financing

It establishes procedures and actions and defines the bodies responsible for overseeing and directing actions on the matter, in accordance with principles common to the entire Group and additional local procedures according to applicable legislation.



Conflict of interest management policy

It establishes the general principles and action procedures for the treatment of conflicts of interest, potential or real, in the exercise of investment activities and services. It applies to all employees, collaborators and prescribers, including the Board of Directors.



Risk appetite framework (RAF)

The RAF defines the risk to which the organisation is or may be exposed and establishes the level it is prepared to assume, both under normal conditions and under stressful situations. This policy is applicable to the whole Group.



Corporate Social Responsibility Policy

It defines the Group's corporate social responsibility framework, based on principles of responsible action and sustainable economic management aimed at the economic and social development of people and the region.

1. The list of the entity's policies can be found in the GRI Table complementary to this Report (<http://informeannual.creditandorrargroup.com/en/>).

Regulatory activity during 2022

We strengthened the organisation’s good corporate governance by implementing a regulatory framework that allows us to comply with the entity’s strategic requirements, within the standards of the financial sector and the regulatory framework that surrounds it. Among the activities performed, the following texts stand out.

Credit risk management and control policy

Approved in December 2022, it regulates the management and control of all activities related to credit risk resulting from the granting of loans to customers. It also defines the credit risk governance model and the roles and responsibilities associated with these functions.

Regulatory compliance policy

The new decentralised model of regulatory compliance, subject to the parameters established by the matrix, entailed changes to the policy. The aim is to strengthen the function in each of the geographies and provide it with the means for independent and autonomous management.

Liquidity risk management and control policy

Also approved in December 2022, it establishes the principles, critical parameters, governance structure, roles and functions, procedures and key tools relating to the identification, measurement, management, monitoring and control of the Group’s liquidity and financing risk.

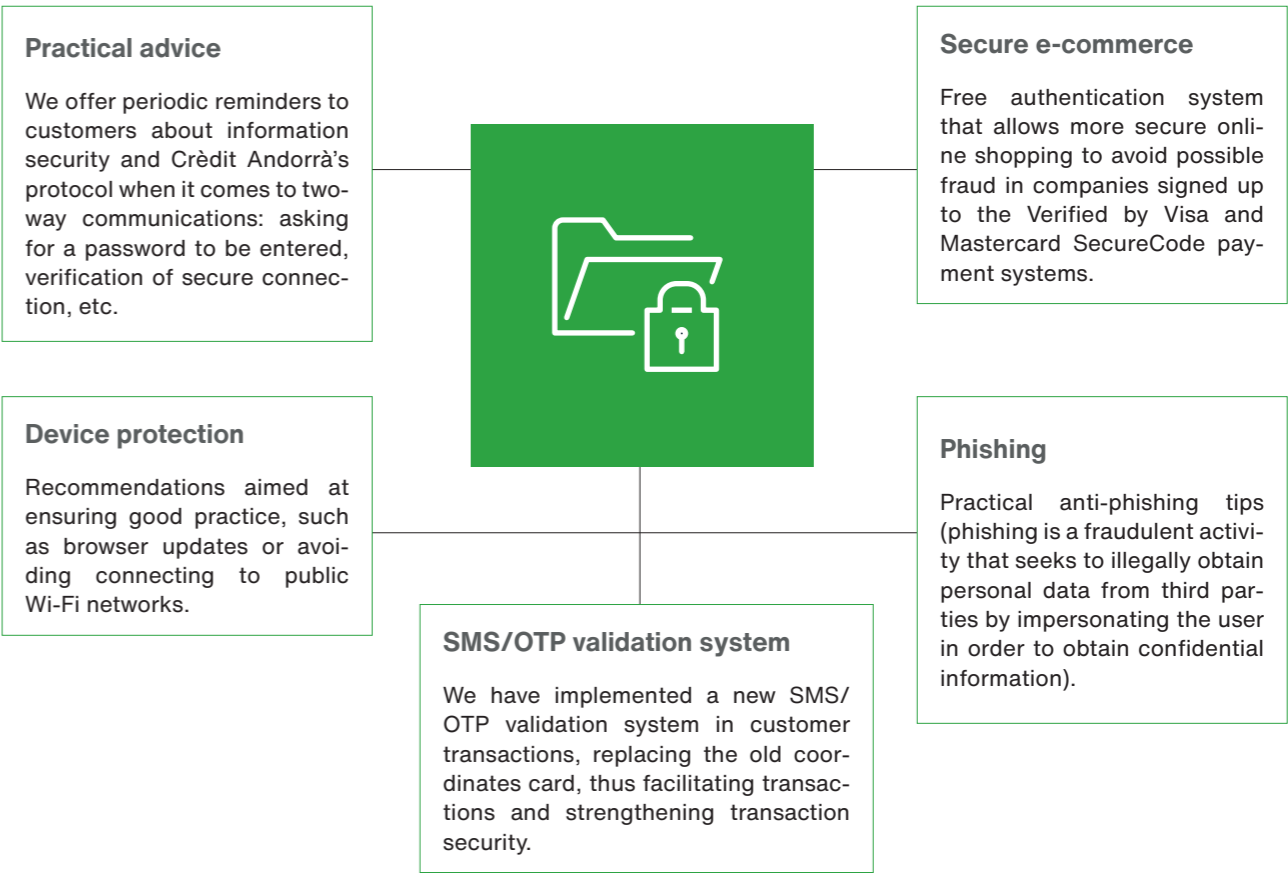
Cybersecurity

Awareness plan in the field of cybersecurity

In the current context of digitalisation, one of our primary goals is to ensure the security of customer information and data. We are therefore working continuously on the deployment of an awareness plan in the field of cybersecurity, aimed at employees and customers to raise awareness and offer practical advice for prevention.

We are implementing the strictest possible security measures to minimise risks, prevent security breaches and protect the confidentiality of communications, both from a transactional and a relational point of view.

Security in customer banking operations



03

Creation of sustainable economic value

Financial statements
of the Crèdit Andorrà Group

Andorran Banking Business
Division

International Banking Business
Division

Investments, Innovation and
Digital Transformation Division

Insurance Group

Financial statements of the Crèdit Andorrà Group

Balance sheet

Assets

In thousands of euros	Note	31.12.2022	31.12.2021 (*)
Cash, cash balances in central banks and other sight deposits	8	302,620	587,245
Financial assets held for trading	9.1	60,400	23,224
Financial assets not held for trading mandatorily measured at fair value through profit or loss	9.2	131,829	179,872
Financial assets designated at fair value through profit or loss	10	136,717	77,541
Financial assets designated at fair value through other comprehensive income	11	212,216	250,248
Financial assets at amortised cost		5,179,797	3,667,083
Derivatives - hedge accounting	14	1,413	—
Fair value changes of the hedged items in portfolio hedge of interest rate risk	14	—	13,239
Investments in joint ventures and associates	3	89,792	78,953
Assets under insurance and reinsurance contracts	20	160	—
Tangible assets	15	208,356	163,926
Intangible assets	16	112,887	101,981
Tax assets	45	16,917	16,300
Other assets	17	58,285	42,546
Non-current assets and disposable groups of items classified as held for sale	18	89,831	97,563
Total assets		6,601,220	5,299,721

(*) Shown solely for purposes of comparison.
Notes 1 to 49 are an integral part of the financial statements as of 31 December 2022 and available at informeannual.creditandorrargroup.com

Liabilities

In thousands of euros	Note	31.12.2022	31.12.2021 (*)
Financial liabilities held for trading	9.3	53,960	20,944
Financial liabilities designated at fair value through profit or loss	10	168,962	125,910
Financial liabilities at amortised cost	19	5,484,378	4,270,307
Derivatives - hedge accounting	14	511	13,087
Fair value changes of the hedged items in portfolio hedge of interest rate risk	14	20	—
Liabilities under insurance and reinsurance contracts	20	226,628	258,768
Provisions	21	19,909	19,508
Tax liabilities	45	4,352	2,892
Share capital repayable on demand		—	—
Other liabilities	23	83,092	65,253
Liabilities included in disposable groups of items classified as held for sale	18	—	—
Total liabilities		6,041,812	4,776,669

(*) Shown solely for purposes of comparison.
Notes 1 to 49 are an integral part of the financial statements as of 31 December 2022 and available at informeannual.creditandorrargroup.com

Net equity

In thousands of euros	Note	31.12.2022	31.12.2021 (*)
Capital	24	63,102	63,102
Share premium	24	—	—
Issued equity instruments other than capital		—	—
Other equity		—	—
Other accumulated comprehensive income	26	-11,242	-173
Retained earnings		—	—
Revaluation reserves		—	—
Other reserves	24	457,254	419,967
(-) Treasury shares	25	—	—
Profit or loss attributable to owners of the parent company	4	43,036	32,978
(-) Interim dividends	4	—	—
Minority interests (non-controlling interest)	27	7,258	7,178
Total net equity		559,408	523,052
Total net equity and liabilities		6,601,220	5,299,721

(*) Shown solely for purposes of comparison.
Notes 1 to 49 are an integral part of the financial statements as of 31 December 2022 and available at informeannual.creditandorrargroup.com

Profit and loss account

In thousands of euros	Note	31.12.2022	31.12.2021 (*)
Interest income	34	76,440	48,243
(Interest expenses)	34	-18,575	-15,768
(Expenses for share capital repayable on demand)		—	—
Dividend income	35	815	287
Commission income	36	120,972	105,002
(Commission expenses)	36	-21,220	-22,745
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	37	3,666	13,165
Gains or losses on financial assets and liabilities held for trading, net	37	2,251	4,524
Gains or losses on financial assets not held for trading mandatorily measured at fair value through profit or loss	37	11,706	6,929
Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net	37	1,863	-52
Gains or losses resulting from hedge accounting, net	14	702	-210
Exchange rate differences (gain or loss), net	37	4,726	2,737
Gains or losses on derecognition of non-financial assets, net	37	-305	23,166
Other operating income and expenses	38	2,393	8,522
Other income and expenses of assets and liabilities under insurance or reinsurance contracts	38	35	982
Total operating income, net		185,469	174,782

(*) Shown solely for purposes of comparison.
Notes 1 to 49 are an integral part of the financial statements as of 31 December 2022 and available at [informeanual.creditandorragroup.com](https://www.creditandorra.com/informeanual)

In thousands of euros	Note	31.12.2022	31.12.2021 (*)
(Administration costs)		-141,999	-120,866
(Depreciation and amortisation)	41	-22,893	-22,574
(Provisions or reversal of provisions)	42	322	-2,451
(Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses by modification)	43	8,329	1,323
(Impairment or reversal of impairment of investments in joint ventures and associates)		2	—
(Impairment or reversal of the impairment on non-financial assets)		-39	308
Negative goodwill recognised in profit and loss	3.6	7,501	—
Share in gains or losses of investments in subsidiaries, joint ventures and associates	44	9,941	3,754
Gains or losses from non-current assets and disposal groups held for sale not qualifying as discontinued operations	18	-107	-345
Gains or losses before tax from continuing operations		46,526	33,931
Gains or losses after tax from continuing operations		43,201	32,841
Gains or losses after tax from uninterrupted operations		-87	143
Gains or losses for the year		43,114	32,984
Attributable to minority interests (non-controlling interests)		78	6
Attributable to the owners of the parent company		43,036	32,978
Earnings per share (basic) - in euros	4	48.12	36,87
Earnings per share (diluted) - in euros	4	48.12	36,87

(*) Shown solely for purposes of comparison.
Notes 1 to 49 are an integral part of the financial statements as of 31 December 2022 and available at [informeanual.creditandorragroup.com](https://www.creditandorra.com/informeanual)

Andorran Banking Business Division

Milestones for the 2022 financial year



Integration of Vall Banc's customers with the requisite quality standards.

Ensuring organisational and business operations in the integration process of Vall Banc.

Significant growth, both in the commercial and private banking segments.

Future challenges



Continue the growth of the business, maintaining leadership in Andorra.

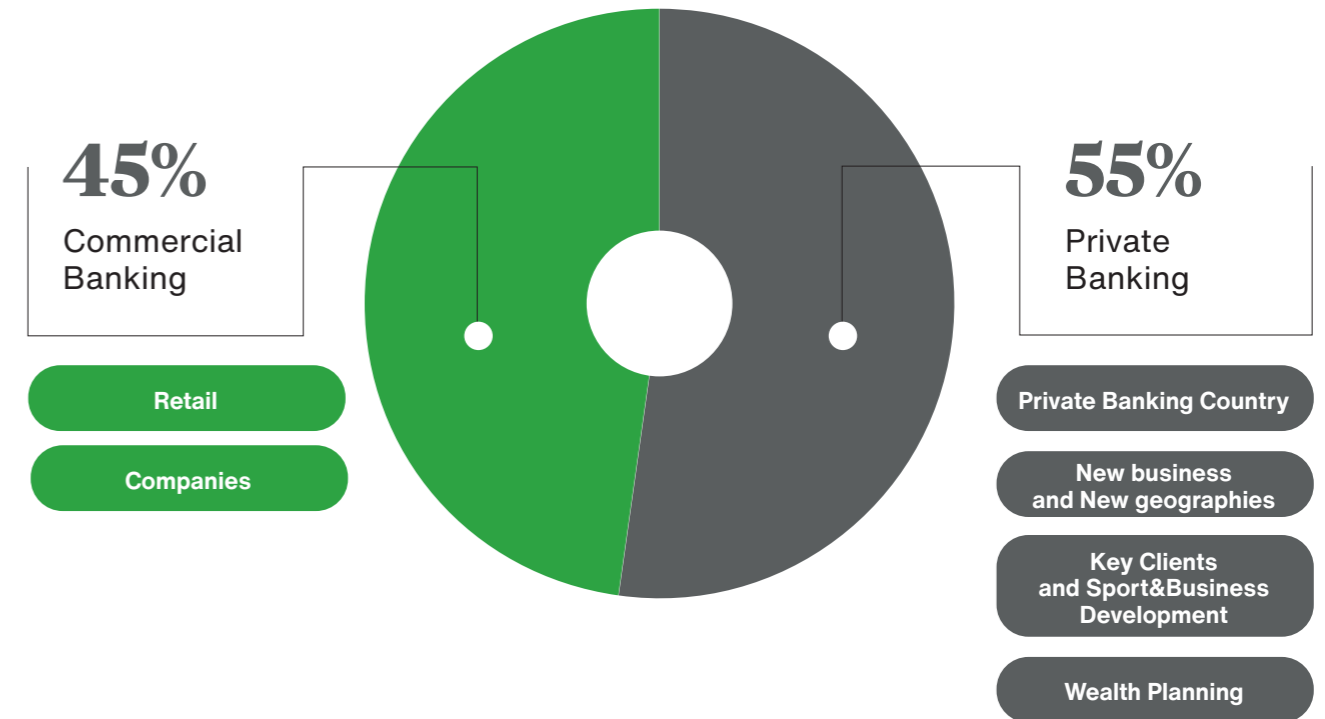
Maintain the differential value offer for customers, both current and potential.



“The positive resumption of economic activity in Andorra in terms of tourism and retail, together with real estate recovery, foreign investment and the arrival of new residents, has allowed us to grow across all business divisions.”

Martí Alfonso Simón
Head of the Andorran Banking Business Division

Crèdit Andorrà structures its Andorran banking business on two broad areas of activity, commercial banking and private banking, with a value proposition focused on customers, innovation in products and services and commitment to economic development.



Commercial Banking

The constant improvement in remote banking and the digitalisation of processes allows us to adapt with agility and security to market trends and needs. This year, we continued with the growth trend in commercial banking, which is

attributed to Andorra’s population growth, the attraction of foreign investment in Andorra and the post-pandemic recovery of the tourism sector.

Commercial Banking division units



Retail Banking
65%

Corporate Banking
35%

Retail Banking

We offer banking adapted to retail and family customer needs, based on multi-channel services and a wide range of products, through

the Principality’s most extensive commercial network.



10
branches

22
cash machines

88
professionals

29
cash machines for deposits

12
change dispensers

€2,835 m
turnover

Corporate Banking

We meet the more specific needs of the domestic business network with a team of specialised managers. Focusing on technology and efficiency, we work to offer products and services adapted to changing market conditions.

It emphasises the significant growth of real estate banking as a result of the increase in real estate activity. Consequently, we have specialised teams, with experience and knowledge in the sector, who are focused, among other things, on attracting and working with customers in this field.



General figures

17
professionals

€1.804 bn
turnover

Customer types

- Business groups
- Institutions
- Public administrations and semi-public bodies

Products and services

- Financing tailored to business needs
- International commerce (support for all types of international activity for businesses in the country)
- Reverse factoring (payment management for purchases from suppliers)
- Secure online solutions
- Investment and optimisation of the liquid assets and capital of companies
- Advisory services for companies undertaking new projects

Personal Banking

The Personal Banking unit provides service to commercial banking customers with their own specific needs, with management solutions and investment products beyond those provided by Retail Banking.



In-branch customer service



Tailored service



7
managers

Private Banking Andorra

Our management model



Multidisciplinary customer service
Equity preservation and protection

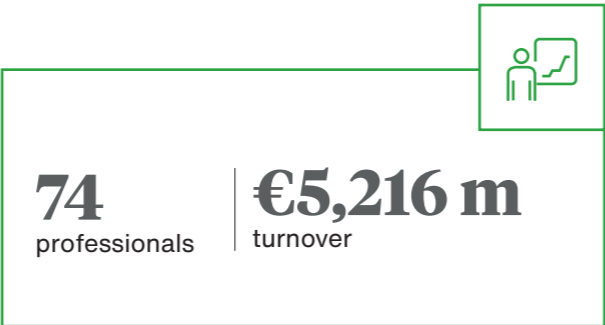


Flexibility
Results-based commission scheme



Integrated focus on wealth

Private banking activity in the country, which experienced significant growth this year with the acquisition and integration of Vall Banc, is characterised by service specialisation, through a team of more than 70 people.



The unit is structured into four departments from which it offers personalised and specialised advice on asset and investment management. With regard to international business expansion, this takes place from Andorra through the New Geographies department and, for the rest of the geographies, through our subsidiaries.

ness expansion, this takes place from Andorra through the New Geographies department and, for the rest of the geographies, through our subsidiaries.



Private Banking Country



New business and New geographies



Key Clients and Sports&Business Development



Wealth Planning

Fast Track Onboarding project

With the idea of speeding up and simplifying the onboarding service for new customers, the Fast Track Onboarding project was launched in 2021, which was effectively implemented across the Bank's operations in 2022.

The process allows customers to register through digital channels and without having to go through the office. Although it was initially planned to be used by new residents, it has been extended to other profiles.



Private Banking Country

The merger of Vall Banc served a great business opportunity for the unit, which added another central office for all private banking activity in the country, focused on wealth management and planning.

New business and New geographies

Bringing the Andorran financial marketplace in line with international standards allows us to serve customers, mainly within the European Union. The service we offer is adapted to the fiscal reality of their home country, with products that are defined by specialisation and optimisation.




The growth recorded during 2022 stands out, due to the attraction of foreign investment and the opening of new foreign companies. Throughout the year, we have grown significantly, due to population growth, the attraction of foreign investment and the opening of new businesses in the Principality.

Key Clients and Sports&Business Development

Centralises customer service for those customers with high net worth through a range of financial services and tax planning proposals.

The department also integrates the Sports & Business division, which was created to provide a pioneering initiative focused on elite athletes, entrepreneurs and business owners interested in establishing themselves in Andorra and taking advantage of the benefits of economic openness.

Services

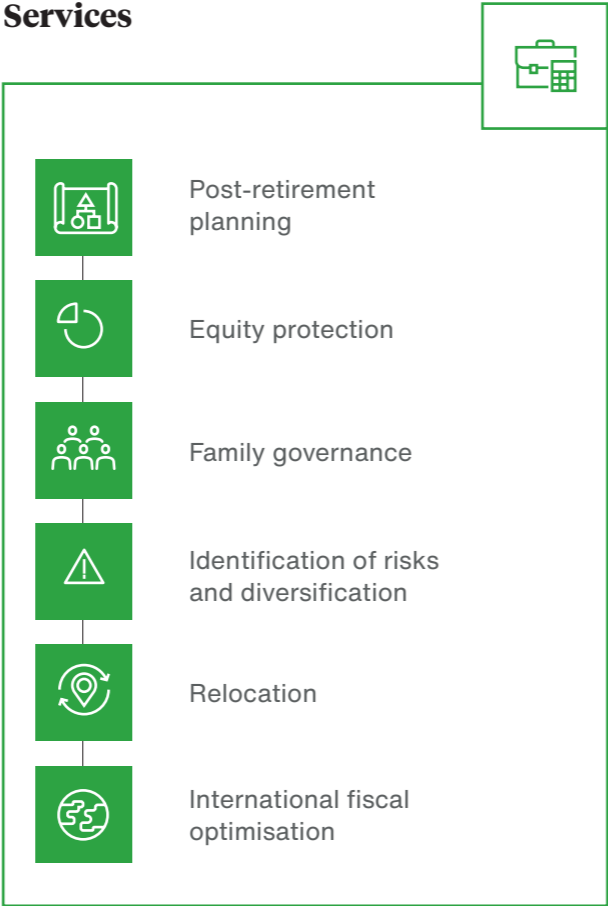
-  Financial planning
-  Financial advice
-  Investment portfolio management

Wealth Planning

The department helps to optimise and protect customers' assets based on global knowledge.

The aim is to be the trusted partner of customers in their projects and at all stages, from the beginning through protection, management and marketing, to the generational transfer of equity.

Services



International Banking Business Division

Milestones for the 2022 financial year



- Growth in international business, in line with the Strategic Plan.
- Integration of Argenta into the Creand brand (in Spain).
- Integration of GBS Finance in Spain.
- Beginning of the process of delivery of the banking licence in Panama.

Future challenges



- Make effective the integration of GBS Finance customers into the family office model.
- Complete the integration of Argenta in Spain.
- Develop the role of the manager in the field of alternative management.
- Consolidate self-clearing institutional activity in Miami.



“ We made the most of 2022 by continuing to expand strategic alliances, while opening up to new customer segments thanks to the development of new products and services and increased efficiency from these transactions.”

Esteban J. Estévez Zurita
Head of the International Banking Business Division

The unit has the challenge of optimising business growth in the markets where we are present (Spain, Luxembourg, United States and Latin America). The unit has led the Creand

brand implementation process as a strategic pillar for positioning the entity in an international context.

Europe: Spain and Luxembourg

The area manages its activity in Europe through Creand Wealth & Securities (Banque de Patrimoines Privés), based in Luxembourg, and Creand Wealth Management (Banco Alcalá), with three offices in Spain (Madrid, Barcelona and Valencia).

Creand Wealth & Securities

(Banque de Patrimoines Privés, SA)



Luxembourg's marketplace is still an engine of growth for the Group's institutional market, providing services to institutional customers in custom investment structures in both regulated and unregulated vehicles thanks to a highly specialised team.

Creand Wealth Management

(Banco Alcalá, SA)



With a strategic positioning of boutique private banking and focused on advising customers through three offices (Madrid, Barcelona and Valencia), it closed the year with an asset volume of €3.429 billion. The activity in the Spanish financial marketplace saw absolute growth of about €1 billion and a 38% growth in terms of turnover.

102

employees

€9.492 bn

turnover*

▲ 18%

Discretionary investment management

Specialist advice in the creation of investment vehicles (custody services and administration)

Alternative assets: RAIF, SIF, UCITS and unregulated assets

Creand[®]

Wealth & Securities

103

employees

€3.429 bn

turnover

▲ 38%

Creand[®]

Wealth Management

* Does not include intragroup turnover.

Creand Wealth Management is making progress in the integration of GBS Finanzas

Creand Wealth Management, the subsidiary in Spain, formalised the purchase of GBS Finanzas Investcapital A.V., a securities agency specialised in advising high net worth clients and family office, in the GBS Finance group.

The integration of the activity into Creand Asset Management will be consolidated with the creation of a new family office unit which reinforces the business model based on integrated financial advice.

Creand Asset Management prepares to grow into alternative assets

This year, Creand Asset Management delved further into in the management of alternative investment vehicles through the illiquid asset segment. In the first quarter of 2023, the entity obtained authorisation for the creation of companies and venture capital funds, in addition to offering advice on this type of investment.

CREAND GLOBAL FI earns five three-year Morningstar ratings, reserved for only the top 10% of funds in each category.

[+ Further information](#)

From left to right: Santiago Hagerman, CEO, and Juan Antonio Samaranch, President of GBS Finanzas Investcapital AV, together with Diego Fernández de Henestrosa, President of Creand Wealth Management, and Marcos Ojeda, CEO.

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The Americas

The global economy is recovering after the disruptions caused by the COVID-19 pandemic. As a result of this recovery, the resumption of our commercial activity in America stands out.

86
employees

€1.939 bn
turnover
▼ 11%



Creand Wealth Management (Beta Capital Wealth Management)

With a turnover of €1.061 billion, through the commercial names Creand Management and Creand Securities, the entity holds a strong position in the American market. Miami then becomes a strategic location for developing the growth of the group in Latin America and the United States, through specialisation in domestic private banking, broker-dealer and custody services, advice on third-party funds and institutional banking.



Creand Securities

Broker-dealer with a self-clearing licence, enabling us to broaden our independent investment service capacity.



Creand Management

Investment consultant under SEC regulation.

38
employees

€1.061 bn
turnover
▼ 10%



Self-clearing

We are authorised to safekeep customers' assets and to liquidate operations effectively and independently, without depending on third parties.



Advice and Wealth Planning

We have world-class experts with international experience to offer a personalised financial advice and asset planning service.



Open architecture

We give access to a wide range of global financial assets that include an extensive range of international investment funds.



Multi-currency platform

Creand Securities has a multi-currency platform (more than 30 currencies available) so that customers can see all their investments in one go, whatever the currency.



Financing and Margin Lending

We offer the possibility of leveraging investments following a strict risk policy to get the maximum profit and have assets without the need to decapitalise.



Counterpart network

We have a network of more than 75 counterparts worldwide to provide customers with the best prices on the market.

Investments, Innovation and Digital Transformation Division

Milestones for the 2022 financial year



Integration of Vall Banc Fons and Vall Banc investment services.

Launch of Vesto in Spain.

Incorporation of the discretionary management service with funds on the Merkaat platform.

Extension of the service licence to Creand AM, with venture capital funds (VCF) and venture capital companies (VCC), as well as management and advice.

Renewal of the Creand Flexible Management sustainability ratings and launch of new products with an ESG component.

Future challenges



Continue developing customer-orientated digital platforms with new functionalities.

Continue developing the model of proximity advice with customers to identify new needs.

Boost the Private Equity offerings.

Expand the range of products and services in the field of investments through the different management companies, especially VCF / VCC from Spain.

Make progress with the implementation of the Sustainable Finance Plan across all geographies.

Promote internal awareness of sustainable finance.

Complete the merger of GBS with Creand AM to create a new business unit, Creand Family Office.



“Our advisory service model is close to the customer to cover their current needs and to identify any new ones that may arise, in order to incorporate them into our product catalogue. Digital platforms help us to optimise customer interactions.”

Eduard Galceran Cerqueda

Head of Investments, Innovation and Digital Transformation

Investment Unit

The Investment Unit leads the provision of investment services through a specialised customer-tailored management model that includes investment fund management, financial advice and discretionary portfolio management, as well as structured products and access to a distribution table for preferred customers.

Likewise, we promote regional advice through local advisers in the different financial centres in which we operate, who provide proximity advice with the additional objective of capturing and detecting new customer needs to adapt the product catalogue accordingly.

The merger of Vall Banc has meant integrating the funds of Vall Banc Fons into the catalogue of Crèdit Andorrà Asset Management. As for the Bank, all the services (discretionary management, advice, table access, etc.) that were provided by Vall Banc have been integrated with the same level of service that the user initially contracted.



Global team:

83

professionals in Andorra / Europe / America

€5.098 bn

assets under management

€2.11 bn

in funds and sub-funds

€1.245 bn

across 651 customers advised

€1.743 bn

in 1,273 discretionary management portfolios

+€180 m

average annual volume of structured products issued

+€9.8 bn

turnover executed on markets



Merkaat and Vesto, investments in digital

We work to offer tools that optimise and improve the advice offered to customers. Merkaat is our advisory service with fully digital investment funds (available in an app and a web app) that helps users to make capital profitable in a personalised way, as well as allowing customers to buy and sell online in an instant, with expert support.

Merkaat has incorporated a new level of service, discretionary management (the customer delegates management), which is added to the advisory service (the adviser proposes and the customer decides) and which acts as the Group's main tool available in the field of digital investment advice.



Asset management and advice

We manage and advise the Group's customers in relation to their investments.

Discretionary portfolio management.

Advisory services, tailored portfolio management.

Private Equity and alternative investments.



Liquid assets and capital markets

We develop structured products, in terms of both investment and financing, and provide customers with access to markets.

We operate across all international markets.

Structured products: design, origin, restoration, access to secondary market.

Cash Management.

Risk management and hedging: in relation to exchange rates, interest rates, raw materials.

Asset and liability management.

Prop. Trading.



Financial institutions

We are establishing and maintaining constructive lines of negotiation for mutual collaboration with other financial entities to guarantee our customers operational service.

A unique meeting point for financial institutions to sell our abilities and identify mutual collaboration points. With leverage in the international dimension of the Crèdit Andorrà Group (Spain, Luxembourg and Latin America).



Management companies

We manage and advise the Group's funds in its investments through the following managers: Crèdit Andorrà Asset Management (Andorra) and Creand Asset Management (Spain).

Investment funds, SICAVs, SIF, etc.

Other collective investment vehicles.

Andorra / Spain / Luxembourg platform (through the external management company MCSquare).

Investment products with an ESG component

The organisation continues the process of adapting to the regulatory framework in sustainability, especially in Spain and Luxembourg, where regulation in the matter has a more immediate impact.

Some of the main actions that stand out during 2022 are the approval of the Standard for the integration of ESG risks in investment decisions by the manager Crèdit Andorrà Asset Management and the introduction of sustainability preferences in the suitability test for customers from Spain and Luxembourg.



Creand Flexible Sustainable Management

The fund prioritises investment in companies that promote a cleaner environment, reduce polluting emissions, promote the personal and professional development of their workers, and promote the presence of women on boards of directors. It does not invest in companies that threaten human life or dignity.

It has achieved the highest sustainability ratings from both Morningstar and MSCI ESG Fund Ratings.



Alcalá Multigestión / Everea

Funds with an ethical ideology, based on the application of exclusionary criteria (such as not investing in companies that are contrary to ideals such as the protection of life and human dignity) and values (the fight against poverty or inequality, the promotion of health, well-being, responsible consumption, etc.).



Alcalá Multigestión / Green 21

It invests in companies that promote clean water and sanitation, health, well-being and responsible consumption, the fight against climate change, environmental protection and the protection of human and labour rights.

Its benchmark is the S&P Global Clean Energy EUR Total Return Index, which includes companies from around the world in the field of clean energy.



Alcalá Multigestión Good Megatrends Solidario FI

The aim of the fund is to generate value by investing in macroeconomic trends (technological revolution, improvement of the quality of life, climate change) and by taking positions in companies that are favoured by these trends and in key sectors such as health, leisure, artificial intelligence, security, new technologies, renewable energy, water and nutrition, among others.

The fund allocates part of the direct management fee (0.75% per year on equity) as a donation to the religious institution Real Seminario San Carlos Borromeo (residence for retired priests).

Insurance Group

✓

Milestones for the 2022 financial year

Incorporation of new product contracting processes (for example, the option to take out a life insurance policy online).

Reorganisation of the insurance business.

>

Future challenges

Continue to ensure adaptation and compliance with the new regulations applicable to the insurance sector.

Continue to consolidate and develop the alliance with Caser.

Expand the range of products that may be contracted online.

“The consolidation of agreements with Caser Seguros in the life and non-life sector has allowed us to complete the reorganisation of our entire insurance business. This consolidation of strategic alliances fulfils a key point of the 2021-2023 Strategic Plan and strengthens the Group’s internationalisation.”

Josep Brunet Niu
Head of the Insurance Group

The Insurance Group is the benchmark in the sector in Andorra, the outcome of a business model based on a customer focus, a wide array of products and services and strategic alliances.

The Insurance Group

Crèdit Assegurances Estalvi (Savings)

Crèdit Assegurances Estalvi is the company specialised in retirement insurance and pension plans for companies and individuals (Andorra).

CA Life Insurance Experts

CA Life is a Spanish insurance company, specialising in life, risk and savings insurance (Spain).

Crèdit Assegurances Vida (Life)

Crèdit Assegurances Vida is the company specialised in life risk and health insurance for companies and individuals as well as insurance for passive residents (Andorra).

CA Vincles Actuarial Consulting

CA Vincles Actuarial Consulting is the actuarial and risk services consultancy of the Crèdit Andorrà Group.

International group	Robustness	Team
<div>5 companies</div> <div>2 countries (Andorra and Spain)</div>	<div>€41 m volume of risk premiums and intermediaries for 100% of the business</div> <div>€5.1 m recurring profit contributed to the Group (pre-tax)</div>	<div>67 professionals in the different companies in the Insurance Group</div>

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Strategic alliance with Caser Seguros and Helvetia Group

We continued to promote our insurance activity, which is strategic and complementary to the banking business, in the Andorran market. In the insurance branch, we own 100% of Crèdit Assegurances Estalvi (savings) and we have an alliance with Caser Seguros, with whom we signed an agreement in 2019 to promote the health and life risk business through Crèdit Assegurances Vida (life), of which we own 49%, an agreement that was extended last year to non-life insurance.

We are committed to this strategic relationship to continue promoting the insurance business and increase the added value to customers. The joint project with Caser Seguros, a benchmark in the sector, thus allows us to face with competitiveness and efficiency the long-term challenges of a financial and insurance sector in the midst of global transformation and the assumption of new regulatory regulations.

The alliance with this strategic partner is already beginning to give good results, with an increase, for example, in the life insurance business of Crèdit Assegurances Vida, up to 2022, a volume of premiums of €22 million (17% more compared to the previous year).

Incorporation of digital processes in the insurance sector

Crèdit Assegurances Vida has launched the 100% online contracting option for insurance policies, a new service that responds to the desire to increase the value offer through digitalisation and the establishment of tools and processes that allow remote customer service.

The new service makes it possible to take out life insurance easily and quickly at any time and without the need to go to our offices, improving the experience for our customers. This service is currently available in connection with Crèditvida Capital insurance.



A year of the new global healthcare and medical insurance

In 2021, we started marketing the global healthcare and medical insurance product, which aims to reimburse medical expenses in the Principality of Andorra, as well as providing global reimbursement coverage, access to a wide range of medical services in Spain, with more than 45,000 professionals and 13,000 medical centres, and worldwide travel assistance.

This product, which we have continued to market through different sales channels, is aimed at foreigners who want to obtain passive residence in Andorra, who are thus able to prove that they have

insurance for illness and disability, as required by the Andorran regulations, or for Andorran residents registered with the Andorran Social Security Fund (CASS) who do not want to depend on it.

Given the fact that this global healthcare product has been well-received, this year, we worked to expand the range of products with the launch of healthcare plus, which covers 100% of expenses in Andorra plus an optional medical card in Spain.

04

Believing, growing, creating as a committed bank

Materiality analysis

Shared value creation:
stakeholder relations

Sustained growth and creation
of shareholder value

Committed to our team

Committed to the environment

Committed to society

Materiality analysis

Report scope and criteria

The 2022 Corporate Activity Report gathers together the financial and non-financial information most relevant to the Crèdit Andorrà Group on events occurring between 1 January and 31 December 2022.

The aim is to present information about Crèdit Andorrà's management model and performance in the economic, financial, social, environmental and corporate governance fields.

Crèdit Andorrà SA is the parent company of the invested companies listed in this report. The information presented thus corresponds to the Crèdit Andorrà Financial Group, excluding the data collected in the environment section, which relates exclusively to Crèdit Andorrà, SA. The economic and financial information included was obtained from the consolidated financial statements.

Materiality analysis

In compliance with the GRI Standards, the Crèdit Andorrà Group updated the materiality analysis in 2021 to identify topics relevant to the Group and prioritise them according to the degree of importance. Prioritising the topics analysed allows the Group to determine which content is most relevant in relation to its business activity and therefore worth including in the 2022 Annual Corporate Report.

This document reports on the material topics resulting from the consultation process and analyses the economic, social or environmental impact on the value chain from two perspectives. On the one hand, it takes into account the impact of sustainability factors on the entity, and on the other, it considers the impact of the business on the environment and on sustainability factors, by consulting the topics that are most important to external stakeholders.

This report has also been drawn up in reference to the GRO Standards.

Methodology and results

To determine which issues are relevant for the Crèdit Andorrà Group and its stakeholders, a tiered process has been conducted in accordance with the requirements of the GRI Standards.



1. Identification of topics

The identification of topics for the Crèdit Andorrà Group began with a preliminary process of reviewing internal and external documentation to the list of aspects to analyse, which cover all the economic, social and environmental fields that interact with the Group's activity and that of its stakeholders (from the two perspectives mentioned). The topics identified were divided into six aspects: Value creation model and strategy; customer service; human resources management; management of environmental impact and climate change; commitment to the community; governance, ethics and compliance.



2. Analysis of the topics

The organisation's internal and external information sources were examined, conducting, among other things, a benchmark analysis in which public information relating to sustainability aspects was analysed through the web pages and annual sustainability reports of the selected companies, as well as an analysis of ESG and financial/banking sector indicators through the most significant sustainability public information sources for 2020 and 2021. Finally, a press search was done with the aim of analysing the level of notoriety and the impact of the different topics in the media throughout the financial year.



3. Prioritisation of topics

To prioritise each topic, the relevance of the various Group stakeholders (internal and external) was taken into account in the analysis of the topics described above, considering the influence each stakeholder has on the Crèdit Andorrà Group economic, social and environmental performance and the extent to which each stakeholder is affected by the entity's economic, social and environmental practice. Through statistical analysis of this information, the degree of relevance and importance of each topic was determined from the two perspectives. The results are shown in the materiality table below¹. Once the process was concluded and the topics and degree of relevance determined, all topics with high importance for the Group or its stakeholders were considered material or relevant: high-high, high-medium, medium-high, high-low and low-high (green text in the table).



4. Validation

With the aim of ensuring that the materiality analysis results offer a fair and balanced view of the Crèdit Andorrà Group's corporate social responsibility (sustainability), the results obtained internally were analysed in detail by the directors, divisions and units most directly linked to strategic topics in the report, in order to validate the topics to be included in the Annual Corporate Report and the associated GRI indicators. During the process of drawing up the report, the update of the materiality analysis as a result of the review process was validated with the heads of the divisions and departments directly involved.

1. The selection of material topics has been slightly updated following the dual materiality approach, which requires that topics that are of high relevance to both Crèdit Andorrà and its stakeholders be considered material. Even so, the aspects that are no longer considered material in application of this methodology (medium-medium range) are intrinsically collected in other material topics in the table (marked with a green background).

Shared value creation: stakeholder relations

The Crèdit Andorrà Group’s contribution to the country’s economic and social development is defined through the impacts we generate with our business activity, both directly and indirectly.

Crèdit Andorrà’s economic contribution

In thousands of euros	2021	2022	2022 vs. 2021
Economic value created (income)	194.447	221.399	▲ 13.86%
Economic value distributed	138.069	164.006	▲ 18.79%
(Operating costs, salaries and employee benefits, payments to capital providers, payments to the government (by country) and investments in the community)			
Economic value retained	56.378	57.393	▲ 1.80%
("economic value created" minus "economic value distributed")			

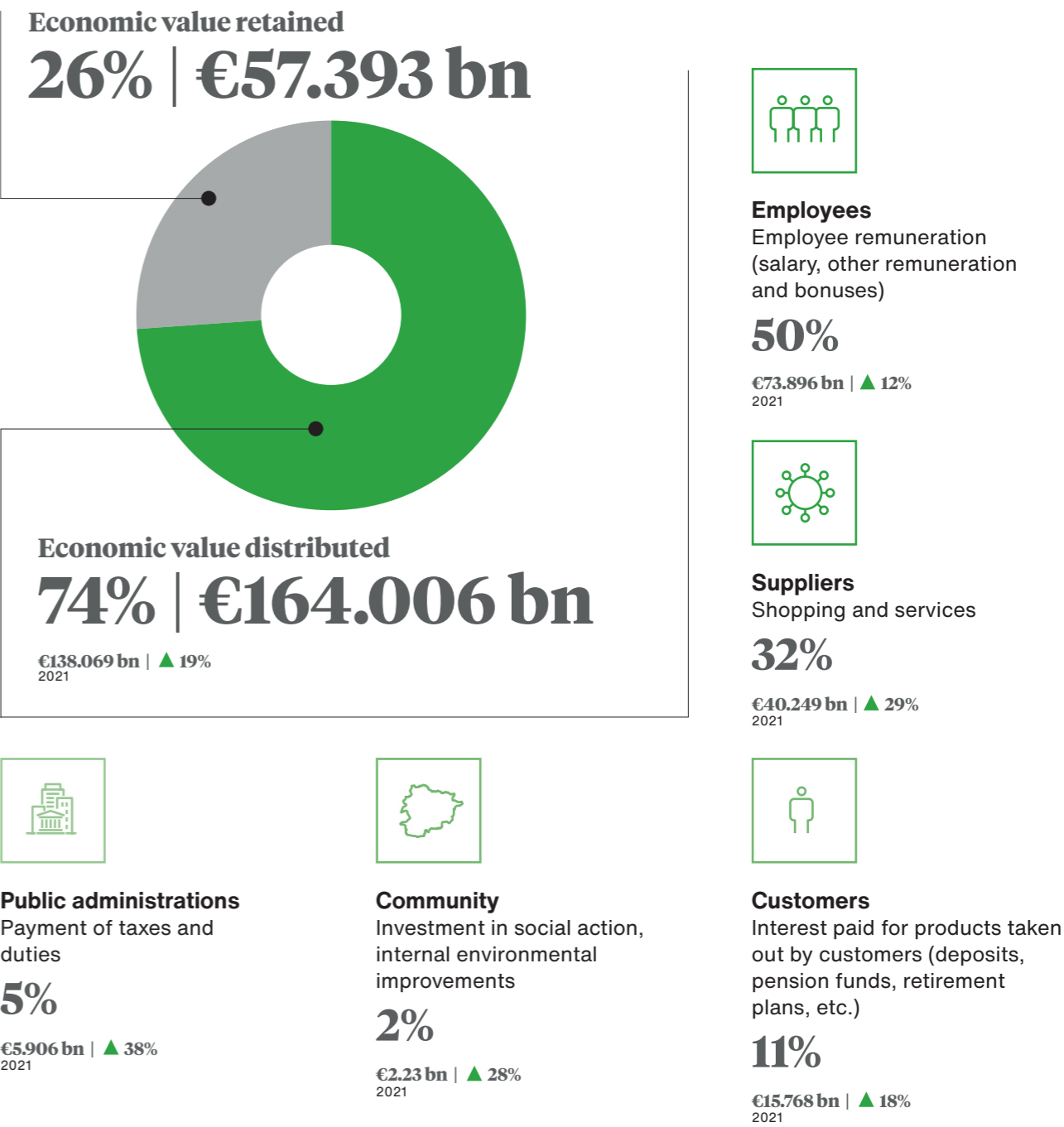
In thousands of euros	2021	2022	2022 vs. 2021
Economic value distributed	138.069	164.006	▲ 18.79%
Employees	73.896	82.502	▲ 11.65%
Employee remuneration (wages, other remuneration and bonuses)			
Customers	15.768	18.575	▲ 17.80%
Interest paid for products taken out by customers (deposits, pension funds, retirement plans, etc.)			
Suppliers	40.249	51.924	▲ 28.94%
Purchases and services			
Public administrations	5.906	8.140	▲ 37.83%
Duty and tax payments			
Community	2.230	2.865	▲ 28.46%
Investment in social action, internal environmental improvements			

Economic value distributed and retained

Our activity creates economic value that affects the country and benefits its main stakeholders and society as a whole.

Crèdit Andorrà generates an economic value that goes beyond its customers, shareholders

and employees. 74% of the value created through our activity goes to Andorran society as a whole, through payments to suppliers, contributions to public administrations and commitment to the community.

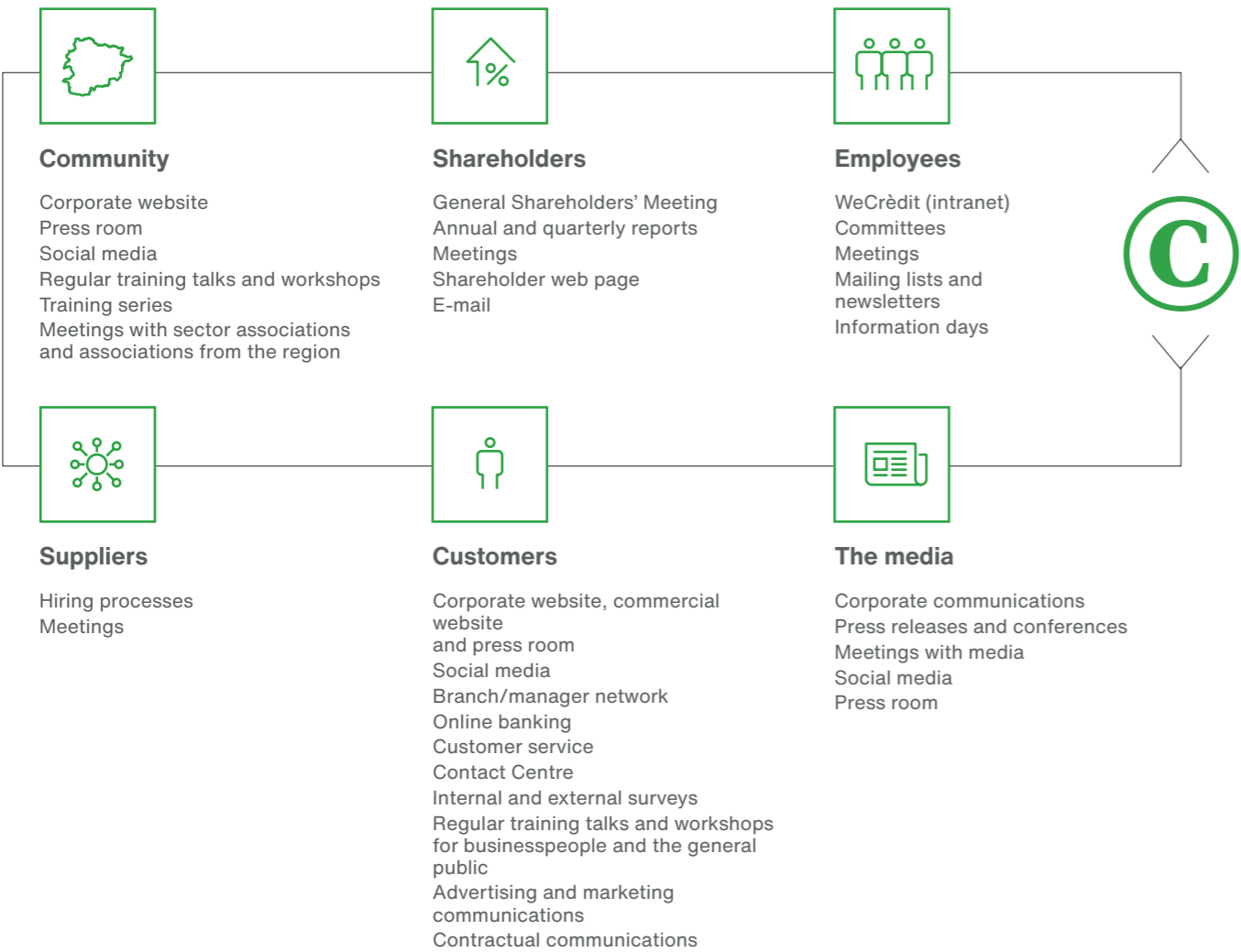


Channels of communication and dialogue with stakeholders

The main stakeholders identified by the Crèdit Andorrà Group are as follows: customers, the focus of the business’ decisions and our *raison d’être*; shareholders, the Group’s owners; employees, the Group’s most important asset, essential for achieving objectives; the local community, where the Group wants to drive progress, and economic, social and environmental development; suppliers, for their importance in ensuring top-quality and reliable service; and the media, for their capacity to inform and influence society in an increasingly transparent world.

We strive to improve our relationships with stakeholders through the promotion of the digitalisation of the company, a commitment to omni-channel operations and the establishment of more continuous and dynamic communication.

This diversity of communication and dialogue channels allows us to ensure effective and transparent management of everyone’s needs and thus ensure the creation of sustainable long-term value.



Sustained growth and creation of shareholder value

Milestones for the 2022 financial year	Future challenges
Profit improvement thanks to organic and inorganic growth.	Ensure profitable growth responsibly.
Crèdit Andorrà share valuation.	Maintain discipline in terms of capital and solvency.
Continuous and transparent communication in relation to the Vall Banc integration process.	Improve consolidated ordinary profit.
	Take advantage of new technologies to strengthen shareholder relations (announcements, general meeting, etc.).



“Sustained organic growth and corporate integrations have strengthened our figures in terms of profitability and assets under management, in addition to exceeding forecasts in terms of turnover. This translates into improved value created for our shareholders.”

Francesc Jordà Blanes
CFO, Head of Financial Planning, Operations and Resources

Creation of shareholder value

Focusing on long-term shareholder value and overseeing and supporting the management team in the execution of strategy are two fundamental objectives for shareholder return to adequately reflect the solvency, results, corporate culture and sustainable growth of the Group.

The creation of shareholder value has been consolidated in 2022 with the achievement of the 2021-2023 Strategic Plan. We generated more than €43 million in profit and increased profitability compared to the previous year and the pre-pandemic period.

Profit/loss

€43.04
million in profit
▲ 30.50%

Profitability

RoE **8.09%** ▲ 24.27%
RoA **0.65%** ▲ 3.17%
RoTE^(I) **10.26%** ▲ 23.02%

Solvency

Solvency ratio **17.09%** ▼ 5.53%
CET1 **15.39%** ▼ 5.93%

(I) Ordinary contribution as a percentage of operating divisions. (II) Distribution of dividends.

Evolution of the value of Crèdit Andorrà shares as a result of strategic transactions

The Crèdit Andorrà share price was €500 in 2021. This was certified through the accounting valuation conducted by the Bank in May 2021, before the Vall Banc acquisition agreement had been made public and prior to the involvement of the entity in the shareholding of SETAP 365.

In 2022, after the execution of the integration of Vall Banc and the materialisation of various transactions that constitute a greater involvement of the financial entity with the snow sector in the Principality, the share price has been revalued at €530.

Communication with shareholders

We are committed to transparency with our shareholders, with the aim of enabling them to participate in the creation of long-term value.

We therefore equip ourselves with various tools and mechanisms to maintain continuous and fluid communication.

Transparency and closeness



General Shareholders' Meeting

The main body for shareholder participation and representation of their rights and duties.



Web platform

Since 2018, we have a direct communication platform for shareholders, the Shareholder Area.



Periodic communications

We keep shareholders informed of all relevant events affecting the Group, through the various open channels: specific newsletters, e-mail, etc.



Committed to our team

The 782 employees in the Crèdit Andorrà Group are its best asset. The Bank is committed to people, implementing the necessary policies to select the best professionals and

ensure that they work in the best possible conditions, promoting human resources management based on trust, involvement and recognition.

Milestones for the 2022 financial year



Human resources management resulting from the integration of Vall Banc.

Preparation of the Healthy Company programme.

Future challenges



Finalise the equality diagnosis and draw up the Equality Plan.

Complete projects that promote corporate values.

Update the performance evaluation system.



“The transparent and agile management of the integration of the teams resulting from the acquisition of Vall Banc has allowed us to maintain the quality of the service at all times, as well as retain the best talent from both entities.”

Francesc Obiols Argerich
Head of Human Resources

The Crèdit Andorrà team

Crèdit Andorrà’s workforce currently consists of 782 people, of whom 49% are women. This workforce includes a very heterogeneous spectrum of professionals, given the very diversity of activities the entity performs.



	2020	2021	2022
Number of Crèdit Andorrà Group employees	929	742	782
Number of Crèdit Andorrà employees (companies based in Andorra)	485	467	491



Profile of Crèdit Andorrà workers



Integration of teams resulting from the acquisition of Vall Banc

The main challenge of the Human Resources division has been managing the integration of Vall Banc. Our premise has been to make management fast and transparent, and to invest in talent regardless of where the employees come from.

With regard to the various employee departures that have taken place during the integration process and that are inherent in transac-

tions such as this, they have been completed with the greatest possible transparency and with as much advance notice as possible for those affected. They were also completed within a timeframe that enabled the banks to carry on with the ordinary course of business.

Finally, in relation to the impact of departures, there were equal numbers between the two entities.



Talent management

Attraction

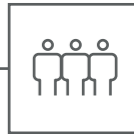


Training days

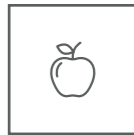


Onboarding procedure

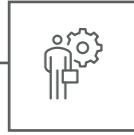
Retention



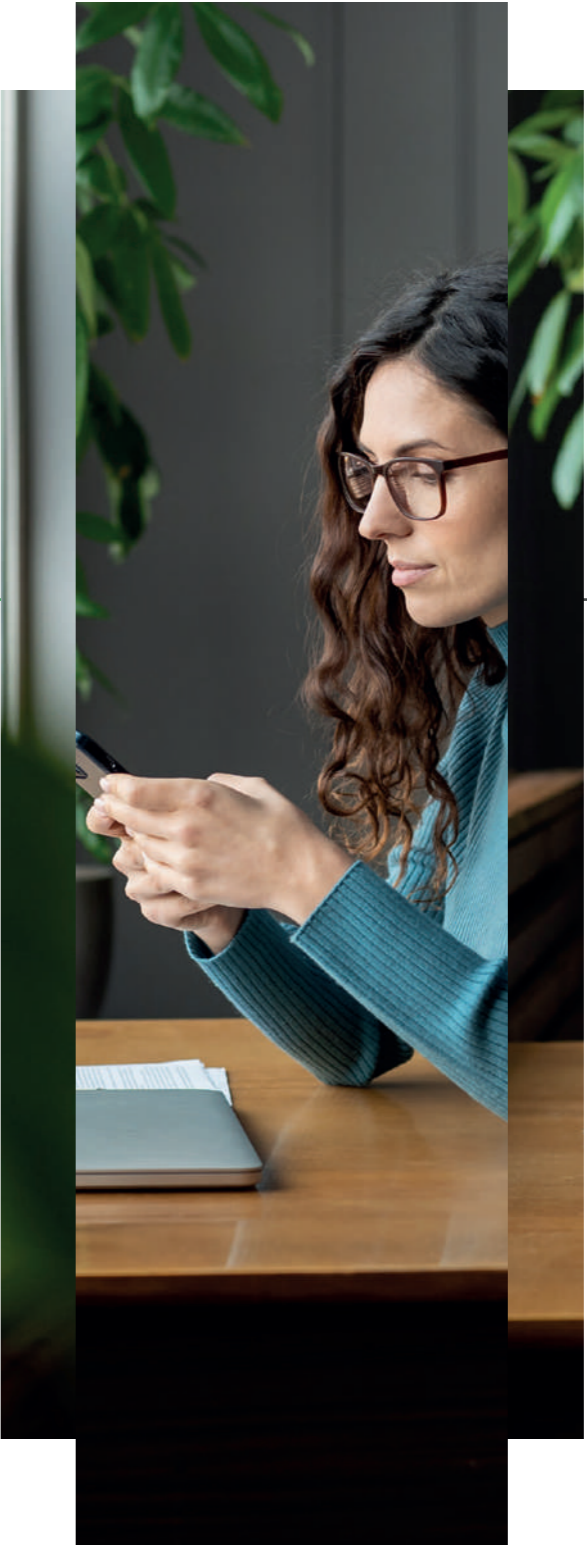
Social benefits and cohesion actions



Healthy, safe environment



Professional development



Talent attraction

At Crèdit Andorrà, we are aware that our success and leadership rely on the talent of our teams. We therefore seek to attract the best talent, offering competitive working condi-

tions, betting on the professional development of our staff. Likewise, we promote continuous learning and offer opportunities for growth.

Onboarding procedure for new employees

At Crèdit Andorrà, we strive for our employees to integrate into their teams, adopt the corporate culture and feel comfortable there from day one.

We have a Crèdit Andorrà *New employee welcome handbook*, in which we explain, among other things:

- The history of the entity and cultural model
- Crèdit Andorrà employment documentation, policies, rules and procedures
- Holidays and leave
- Internal opportunities, assessment and training
- Specific training sessions
- Social benefits

Summer training days for young people resume

Crèdit Andorrà has held summer training sessions for young university or master's degree students, in which twenty-six young people participated during 2022. The entity launched this initiative in 1978 and since the beginning more than 1,000 places have been offered.

Training days allow students to complete their training with professional experience, essential when joining the labour market. The young people are integrated during the summer months, July and August, in different areas of the entity, from the network of offices to the central service departments, where they can have a professional experience in a company, deepen their knowledge of banking and the financial sector, and acquire new knowledge and learning for their future development.



The group of young participants at this year's training days. © E. C.

A quality working environment

People are at the centre of our management, with the desire to respond to their professional expectations and show that we care for their well-being needs.

Social benefits and cohesion actions



Social benefits

The Crèdit Andorrà workforce enjoys multiple social benefits for both themselves and their families. These include preferential financial products, various insurance policies and company contribution to employee retirement plans.



WeCrèdit, the main internal communication channel

The WeCrèdit corporate network has cemented itself as an internal communication platform since its launch in 2015, and has become a tool for cohesion and promotion of the Group's values.

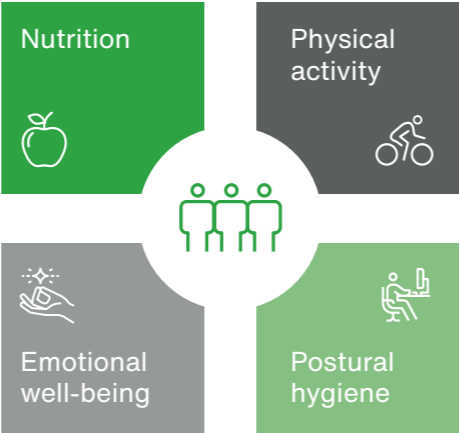
From an operational point of view, this platform allows information to be shared across work teams, document management, direct dialogue and the chance to form functionally and geographically multi-faceted internal communities for managing projects with a global scope.

Healthy, safe environment

Healthy Company Programme

The Human Resources department has led the Healthy Company programme to promote the health and well-being of all, focused on the areas of nutrition, physical activity, emotional well-being and postural hygiene.

The objectives are to promote good health habits at work, respond to the needs of employees in the field of health and well-being, and strengthen the bond and commitment of all.



Highlights of the Healthy Company programme



“Promotion of health in the workplace” talk

Talk by a doctor specialising in occupational medicine, offering guidelines and recommendations to apply to the work environment, focused on eight areas:

- 1. Importance of good rest
- 2. Physical activity
- 3. Giving up toxic habits: tobacco, alcohol, etc.
- 4. Food and health
- 5. Stress management and mental load
- 6. Postural hygiene
- 7. Cardiovascular risks
- 8. Disease prevention



Active pause

The initiative is conducted every Tuesday in the same work centre with the participation of a group of volunteer employees. It consists of giving various muscle and joint mobility guidelines to counteract periods of physical inactivity at work.



Distribution of fruit to employees

Coinciding with World Food Day, fruit boxes were distributed in all the centres in Andorra. In total, 117 recycled cardboard boxes were handed out containing organic fruit: apples, pears and grapes from Lleida, bananas from the Canary Islands and clementines from Valencia.

Training and professional development

The people who work in the Crèdit Andorrà Group are the main asset for business transformation. Contributing to their professional development through training is key to responding efficiently and effectively to future challenges.

The Bank’s efforts in recent years to bring banking activity and management in line with the various European regulations also materialised as a specialised training offer tailored to the needs of each workplace. We promote various training activities to enhance the technical capabilities of our professionals according to these international standards, such as for example the certifications required by the European MiFID directive.

We have also enhanced training in cybersecurity and new developments in the field of money laundering prevention, which are two strategic areas of the Bank that have gained particular importance in recent years.

Through the TalentSoft platform, we promote internal training for the entire workforce in subjects as diverse as money laundering prevention, cybersecurity, sustainability or the environment.



100%
of the workforce
have received
training

478 €
d’average investment
in training per
employee

34%
of training given during
working hours

TalentSoft Platform

Training
pills

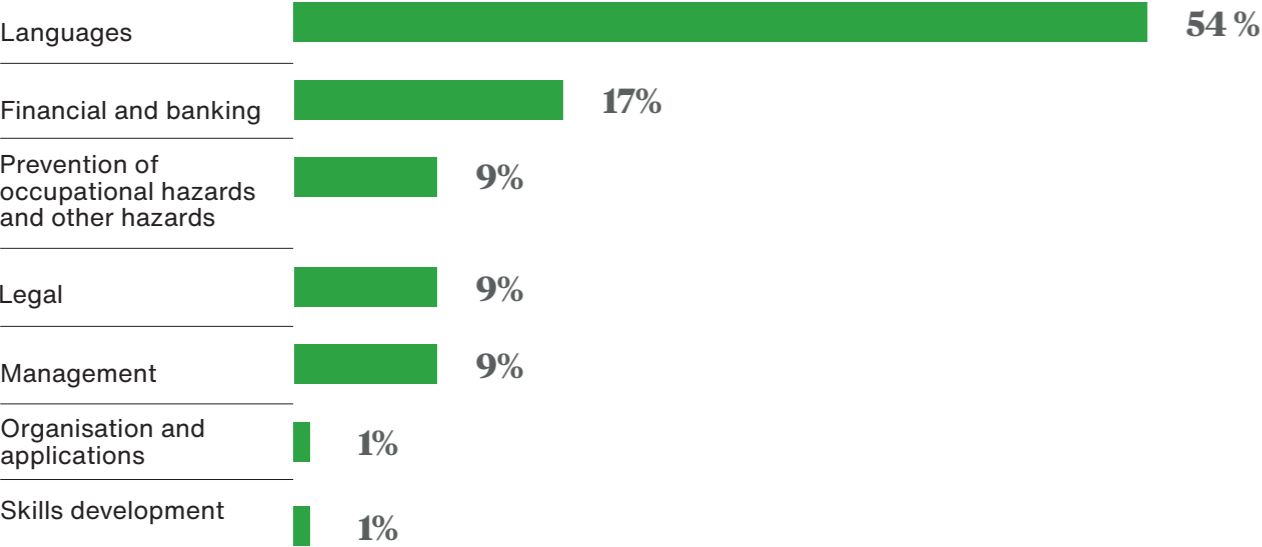


Accessible,
appealing
content





More awareness

Type of training provided in 2022*



*Data relating to companies based in Andorra. Percentage of training hours.

Average training hours per employee according to gender and professional category (by country) in 2022

							Total
	Men			Women			
	Senior management	Intermediate roles	Rest of the workforce	Senior management	Intermediate roles	Rest of the workforce	
Andorra	141	21.92	20.99	347.50	12.07	347.50	23.10
Spain	30	30	30	0	30	0	30
Luxembourg	141	4.84	2.49	0	18.34	0	17.8
Mexico	0	20	20	20	20	20	21.67
USA (Miami)	0	8	8.41	8	8	8	8.18
Panama	71.50	22	4.50	0	16.44	0	24.51

Diversity and employment

Crèdit Andorrà’s human resources policies guarantee respect for diversity, equal opportunities and non-discrimination on the basis of gender, sex, age, disability or any other characteristic.

This equality principle is embodied in the relationship we have with our employees in the criteria used for hiring, training, promotion and working conditions, including remuneration, among others.

Inclusion of people with disabilities

The agreement with the Nostra Senyora de Meritxell Private Foundation allows us to have a team of colleagues from the centre in the internal management of material distribution.

The agreement with the Fundació Privada Tutelar has meant the arrival of a new colleague, within the framework of the Youth in Inclusion programme, which enables integration into the everyday working world of young people between 16 and 30 years old with an autism spectrum disorder and with a high or moderate need for support.



Rodolfo signing the employment contract with Crèdit Andorrà. © Fundació Privada Tutelar



782 employees	63% of employees from companies established in Andorra	28 different nationalities on staff	33% of employees with Andorran nationality	57% of employees from the rest of Europe	10% of employees from the rest of the world	15% of managerial positions from the local community of the country where the subsidiary is located
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49% women in the workforce	23% women in executive roles	35% women in middle management roles	56% women in the rest of the workforce
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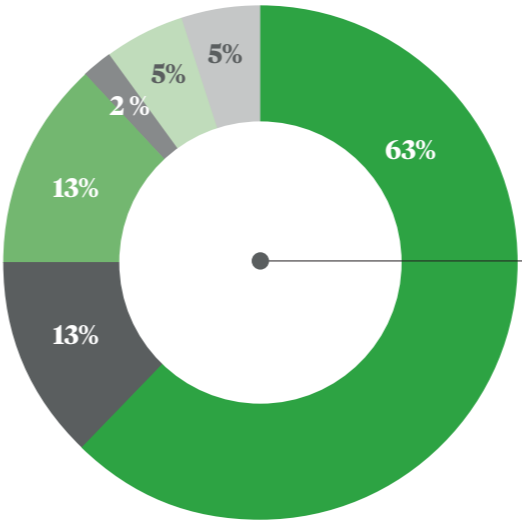


138 new hires	62% employees hired in Andorra	99.6% workforce with permanent contracts	98% workforce working full time	48% of the staff between 36 and 50 years old	0.3% staff with a disability
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12.3% rate of workforce turnover	100% rate of retention after parental leave	7.3% voluntary redundancies in the workforce
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Distribution of employees by country



Total	782
491 Andorra	12 Mexico
103 Spain	38 United States (Miami)
102 Luxembourg	36 Panama

We are gradually incorporating environmental criteria with the aim of promoting sustainable development in the organisation's culture, awareness and operations.



Preparation of a Sustainable Mobility Plan.

Application of an Energy Efficiency Plan.

Adherence to the Llum Verda certification programme.

Identification of climate change risks and opportunities.

Review of the organisation's carbon footprint.

Renewal of ISO 14001 for another three-year period (2022-2025).



Integrate the climate risks identified in operations and management.

Define monitoring indicators for management of climate risks.

Consolidate the scope of carbon footprint calculation.

Continue to promote internal awareness.

Promote awareness in the value chain.



“By promoting actions to reduce impacts and undertaking initiatives to promote sustainable awareness among employees, customers, suppliers and society as a whole, we have positioned ourselves as one of the pioneering Andorran banks in the protection of the environment.”

Núria Roca Mateo
Head of Corporate Communication, Marketing
and New Channels

Environmental management

The Environmental Management System (EMS), implemented since 2004, encompasses the entire value chain, from the financial activity itself to suppliers, employees, customers and society.

Externally certified according to the ISO standard, it has allowed us to introduce management criteria based on environmental effectiveness, the reduction of consumption of raw materials and energy, in addition to initiatives to raise awareness and social commitment.

Environmental strategy

We work to incorporate sustainability criteria into our operations, aware that business development generates a series of impacts on the environment that we must minimise, control and transform into positive actions for social progress, in a committed banking model.

The pillars of this strategy are management, awareness and alliances, with the fight against climate change as the core element.



Awareness and commitment



Training

We systematically promote training for all employees, including senior management, on the operation of the Environmental Management System and its scope of application. This content has been included in the Bank’s general training plan.



Supplier relations

In application of our environmental policy, we promote suppliers’ commitment to best practices through an environmental commitment that, among other aspects, embodies our desire to have a positive impact on the entire value chain.

60 suppliers have signed the environmental commitment

Fight against climate change

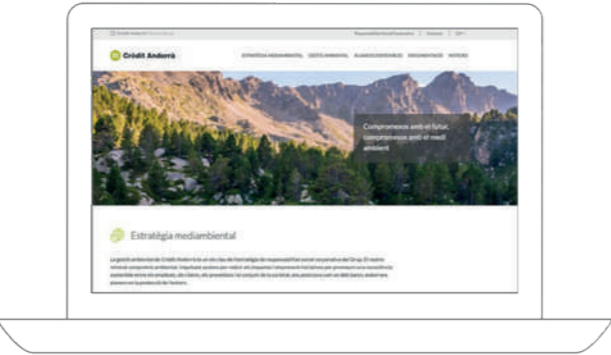
In our commitment to the fight against climate change, we work to promote the transition towards carbon neutrality, aligned with the strategy of the Government of Andorra set out in the 2030 Agenda.



Dissemination and awareness

We have a website dedicated entirely to the Environmental Management System, from which we publicise the performance of our management <https://sga.creditandorragroup.com/en/>

We also maintain our commitment to sustainable mobility through the sponsorship of the Cicland electric bike service.

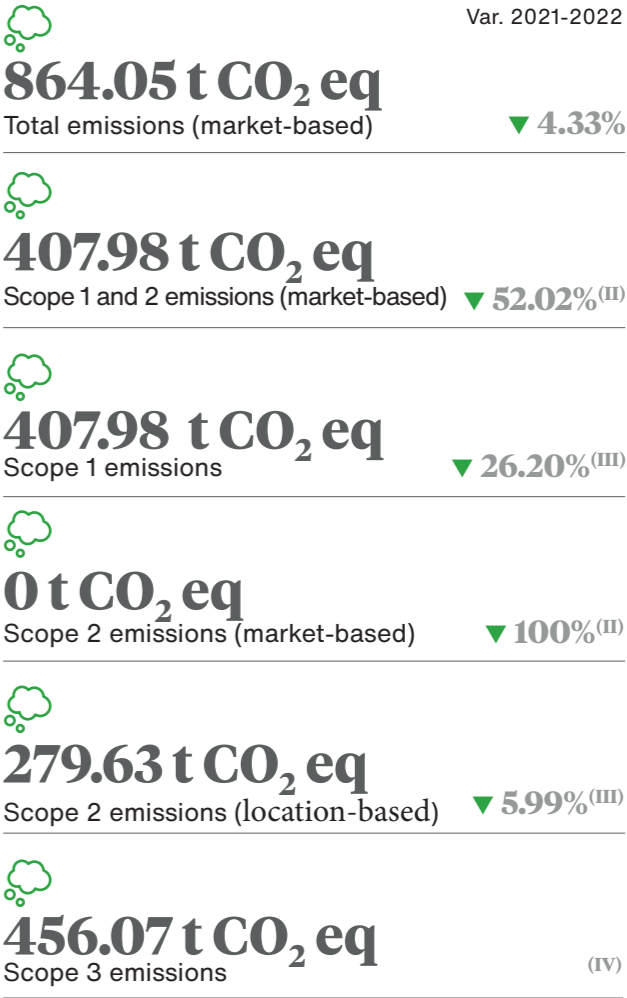
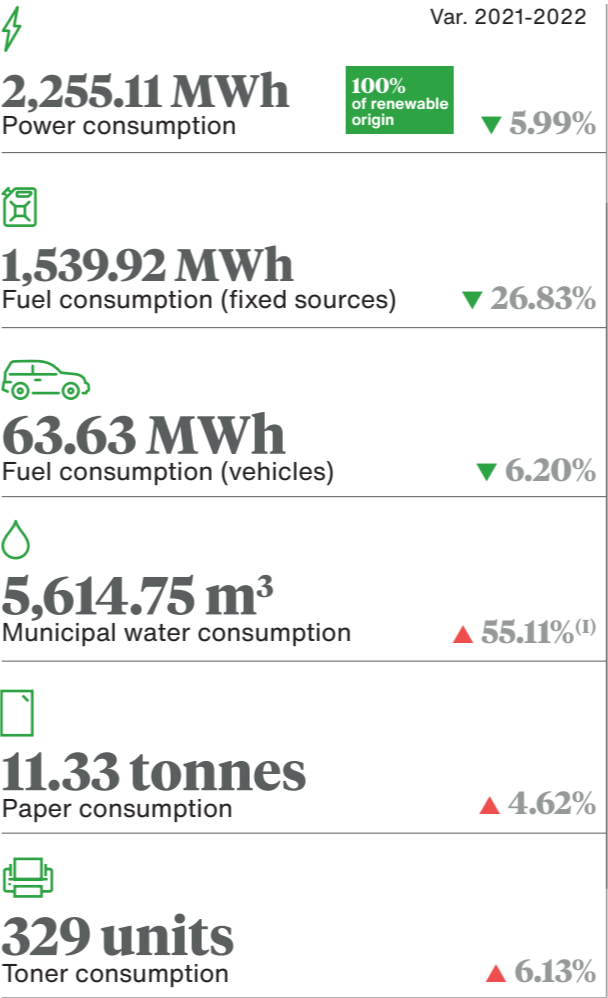


This year we revised the calculation of the carbon footprint and increased the categories included in scope 3 emissions: purchased goods and services, activities related to fuels and energy (not included in scope 1 or 2); waste generated in operations, business trips and employee travel.

In view of continuous improvement, the medium-term objective is to increase the number of categories in scope 3 to attend to the Bank’s most significant activities.

For the general calculation of the carbon footprint, we used the calculation factors and emissions from the Ministry of the Environment.

Crèdit Andorrà’s 2022 environmental footprint



(I) The detection of a water leak has caused a substantial increase in consumption.

(II) The location-based method of emissions considers the emission factor of the national grid of Andorra, provided by the Government of Andorra. The market-based method of emissions considers the specific emission factor of the specific energy supplier (in the case of Crèdit Andorrà, in 2022, this factor is equal to 0, as all the electricity it acquired was of 100% guaranteed renewable origin).

(III) The emission factors for 2022 and 2021 have been updated (retroactively), to use those provided by the Government of Andorra.

(IV) The categories considered within scope 3 have been expanded and, for this reason, a comparison with the same scope as the previous year is not possible.

Strategic alliances

Since 1998, we have been part of the United Nations Environmental - Finance Initiative (UNEP FI), and in February 2021 we became signatories of the United Nations Principles for Responsible Banking.



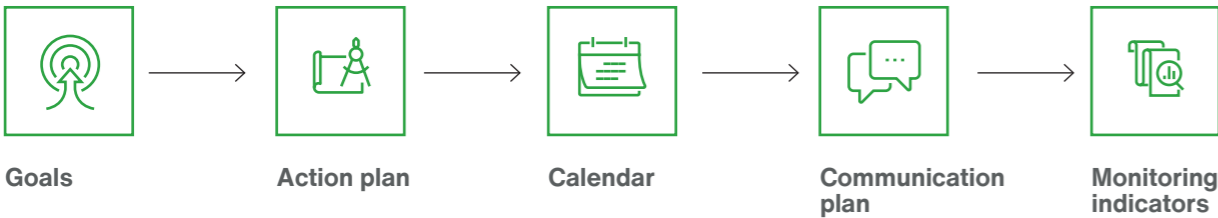
Prior to this milestone, in 2016 we incorporated the Sustainable Development Goals as a roadmap in this area, specifically SDGs 12 (Sustainable consumption and production) and 13 (Climate action).



Approval of the Sustainable Mobility Plan

The entity has already approved the Sustainable Mobility Plan for employees, which, aligned with the National Strategy (2021-2050), sets two major objectives: reduce employee mobility and contribute to reducing the organisation's CO₂ emissions.

Content of the Mobility Plan



Actions against the energy crisis

Within the framework of the energy crisis produced, among other reasons, by the war in Ukraine and the high demand for energy, in September 2022, the Government approved a package of measures with the aim of achieving energy savings, ensuring rational and sustainable energy management, and promoting a moderate energy model.

In order to remain true to our commitment to the planet and society, as well as to align with the measures promoted by the Government, in 2022 we have approved an Energy Efficiency Plan and obtained the Llum Verda seal.



Energy Efficiency Plan

The Energy Efficiency Plan covers three areas: temperature, lighting and mobility.



- Temperature**
- > 20° in winter
 - > 26° in summer



- Lighting**
- > Exterior signs: standardise the switch-on and switch-off times
 - > Interior: regular shutdown hours
 - > Remove the Christmas lights



- Mobility**
- Include environmental efficiency criteria in the purchase of company vehicles

The objective is to strengthen the entity's environmental strategy, which through the Environmental Management System has already reduced energy consumption by more than 15% between 2018 and 2021, moving ahead of the recommendations of international organisations against the current energy crisis situation.



Llum Verda Seal

Crèdit Andorrà is the first bank in Andorra to certify that 100% of the electricity it consumes is of renewable origin, through the Llum Verda seal, issued by FEDA.

The Llum Verda seal guarantees that each certified kWh has been produced with a renewable source and aims to encourage the production of renewable energy.



Committed to society

Crèdit Andorrà's commitment to Andorra is a commitment to the progress and well-being of its society. For more than 70 years, we have been working on a daily basis to construct

the future by promoting initiatives that create a positive impact on the business fabric, the local economy, social progress and the environment.

Milestones for the 2022 financial year



- Involvement in the skiing sector, through strategic participations, support for ski clubs, and sports sponsorships.
- Support for the retail and business communities, with initiatives like "El meu cor botiga per Andorra" (My heart shops for Andorra).
- Promotion of continuous training among professional groups.

Future challenges



- Continue promoting economic and social stimulation through sponsorships and institutional participation in events of value to Andorra.
- Continue organising educational, cultural and social activities.



“This year we have strengthened our commitment to society by increasing the number of sponsorships in the fields of skiing, tennis and canoeing. We have invested in the talent of three young athletes who we believe have a great career ahead of them and who will put Andorra on the map of international competitions.”

Núria Roca Mateo
Head of Corporate Communication, Marketing and New Channels

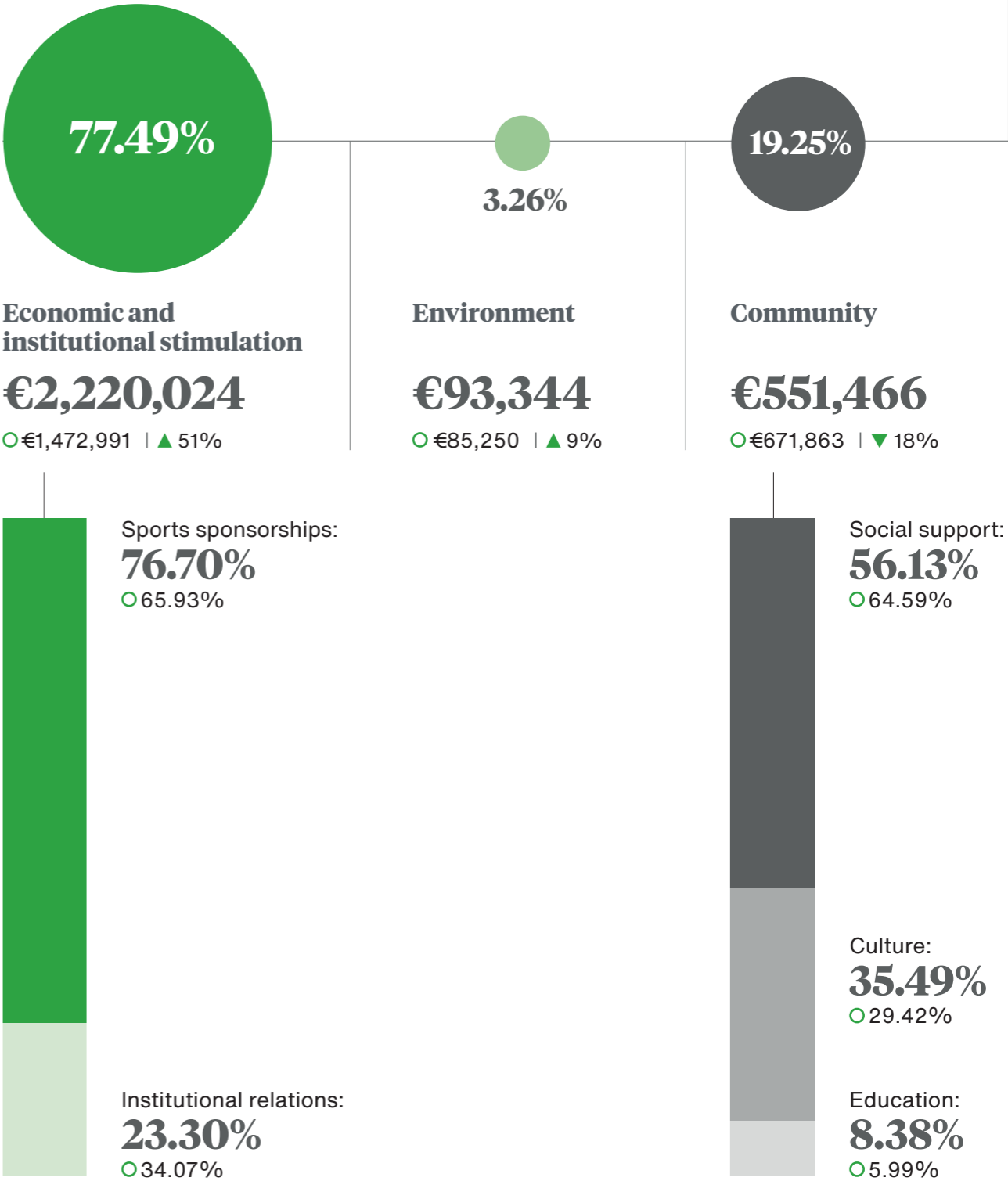
Consolidated global investment

○ 2021

Total investment

€2.86 million

○ €2.23 m



Supporting the economic and business community

We support the business world through ongoing involvement in private and public initiatives that contribute to driving the main business and association sectors in Andorra.

33rd Trobada Empresarial al Pirineu (Business Meeting in the Pyrenees): “Innovation and sustainability: levers for business growth”

The 33rd Business Meeting in the Pyrenees put the focus this year on the changes that technological advances, the new digital economy and the new trends and habits of society will bring for organisations, which will have to tend towards sustainable growth, while striking a balance between economic growth, care for the environment and social well-being.

Crèdit Andorrà has been sponsoring the Meeting, one of the most important private economic meetings in Catalonia and the Pyrenees area, since 2016.

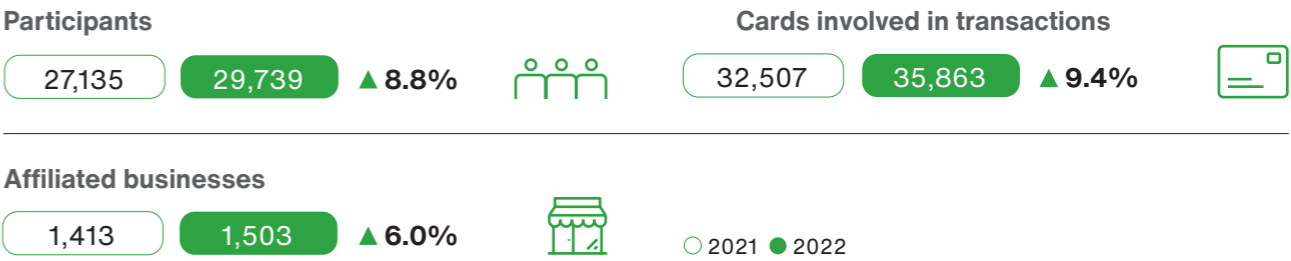


Xavier Cornella, accompanied by Josep Serveto, President of the Business Meeting in the Pyrenees, at the presentation press conference. © ANA

Continued support for Andorran business

Our commitment to the retail community, reinforced by the success of previous editions, has led us to resume the “I love comerç andorrà” campaign.

Through weekly draws, it triples the purchases with a maximum amount of €1,000 for the customer and the affiliated business.



Andorra la Vella Fair

We continued to support the Association of Vehicle Importers (AIVA) by sponsoring another edition of the car exhibition, as part of the Andorra la Vella Fair.

We attended the event with a new stand that incorporated a robotics area where users could direct robots to complete the route.

Encamp Multisectoral Fair

We participated in the first edition of the show with our own space in the automotive sector.



Image of the stand at the Andorra la Vella Fair. © ANA

Snow: Andorran development driver

We have reaffirmed our commitment to the skiing sector, one of Andorra's main economic drivers and pillar of social development, through strategic participation in ski resorts, grassroots support, and sponsorships of skiers.

#CrèditAndorràWithTheSnow



Strategic participation

- Participation in the shareholding of SETAP 365, together with the Comú de Canillo and the Comú de la Massana municipalities.
- Main sponsor of the La Rabassa – Naturland snow park.



Grassroots support

We encourage the practice of grassroots competitive alpine skiing, with the support of the Andorra Ski Club (ECA), the Ordino-Arcalís Ski Club (EOCA), the Soldeu Ski Club (SEC), the Pal-Arinsal Ski Club (ECAP), the sponsorship of the 30th Borrufa Trophy and the Encamp Pas Ski Club (ECEP).



Sponsorships of skiers and elite competition

We sponsor elite athletes such as Joan Verdú – European giant slalom champion – with whom we have signed a sponsorship agreement for the next three seasons.

Sponsorship of Joan Verdú until 2025

The Bank will invest in the Andorran Ski Federation (FAE) competitor for the next three seasons through an individual sponsorship.

Joan Verdú was proclaimed European alpine skiing champion in the giant slalom.



Jordi Playà and Joan Verdú. © Diana Martin



The competition. © Diana Martin



Núria Roca and David Hidalgo. © ANA

Finals of the Alpine Skiing European Cup

The competition, in which the continent's best athletes took part, was held on the Àliga and Avet slopes, two iconic World Cup slopes.

The award was also presented to Joan Verdú as giant slalom champion at the European Cup.

The Andorran competition – which closed the 2021-2022 season – saw the Italian Giovanni Franzoni win the men's competition and the Austrian Franziska Gritsch win the women's.

Renewal of the agreement with Grandvalira

We have renewed the promotion and sponsorship agreement with Grandvalira as bank sponsor and exclusive insurer in the Soldeu-El Tarter and Canillo sectors for five seasons, until 2027.

The agreement results in actions that represent a double advantage, for the Bank's customers and users of the ski resort throughout the year, in addition to taking advantage of synergies for the promotion and communication of the snow park.

11th World Snow and Mountain Tourism Congress

With the title "Una nova mirada cap al futur" (A new look towards the future), the day focused on the recovery of tourism after the pandemic, with an eye on the future for the preservation of resources and the guarantee of well-being, with topics such as innovation, sustainability and digital transformation.

Crèdit Andorrà, committed to the country and to people

We promote culture, sport and education from different areas. We support sports talent and encourage grassroots practice, promote edu-

cation through the organisation of outreach talks and training programmes, and work to bring art and culture to everyone.

Sports sponsorships

Crèdit Andorrà sponsors the tennis player Vicky Jiménez and canoeist Mònica Doria

In our commitment to sport and promising young people, we have taken over from Vall Banc in sponsoring two of the most prominent sportswomen in the country.

The canoeist Mònica Doria will have the support of Crèdit Andorrà for the next two years, with the main objective of competing at the Paris Olympic Games. In the case of Vicky Jiménez, she stands out for being the first Andorran tennis player to achieve the best ranking in international competition, at 124th place in the world.



Vicky Jiménez and Mònica Doria. © Crèdit Andorrà

Crèdit Andorrà Open

The tournament brought the best tennis players from the WTA 125 international circuit to the Poliesportiu d'Andorra, a historic event in the country.

The tournament, which distributed \$125,000 in prizes, had Vicky Jiménez as its ambassador and is looking to establish itself as a key event on the WTA calendar.



Vicky Jiménez tennis player.

UCI MTB World Cup

The Pal-Arinsal resort hosted the short track (XCC) and descent (DHI) races and the finals of cross country (XCO) of the Mercedes-Benz UCI Mountain Bike World Cup - Pal Arinsal 2022, a competition in which around 800 athletes from 47 countries took part.



Group photo of the ACA e-Sports team. © ACA

ACA eSports

We participated jointly with the Automobile Club of Andorra and Andorra Telecom in the launch of ACA eSports, the first digital sports project in the country. Based at the Ordino Sports Centre (CEO), it includes an area for the racing sim, training rooms and a broadcas-

ting area. It also has a high-performance centre specialised in racing sim, a training space for virtual pilots (academy), a digital motor sport team and the organisation of events and championships in the same discipline.

Supporting

Our social media channel dedicated to the various sports sponsorships has continued its growth trajectory since launch, with an informative approach that we have expanded

with more personal publications, such as interviews with athletes, the testimony of their experiences, getting to know their day-to-day life, among others.

The Supporting community

Facebook

3,265 followers

Instagram

3,662 followers

118,730 views
(publications and stories)

Twitter

757 followers



Financial education and inclusion

The different training initiatives that we promote aim to provide tools, knowledge and experiences to people that allow them to continue growing regardless of age, gender or social status. We want business owners, en-

trepreneurs and professionals from the most diverse branches to have the means to allow them to contribute to generating human, economic and social capital for the benefit of the country.

Financial education

We have opened a new space for financial education with a first edition that has consisted of three conferences (face-to-face and online) by three experts in the Invest-

ments division. The series delved into various financial concepts with the aim of supporting customers and users in making decisions about banking services and investment products.

Ignacio Fonseca, Director of Asset Management at Crèdit Andorrà

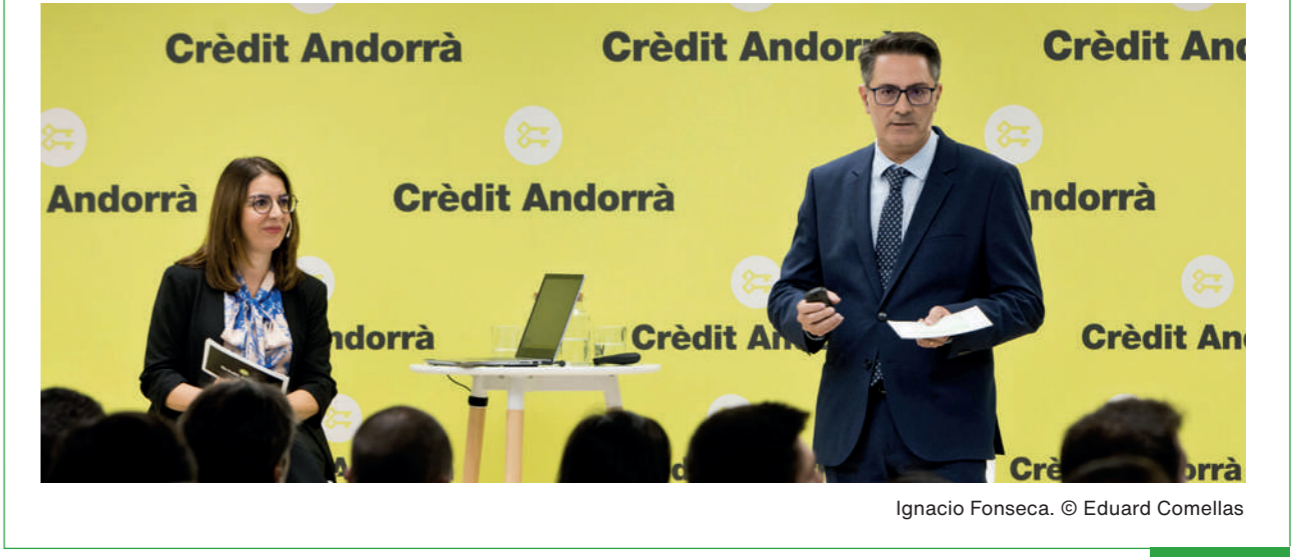
“Basic principles for successful investing”

173 attendees

David Macià, CFA, Director of Investments and Market Strategy of Crèdit Andorrà Asset Management

“The keys to investment success on the stock market”

103 attendees



Expert Programme

The programme aims to promote disclosure and financial knowledge through the participation of the Bank’s employees themselves, specialists in financial and banking matters such as market analysis, macroeconomics, innovation, investments or people management. The initiative consists of participation in the SER Empresaris programme of the Cadena Ser Andorra, with a weekly section of market comments and a monthly interview with current financial issues by an expert from the entity.

Our experts also participate monthly in an opinion forum in the *Diari d’Andorra* and in a section, also monthly and sponsored, on financial education in the same medium.

“Preparing for 2022: Invest with the markets at maximum” conference

By David Macià, CFA, Head of Investments and Market Strategy at Crèdit Andorrà Asset Management, the conference offered an analysis of the market environment and forecasts for the year 2022, with an emphasis on those critical aspects that must be taken into account to make the best investment decisions.



116 attendees (only in online format)



David Macià, Head of Investments and Market Strategy at Crèdit Andorrà Asset Management.



Alejandro Lago. © Eduard Comellas

“Breaking paradigms: the Netflix case study” masterclass

Alejandro Lago, Director and Professor of the Department of Operations, Information and Technology at the IESE Business School, led a practical session based on the business school’s own successful case study format.

110 attendees



Mike Rosenberg. © Eduard Comellas

Strategy and geopolitics: impact on the company

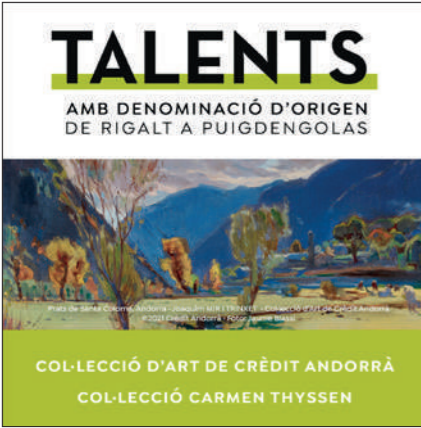
Mike Rosenberg, Professor at the IESE Business School, specialist in geopolitics and sustainability, addressed the impact that geopolitical issues have on the business environment and on people, as was evident in the invasion of Ukraine.

182 attendees



Culture, within everyone’s reach

Our commitment to culture is clear by our engagement with different long-standing initiatives on Andorra’s creative scene and an explicit sensibility for art via our private collection.



Sponsorship at the Carmen Thyssen Museum Andorra

The collaboration, through which Crèdit Andorrà becomes a sponsor of the museum, expresses our desire to continue promoting culture and fostering artistic dissemination on the part of both institutions.

The agreement was announced as part of the closing press conference and evaluation of the exhibition “Talents amb denominació d’origen. De Rigalt a Puigdengolas” (Talent with designation of origin. From Rigalt to Puigdengolas). The exhibition, which closed its doors on 9 January 2022, examined the artistic dialogue between the Crèdit Andorrà Art Collection and the Carmen Thyssen-Bornemisza Collection.



Josep Plaja with Núria Roca.
© Eduard Comellas

Crèdit Andorrà Award for Painting

The artist Josep Plaja won the Crèdit Andorrà Award for Painting from the Arts Andorra poster, organised by the Cercle de les Arts i de les Lletres, with the work *Capvespre amb calma* (*Quiet sunset*), an oil on canvas.

The award, endowed with €2,500, was handed over to the Lauredià Cultural and Convention Centre at the same event in which the exhibition of the selected works was inaugurated.



The two winners, in the centre
© Eduard Comellas

Crèdit Andorrà Poetry Awards and Literary Night Theatre

As part of the Literary Night of the Circle of the Arts and Letters, Àngel Fabregat was awarded the Crèdit Andorrà Grandalla Prize for Poetry and Agustí Franch received the 50th Anniversary Crèdit Andorrà Theatre award, each awarding €3,500.

The Fundació Crèdit Andorrà

Milestones for the 2022 financial year



We have worked closely alongside people, especially the elderly, offering a New Experience Campus for over 50 years and continuing with the Healthy Ageing Programme.

We have invested in cultural, educational and other social projects.

Future challenges



Propose new activities and training, both face-to-face and virtual.

Making music a tool for social inclusion.



“ This year, the Foundation has been able to resume its normal activities, allowing us to continue to work with the most vulnerable people.”

Francesca Ros Pascuet
Head of Fundació Crèdit Andorrà

The Fundació Crèdit Andorrà, created in 1987 from the excellence scholarship programme for the country's young people, focuses its li-
nes of action on three main areas: education and knowledge, social support, and creation and culture.

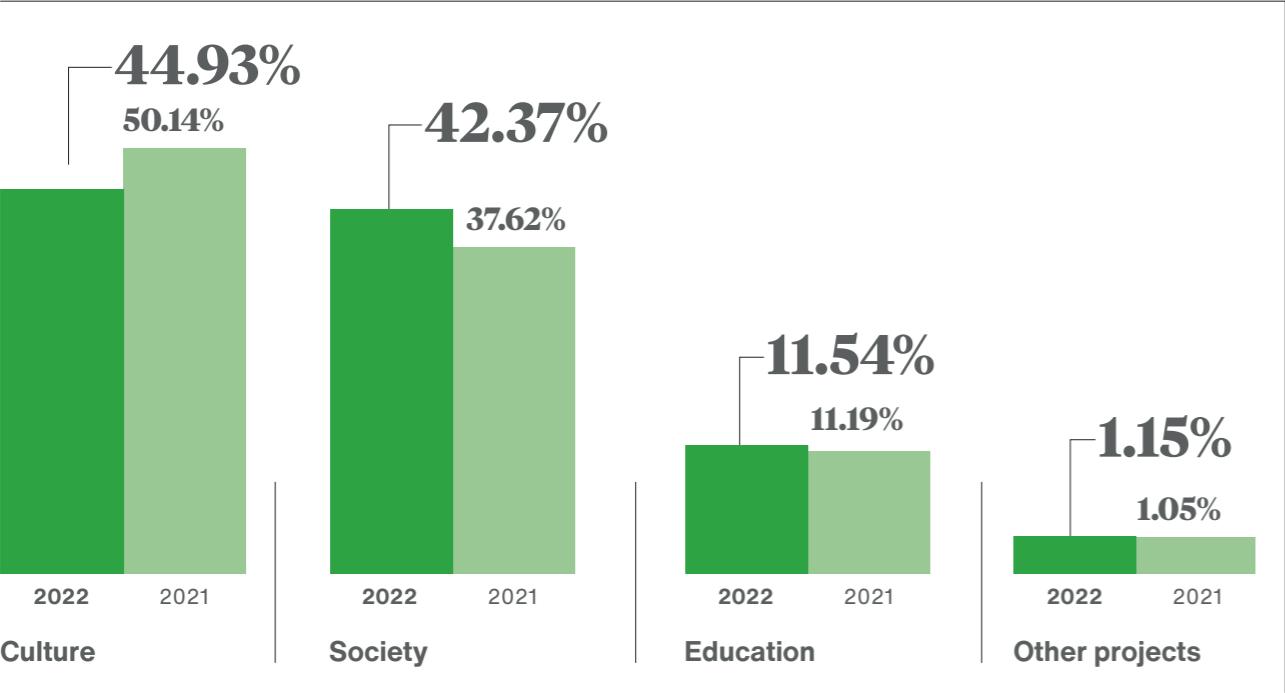


Education and knowledge, because they are essential tools for the growth and good development of society.

Social support, because the well-being and quality of life of the population, especially the most vulnerable, are essential to achieving a cohesive society.

Creation and culture, so that everyone can have access to and enjoy art and culture under equal conditions.

Impact of the Foundation's activity



Experience Campus

One of the outstanding programmes among the Foundation's activities this year is the Experience Campus academic training project, aimed at people over 50 interested in new areas of knowledge related to culture, science and society.

Thanks to the agreement with the International University of Catalonia (UIC Barcelona), the Campus offers academic training in a hybrid format lasting three years and with the University's own requirements, which includes one-to-one monitoring by teaching staff, and individual and group work outside the classroom.

Result of the agreement with Fundació Crèdit Andorra, the UIC Barcelona Experience Campus programme has been completed with subjects related to the country, such as history, Romanesque art or relations with Europe.

The project is part of the work that the Foundation has been conducting for years in support of the elderly, through L'espai, a social activity and training centre where different courses, workshops and talks are given.



41
students enrolled



Inaugural session of the Campus. © Eduard Comellas

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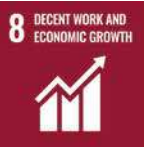



Creand and the Sustainable Development Goals



At Creand Crèdit Andorrà, we want to remain a benchmark in Andorra in terms of excellence, responsibility and commitment in everything we do. In 2016, we signed the United Nations Global Compact, reinforcing our desire to take an active part in the growth of society through our corporate social responsibility actions.

We have also taken on the Sustainable Development Goals (SDGs), which steer this commitment and act as a roadmap towards active and committed participation in the challenges set out by the UN in the 2030 Agenda. Two years after signing the UNEP FI Principles for Responsible Banking, this year marks a period of consolidation, with an update to the bank's impacts using the tools designed for their analysis, which have been modified to improve the accuracy of the results. With this, Creand Crèdit Andorrà succeeds in realising its commitment to a more sustainable banking practice, enabling it to contribute to the achievements of the goals of the 2030 Agenda and to alignment with the 2015 Paris Climate Accord.

Based on our business operations, we have identified eight SDGs as relevant and a priority to focus our actions, aligning our business activity with social, economic and human commitment initiatives to continue driving the generation of value for Andorran society.

SDG	Projects under way in 2022
	<p>Creand Crèdit Andorrà</p> <ul style="list-style-type: none"> Life, health and temporary disability insurance: Creand Piam, Creand Health Plus, Creand Life Comprehensive. More information: https://creand.ad/persones/assegurances/ Visa Unicef. Healthy Company programme. <p>Creand Fundació</p> <ul style="list-style-type: none"> Healthy Aging programme, through L'espai, the social centre for activities and training for the over-60s. Health Update programme. Sponsorship of the Special Olympics Andorra Sports Federation. Support for the Concòrdia programme to save lives using umbilical cord blood. Collaboration with the Red Cross Charity Shop. Collaboration with the Càritas Andorrana Food Bank. Collaboration with the TRANA Esclerosi Múltiple Association. Organising preventive health workshops. Social programme through the ONCA Foundation.
	<p>Creand Crèdit Andorrà</p> <ul style="list-style-type: none"> Financial education initiatives: <ul style="list-style-type: none"> Piolet card and Carnet Jove 16PUNT30. Creand Chair of Entrepreneurship and Banking at IESE Business School. Webinars, masterclasses and training sessions for business owners and entrepreneurs on economics and the behaviour of financial markets. Information sessions for young people with the Carnet Jove Association. Experts programme. Summer training camps for young people. Training and professional development for Group employees through TalentSoft. Participation in the Andorra la Vella Fair. Student financing products (Student Loan, Andorra University Loan). More information: https://creand.ad/persones/hipoteques-i-prestecs Ski Study programme. Career days for students in the three different education systems. <p>Creand Fundació</p> <ul style="list-style-type: none"> Collaboration with the University of Andorra for training projects. Collaboration with the Universitat Internacional de Catalunya (UIC Barcelona) for the Experience Campus. Sponsorship of Museu Carmen Thyssen Andorra. Crèdit Andorrà Painting Awards. Crèdit Andorrà Nit Literària Poetry and Theatre Awards. Education programme through the ONCA Foundation.

SDG	Projects under way in 2022
	<ul style="list-style-type: none"> ▪ Support in business initiatives linked to the country's main economic drivers: tourism, commerce and snow. ▪ Unification of skiing in Andorra with the creation of SETAP 365. ▪ Acquisition of Vall Banc. ▪ Agreement with GBS Finance to integrate the wealth management and family office businesses in Spain. ▪ Extension of the agreement with Caser in the non-life insurance branch. ▪ Main sponsor of Soldeu Esquí Club (SEC). ▪ Collaboration with the businesses and associations of Andorra. ▪ Sponsorship of conferences and economic revitalisation campaigns ("I love Andorran shopping"). ▪ 33rd Business Meeting of the Pyrenees: "Innovation and sustainability: levers for business growth and renewal of the collaboration agreement with the Business Meeting of the Pyrenees Association. ▪ Continued support for Andorra's commerce: Andorra la Vella Fair and Encamp Multi-sector Fair.
	<ul style="list-style-type: none"> ▪ Promotion of online banking. <ul style="list-style-type: none"> ▪ Login using fingerprint and facial recognition. ▪ e-Broker. ▪ My Manager: online customer service. ▪ Payment methods: Creand Wallet, contactless cards, Link POS, Virtual POS. ▪ Collaboration with payment gateways: Monei. ▪ ScaleLab Andorra business hyperacceleration programme. ▪ Digital investment advice platforms: Merkaat and Vesto. ▪ Integration of the Government of Andorra electronic certificate for signing and performing transactions digitally. ▪ ATMs with contactless technology. ▪ Collaboration with business clusters in Andorra to create new economic sectors for the country. ▪ Collaboration with Uniq Ventures as strategic partners. ▪ Outsourcing of customer service – Contact Center. ▪ Implementation of AI in managing compliance risks. ▪ Implementation of a new SMS/OTP validation system. ▪ Innovation Hub project.
	<ul style="list-style-type: none"> ▪ Environmental Management System certified under ISO 14001:2015. ▪ Investment funds with ESG components: Creand Gestión Flexible Sostenible, Alcalá Multigestión / Everea, Alcalá Multigestión Good Megatrends Solidario FI. ▪ Loans with ESG components: Refurbishment Loan and Eco Car Loan.
	<ul style="list-style-type: none"> ▪ Refurbishment Loan. ▪ Eco Car Loan. ▪ Sustainable Mobility Plan for employees. ▪ Approval of ESG risk integration policies at the subsidiaries in Spain and Luxembourg. ▪ Dissemination of Creand's environmental commitment through the media and social networks. ▪ Sponsorship of Cicland. ▪ Signatory to the UNEP FI Principles for Responsible Banking. ▪ Obtaining the Llum Verda seal.

SDG	Projects under way in 2022
	<p>Incorporation of artificial intelligence and big data processing in the control and prevention of money laundering.</p> <p>Awareness-raising among internal personnel of the conflict of interest management policy and the code of conduct on securities markets.</p> <p>Approval and update of internal policies on the prevention of money laundering and terrorist financing, conflicts of interest and ethical conduct.</p> <p>Use of technology to monitor market abuse.</p> <ul style="list-style-type: none"> ■ Reinforcing the organisation's good corporate governance through the implementation of a regulatory framework for mitigating the risk of legal non-compliance: <ul style="list-style-type: none"> • Credit risk management and control policy. • Regulatory Compliance Policy. ■ Guaranteeing access to public information and promoting transparency: ■ Creand Asset Management holds the GIPS certification (Global Investment Performance Standards). ■ Platform for communicating with shareholders, "Shareholder Space".
	<ul style="list-style-type: none"> ■ Member of the United Nations Global Compact. ■ Signatory to the UNEP FI Principles for Responsible Banking. ■ Involvement in the national voluntary report on the fulfilment of the SDGs, drawn up by the Government of Andorra. ■ Collaboration with economic, social and professional institutions and associations.

Global Compact content index

The United Nations Global Compact is the UN initiative spearheading corporate sustainability across the globe. It is a call for companies and organisations to align their strategies and operations with the ten universal principles on human rights, labour standards, the environment and anti-corruption, under the UN mandate to promote the Sustainable Development Goals (SDGs) in the business sector.

In 2023, the new enhanced UN Global Compact Communication on Progress (CoP) will come into effect, which aims to help participating companies meet their annual disclosure obligation. With the updated Communication on Progress, companies will no longer present their disclosures in a narrative format, but rather through a standardised questionnaire available on the new digital platform, which will ensure enhanced transparency and data collection. The CoP will enable companies to measure and demonstrate progress, compare performance, continuously improve and build credibility and value.

As a signatory to the Global Compact since 2016, Creand is committed to respecting its ten principles.

Principles of the United Nations Global Compact	Pages or direct response	GRI Standards
Human rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	61, 62	2-23, 2-26, 2-27, 205, 206, 307, 401, 404, 405, 406
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	61, 62	2-27, 205, 206, 401, 404, 405, 406
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Creand Crèdit Andorrà does not currently have any collective agreements. The creation of an agreement is an option in accordance with the legislation in force that must come from the workers themselves.	2-30
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	Creand Crèdit Andorrà does not engage in operations that involve any risk of leading to instances of forced or compulsory labour.	2-23, 2-26
Principle 5: Businesses should uphold the effective abolition of child labour.	Creand Crèdit Andorrà does not engage in operations that involve any potential risk of incidents involving child labour.	2-23, 2-26
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	28, 61, 62, 115	2-6, 2-23, 2-26, 405, 406
Principle 7: Businesses should support a precautionary approach to environmental challenges.	28, 118-122	2-23, 2-26, 3-3, 305, 307
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	118-122	2-23, 2-26, 305, 307
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	38, 39, 88, 118-122	305, 307
Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.	61-63	205

For a clearer overview of Creand's commitment to the Ten Principles of the Global Compact, the full Communication on Progress (CoP) is available for consultation on the website of the United Nations Global Compact.

Creand Crèdit Andorrà environmental footprint 2022

Creand Crèdit Andorrà environmental footprint 2022*					
		2020	2021	2022	Change 2021-2022
Electricity consumption ^(I)	MWh	2,386	2,399	2,255	-5.99%
	kWh/m ² office space	570.6	702.7 ^(II)	660.6	-5.99%
	kWh/employee	5,695.44	5,966.96	5,382.11	-9.80%
Consumption of diesel oil for climate control	MWh	1,871	2,105	1,540	-26.83%
	kWh/m ²	96	121.5 ^(II)	88.9	-26.83%
Consumption of fuel for vehicles ^(III)	MWh	Not available	67.8	63.6	-6.20%
Total energy consumption ^(IV)	MWh	4,279	4,571	3,859	-15.59%
Proportion of consumption of electricity from renewable energy sources	%			48.41 ^(V)	Not available
Water consumption	m ³	3,576	3,620	5,615	+55.11% ^(VI)
	m ³ /employee	8.5	9	13.4	+48.81% ^(VI)
Paper consumption	Tons	12.6	10.8	11.3	+4.62%
	kg/employee	30.2	26.9	27	+0.37%
Toner consumption	Units	271	310	329	+6.13%
	Units/employee	0.65	0.77	0.79	+1.82%

*Scope of Environmental Management System: Andorra, branch network and Ròdol and Head Office buildings.

(I) Includes electricity consumption at the facilities and charging point for electric vehicles in the company's own fleet.

(II) In 2021, there was a change to the perimeter due to the closure of the Prada Ramon branch and the partial closure of areas in the Ròdol building.

(III) The consumption of fuel for vehicles was not available in 2020 and company vehicle mileage was reported instead (71,582 km in 2020). From 2021, the calculation criterion was readjusted and the fuel consumption in litres is now reported, which gives the equivalent energy consumed.

(IV) The 2020 figures account for electricity consumption and diesel oil (climate control). From 2021 (inclusive), the energy equivalent of the fuel consumption of company vehicles is also considered.

(V) Llum Verda seal issued as of 1 July 2022. From this date, 100% of the electricity consumed by Creand Crèdit Andorrà comes from renewable sources. In the annual calculation of electricity consumption in 2022, it represents 48.41% of the total electricity consumed.

(VI) The detection of a water leak under the EMS caused an increase in consumption, which was resolved and validated in the audit process for the year.

CO ₂ emissions					
Direct and indirect CO ₂ emissions (tons of CO ₂)		2020	2021	2022	Change 2021-2022
Direct CO₂ emissions (scope 1) ^(I)		528.35	552.81	407.98	-26.20%
Diesel oil for climate control ^(I)		516.08	536.71	392.70	-26.83%
Fuel for vehicles ^(I)		12.27	16.10	15.29	-5.05%
Indirect CO₂ emissions (scope 2) (location-based) ^{(I) (II)}		341.25	297.44	279.63	-5.99%
Indirect CO₂ emissions (scope 2) (market-based) ^{(I) (II)}		341.25 ^(III)	297.44 ^(III)	0	-
Other indirect CO₂ emissions (scope 3) ^{(IV) (V)}		63.73	52.86	456.07	- ^(VI)
3.1. Purchased goods and services	Consumption of paper (internal and customer use) ^(VII)	14.74	19.48	20.38	+4.62%
	Water consumption ^(VIII)	1.41	0.47	0.73 ^(IX)	+55.11% ^(IX)
	Toner consumption	5.01	5.73	6.09	+6.23%
	Consumption of other products and services (catering, merchandising, printing)	-	-	13.27	Not available
3.3. Fuel- and energy-related activities (not included in scope 1 or scope 2)	Value chain and transport of fuel and non-renewable electricity	-	-	101.07	Not available
3.5. Waste generated	Paper, card, newspapers, plastic and toner	9.18	1.12	2.47	+121.84%
3.6. Business travel	Train, aeroplane, hotel stays ^(X)	33.38	26.06	59.31	+127.61%
3.7. Employee commuting	Home-work and work-home commutes	-	-	252.7	Not available
Total CO₂ emissions (scope 1, 2 and 3) (market-based) ^(I)		933.3	903.1	864.05	-4.33%

(I) Scope 1 and 2 CO₂ emissions in 2021 and 2022 have been readjusted due to an update to the emission factors in order to use those provided by the Government of Andorra.

(II) Includes electricity emissions to consumption at the facilities and charging point for electric vehicles in the company's own fleet.

(III) In 2020 and 2021, the scope 2 location-based and market-based emissions are the same because the country emissions factor was used. From 2022 onwards, a differentiation is made between the country emission factor (general) and the factor for the commercialisation of electricity from renewable energy sources (certified with FEDA Llum Verda seal). Therefore, location-based is the emissions calculation method based on the emission factor of Andorra's general electricity grid, provided by the Government of Andorra. Market-based is the emissions calculation method that considers the specific emission factor of the specific electricity seller (in the case of Creand Crèdit Andorrà, this factor in 2022 is equal to 0 as it purchased all its electricity with a 100% renewable source guarantee).

(IV) From 2022 onwards, the categories considered scope 3 have been extended.

(V) Scope 3 emissions in 2021 have been readjusted due to an update to the emission factor for paper consumption. See Note V.

(VI) The categories considered in scope 3 have been extended and, for this reason, a comparison with the same perimeter as in the previous year is not possible.

(VII) The calculation of emissions from paper consumption for 2021 has been readjusted due to an update to the emission factor.

(VIII) Water consumption emissions in 2021 and 2022 have been readjusted due to an update to the emission factors in order to use those provided by the Government of Andorra.

(IX) The detection of a water leak under the EMS caused an increase in consumption, which was resolved and validated in the audit process for the year.

(X) In 2020 and 2021, business travel included trips made by train and aeroplane. From 2022, overnight stays in hotels for business travel are also included.

CO ₂ emissions intensity				
	2020	2021	2022	Change 2021-2022
t of CO ₂ from energy consumption/100 m ² office space ^(I)	3.62	4.02 ^(II)	1.89	-53%
t of CO ₂ from energy consumption/employee ^(III)	2.08	2.12 ^(II)	0.97	-54%
Total t of CO ₂ /employee ^(IV)	Not available	2.25	2.06	-8%
Total t of CO ₂ /business volume (in millions of euros) ^(IV)	Not available	0.04	0.03	-20%

(I) Calculation method: t of CO₂ from consumption of energy from fixed sources (electricity and diesel for climate control of buildings)/100 m₂ of office space.

(II) The intensity of emissions for 2021 has been adjusted, due to the updates to the emission factors in order to use those provided by the Government of Andorra.

(III) Calculation method: t of CO₂ from consumption of energy from fixed sources (electricity and diesel for climate control of buildings) and by vehicles/employees.

(IV) New emission intensity indicators. Not available for 2020. Calculated retroactively for 2021.

Global Reporting Initiative (GRI) content index

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
The organisation and its reporting practices	The organisation and its reporting practices				
The organisation and its reporting practices	2-1	Organisational details	Crèdit Andorrà, SA, founded in 1949, is a limited company engaged in banking activities, which it carries out in the areas of retail and private banking, and is subject to the rules and regulations governing financial institutions operating in Andorra. On 11 April 2011, the Andorran National Institute of Finance (now the Andorran Financial Authority) approved the application to extend the Bank's corporate purpose to include investment and ancillary services. Crèdit Andorrà is the parent company of the Crèdit Andorrà Group. Avinguda Meritxell, 80, AD500 Andorra la Vella, Principality of Andorra 1, 8		
The organisation and its reporting practices	2-2	Entities included in the organisation's sustainability reporting	The entities included in the sustainability reporting can be consulted on the website of the Crèdit Andorrà Financial Group.		8, 9, 13
The organisation and its reporting practices	2-3	Reporting period, frequency and contact point	30 June 2023 The reporting frequency is annual. Contact: sostenibilitat@creand.ad		
The organisation and its reporting practices	2-4	Restatements of information	The organisation has not made any restatements in the reporting period.		
The organisation and its reporting practices	2-5	External assurance	The report has not been submitted to external verification.		
Activities and workers	Activities and workers				
Activities and workers	2-6	Activities, value chain and other business relationships	103, 118-120 Under the CNAE numerical classification of productive units in accordance with the economic activities that they carry out, Crèdit Andorrà, SA is 6499. Supply chain management is carried out in accordance with our corporate values. It includes aspects related to corporate social responsibility and is based on transparency and mutual benefit so as to ensure a safe, efficient and quality service provision. The Group's main suppliers include companies that provide leases and real estate, office material, marketing and advertising, computer equipment, technological and communications services, security services, financial services and specific professional services, among others. Furthermore, the bank prioritises working with local suppliers. In 2022, the approximate value of the Group's purchases from suppliers increased to EUR 51,924 thousand, 29% more than in 2021 (EUR 40,249 thousand).		

GRI	GRI Standards	Content	Page number or URL																			Omissions	SDG		
Activities and workers	2-7	Employees	Total employees and breakdown by geography, gender, type of contract and type of working hours																					9, 8	
				Total employees									Permanent						Temporary						
		Workforce at 31 December*	2020			2021			2022			2021			2022			2021			2022				
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total		
		Andorra	250	235	485	241	226	467	244	247	491	241	224	465	243	245	488	0	0	0	1	2	3		
		Spain	97	134	231	44	37	81	60	43	103	44	37	81	60	43	103	0	0	0	0	0	0		
		Luxembourg	64	54	118	58	46	104	57	45	102	57	45	102	57	45	102	0	0	0	0	0	0		
		Mexico	4	8	12	3	9	12	3	9	12	3	9	12	3	9	12	0	0	0	0	0	0		
		Miami (USA)	25	18	43	21	19	40	21	17	38	21	17	38	21	17	38	0	0	0	0	0	0		
		Peru	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		Switzerland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		Panama	15	25	40	13	25	38	11	25	36	13	25	36	11	25	36	0	0	0	0	0	0		
		Chile	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		Uruguay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		Crédit Andorrà Financial Group	455	474	929	380	362	742	396	386	782	395	384	779	395	384	779	0	0	0	1	2	3		
				Full time							Part time						Non-guaranteed hours								
		Workforce at 31 December	2021			2022			2021			2022			2021			2022							
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total					
		Andorra	241	226	467	243	247	490	0	0	0	1	0	1	0	0	0	0	0	0					
		Spain	44	37	81	60	43	101	0	0	0	1	1	2	0	0	0	0	0	0					
		Luxembourg	56	35	88	54	34	88	0	0	0	3	11	14	0	0	0	0	0	0					
		Mexico	3	9	12	3	9	12	0	0	0	0	0	0	0	0	0	0	0	0					
		Miami (USA)	21	19	40	21	17	38	0	0	0	0	0	0	0	0	0	0	0	0					
		Peru	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
		Switzerland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
		Panama	13	25	38	11	25	36	0	0	0	0	0	0	0	0	0	0	0	0					
		Chile	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
		Uruguay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
		Crédit Andorrà Financial Group	378	351	729	392	375	765	0	0	0	5	12	17	0	0	0	0	0	0					
			*The distinction between temporary, full-time and part-time contracts began to be monitored in 2022 and is calculated retroactively for 2021 to provide a comparison. The same is the case for the monitoring of employees by non-guaranteed hours.																						
Activities and workers	2-8	Workers who are not employees	24 workers, 46,728 hours worked.																						

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
Governance	Governance				
Governance	2-9	Governance structure and composition	48-53, 102		16
Governance	2-10	Nomination and selection of the highest governance body	48-53 For board members to be nominated, they must meet legal and statutory requirements for the office in question and possess the appropriate professional knowledge and experience to carry out the required duties and for good governance. In 2020, a procedure was approved for the selection and continuous evaluation of the members of the Board of Directors, General Management and those responsible for control functions. The Regulations of the Board of Directors stipulate that a minimum of two and one third of the total board members must be Andorran nationals or residents with the associated economic rights. Furthermore, all members must be persons of recognised business and professional repute. Aspects such as diversity and independence are not taken into consideration. The board members occupy their positions for a period of two years and they can be re-appointed. In 2022, Xavier Cornella Castel has been appointed as CEO of the Crèdit Andorrà Group.		16
Governance	2-11	Chair of the highest governance body	48-52 The functions of the Chair and the CEO are different and complementary, with a clear division of responsibilities. The Chair is the highest representative of the organisation and the head of the Board of Directors, on which the CEO also sits, as the highest executive officer responsible for executing the Group's strategy.		16
Governance	2-12	Role of the highest governance body in overseeing the management of impacts	In 2022, the head of Corporate Communication, Marketing and New Channels reports to the Board of Directors on sustainability matters. In January 2023, the Crèdit Andorrà Board of Directors approved a new Sustainability Policy, which repeals the previous Corporate Responsibility Policy. Under the new framework of this new Sustainability Policy: • A cross-cutting task force is established, coordinated by the Sustainability Management Department, with a sustainability representative appointed by the respective head of each area/ department involved. Specifically: Banking Business, Investments, Marketing, Communication, Human Relations, Risks, Regulatory Compliance and Operational Services. • The Board of Directors, and by delegation the CEO, is responsible for defining and validating the sustainability strategy, approving the Sustainability Policy and providing the bank with the tools and measures required for its implementation. • The CEO is responsible for reporting directly to the Board of Directors, as often as necessary and in due time, with regard to the bank's progress in the area of sustainability. • By delegation, it is the Sustainability Management Department's responsibility to foster the promotion and development of the strategy agreed in a coordinated and cross-cutting manner with the rest of the areas and geographies involved.		16
Governance	2-13	Delegation of responsibility for managing impacts	The document that includes the management of the bank's impact on the economy, the environment and people is the CSR Policy. In accordance with this policy and pursuant to Article 4.3 of the Regulations of the Board of Directors, it is the responsibility of the CEO to present the CSR Policy to the Board of Directors. The delegation of responsibility for managing these impacts falls to the Corporate Communication, Marketing and New Channels Department, which is responsible for safeguarding the Group's reputation and ensuring compliance with the CSR strategy, coordinating the management of aspects related to social responsibility and promoting its implementation as a cross-cutting element throughout the entire Group. A member of this department manages the aspects related to Corporate Social Responsibility, with a specific unit called: CSR, Environment and Publications. The CEO reports on these aspects annually to the Board of Directors. In January 2023, the Crèdit Andorrà Board of Directors approved a new Sustainability Policy, which repeals the previous Corporate Responsibility Policy. Under the new framework of this new Sustainability Policy: • A cross-cutting task force is established, coordinated by the Sustainability Management Department, with a sustainability representative appointed by the respective head of each area/ department involved. Specifically: Banking Business, Investments, Marketing, Communication, Human Relations, Risks, Regulatory Compliance and Operational Services. • The Board of Directors, and by delegation the CEO, is responsible for defining and validating the sustainability strategy, approving the Sustainability Policy and providing the bank with the tools and measures required for its implementation. • The CEO is responsible for reporting directly to the Board of Directors, as often as necessary and in due time, with regard to the bank's progress in the area of sustainability. • By delegation, it is the Sustainability Management Department's responsibility to foster the promotion and development of the strategy agreed in a coordinated and cross-cutting manner with the rest of the areas and geographies involved.		16
Governance	2-14	Role of the highest governance body in sustainability reporting	In 2022, the head of Corporate Communication, Marketing and New Channels reports to the Board of Directors on sustainability matters, including the Corporate Activity Report. In January 2023, the Crèdit Andorrà Board of Directors approved a new Sustainability Policy, which repeals the previous Corporate Responsibility Policy. Under the new framework of this new Sustainability Policy: • A cross-cutting task force is established, coordinated by the Sustainability Management Department, with a sustainability representative appointed by the respective head of each area/ department involved. Specifically: Banking Business, Investments, Marketing, Communication, Human Relations, Risks, Regulatory Compliance and Operational Services. • The Board of Directors, and by delegation the CEO, is responsible for defining and validating the sustainability strategy, approving the Sustainability Policy and providing the bank with the tools and measures required for its implementation. • The CEO is responsible for reporting directly to the Board of Directors, as often as necessary and in due time, with regard to the bank's progress in the area of sustainability. • By delegation, it is the Sustainability Management Department's responsibility to foster the promotion and development of the strategy agreed in a coordinated and cross-cutting manner with the rest of the areas and geographies involved.		

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
Governance	2-15	Conflicts of interest	61-62 The Regulations of the Board of Directors also sets out the rules and guidelines to be followed to ensure that members are not involved in situations of conflicts of interest. A Conflicts of Interest Management Policy has been approved by the Board of Directors. Furthermore, to ensure that all activities are carried out in strict compliance with the law and established business criteria, the Group has a risk management and control model as an internal control framework. This helps ensure the efficacy and efficiency of operations on the basis of adequate risk control and prudent business conduct, thereby guaranteeing the reliability of financial and non-financial information reported both internally and externally.		16
Governance	2-16	Communication of critical concerns	43 The Management Committee is responsible for reporting the annual planning to the Board of Directors, including any critical issues it deems relevant or appropriate. This Committee meets once a month.		16
Governance	2-17	Collective knowledge of the highest governance body	51 At the meetings of the Board of Directors, information is provided on the main issues to be addressed and related to strategic business, economic, environmental and social issues, as identified by the Preparatory Committee.		
Governance	2-18	Evaluation of the performance of the highest governance body	In 2020, a procedure was approved for the selection and continuous evaluation of the members of the Board of Directors, General Management and those responsible for Crèdit Andorrà's control functions. In addition, at least once a year, a report is submitted to the Board of Directors on the status of the Bank's policies and strategies in matters relating, inter alia, to the Corporate Social Responsibility Policy. In January 2023, the Crèdit Andorrà Board of Directors approved a new Sustainability Policy, which repeals the previous Corporate Responsibility Policy.		
Governance	2-19	Remuneration policies	51 Remuneration policies are foreseen for members of senior management. Senior management has a remuneration policy that includes fixed and variable pay, based on the attainment of quantitative objectives, performance and attitudes in accordance with Crèdit Andorrà's model of cultural values. Termination benefits are subject to applicable law.		
Governance	2-20	Process to determine remuneration	51 The criteria set out in the remuneration policy are followed to determine the amount to be received. The bank has used the Hay Job Evaluation methodology to assess job roles by profile and pay scale to classify all positions, categories and salary ranges associated with each classification.		
Governance	2-21	Annual total compensation ratio		Confidential information	
Strategy, policy and practices	Strategy, policy and practices				
Strategy, policy and practices	2-22	Statement on sustainable development strategy	4-5, 18-19		
Strategy, policy and practices	2-23	Policy commitments	10, 61-63, 119-136 As a signatory to the Global Compact, Crèdit Andorrà guarantees that the Group's activity is carried out in accordance with the ten principles set out by this initiative in the areas of human rights, labour, the environment and anti-corruption. Crèdit Andorrà's policies that the bank's customers can consult via the website www.creditandorra.ad are related to investment and ancillary services: Order Execution Policy, Asset Protection Policy, Conflicts of Interest Policy and Incentives Policy. The bank's Annual Report, made up of the audited Financial Statements, the Corporate Activity Report and the Fundació Crèdit Andorrà Activity Report, are also public documents available to the bank's customers. They can be consulted on the website: www.creditandorra.ad.com . The policies are approved by the Crèdit Andorrà Board of Directors, which is the bank's highest body. Once approved, the policies are communicated to all employees through the corporate intranet, WeCrèdit. Since 1998, Crèdit Andorrà, SA has been part of the United Nations Environment Programme Finance Initiative (UNEP FI), and in February 2021 it became a signatory to the United Nations Principles for Responsible Banking. Before this milestone, in 2016 it incorporated the Sustainable Development Goals as a roadmap for sustainability, specifically SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). One of the major actions carried out in 2022 was the approval of the Standard for integrating ESG risks into investment decisions by the management firm Crèdit Andorrà Asset Management. There is also an Investment and Risk Management Policy focused on mitigating the prudent assumption of risks in the different typologies to which the organisation is exposed. It establishes the line of action of the internal control and information systems, as well as the mechanisms for the monitoring and follow-up of these risks.		

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
Strategy, policy and practices	2-24	Embedding policy commitments	61-63, 122		
Strategy, policy and practices	2-25	Processes to remediate negative impacts	<p>54-61</p> <p>The company has in place:</p> <ul style="list-style-type: none"> - A Customer Service Standard, approved by the Management Committee on 26 May 2021. - A Customer Service Procedure, approved by the Regulatory Compliance Department on 29 October 2021. <p>An area on the Crèdit Andorrà website with forms in different languages for sending complaints/claims from customers and users of the bank's services. These complaints/claims are received to an email inbox specifically set up for these matters.</p> <p>The mechanisms for managing complaints and claims are included in the Customer Service Standard and Procedure:</p> <ul style="list-style-type: none"> - Assignment of a registration number and inclusion in an Excel for monitoring, where the main data of the complaint/claim are collected. - Sending a notice of receipt to the complainant, with an indication of the response time. - Analysis of the facts subject to the complaint in consultation with the departments concerned and on the basis of the applicable internal and external regulations. - Sending the response to the complaint/claim and closing the case, allowing points for improvement to be found. <p>The complaints and claims that arise for recurring reasons are analysed and communicated to the responsible departments with, as appropriate, proposals for definitive or mitigating solutions, in order to reduce or eliminate the type of complaint/claim.</p>		
Strategy, policy and practices	2-26	Mechanisms for seeking advice and raising concerns	<p>Crèdit Andorrà, SA has a robust range of possibilities for seeking advice and raising concerns, including the Customer Service Standard and the Customer Service Procedure. In addition, there are different forms available on the website for sending complaints and/or claims to an electronic inbox via this email address: comunicacio@creditandorragroup.com.</p> <p>The Contact Center is the telephone helpline of Crèdit Andorrà and its online banking. It centralises all the telephone support provided to customers and users in relation to their operations and it aims to provide maximum efficiency for users and a better service, alongside other channels.</p> <p>40-41, 60, 102</p>		
Strategy, policy and practices	2-27	Compliance with laws and regulations	There have been no cases of significant non-compliance with laws and regulations, and no fines have had to be paid during the reporting period.		
Strategy, policy and practices	2-28	Membership associations	<p>124-139</p> <p>Crèdit Andorrà: Andorran Banking, Confederació Empresarial Andorrana (Andorran Business Confederation), Cambra de Comerç, Indústria i Serveis d'Andorra (Chamber of Commerce, Industry and Services of Andorra), Empresa Familiar Andorrana (Andorran Family Business), Asociación para el Progreso de la Dirección (APD - Association for the Advancement of Management), Trobada Empresarial del Pirineu (Business Meeting in the Pyrenees), EFMA, IESE (Crèdit Andorrà Chair of Markets, Organizations and Humanism), University of Andorra, Cercle d'Economia (Economy Circle) and Círculo Ecuestre (Equestrian Circle).</p> <p>Banque de Patrimoines Privés: Fonds de garantie des dépôts Luxembourg (FGDL - Luxembourg Guarantee Deposit Fund), Système d'indemnisation des investisseurs Luxembourg (SIIL - Luxembourg Investor Compensation Scheme), Association des Banques et Banquiers (ABBL - Luxembourg Bankers' Association) and Association Luxembourgeoise des Fonds d'Investissement (ALFI - Luxembourg Association of Investment Funds).</p> <p>Banco Alcalá: Asociación Española de Banca (Spanish Banking Association) and Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones (INVERCO - Association of Collective Investment Institutions and Pension Funds).</p> <p>Beta Capital Wealth Management (Miami).</p> <p>> Beta Capital Securities LLC: Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission (SEC), National Futures Association (NFA), Securities Investor Protection Corporation (SIPC), Municipal Securities Rulemaking Board (MSRB) and NASDAQ.</p> <p>> Beta Capital Management LLC: Securities and Exchange Commission (SEC).</p>		17
Stakeholder engagement	Stakeholder engagement				
Stakeholder engagement	2-29	Approach to stakeholder engagement	100-115		

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
Stakeholder engagement	2-30	Collective bargaining agreements	100% of the workers located in Spain and 75% of the workers located in Luxembourg are covered by collective bargaining agreements. On the other hand, Crèdit Andorrà, SA does not currently have a collective bargaining agreement. The creation of an agreement is an option in accordance with the legislation in force that must come from the workers themselves.		8
Material topics: ensuring operational effectiveness and efficiency, and business continuity					
Disclosures on material topics	3-3	Management of material topics	9, 24, 38, 40, 46, 68-71		
Material topics: customer satisfaction, close service and expert and transparent advice					
Disclosures on material topics	3-3	Management of material topics	40-41, 60, 102		
Material topics: business model and strategy					
Disclosures on material topics	3-3	Management of material topics	4-5, 10, 18-19, 24		
Material topics: incorporation of Sustainable Finances and ESG criteria in the business strategy					
Disclosures on material topics	3-3	Management of material topics	28, 55, 84		
Material topics: strategic alliances					
Disclosures on material topics	3-3	Management of material topics	26-28, 122		
Material topics: regulatory compliance					
Disclosures on material topics	3-3	Management of material topics	48-61, 64		
Material topics: risk management					
Disclosures on material topics	3-3	Management of material topics	16-17, 54-58		
Material topics: corporate governance					
Disclosures on material topics	3-3	Management of material topics	48-53		
	Material topics				
Disclosures on material topics	3-1	Process to determine material topics	96-97		
Disclosures on material topics	3-2	List of material topics	98-99		
	Economic topics				
Material topics: sustained and sustainable economic results					
Disclosures on material topics	3-3	Management of material topics	100-101		

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG			
GRI 201: Economic performance	GRI 201: Economic performance							
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	100-101		9, 8			
GRI 201: Economic performance	201-2	Financial implications and other risks and opportunities due to climate change	28, 88 Crédit Andorrà believes that, for its activity, the physical risks of climate change are minimal. The financial implications as a direct consequence for Group companies as banking, financial, insurance and asset management institutions are, however, considered to be significant, as are the costs of any investments or expenditures to improve environmental performance in response to the challenges of climate change. The risks are the impacts of climate change on Andorra and the repercussions on the country's economy and the reputation risk from improper environmental management. The main opportunities lie in the provision of products to counter climate change and in having a reputation for excellence in environmental performance.		13			
GRI 201: Economic performance	201-3	Defined benefit plan obligations and other retirement plans		Confidential information. The economic value of the benefits is confidential information.				
GRI 201: Economic performance	201-4	Financial assistance received from government	As a banking institution, Crèdit Andorrà does not receive government support.					
GRI 202 Market presence	GRI 202 Market presence							
GRI 202 Market presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Confidential information				
GRI 202 Market presence	202-2	Proportion of senior management hired from the local community	Directors from the country (by subsidiaries)					8
				2020	2021	2022		
		Andorra	13%	13%	13%			
		Spain	100%	100%	100%			
		Luxembourg	0%	0%	0%			
		Mexico	0%	0%	0%			
		Miami (USA)	0%	0%	0%			
		Peru	–	–				
		Switzerland	–	–				
		Panama	0%	0%	0%			
		Chile	–	–				
		Uruguay	–	–				
		Crédit Andorrà Financial Group	18%	15%	15%			
		* In 2020, the classification of management positions was revised. It now includes the members of the Crèdit Andorrà Management Committee, as well as the senior positions of the subsidiaries.						

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
GRI 203 Indirect economic impacts	GRI 203 Indirect economic impacts				
GRI 203 Indirect economic impacts	203-1	Infrastructure investments and services supported	10, 11		9, 8
GRI 203 Indirect economic impacts	203-2	Significant indirect economic impacts	8-9, 100-101		9, 8
			Material topics: business ethics, anti-competitive behaviour, prevention of money laundering, fraud and corruption		
Disclosures on material topics	3-3	Management of material topics	54-61		
GRI 205: Anti-corruption	GRI 205: Anti-corruption				
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	54-64 The active struggle against corruption (including the prevention of money laundering, terrorist financing and other considerations) forms part of the company's corporate culture and is pursued through different mechanisms, extending to all of the Group's business units. The analysis of risks related to corruption is regulated by law. In addition, the company has the Internal Audit department, the Risk and Regulatory Compliance division and the risk management function.		16
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	59-63 We have two policies that contain aspects relating to human rights: the Code of Ethics and Conduct and the Corporate Social Responsibility Policy. We note that Annex 1 to the Code of Ethics and Conduct contains a section on the prevention of corruption and fraud in the Crèdit Andorrà Group. Both documents are now included in the folder. Once approved, the policies are communicated to all employees through the corporate intranet, WeCrèdit		
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	There have been no incidents related to corruption.		16
GRI 206: Anti-competitive behaviour	GRI 206: Anti-competitive behaviour				
GRI 206: Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	There have been no actions relating to monopolistic and anti-competitive practices.		16
			Material topics: innovation in products and services, specialisation in the offer of products and services		
Disclosures on material topics	3-3	Management of material topics	24-46, 84-88		
			Material topics: incorporation of ESG criteria in the portfolio of products and business lines		
Disclosures on material topics	3-3	Management of material topics	17, 19, 29, 48, 55, 58, 84, 88		
			Material topics: digital transformation and multi-channel offer		
Disclosures on material topics	3-3	Management of material topics	14, 17, 21, 24, 34-35		
	Environmental topics				
			Material topics: integration of ESG risks and opportunities (including risks and opportunities from climate change)		
Disclosures on material topics	3-3	Management of material topics	54-58		

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
			Material topics: emissions, reduction and offsetting		
Disclosures on material topics	3-3	Management of material topics	10, 120-121		
GRI 305: Emissions	GRI 305: Emissions				
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	10, 120-121		13, 12, 3
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	10, 120-121		13, 12, 3
GRI 305: Emissions	305-3	Other indirect (Scope 3) GHG emissions	10, 120-121		13, 12, 3
GRI 305: Emissions	305-4	GHG emissions intensity	10, 120-121		13, 12, 3
GRI 305: Emissions	305-5	Reduction of GHG emissions	10, 120-121		13, 12, 3
GRI 305: Emissions	305-6	Emissions of ozone-depleting substances (ODS)	Crèdit Andorrà does not emit ozone-depleting substances, including those in the annexes of the Montreal Protocol.		13
GRI 305: Emissions	305-7	NOx, SOx and other significant air emissions	Crèdit Andorrà does not emit NOx, SOx or other significant emissions.		13
	Social topics				
			Material topics: training and professional development		
Disclosures on material topics	3-3	Management of material topics	106, 107, 108, 113-114		

GRI	GRI Standards	Content	Page number or URL										Omissions	SDG
GRI 404: Training and education	GRI 404: Training and education													
GRI 404: Training and education	404-1	Average hours of training per year per employee	Training activity										No data is available by gender or occupational category for Andorra, Spain or Luxembourg.	8, 4
				Workforce that received training			Average investment in training per employee (€/employee)			Training during working hours				
				2020	2021	2022	2020	2021	2022	2020	2021	2022		
			Andorra	100%	100%	100%	€675.00	€411.00	€453.00	18%	28.00%	23%		
			Spain	73%	100%	100%	€259.00	€258.00	€337.70	98%	13.00%	13%		
			Luxembourg	95%	100%	100%	€400.00	€608.00	€916.99	100%	100.00%	100%		
			Mexico	100%	100%	100%	€128.00	€126.00	€274.00	100%	100.00%	80%		
			Miami (USA)	100%	100%	100%	€143.00	€108.00	-	0%	0.00%	100%		
			Peru	-	-	-	-	-	-	-	-	-		
			Switzerland	-	-	-	-	-	-	-	-	-		
			Panama	100%	100%	100%	€90.00	€342.30	€546.00	100%	90.00%	87%		
			Chile	-	-	-	-	-	-	-	.	-		
			Uruguay	-	-	-	-	-	-	-	-	-		
			Crédit Andorrà Financial Group	81%	88%	100%	€519.00	€417.00	€478.00	41%	41%	34.00%		
GRI 404: Training and education	404-2	Programmes for upgrading employee skills and transition assistance programmes	113											4
GRI 404: Training and education	404-3	Percentage of employees receiving regular performance and career development reviews	Workforce subject to performance review system											
				2022										
				Global	Senior management*		Middle management		Other staff					
					Men	Women	Men	Women	Men	Women				
			Andorra	100%	7	1	89	49	138	179				
			Spain	100%	1	0	25	7	25	33				
			Luxembourg	100%	0	1	19	4	42	41				
			Mexico	100%	0	1	1	3	2	5				
			Miami (USA)	61%	0	1	4	3	13	2				
			Peru	-	-	-	-	-	-	-				
			Switzerland	-	-	-	-	-	-	-				
			Panama	100%	1	0	2	9	8	16				
			Chile	-	-	-	-	-	-	-				
			Crédit Andorrà Financial Group	98%	10	3	140	75	241	287				

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
			Material topics: occupational health and safety		
Disclosures on material topics	3-3	Management of material topics	112		
GRI 403: Occupational health and safety	GRI 403: Occupational health and safety				
GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	112		8, 3
GRI 403: Occupational health and safety	403-2	Hazard identification, risk assessment, and incident investigation	54-57		8, 3
GRI 403: Occupational health and safety	403-3	Occupational health services	112		8, 3
GRI 403: Occupational health and safety	403-4	Worker participation, consultation and communication on occupational health and safety	112		8, 3
GRI 403: Occupational health and safety	403-5	Worker training on occupational health and safety	112		8, 3
GRI 403: Occupational health and safety	403-6	Promotion of worker health	112		8, 3
GRI 403: Occupational health and safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	112		8, 3
GRI 403: Occupational health and safety	403-8	Workers covered by an occupational health and safety management system	Given the characteristics of its business model, Crèdit Andorrà does not have a formal occupational health and safety management system. However, Crèdit Andorrà implements measures aimed at ensuring the health and safety of its employees and preventing occupational hazards related to the workplace.		8, 3
GRI 403: Occupational health and safety	403-9	Work-related injuries	In 2022, Crèdit Andorrà did not record nor was it informed of any cases of work-related accidents involving its workers.		8, 3
GRI 403: Occupational health and safety	403-10	Work-related ill health	In 2022, Crèdit Andorrà did not record nor was it informed of any cases of work-related ill health involving its workers.		8, 3
			Material topics: diversity, equal opportunities and non-discrimination		
Disclosures on material topics	3-3	Management of material topics	28, 115		
GRI 405: Diversity and equal opportunity	GRI 405: Diversity and equal opportunity				
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	28, 50-52		5
GRI 405: Diversity and equal opportunity	405-2	Ratio of basic salary and remuneration of women to men		Confidential information	

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
GRI 406: Non-discrimination	GRI 406: Non-discrimination				
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Crèdit Andorrà has not recorded any incidents of discrimination.		5
			Material topics: contribution to the socioeconomic development of the country and social action		
Disclosures on material topics	3-3	Management of material topics	4, 10, 19, 117, 126-133		
GRI 2-27: Compliance with laws and regulations	GRI 2-27: Compliance with laws and regulations				
GRI 2-27: Compliance with laws and regulations	2-27	Non-compliance with laws and regulations in the social and economic area	Crèdit Andorrà has not recorded any non-compliance with laws and regulations in the social and economic area in 2022.		16
GRI 413: Local communities	GRI 413: Local communities				
GRI 413: Local communities	413-1	Operations with local community engagement, impact assessments and development programmes	4, 10, 19, 27, 72, 117, 126-133		9
GRI 413: Local communities	413-2	Operations with significant actual and potential negative impacts on local communities	10, 11		8
GRI 413: Local communities	FS13	Access points in low-populated or economically disadvantaged areas by type	10-11, 38-39, 74-75		9
GRI 413: Local communities	FS14	Initiatives to improve access to financial services for disadvantaged people	133-135		8, 9
			Material topic: cybersecurity and data privacy		
Disclosures on material topics	3-3	Management of material topics	17, 65, 113		

GRI	GRI Standards	Content	Page number or URL	Omissions	SDG
GRI 418: Customer privacy	GRI 418: Customer privacy				
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>61, 65</p> <p>Crèdit Andorrà has a personal data protection and privacy policy, which includes protocols and procedures that ensure compliance with legal requirements on the subject of e-commerce and personal data processing. The provision of services is in compliance with Andorran legislation in general, and more specifically with legislation on financial and banking services and products, under the supervision of the corresponding regulators. The other Group companies provide their services in compliance with the legislation applicable at any given time in their respective countries.</p> <p>Crèdit Andorrà is obliged to protect the personal and private information of its customers and employees as far as possible, as set out in its Code of Ethics and in the applicable legislation on privacy, data protection and banking secrecy. To ensure the security of IT systems, we have a series of internal standards of action to efficiently protect information in a preventive manner. The IT Security department endeavours to minimise risks of non-compliance and ensures coordination across the different areas of the Group. The purpose of this department is to extend all the knowledge it has gained in the field of IT security to the other criteria related to documented information, which must be considered a critical aspect of the Group's operations.</p> <p>Its governing principles are:</p> <ul style="list-style-type: none">> Confidentiality: guaranteeing that the information may only be accessed by authorised persons and that the regulations and legal requirements relating to data privacy and personal data protection are complied with at all times.> Integrity: guaranteeing that the information stored is complete and corresponds to reality at all times.> Availability: guaranteeing that information is available on demand when needed to perform the required operations or consultations. <p>Crèdit Andorrà has not recorded any complaints relating to respect for privacy and leaks of customer data.</p>		16
			Material topics: clear and transparent disclosure of information		
Disclosures on material topics	3-3	Management of material topics	<p>56, 61, 105</p> <p>Through the Solvency Report and the Capital and Liquidity Adequacy Self-Assessment Report, Crèdit Andorrà guarantees an exercise in transparency on how it links risk management with strategic decisions.</p>		



Reporting and Self-Assessment Template

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Crédit Andorrà, SA, founded in 1949, is a limited company engaged in banking activities, which it carries out as a retail and private bank, and is subject to the rules and regulations governing financial institutions operating in Andorra.

On 11 April 2011, the Andorran National Institute of Finance (now the Andorran Financial Authority) approved the application to extend the Bank's corporate purpose to include the investment and ancillary services.

Crédit Andorrà, SA is the parent company of the Crédit Andorrà Group, which is made up of several investee companies.

The Group has private banking and asset management activities through subsidiaries in Spain, Luxembourg and the United States (Miami).

Crédit Andorrà, SA has a portfolio of over 55,000 customers, 55% of whom are digital customers. As regards the banking business in Andorra, where the parent company of the Group is located, 45% of the business volume comes from retail and corporate banking, and the remaining 55% corresponds to the private banking and asset management activities.

The Group also includes the management company Credi-Invest, SA (trade name Crédit Andorrà Asset Management), which had assets under management (AuM) of close to EUR 5 billion at year-end 2022.

Links and references

p. 8-11, 21, 29-33, 36-37, 72-91, 100-101

[Crédit Andorrà website](#)

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☐ Yes

☒ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ☐ UN Guiding Principles on Business and Human Rights
- ☐ International Labour Organization fundamental conventions
- ☒ UN Global Compact
- ☐ UN Declaration on the Rights of Indigenous Peoples
- ☐ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----
- ☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
- ☐ None of the above

Response

In the 2022 financial year (and previous years), sustainability topics and issues are regulated in the Corporate Social Responsibility Policy of 17 December 2020.

However, in January 2023, the Board of Directors approved a sustainability policy that repeals the aforementioned Social Responsibility Policy.

As part of the project to implement the Principles for Responsible Banking, the bank has set up a cross-cutting task force, with representatives from different areas and departments. The task force has received initial training on sustainability matters in general and on the Principles for Responsible Banking and relevant reference frameworks such as the Paris Agreement, the European Green Deal and the Task Force on Climate-Related Financial Disclosures (TCFD) in particular.

The bank has currently identified six Sustainable Development Goals (SDGs) as priorities and is committed to contributing to their achievement. These SDGs will be reviewed based on the definition of the new Sustainability Policy.

As a signatory to the United Nations Global Compact since 2016, Crèdit Andorrà is committed to respecting its 10 principles, in the areas of human rights, the environment and anti-corruption. As such, Crèdit Andorrà publishes its Communication on Progress (CoP) each year, in which it affirms and sets out its commitment to these principles and the way in which it has realised this commitment.

The bank has had an Environmental Management System (EMS) in place since 2004 for its activity in Andorra, through which it manages the environmental impacts throughout the production/service chain. The system is verified annually by an independent third party in accordance with ISO 14001.

Within the framework of the EMS, the bank has worked throughout 2022 to expand the scope of the carbon footprint calculation, including new scope 3 categories relating to emissions from corporate operations.

Links and references
p. 24, 28, 57-58, 61,
118-123

CSR Policy

Environment
Management

Committed Banking

The bank has also carried out an initial identification of its portfolio exposure to climate risks, on the basis of which it is working to include the results of this climate risk analysis in the bank's risk management methodologies, such as the risk appetite framework (RAF).

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

Crédit Andorra's impact analysis has been carried out using the tools provided by UNEP FI: the "Portfolio Impact Analysis Tool for Banks" for our banking business; and the "Investment Portfolio Impact Analysis Tool" for our investment activity. For further information on the methodology, see "Tools for Holistic Impact Analysis" from UNEP FI.

In the case of the impact analysis on the banking business, and following UNEP FI requirements, an annual update has been carried out. Regarding the impact analysis on the investment business, 2022 is the first year in which an impact analysis has been conducted for this part of the organisation's business.

Crédit Andorra's impact analysis has been carried out based on data corresponding to one calendar year and includes the calendar year ended 31 March 2022.

Links and references
p. 28

Tools for Holistic
Impact Analysis

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

<p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.</p>	
<p><i>Response</i></p> <p>In accordance with the methodology of the abovementioned UNEP FI tools, the business lines covered in the analysis include:</p> <ul style="list-style-type: none"> • Banking business: consumer banking (retail banking for individuals and certain private banking activities, excluding investments) and business banking (retail banking for businesses and corporate banking). In terms of impact, the organisation's banking portfolio represents 51% (total sum of assets and liabilities) as at 31 March 2022. • In the case of the impact, analysis of the investment business, it represents 49% at 31 March 2022. It includes own investments, discretionary portfolio management of customers, investments made under financial advisory powers and trading in capital markets through reception and transmission of orders (RTO). <p>Crédit Andorra's data has been matched to the business lines defined by the two aforementioned UNEP FI tools.</p> <p>The geographic scope of the Impact Analysis currently includes Andorra, where the Group's parent company is located.</p> <p>The intention is to apply a progressive approach and start the impact analysis where the organisation has a more established culture and track record of sustainability.</p> <p>In line with this decision and with regard to the impact analysis on investments, the criterion followed is to take into account only the investments made by the companies based in Andorra (the bank and the management company), even though these investments may have been made in companies or underlying assets located outside the Principality of Andorra.</p>	<p><i>Links and references</i></p> <p>p. 28</p> <p><u>Tools for Holistic Impact Analysis</u></p>
<p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank's portfolio impacts into the context of society's needs.</i></p>	
<p><i>Response</i></p> <p>In order to contrast and understand the impacts of the portfolios, the impact analysis process analysed the context of the countries in which the bank operates and which are within the scope of the impact analysis (Andorra).</p>	<p><i>Links and references</i></p> <p>p. 28</p> <p><u>Tools for Holistic Impact Analysis</u></p>

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

Impact analysis of the banking business

The needs of the Principality of Andorra associated with each SDG have been considered and analysed using the context module included in the “Portfolio Impact Analysis Tool for Banks”.

The impact areas presenting a high or very high need in Andorra, based on the contextual analysis conducted, are:

- Healthy food (SDG 2)
- Waste management (SDG 6, 12, 14, 15)
- Water availability, accessibility, affordability and quality (SDG 6)
- Climate (SDG 13)
- Resource efficiency/security (SDG 6, 12, 13, 14, 15)

Impact analysis of the investment business

The criterion has been to consider only investments made by companies based in Andorra. However, these investments made from Andorra may have been made in companies or underlying assets located outside the Principality of Andorra. For this reason, considering the broad scope and magnitude of the investment portfolio, as well as its geographical and sectoral diversification, the contextual analysis has taken as a reference the overall needs of the planet (which are an average based on the needs of the different countries).

The impact areas presenting a high or very high need globally, based on the contextual analysis carried out, are more numerous, but priority has been given to those that have synergies with those already identified from the impact analysis of the banking business:

- Waste management (SDG 6, 12, 14, 15)
- Water availability, accessibility, affordability and quality (SDG 6)
- Climate (SDG 13)
- Resource efficiency/security (SDG 6, 12, 13, 14, 15)

During the impact analysis process, the input and contribution of data and knowledge from the organisation’s personnel and management was taken into account, as well as the developments and priorities established by the authorities regarding sustainability, such as the Law on the Promotion of the Energy Transition and Climate Change (LITECC), the Law on Circular Economy (LEC), the National Mobility Strategy and the National Circular Economy Strategy, all from the Government of Andorra.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.

Response

The following impact areas have been identified as the most significant:

- promoting healthy and inclusive economies

Links and references

p. 28

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

<ul style="list-style-type: none"> • employment • economic convergence • housing, culture and heritage • climate, and • efficiency and resources <p>Crèdit Andorrà has decided to prioritise chiefly the impact areas of employment and climate, as these are two areas on which the bank is now focusing to develop the target-setting that will be reported to UNEP FI and to stakeholders in general.</p> <p>With these impact areas in mind, we set up a cross-cutting task force to implement the strategic lines established and to introduce the actions that will enable the bank to increase its positive impacts and reduce its negative impacts through the activities carried out in its business lines.</p>	
<p>d) For these (min. two prioritized impact areas): <i>Performance measurement.</i> Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>	
<p>Response</p> <p>The bank has made progress in the diagnosis of the organisation's situation in the areas of equality and climate change, from which it will work on defining indicators and KPIs to quantify and measure the organisation's evolution in relation to the targets set.</p> <p>With regard to equality and diversity, in the internal dimension, the diagnosis of gender equality within the organisation has still not been completed, on the basis of which an equality plan will be drawn up. In the external dimension, the bank is currently conducting the relevant studies and analysis to identify opportunities to extend ESG or impact criteria in its portfolio of products and services, particularly in banking.</p> <p>In relation to the fight against climate change, the bank has made an initial identification of the climate risks and opportunities, and it is working to introduce management metrics into the bank's risk management methodologies. The bank is not yet in a position to set more clearly defined targets, which is why the diagnosis processes need to be completed, in order to establish the baselines from which the progress will be monitored with the KPIs to be defined.</p> <p>The bank is working on these diagnoses, on the basis of which it will be able to set SMART targets.</p>	<p>Links and references</p> <p>p. 28</p>

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Mitigation of climate change and employment (including the equality and diversity target).

How recent is the data used for and disclosed in the impact analysis?

- ☐ Up to 6 months prior to publication
- ☐ Up to 12 months prior to publication
- ☒ Up to 18 months prior to publication
- ☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

Based on these prioritised impact areas (mitigation of climate change and employment), the bank has set the following targets:

- **Employment (including equality and diversity).** The organisation has set the target of promoting equality and diversity internally, based on an Equality Plan that outlines the measures to promote equality within the bank, after a diagnosis has been carried out. In a second stage, the bank also sets itself the goal of extending this target to its value chain and its portfolio, after carrying out the relevant diagnostics to identify the current state of its portfolio in terms of gender, and from there to set the baseline from which the specific quantitative targets to be achieved will be determined.
- **Climate change response:** the organisation sets the target of adapting to the climate risk disclosure framework proposed by the TCFD, starting with the identification of climate risks, to assess and reduce the exposure of its portfolio to physical and transition risks. Furthermore, the organisation aims to align its portfolio with the Paris Agreement goal of limiting global warming to 1.5°C.

The bank is currently in an initial phase of diagnosis of the organisation's situation in the areas of equality and climate change, which will serve as the basis for determining indicators and KPIs to quantify and measure the evolution of the organisation in relation to the targets set.

The bank is not yet in a position to set more clearly defined targets, which is why the diagnosis processes need to be completed, in order to establish the baselines from which the progress will be monitored with the KPIs to be defined.

Links and references

p. 28

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Mitigation of climate change	...	
	...	
	...	

Impact area	Indicator code	Response
Employment (including equality and diversity)	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response

The bank is currently in an initial phase of diagnosis of the organisation's situation in the areas of equality and climate change, which will serve as the basis for determining indicators and KPIs to quantify and measure the evolution of the organisation in relation to the targets set.

As a result, the bank has not yet defined the baseline for the targets set. It will be in the position to do so once the relevant diagnoses have been completed and the SMART targets have been set, which will be monitored using specific KPIs.

Links and references

p. 28

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Resposta

The bank has set specific targets to increase its positive impacts and reduce its negative impacts on society, with the ultimate goal of contributing to sustainable development based on responsible banking management.

Links and references

p. 28, 58

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

The targets we have set to be achieved during the course of the project, and through which we will increase our positive impact, are as follows:

Employment (including equality and diversity):

The organisation has set the target of promoting equality and diversity:

- Internally:
 - Within the bank itself, it proposes the target of promoting equality and diversity on the basis of an Equality Plan that outlines the measures to promote equality within the bank, following a diagnosis of the state of gender equality within the organisation.
 - At year-end 2022, the bank is still working on the diagnosis of the situation in the organisation in the area of equality, on the basis of which (once complete), it will be possible to define specific objectives and indicators and KPIs to quantify and measure the progress of the organisation in relation to the targets set.
 - At the current stage in the gender equality diagnosis and climate risk identification process, the bank is not yet in a position to set more clearly defined targets, as it needs to complete the diagnostic process in order to establish baselines against which to monitor progress with KPIs to be defined.
 - The bank aims to have this diagnosis completed and the internal Equality Plan drawn up during the course of 2023.
- Externally:
 - In a second stage, the bank also sets itself the goal of extending this target to its value chain and its portfolio, after carrying out the relevant diagnostics to identify the current state of its portfolio in terms of gender and/or inclusion, and from there to set the baseline from which the specific quantitative targets to be achieved will be set.
 - The bank is currently conducting the relevant studies and analysis to identify opportunities to extend ESG or impact criteria in its portfolio of products and services, particularly in banking.

Climate change response

- The organisation sets the target of adapting to the climate risk disclosure framework proposed by the TCFD, starting with the identification of climate risks, to assess and reduce the exposure of its portfolio to physical and transition risks.
- We have identified the risks and opportunities associated with climate change to gradually integrate them into the organisation's policies, procedures and risk management methodologies, defined by its risk appetite framework (RAF).
- In parallel, we have broadened the scope for calculating our carbon footprint with a view to improving our operations and contributing to the mitigation of climate change. In 2022, the

<p>consideration and calculation of scope 3 emissions was expanded and the following categories were included, representing the scope 3 carbon footprint arising from our corporate operations:</p> <ul style="list-style-type: none"> ○ 1. <i>Purchased goods and services</i> ○ 3. <i>Fuel- and energy-related activities (not included in scope 1 or scope 2)</i> ○ 5. <i>Waste generated in operations</i> ○ 6. <i>Business travel</i> ○ 7. <i>Employee commuting</i> <p>The total greenhouse gas emissions of Crèdit Andorrà in 2022, considering scope 1, 2 and 3 emissions, were 864.05 tons of CO₂e (<i>market-based</i>).</p> <ul style="list-style-type: none"> • Furthermore, the organisation aims to align its portfolio with the Paris Agreement goal of limiting global warming to 1.5°C. To achieve this target: <ul style="list-style-type: none"> ○ The bank is committed to further expanding the calculation scope for its carbon footprint, to calculate the category of financed emissions and develop a decarbonisation plan. ○ In addition, the bank's Global Risks division is working on integrating ESG criteria into the risk management methodologies, particularly the risk appetite framework (RAF), based on the previous exercise to identify the portfolio's exposure to climate risks. <p>The bank is adopting a progressive approach to both targets, starting with the analysis and identification of the current situation in these two impact areas, and subsequently setting out quantifiable SMART targets according to UNEP FI's definition.</p>	
<p>d) <u>Action plan:</u> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
<p><i>Response</i></p> <p>The bank is adopting a progressive approach to both targets (Employment, including equality and diversity, and Climate change response), starting with the analysis and identification of the current situation in these two impact areas, and subsequently setting out quantifiable SMART targets according to UNEP FI's definition.</p> <p><u>Employment (including equality and diversity):</u></p> <ul style="list-style-type: none"> ○ At the current stage in the gender equality diagnosis and climate risk identification process, the bank is not yet in a position to set more clearly defined targets, as it needs to complete the diagnostic process in order to establish baselines against which to monitor progress with KPIs to be defined. 	<p><i>Links and references</i></p> <p>p. 28, 58</p>

<ul style="list-style-type: none"> ○ The bank aims to have this diagnosis completed and the internal Equality Plan drawn up during the course of 2023. • Externally: <ul style="list-style-type: none"> ○ In a second stage, the bank also sets itself the goal of extending this target to its value chain and its portfolio, after carrying out the relevant diagnostics to identify the current state of its portfolio in terms of gender and/or inclusion, and from there to set the baseline from which the specific quantitative targets to be achieved will be set. ○ The bank is currently conducting the relevant studies and analyses to identify opportunities to extend ESG or impact criteria in its portfolio of products and services. <p><u>Climate change response:</u></p> <ul style="list-style-type: none"> • To achieve the goal of aligning the portfolio with the Paris Agreement goal of limiting global warming to 1.5°C: <ul style="list-style-type: none"> ○ The bank is committed to further expanding the calculation scope for its carbon footprint, to calculate the category of financed emissions and develop a decarbonisation plan. ○ In addition, the bank's Global Risks division is working on integrating ESG criteria into the risk management methodologies, particularly in the risk appetite framework (RAF), based on the previous exercise to identify the portfolio's exposure to climate risks. 	
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Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... Equality and diversity	... second area of most significant impact: ... Climate change response	
Alignment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	
Baseline	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	
SMART targets	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	

Action plan	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	
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2.3 Target implementation and monitoring (Key Step 3)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

Employment (including equality and diversity):

- Internally:
 - At year-end 2022, the bank is still working on the diagnosis of the situation in the organisation in the area of equality, on the basis of which (once complete), it will be possible to define specific objectives and indicators and KPIs to quantify and measure the progress of the organisation in relation to the targets set.
 - At the current stage in the gender equality diagnosis and climate risk identification process, the bank is not yet in a position to set more clearly defined targets, as it needs to complete the diagnostic process in order to establish baselines against which to monitor progress with KPIs to be defined.
 - The bank aims to have this diagnosis completed and the internal Equality Plan drawn up during the course of 2023.
- Externally:
 - In a second stage, the bank also sets itself the goal of extending this target to its value chain and its portfolio, after carrying out the relevant diagnostics to identify the current state of its portfolio in terms of gender and/or inclusion, and from there to set the baseline from which the specific quantitative targets to be achieved will be set.
 - The bank is currently conducting the relevant studies and analyses to identify opportunities to extend ESG or impact criteria in its portfolio of products and services.

Climate change response:

- We have identified the risks and opportunities associated with climate change to gradually integrate them into the

Links and references

p. 28, 58

organisation's policies, procedures and risk management methodologies, defined by its risk appetite framework (RAF).

- In parallel, we have broadened the scope for calculating our carbon footprint with a view to improving our operations and contributing to the mitigation of climate change. In 2022, the consideration and calculation of scope 3 emissions has been expanded including the following categories, representing the scope 3 carbon footprint arising from our corporate operations:
 - 1. *Purchased goods and services*
 - 3. *Fuel- and energy-related activities (not included in scope 1 or scope 2)*
 - 5. *Waste generated in operations*
 - 6. *Business travel*
 - 7. *Employee commuting*

The total greenhouse gas emissions of Crèdit Andorrà in 2022, considering scope 1, 2 and 3 emissions, were 864.05 tons of CO₂e (market-based).

- Furthermore, the organisation aims to align its portfolio with the Paris Agreement goal of limiting global warming to 1.5°C. To achieve this target:
 - The bank is committed to further expanding the calculation scope for its carbon footprint, to calculate the category of financed emissions and develop a decarbonisation plan.
 - In addition, the bank's Global Risks division is working on integrating ESG criteria into the risk management methodologies, particularly within the lending process or risk appetite framework (RAF), based on the previous exercise to identify the portfolio's exposure to climate risks.

The bank is adopting a progressive approach to both targets, starting with the analysis and identification of the current situation in these two impact areas, and subsequently setting out quantifiable SMART targets according to UNEP FI's definition.

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

☐ Yes ☐ In progress ☒ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☐ Yes ☐ In progress ☒ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

The Corporate Social Responsibility Policy, of 17 December 2020, sets out the bank's commitments in its relations with customers. Likewise, the new Sustainability Policy, approved by the Board of Directors in January 2023, also takes this same approach of placing the focus on customers.

The bank periodically organises different types of events to promote solutions, products and services to customers, such as financial education initiatives, market monitoring workshops and sessions on new business opportunities, among others.

Furthermore, the bank has several projects to promote, finance and support new entrepreneurial initiatives, including the Scale Lab Andorra project and the Innovation Hub.

In the area of investments, Credi-Invest, SA has developed a Standard for integrating ESG criteria in investment decisions and advice, which was approved on 15 June 2022 by its Board of Directors. *Credi-Invest, SA is the investment management company 100% owned by Crèdit Andorrà.* The aim is to establish an action framework so that environmental, social and governance risks are duly considered, evaluated and integrated progressively into investment decision-making or the issuance of recommendations on the management company's products. Credi-Invest, SA's standard for integrating ESG criteria in investment decisions and advice

Links and references

p. 17, 29-33, 36-41, 43-44, 88, 102

Standard for integrating ESG criteria in investment decisions and advice (Credi-Invest, SA)

includes an exclusions policy on controversial sectors, which will be excluded from the possible investment universe when making investment decisions on the products it manages.

Beyond the exclusion policy in the area of investments, Crèdit Andorrà has not defined actions for those sectors for which the most significant negative impacts have been identified based on the impact analysis carried out within the framework of the Principles for Responsible Banking project.

The bank's Global Risks division is working on integrating ESG criteria into the risk management methodologies, particularly in the risk appetite framework (RAF), based on the previous exercise to identify the portfolio's exposure to climate risks.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

The bank's commitments to customers include:

- Taking environmental and social considerations into account in the development and offering of products and services.
- Helping customers make more informed financial decisions by providing transparent, responsible and truthful information on the characteristics and conditions of the products and services, and providing financial education.

Since 2021, with the entry into force in the European Union of the Sustainable Finance Disclosure Regulation (SFDR), the organisation has been constantly working to update the portfolio of investment products with ESG criteria at all its EU subsidiaries (Spain and Luxembourg).

Crèdit Andorrà is also committed to making further progress in introducing environmental criteria into its financing products. Accordingly, we have the Refurbishment Loan, for building or renovating properties using environmental sustainability and energy efficiency criteria, or the Eco Car Loan, to promote the purchase of electric or plug-in hybrid cars.

In addition, the bank is working on the analysis and study of the development of new banking products with ESG components, in order to increase the positive impacts identified in the impact analysis and reduce the negative ones. In this respect, in 2023, the bank is analysing the possibility of developing new products with ESG impact that meet the bank's targets in the context of this UNEP FI project and help contribute to the sustainable development of the Andorran economy.

Links and references

p. 28, 33, 88

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Resposta

The main stakeholders identified by the Crèdit Andorrà Group are: the customers, who are at the heart of our business decisions and our *raison d'être*; shareholders, as owners; employees, who are our most important asset and the key to ensuring we meet our challenges; the community, where we strive to have an impact by driving its progress and economic, social and environmental development; suppliers, due to their importance in guaranteeing a quality and secure service; and the media, for its capacity to inform and impact society, in an increasingly transparent world.

In 2021, the Bank updated its materiality analysis, with the aim of identifying the ethical, economic, social and environmental issues that the stakeholders consider most important for Crèdit Andorrà. Internal stakeholders (shareholders and Board of Directors) and external stakeholders (employees, customers, suppliers, collaborators and the media) were consulted on this.

Consequently, the materiality analysis reports on the material issues arising from the consultation process and analyses the economic, social or environmental impact on the value chain from a two-pronged approach. On the one hand, it takes into account the impact of sustainability factors on the bank, and on the other, it considers the impact of the business on the environment and on sustainability factors, by looking at the issues that are most important to external stakeholders.

Links and references

p. 96-99, 102

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations.

<p>Beyond this materiality analysis process, the bank has no processes or mechanisms in place to consult with customers or other stakeholders on the issues related to the bank's impacts or the implementation of the Principles for Responsible Banking.</p>	
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Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

In the 2022 financial year (and previous years), sustainability topics and issues are regulated in the Corporate Social Responsibility Policy of 17 December 2020.

However, in January 2023, the Board of Directors approved a sustainability policy that repeals the aforementioned Corporate Social Responsibility Policy corporate.

Within the framework of the Corporate Social Responsibility Policy, ad hoc governance has been established for some sustainability-linked projects, under the Corporate Communications, Marketing and New Channels Department. A person has been designated by this department, under its supervision and reporting, with the following functions:

- Environmental Management System Manager.
- Coordinator of the Principles for Responsible Banking Task Force.
- Coordinator of the corporate activity report, including the materiality analysis, GRI table, Global Compact reporting and the UNEP FI reporting.

The new Sustainability Policy, pending publication and implementation, establishes a governance and management framework that falls under the responsibility of a newly created unit. The Sustainability Unit operates at two levels:

- Strategically, the new unit is under the CEO (ensuring a cross-cutting structure) and reports to the Executive Committee and

Links and references
p. 28, 50-53, 61-63

CSR Policy

<p>Board of Directors through the CEO (according to the strategic alignment).</p> <ul style="list-style-type: none"> Operationally, it the Sustainability Department is responsible for coordinating the teams assigned to each project (cross-cutting) to incorporate ESG aspects into the strategy, risk management and investment decisions generally. It is responsible for communicating the bank's progress in the area of sustainability. <p>In terms of the project to implement the UNEP FI Principles for Responsible Banking, the task force has been maintained and it is now coordinated by the Sustainability Unit.</p>	
<p>5.2 Promoting a culture of responsible banking:</p> <p>Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	
<p><i>Response</i></p> <p>As a pre-condition for the implementation of the Principles, it is necessary to create an internal culture of awareness and commitment, in order to ensure the alignment of the workforce with the values and objectives of the project, and ultimately, with the international frameworks within which the Principles are embedded, such as the Paris Agreement. In this regard, specific training has been provided to the members of the task force.</p> <p>The bank has defined a communication plan, aimed at all internal and external stakeholders, to publicise and raise awareness of the UNEP FI project. This communication plan, which is continuously updated for maximum effectiveness, envisages actions to communicate the gradual achievement of the milestones and progress made in the implementation of the Principles.</p> <p>With regard to the Environmental Management System, training has been included in the annual mandatory employee training plan, ensuring awareness also among new employees. The corporate intranet is the complementary platform for internal communication.</p> <p>The bank also has a web space dedicated to sustainability on the corporate website.</p> <p>As a measure for raising awareness of sustainability among employees, within the framework of the National Mobility Strategy (2021-2050) of the Government of Andorra and in compliance with the provisions of the Law on the Promotion of the Energy Transition and Climate Change (LITECC), the bank has now approved the Sustainable Mobility Plan for employees, which envisages two main objectives: reducing employee mobility and contributing to reducing the organisation's CO₂ emissions. The Plan consists of different measures to achieve these objectives, monitoring indicators and associated timetable, as well as a communication plan to announce the measures and goals to be implemented and achieved.</p> <p>In 2022, the bank launched the so-called Experts Programme, a financial education initiative to promote financial outreach and</p>	<p><i>Links and references</i></p> <p>p. 28, 111-114, 118-120, 122-123, 133-134</p> <p><u>Corporate website</u></p>

knowledge through the participation of the bank's employees, specialists in financial and banking matters such as market analysis, macroeconomics, innovation, investments and people

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

In relation to the **investment, discretionary portfolio management and investment advisory services**, Credi-Invest, SA has developed a Standard for integrating ESG criteria in investment decisions and advice, approved on 15 June 2022 by the management company's Board of Directors. In addition, we are also working on a Guide for integrating ESG risks and criteria in investment decisions and advice. The aim of this document is to establish an action framework so that environmental, social and governance risks are duly considered, evaluated and integrated progressively into investment decision-making or the issuance of recommendations on the management company's products.

A Sustainability Committee for the Investment area, led by the Investment, Innovation and Digital Transformation Area, is foreseen under the framework of the aforementioned Standard. This Committee would monitor compliance with ESG requirements in the area of investments. In addition, possible controversies identified would be presented and discussed in order to reach a consensus on how to proceed, and whether it is necessary to exclude from the products those assets affected by relevant controversies detected in the ESG integration process. This committee also proposes activities for individual involvement with companies. It is initially made up of the CEO of Crèdit Andorrà Asset Management, the head of the Investment Area, the head of Asset Management, the head of Investments and Market Strategies and a representative of the SRI Team.

Also, at the operational level, the aforementioned Standard stipulates the establishment of an SRI Team. This is a specialised team tasked with the ESG analysis of all assets, as well as the development and updating of the methodologies and tools for this analysis. This team is also in charge of developing and updating Credi-Invest's SRI policies, and monitoring and actively participating in the voting and engagement activities.

Regarding **banking services**, such as loans and guarantees, the bank does not yet have policies that incorporate ESG considerations into the granting process for new loans or guarantees. The bank's Global Risks department is working on integrating ESG criteria into

Links and references

p. 28, 40-41, 58, 60-63, 102

Crèdit Andorrà, SA
Customer Support
Service Standard

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

the bank's risk management methodologies, particularly within the lending process or the risk appetite framework (RAF), based on the previous identification of the portfolio's exposure to climate risks.

Regarding **mechanisms for complaints and queries**, Crèdit Andorrà has a Customer Service Standard, approved on 26 May 2021, which regulates the handling, management and resolution of customer complaints. At the procedural level, the Crèdit Andorrà website offers forms in different languages for sending complaints/claims from customers and users of the bank's services in relation to various issues, such as those concerning the Code of Ethics and Conduct, the Policy on the Prevention of Money Laundering and Terrorist Financing, and others.

In the resolution of complaints and grievances, in the internal employee whistleblowing channel, the WhistleB application is used to guarantee anonymity. The subsequent management and processing of these complaints is carried out by the Regulatory Compliance department.

For customers and other stakeholders, Customer Service is responsible for handling and resolving customer complaints and claims. On the other hand, the Contact Center service manages queries, requests, suggestions and incidents, including those related to sustainability, through the channels provided by the bank: telephone, web form, email, post and social networks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ In progress ☐ No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☐ Yes ☐ Partially ☒ No

If applicable, please include the link or description of the assurance statement.

Response

The 2022 Annual Corporate Report has not been subject to any external verification, nor has this UNEP FI Principles for Responsible Banking Self-Assessment Template. As established in the UNEP FI guides on the Principles for Responsible Banking, the bank plans to submit the Self-Assessment Template for external verification as of the third year of reporting (inclusive), i.e., the next report to UNEP FI to be drawn up in 2024, with 2023 data as a baseline.

Links and references

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☒ GRI
☐ SASB
☐ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☐ TCFD
☒ Other: Sustainable Financial Disclosures Regulation (SFDR)

Response

Crèdit Andorrà's 2022 Annual Corporate Report has been drawn up in accordance with GRI Standards.

As part of the implementation of the Principles for Responsible Banking, and with the aim of responding to climate change, the bank has carried out an initial exercise to identify the risks and opportunities arising from it, using the

Links and references

p. 96

work of the Task Force on Climate Related Financial Disclosures (TCFD) as a frame of reference.
Furthermore, and with a view to increasing transparency and disclosure, information related to the identification and management of climate risks and opportunities has been incorporated into the 2022 *Solvency Report* and the *Capital and Liquidity Self-Assessment Report*.

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

<i>Response</i>	<i>Links and references</i>
<p><u>Employment (including equality and diversity):</u></p> <ul style="list-style-type: none"> Internally: <ul style="list-style-type: none"> The bank aims to have this diagnosis completed and the internal Equality Plan drawn up during the course of 2023. Externally: <ul style="list-style-type: none"> The bank sets itself the goal of extending this target to its value chain and its portfolio, after carrying out the relevant diagnostics to identify the current state of its portfolio in terms of gender and/or inclusion, and from there to set the baseline from which the specific quantitative targets to be achieved will be set. Developing and concluding the relevant studies and analyses to identify opportunities to extend ESG or impact criteria in its portfolio of products and services, particularly to banking products. <p><u>Climate change response:</u></p> <ul style="list-style-type: none"> To achieve the goal of aligning the portfolio with the Paris Agreement goal of limiting global warming to 1.5°C: <ul style="list-style-type: none"> The bank is committed to further expanding the calculation scope for its carbon footprint, to calculate the 	<p>p. 28</p>

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

<p>category of financed emissions and develop a decarbonisation plan.</p> <ul style="list-style-type: none"> ○ In addition, the bank's Global Risks division is working on integrating ESG criteria into the risk management methodologies, particularly in the risk appetite framework (RAF), based on the previous exercise to identify the portfolio's exposure to climate risks. <p>Beyond these key areas related to the two targets that the organisation has prioritised, another challenge for the next financial year will be the consolidation of the new sustainability governance framework arising from the Sustainability Policy approved in January 2023. This will enable the organisation to progress towards setting SMART targets and monitoring the achievements of these targets through specific KPIs.</p>	
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6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input checked="" type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

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