



Working together, looking to the future

Integrated Report 2020



Contents

1

Chairman's letter / 4

2

Highlights

/ 7

Highlights

2020, a year marked by COVID-19 / 8

3

The ICO Group's role in the COVID-19 health crisis / 11

4

The ICO Group and our business model / 18

Nature and functions of the ICO Group / 19

Governance and management structure / 23

Our business model / 46

ICO's investees / 60

Partnerships / 61

5

Business development / 62

Economic context of our activity / 63

ICO's lending activity in 2020 / 67

Boost to complementary financing channels / 83

ICO as an instrument of economic policy.

Management of European Union Funds / 90

Operations managed on behalf of the State / 93

Financing of companies' internationalisation / 100

Fundraising / 103

6

Social Responsibility at ICO / 106

Sustainability in the ICO Group / 107

Sustainability policy / 113

Stakeholders / 115

Material issues / 119

Ethical and responsible management / 122

Communication for sustainable growth / 122

7

Human resources and diversity management / 135

Staff data / 137

Types of contract / 139

Average earnings and the wage gap / 139

Work organisation / 141

Conciliation / 142

Social dialogue / 144

Equality and diversity / 145

Health and safety at work / 146

Training / 148

8

Commitment to society / 150

Fundación ICO / 151

Suppliers / 159

Clients / 160

9

Environmental commitments / 162

Sustainable use of natural resources / 165

Waste management / 166

Emissions / 167

10

About this report / 168

About the report / 169

11

GRI Table of contents / 170

GRI table of contents / 171





“ Working together,
looking to the future ”

Chairman's Letter

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

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

Travel restrictions adopted worldwide to slow the spread of COVID-19 impacted the economy and businesses' development. To mitigate this impact, in March 2020 the government adopted a series of measures that mobilised a volume of resources representing 20% of GDP, aimed at supporting the productive fabric, employment and household incomes. This package of measures includes the Guarantee Lines that the Instituto de Crédito Oficial manages in its role as a State financial agency on behalf of the Ministry of Economic Affairs and Digital Transformation.

It has been a year in which public-private collaboration and shared responsibility between ICO, financial institutions and the business sector have been the key to the swift and effective deployment of the guarantees, which were operational and available to Spanish companies and the self-employed just ten days after their approval.

According to comparative analyses by organisations such as the IMF, the ECB and the Bank of Spain, ICO's Guarantee Lines have been one of the most effective programmes in Europe, representing 9.5% of GDP. As of 20 April - the date on which I am writing this letter - more than 95 billion euros in guarantees have been granted, mobilising 125 billion euros in financing for the business fabric across more than 1,048,000 loans, over 98% of which have been taken

out by SMEs and the self-employed. This capacity to mobilise resources shows that public-private collaboration is one of the driving forces behind the investments and reforms set out in the Recovery, Transformation and Resilience Plan to consolidate the recovery and transformation of Spain's growth model.

In addition, the government has adopted measures, also managed by ICO, to adjust the conditions of guaranteed loans and improve business solvency. In November 2020, Royal Decree-Law 34/2020 approved the possibility of extending the terms and grace periods of loans guaranteed before 18 November 2020. In March 2021, Royal Decree-Law 5/2021 established measures to alleviate the financial burden on companies and the self-employed through three levels of action related to guaranteed financing: additional extension of terms, conversion into participating loans, reduction of the principal. In the latter case, a 3 billion euro COVID financial debt restructuring line has been set up.

In an exceptional year such as 2020, as a State financial agency, ICO has been able both to implement the initiatives approved by the Government and, in parallel, to expand and renew its financial activity against its balance sheet, strengthening and increasing the flexibility of all the instruments that, as a national promotional bank in line with its European counterparts, it makes available to SMEs, companies, entrepreneurs and the self-employed. In addition, it has worked to develop new programmes and build new capabilities. This has been possible thanks to the efforts and dedication of all ICO teams, who have proven their willingness to serve the public by helping to preserve and reactivate business activity and employment, meeting the challenges faced with great professionalism in an extremely complex situation.

Thanks to this commitment, ICO has managed to meet the targets set for 2020 in all areas of activity, as detailed in the contents of this Report.

Thus, with its own programmes - ICO Second-Floor Facilities and direct financing products - ICO injected 6.8 billion euros into the self-employed, SMEs and companies to promote their projects and the development of their activity in 2020. At the same time, it continued to diversify its range of products to provide added value to the financing of the Spanish business fabric and to respond flexibly to the needs and challenges posed by the different economic scenarios, as exemplified by the programme of purchases of promissory notes and bonds in the Alternative Fixed Income Market (MARF for its Spanish acronym), with which it mobilised more than 1,884 million euros for companies operating in this market.

The Group's venture capital subsidiary AXIS has reinforced the boost to complementary sources of financing. Specifically, 2020 saw the launch of Fond-ICO Global, F.C.R.'s largest call to date, the roll-out of a specific COVID initiative to alleviate start-ups' liquidity problems and the approval of an additional 3 billion euro contribution over the next five years, which will mobilise public-private partnership investments of between 6.1 billion euros and 8.1 billion euros.

The activity carried out in 2020 has been key in consolidating the integration of sustainability in the ICO Group's organisation and activity, in accordance with the Sustainability Policy approved in the first quarter of the year. With this roadmap, ICO is adapting its internal governance and transversally engaging the entire organisation to develop our activity in a way that is coherent with the objectives and challenges of social and environmental sustainability and to measure the real impact of our activity. It is very important in this respect to express the link between our operational management and the needs of society and our environment.

The Integrated Report 2020 is a clear example of this commitment. The 10 Principles of the United Nations Global Compact - with which ICO has renewed its links - and the standards of the Global Reporting Initiative (GRI) have been followed in preparing this Integrated Report,

offering the highest standard of transparency, clarity, and integrity on the economic, environmental, and social impact of our activity.

ICO has consolidated its role as a benchmark issuer in sustainable bond markets. In May we were the first Spanish issuer to go public with a 500 million euro Covid-19 Response social bond transaction aimed at mitigating the effects of the pandemic, and in October we launched the second green bond with a volume of 500 million euros. These two issues place ICO as one of the leaders in the sustainable bond market at the European level, with an amount of 4,550 million euros issued in 9 operations (7 social and 2 green).

Equally relevant is the work we do to promote sustainable projects as financiers. Major progress has been made in this area, with an approved portfolio in 2020 of 2.76 billion euros in financing operations linked to projects and plans for three aspects of sustainable development: environmental, social and governance, which will contribute to boosting the green and digital transition of the economy.

In parallel, a series of actions are being carried out to strengthen the role that ICO can play in managing and channelling EU funds to Spanish projects, which have already yielded notable results. Within this framework of action, it is worth noting that, following an intense audit process, in December 2020 the European Commission accredited ICO as an Implementing Partner of the new Multiannual Financial Framework 2021-2027, which enables it - in line with its EU counterparts - to manage programmes such as Invest EU or Connecting Europe Facility.

In this line of action as a financial instrument of economic policy, ICO is also assisting in the management of the European Guarantee Fund and the Next Generation EU programme, with the aim of offering Spanish entrepreneurs and the self-employed better access to the various Community initiatives and funds.

At ICO, we continue to work hard to tailor our business and product offerings to the needs of the Spanish economy and Spanish companies as efficiently as possible at all times. Our aim

for 2021 and the coming years is to bring our work, experience and expertise to help deploy the actions foreseen in the Recovery, Transformation and Resilience Plan that will energise the green transition and digital transformation and underpin sustainable growth.

In 2021 ICO is commemorating its 50th anniversary, and I would not want to end this letter without acknowledging the work of all the people who have been part of the Instituto de Crédito Oficial since its creation, and of course the teams that make up the staff today. You are the ones who have made and continue to make it possible for ICO to be a benchmark in business financing, promoting new projects and business activity through a public-private partnership scheme.

Working together, looking to the future.

José Carlos García de Quevedo Ruiz
CHAIRMAN

Highlights
2020, a year marked
by COVID-19



2

Highlights

2.1. Highlights 2020, a year marked by COVID-19

2.1. 1. ICO'S ROLE IN THE HEALTH CRISIS

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

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

WE HAVE MOBILISED RESOURCES ON AN UNPRECEDENTED SCALE, **PROVIDING GUARANTEES FOR**

€ 89,000 M



PROVIDING GUARANTEES FOR THE **SELF-EMPLOYED AND COMPANIES** for

€ 117,000 M

Thanks to the public-private partnership model and shared responsibility between the Administration, financial institutions and the business fabric.



Contribution to United Nations targets **8.1, 8.2 and 8.3** which are to maintain sustainable economic growth and increase productivity and the development of policies that support job creation, especially in SMEs and micro-companies.



Financing was provided for the purchase of material for the manufacture of 5,000 respirators by Spanish companies. This operation is part of the initiative of the Ministry of Industry, Trade and Tourism, in collaboration with the Ministry of Health, to promote lines of industrial collaboration to boost the production of the largest possible number of pulmonary ventilators by Spanish companies.

The social bond framework has been updated and a new social bond issue called "**COVID-19 Response Bond**" for 500 million euros has been issued, reinforcing ICO's role in combating the fallout of COVID-19.

GOVERNANCE
In 2020 we approved the **Sustainability Policy** and **Environmental Policy**.



ACTIVITY
2020 a **green bond** issue for a total amount of **500 million euros**.

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

Highlights
2020, a year marked
by COVID-19

GOVERNANCE

In 2020 we approved the **Sustainability Policy**, cementing the integration of sustainability into the ICO Group's organisation and activity in order to conduct our business in a way that is consistent with the objectives and challenges of social and environmental sustainability and to measure the real impact of our activity.

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



EQUALITY

The ICO Group's **2nd Equality Plan** came into force in 2020. Actions have been carried out across the seven axes that make up the Plan. Of the 45 measures, 33 have been implemented (73% of the 2nd Plan).

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

The ICO Group has joined the **#DóndeEstánEllas** (#WhereAreThey in English) manifesto, created by the European Parliament to increase the visibility of women in conferences and debates and to highlight their contribution to the progress of the EU. In 2020, the ICO Group was represented by women in 44% of the events in which the ICO Group participated as a speaker.



ACTIVITY

Activity

The ICO Group has consolidated its position in the green bond market, launching a **green bond** issue in 2020, amounting to 500 million euros, to finance Spanish companies' activities, investments and projects that contribute to environmental protection and the fight against climate change.

In 2020, we successfully completed our accreditation process as an Implementing Partner (IP) of the European Union, which enables it to intervene in the management of programmes of the new Multiannual Financial Framework 2021-2027 such as Invest EU or Connecting Europe Facility (CEF). In this regard, during 2020 the ICO Group has channelled CEF grants together with the Ministry of Transport, Mobility and Urban Agenda (MITMA) and has financed various sustainable mobility projects.

Financing for sustainable projects has been increased, with an approved portfolio in 2020 of €2.76 billion in financing operations linked to projects and plans for three aspects of sustainable development: environmental, social and governance. These projects will help boost the ecological and digital transition of the economy.



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

3

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

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



MEASURES ADOPTED BY THE STATE WITH AN IMPACT ON ICO'S ACTIVITY

ICO's role in the Spanish economy is particularly notable in times of difficulty, whether arising from recessionary phases of the economic cycle or, as was the case in 2020, due to exceptional situations such as the health crisis caused by the COVID-19 pandemic. Mobility restrictions implemented globally to contain the spread of the virus had a significant impact on economic activity. The government has therefore adopted a series of exceptional measures to mitigate the negative effects of the health crisis on the activity of the self-employed and companies.



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



The measures adopted with an impact on ICO's activity are listed below:

- Royal Decree-Law 7/2020 extends, up to 400 million euros, the financial endowment and geographical coverage of the ICO Guarantee Line in favour of companies in the tourism sector and related activities affected by the insolvency of the Thomas Cook Group. This measure has made it easier for sector companies in all Autonomous Communities to cope with cancellations and other liquidity needs caused by the pandemic. ICO guarantees 50% of the principal of each operation to the institutions, with the Ministry of Industry, Trade and Tourism undertaking to reimburse the amounts paid by ICO to the institutions for the execution of the guarantee.

- Royal Decree-Law 8/2020, of 17 March, increased the net borrowing limit foreseen for ICO in the State Budget Law by 10 billion euros, in order to provide additional liquidity to companies, especially SMEs and the self-employed.
- Royal Decree-Law 8/2020 also approved a line of State Guarantees provided by the Ministry of Economic Affairs and Digital Transformation (MINECO) for up to 100,000 million euros, aimed at guaranteeing up to 80% of the amount of loans granted to companies and the self-employed to meet their working capital and liquidity needs. The following tranches and beneficiaries have been set up by various Agreements of the Council of Ministers until the total amount of 100 billion euros (*) has been reached:

SMES AND SELF-EMPLOYED:
€ 67,500 M

LARGE NON-SME COMPANIES:
€ 25,000 M

SMES AND SELF-EMPLOYED TOURISM SECTOR:
€ 2,500 M

AUTOMOTIVE SECTOR COMPANIES:
€ 500 M

MARF: € 4000 MILLION FOR NON-FINANCIAL COMPANIES THAT ISSUE PROMISSORY NOTES IN THE MARF

(*) Includes 500 million euros to reinforce CERSA's guarantees and increase the capacity of MGSs. Sub-tranche not managed by ICO.

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

- Royal Decree-Law 25/2020, of 3 July, approved a new State Guarantee Line for an amount of 40 billion euros, aimed at guaranteeing up to 80% of the amount of loans for new business investment projects, as well as liquidity needs arising from the company's current expenses.

The tranches set up until 31 December 2020 by various Agreements of the Council of Ministers (**) amount to 11.8 billion euros. Among them, a specific tranche has been set up for SMEs and the self-employed in the tourism sector and related activities with a guarantee of up to 90% of the loans granted:

SMES AND SELF-EMPLOYED: € 5,000 M	LARGE NON-SME COMPANIES: € 3,000 M
COMPANIES IN BANKRUPTCY PROCEEDINGS UP TO DATE WITH PAYMENTS (LOAN GUARANTEES OR MARF PROMISSORY NOTES) € 2,550 M	
MARF: € 250 MILLION FOR NON-FINANCIAL COMPANIES THAT ISSUE PROMISSORY NOTES IN THE MARF	
SMES AND THE SELF-EMPLOYED IN THE TOURISM, HOSPITALITY AND RELATED ACTIVITIES SECTOR: € 500 M	

(**) The ACM of 22 December 2020 sets aside a tranche of 500 million euros to strengthen CERSA's guarantees and increase the capacity of MGSs. This tranche is not managed by ICO.

- With the aim of continuing to promote access to financing for companies and the self-employed and to prevent possible liquidity tensions from turning into solvency problems for companies that had requested guaranteed financing, Royal Decree-Law 34/2020 of 17 November and the Agreement of the Council of Ministers of 24 November established a series of measures in relation to operations formalised under the aforementioned lines of guarantees:
 - For guarantees formalised prior to 18 November, there is the possibility of extending the initial maturity period by an additional maximum period of 3 years without exceeding 8 years and of extending the initial grace period by an additional maximum of 12 months without exceeding 24 months. The extension must be requested by the debtor and a number of requirements must be met.
 - Extension of the repayment period (up to a maximum of 8 years) of guaranteed loans not yet released under the first liquidity guarantee line regulated in Royal Decree-Law 8/2020.
 - The deadline for entities to apply for guarantees is extended until 1 June 2021 and the deadline for MINECO to grant guarantees is extended until 30 June 2021.
- Royal Decree-Law 11/2020 of 31 March regulates a line of State Guarantees to cover the financing of tenants in a socially and economically vulnerable situation as a result of the spread of COVID-19. On 14 April, the Council of Ministers authorised the Ministry of Transport, Mobility and the Urban Agenda (MITMA) to set up the aforementioned line of guarantees for a maximum amount of 1.2 billion euros.

EVOLUTION OF COVID GUARANTEE LINES. MAIN FIGURES AS OF DECEMBER 31, 2020

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

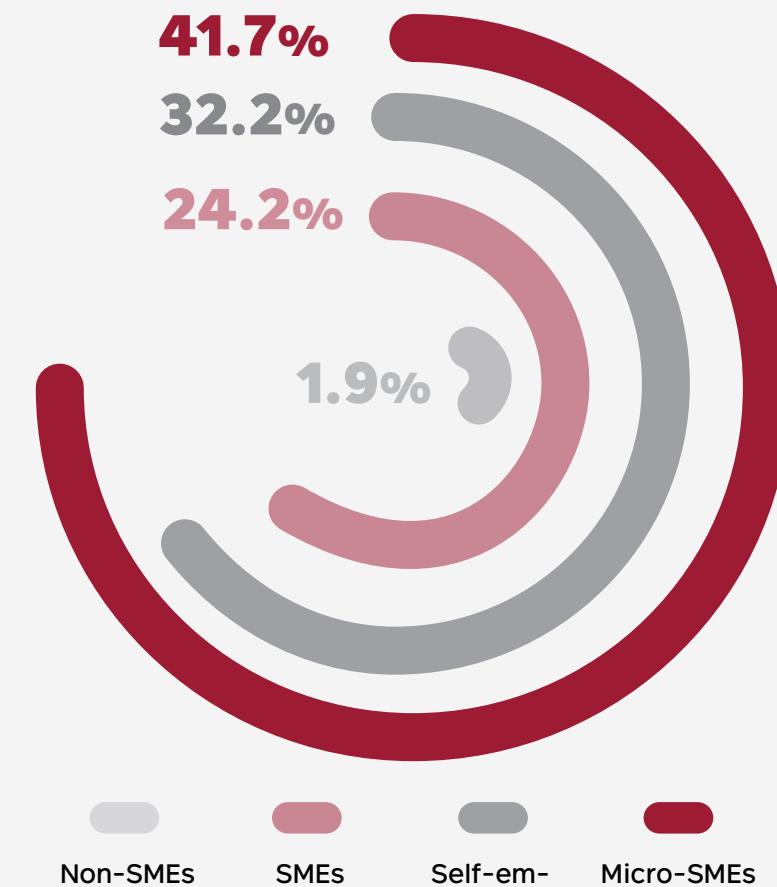
The various State ICO Guarantee Lines have provided the self-employed and companies with access to financing to cover their liquidity or investment needs and to maintain the payment chain, mobilising resources on a large scale.

In total, up to 31 December 2020, 89 billion euros have been guaranteed for more than **611,000 self-employed** persons and companies, enabling the mobilisation of more than **117 billion euros** through almost **966,000 operations**. According to estimates made by the Institute's Research Department, the relative weight of new financing to companies with a State guarantee stood at 33% of the total activity of the financial system in the whole of 2020, reaching 47% in the case of SMEs. These percentages rise to 43% and 63%, respectively, if they are calculated taking into account only the financing granted in the system in the period April-December 2020.

In terms of distribution by company size, 98% of operations were concentrated in SMEs and the self-employed.

COVID-19 GUARANTEE LINES

Distribution of number of guarantees by type of company.



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

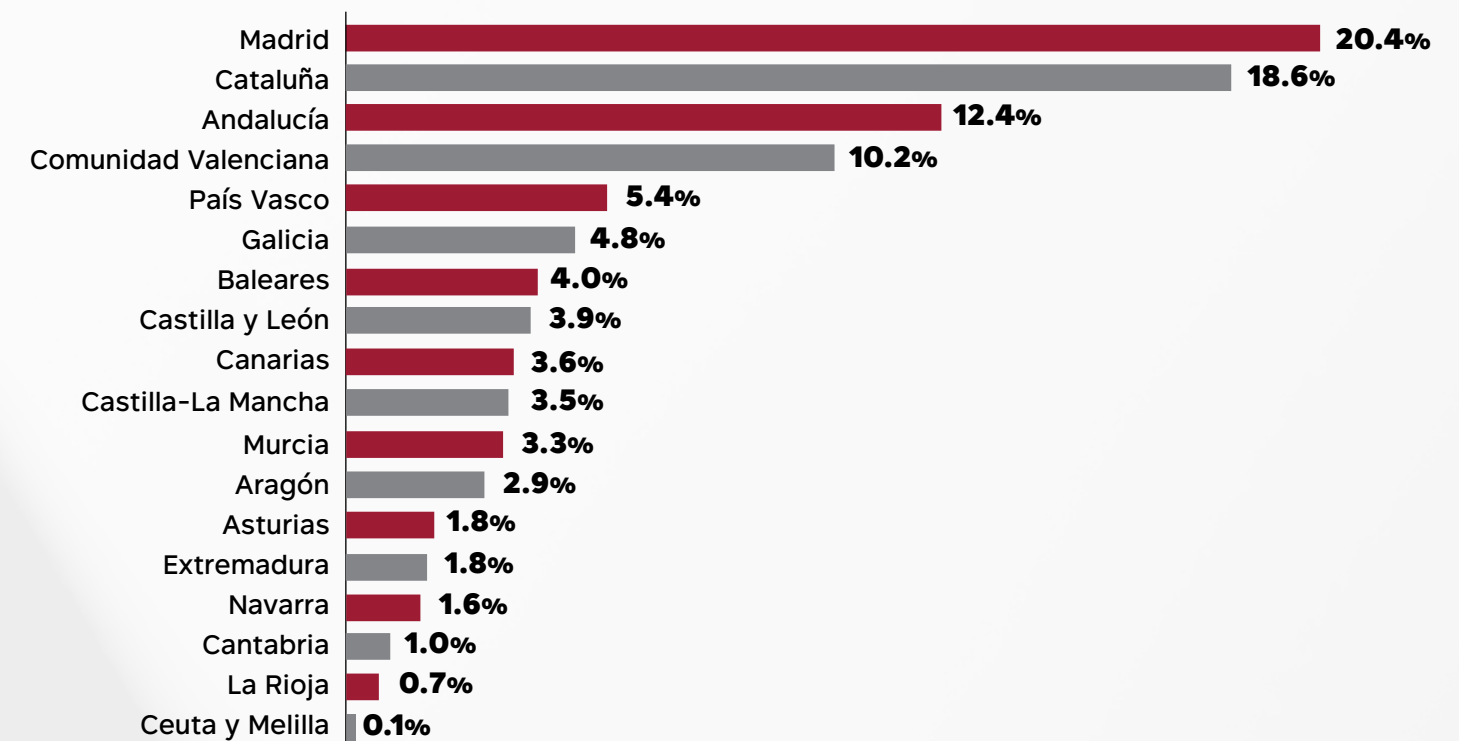
91% of the companies that applied for guaranteed financing have taken out loans of less than 100,000 euros.

All sectors of activity have had access to guaranteed financing, although those most affected by mobility restrictions have received the most financing. Companies in the tourism, leisure and culture sector have accumulated 15% of the financing granted; transport and automotive 9.6%; food and beverage distribution 7.6%; consumer and trade 5.3% and textile, fashion and retail 4.1%.

70% of operations were granted with maturities between 4 and 5 years, thus providing companies with more financial leeway. The possibility of requesting an extension of up to 3 years provided for in Royal Decree-Law 34/2020 will significantly change this repayment profile in the first half of 2021 towards longer average repayment periods (up to 8 years).

In terms of geographical distribution, all the Autonomous Communities have received financing guaranteed by the State. The distribution of amounts guaranteed is in line with the relative weight of the business fabric in each Community. Madrid, Catalonia and Andalusia have the highest amount of guarantees requested until 31 December 2020.

COVID-19 GUARANTEE LINES. Amount of guarantee requested by Autonomous Region



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

The conclusions of different comparative studies at the European Union¹ level carried out by the European Central Bank and the International Monetary Fund show that Spain's guarantee programme is one of the most effective in terms of resources mobilised and the capillarity of its results, analysing the resources contributed by each State in terms of its GDP as well as in relation to the total size of the resources approved. Moreover, Spain is the second EU Member State after France in terms of the absolute amount mobilised.

ICO'S CONTRIBUTION TO THE CRISIS IN ITS ROLE AS A NATIONAL PROMOTIONAL BANK

In addition to managing the Guarantee Lines on behalf of the State, in 2020 ICO intensified its work as a National Promotional Bank, strengthening and making all its own business financing instruments more flexible to help mitigate the economic effects of the pandemic, underpinning economic recovery and encouraging the transition to a production model based on sustainability and digitisation.

In this context, the ICO Second-Floor Facilities have been complemented by a notable increase in direct financing, carried out both through loans, credits, guarantees or purchases of corporate bonds and with the launch of new programmes for the purchase of promissory notes and bonds issued in the MAREF, whose main objective is to meet the liquidity needs of companies as a result of the economic impact of COVID-19.

In the area of venture capital, ICO has also promoted various initiatives aimed at alleviating the economic effects of the health crisis. In the area of Fond-ICO Global, F.C.R. the fund's

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

The significant impact of COVID-19 on ICO is also evidenced by its lending activity in the capital markets, aimed at raising funds to mitigate the economic impact of the health crisis. The Institute was the first Spanish issuer to launch a 500 million euro public transaction of social bonds (COVID-19 Response) in 2020.



¹ Bank of Spain (August 2020), European Central Bank (September 2020) and IMF (Fiscal Monitor October 2020)

<https://www.bde.es/~/media/SES/Secciones/Publicaciones/PublicacionesSerias/DocumentosOcasiones/20/Fich/do2019.pdf>

https://www.ecb.europa.eu/pub/economic-bulletin/focus/2020/html/ecb.ebbox202006_07~5a3b3d1f8f.en.html

<https://www.imf.org/~/-/media/Files/Publications/fiscal-monitor/2020/October/English/ch1.ashx?la=en>

4

The ICO group and our business model

4.1. Nature and functions of the ICO Group

ICO Consolidated Group has been defined by considering Group entities as those over which the Institute has the capacity to exercise control; this capacity is generally, but not exclusively, manifested by the ownership, directly or indirectly, of 50% or more of the voting rights of the investee entities or, even if this percentage is lower or zero, if, for example, there are agreements with shareholders of these entities that give the Institute control. In accordance with the provisions of the regulations, control is understood to be the power to direct the financial and operational policies of a company, in order to obtain benefits from its activities.

The annual accounts of the subsidiary are consolidated with those of the Institute using the full consolidation method as defined in the regulations. Consequently, all significant balances arising from transactions carried out between the companies consolidated using this method have been eliminated in the consolidation process.

The ICO Group is made up of:



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

Section 4. 4 describes ICO's holdings in other entities.



Instituto de Crédito Oficial

Instituto de Crédito Oficial is a Corporate State-Owned Entity that has the legal status of a credit institution and is considered a State Financial Agency. It has its own corporate status, assets and treasury, as well as management autonomy to fulfil its goals. ICO is financed in the capital markets and through loans. It has the Spanish State's guarantee for the debts and obligations it incurs for fundraising.

Attached to the Ministry of Economic Affairs and Digital Transformation, the State Secretariat for Economy and Business Support is responsible for the strategic management of ICO, as well as the evaluation and control of the results of its activity.

ICO's legal nature and framework, as well as its aims and functions, are defined in its Statutes, approved by Royal Decree 706/1999, as amended by Law 40/2015 on the Legal Framework of the Public Sector, Royal Decree 1149/2015 and Royal Decree 390/2011.

CORPORATE NAME

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

NIF (Tax ID): Q-2876002-C

Paseo del Prado, 4. - 28014 MADRID

www.ico.es

Twitter @ICOGob

Contact in relation to this report: rse@ico.es



MISSION

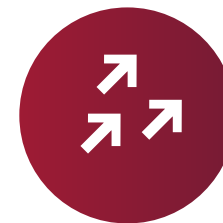
The purpose of the Instituto de Crédito Oficial is to sustain and promote economic activities that contribute to growth and improve the distribution of national wealth, especially those that, due to their social, cultural, innovative or ecological importance, deserve to be promoted.



VISION

These objectives are carried out by the Institute in its triple facet as a national promotional bank, a financial instrument of economic policy, and a State Financial Agent.

ICO works to strengthen its position as a leading international body and a national institution of reference in transparency, solvency and credibility, and to be recognised, especially by SMEs and financial institutions, as an ally for the growth of wealth and employment. It is made up of a highly qualified, motivated, efficient and committed team that performs its duties in an atmosphere of trust and collaboration.



FUNCTIONS

- To help alleviate the economic effects of serious economic crises, health crises, natural disasters or other similar events, in accordance with the instructions of the Council of Ministers or the Delegate Commission of the Government for Economic Affairs.
- To act as an instrument for the implementation of certain economic policy measures in accordance with the fundamental lines that are established by the Council of Ministers, the Delegate Commission of the Government for Economic Affairs or the Minister for Economic Affairs and Digital Transformation, and subject to the rules and decisions agreed upon by its General Board.



AXIS is a state limited trading company as provided for in art. 2.2(c) of Law 47/2003, on the General Budget, in art. 166(c) of Law 33/2003, on the Assets of the Public Administrations, and in art. 111 of Law 40/2015 on the Legal Framework of the Public Sector.

As stated in its Statutes, the Company's main corporate purpose is the administration and management of venture capital funds and the assets of venture capital companies, as well as the control and management of their risks. In addition, the Company may perform the functions described in Article 42.4 of Law 22/2014 of 12 November regulating Venture Capital Companies, Other Closed-Ended Collective Investment Companies and Management Companies of Closed-Ended Collective Investment Institutions (hereinafter "Law 22/2014"). As a complementary activity, the Company may carry out advisory tasks to non-financial companies defined in Article 7 of Law 22/2014.

The Company acts in the best interests of the funds it manages and its shareholder (ICO), in accordance with the provisions of Law 22/2014. It also acts in the interest of its shareholders (in this case its sole shareholder).

CORPORATE NAME

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

NIF (Tax ID): A-78290269

C/ Los Madrazo, 38 2ª planta - 28014 MADRID

www.axispart.com

Contact in relation to this report: rse@ico.es



MISSION

AXIS's aim is to help businesses to grow at the same time as maintaining the financial balance of the funds we manage to ensure their continuity.



FUNCTIONS

- To serve as a catalyst for the creation of venture capital funds with a majority of private capital with the ultimate aim of providing SMEs with alternative financing to bank financing.
- To directly support companies in their expansion plans to contribute to the development of the business fabric, job creation and the revitalisation of the economy.
- To mobilise the greatest possible amount of private sector resources through investments in co-investment schemes with other private venture capital funds.
- To improve the quality and security of Spanish infrastructure as a key piece in the country's economic growth and modernisation.

fundación



Fundación ICO is a state-owned public sector foundation created in 1993 with a permanent character and non-profit making aim that develops its activity with the main sponsorship of ICO. It has corporate status and its own assets.

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

CORPORATE NAME

FUNDACIÓN ICO

NIF (Tax ID): G-80743503

Paseo del Prado, 4. - 28014 MADRID

www.fundacionico.es

Contact in relation to this report: rse@ico.es



MISSION

Fundación ICO's mission is to contribute and support the development of society through the promotion of culture and knowledge, with an international vocation, in the areas of economy and contemporary art.



VISION

Fundación ICO aims to become a leader in the promotion and dissemination of knowledge, with an international vocation and in two areas: economics and contemporary art.



FUNCTIONS

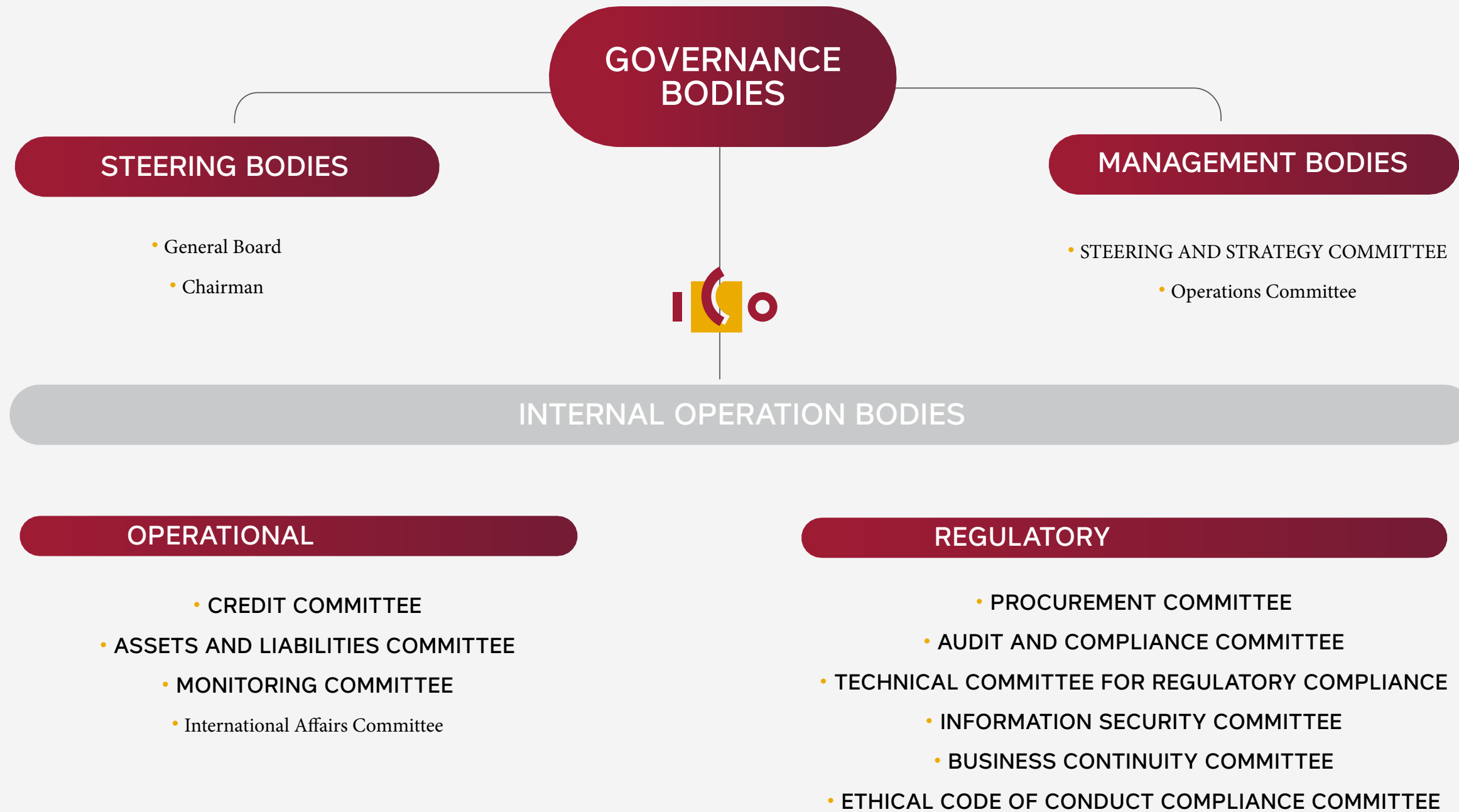
- Art area: To manage and preserve ICO Collections. To help promote España Global and the ICO brand by lending these collections for exhibition in other spaces. To organise educational and inclusive activities to make the Museo ICO a learning space for everyone.
- Economics area: To promote activities aimed at generating and disseminating knowledge in economic and financial matters through the development of studies and the creation of spaces for debate and the exchange of knowledge on matters of interest referring to the environment in which ICO operates.
- Internationalisation area: To promote and strengthen relations with China in the economic and cultural fields through the Fundación ICO Becas-China Scholarships Programme. To promote the exchange of knowledge through the development of alliances with prestigious institutions. To carry out and sponsor specialised courses to broaden knowledge.

4.2. Governance and management structure



ICO's governance structure is defined in its Statutes, approved by Royal Decree 706/1999, as amended by Law 40/2015 on the Legal Framework of the Public Sector, Royal Decree 1149/2015 and Royal Decree 390/2011. It is completed by the operating and internal control bodies, approved by ICO's Chairman within the scope of the powers conferred on him by the Statutes. The internal regulation in force in the 2020 financial year was the Circular 2/2020 of 16 October, which defines the Institute's collegial bodies and forms, together with the Circular 3/2020 of 19 October, on the organisational structure.





Steering bodies

GENERAL BOARD

The composition of ICO's General Board, its functions, meetings and agreements are defined in the Statutes, approved by Royal Decree 706/1999.

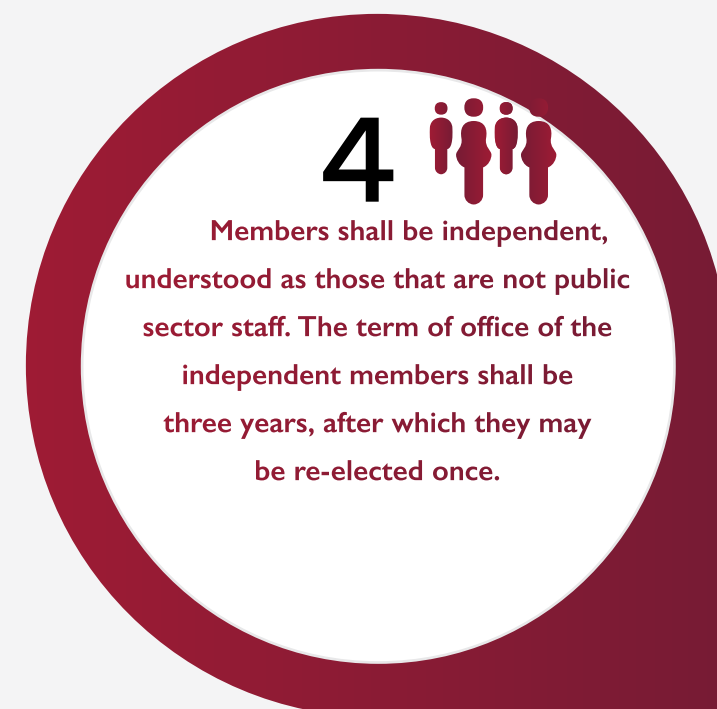
Law 40/2015 and Royal Decree 1149/2015 incorporate and develop the role of the General Board's independent directors, reinforcing the Institute's autonomy and its alignment with the best European standards. Independent directors play a key role in the Board's operation, as they have a double voting rights for the Institute's financial business operations, which means they have the majority.


STRUCTURE AND COMPOSITION

The General Board is formed by the Chairman of the entity and ten Members, and is attended by the Secretary and, where appropriate, their Deputy Secretary. The Secretary is not considered to be a Director, so therefore attends the meetings with the right to speak but not to vote.


Through the modification made by Law 40/2015 in Royal Decree-Law 12/1995 and Royal Decree 1149/2015, of 18 December, the appointment and dismissal of the General Board's Members is the responsibility of the Council of Ministers, by Agreement, at the proposal of the Minister of Economic Affairs and Digital Transformation, which shall choose them from persons of recognised standing and professional competence in ICO's field of activity.

Members shall be appointed in accordance with the following terms:



4 

Members shall be independent, understood as those that are not public sector staff. The term of office of the independent members shall be three years, after which they may be re-elected once.



6 

Members shall be appointed who are public sector staff with recognised competence. A maximum of two members will come from the Ministry of Finance, while at least two public members will come from the Ministry of Economic Affairs and Digital Transformation.

ICO GENERAL BOARD (31.12.2020)

Name	Role	Body	Appointment	Date of birth
Jaime Iglesias Quintana	Director General of Budgets	Ministry of Finance	15.02.2012	25.07.1959
María del Carmen García Franquelo	Director General of Economic Programming and Budgets	Ministry of Transport, Mobility and Urban Agenda	31.08.2018	12.09.1973
César Veloso Palma	Member of the Cabinet of the Minister of Finance	Ministry of Finance	05.10.2018	12.03.1972
José Manuel Reyero García	Independent	--	30.10.2015 Re-elected 16.11.2018	27.01.1943
Silvia Iranzo Gutiérrez	Independent	--	16.11.2018	01.12.1956
Clara García Fernández-Muro	Independent	--	16.11.2018	18.11.1974
María Teresa Santero Quintillá	Independent	--	14.12.2018	28.05.1959
Elena Aparici Vázquez de Parga	Director General of Economic Policy	Ministry of Economic Affairs and Digital Transformation	18.02.2020	16.05.1975
Judith Arnal Martínez	Director of the Technical and Financial Analysis Cabinet	Ministry of Economic Affairs and Digital Transformation	22.09.2020	14.10.1976
Ignacio Mezquita Pérez-Andújar	Deputy Director-General for Foreign Investment	Ministry of Industry, Trade and Tourism	22.09.2020	06.11.1985
José Carlos García de Quevedo Ruiz	Chairman of ICO and the Board	Instituto de Crédito Oficial (ICO)	Royal Decree 683/2018 of 22 June (BOE 23.06.2018)	05.06.1963
Juan Alfonso Domenech Gil	Board Secretary	Instituto de Crédito Oficial (ICO)	16.02.2018	19.12.1978
Gerardo Harguindey Valero	Board Deputy Secretary	Instituto de Crédito Oficial (ICO)	25.01.2016	14.09.1969

CHANGES TO THE COMPOSITION OF THE GENERAL BOARD IN 2020

RESIGNATIONS

Name	Role	Body	Appointment	Date of resignation
Luis Martí Álvarez	Director General of Economic Policy	Ministry of Economic Affairs and Digital Transformation	06.07.2018	18.02.2020
Pablo de Ramón-Laca Clausen	Deputy Director General of Financing and Management of Public Debt	Ministry of Economic Affairs and Digital Transformation	16.11.2018	18.02.2020
Óscar Vía Ozalla	Head of the Support Unit of the Directorate General of International Trade and Investments	Ministry of Industry, Trade and Tourism	16.11.2018	22.09.2020
Rosa M ^a Moral Beteré	Deputy Director General of Public Debt Management	Ministry of Economic Affairs and Digital Transformation	18.02.2020	22.09.2020

APPOINTMENTS

Name	Role	Body	Appointment
Rosa M ^a Moral Beteré	Deputy Director General of Public Debt Management	Ministry of Economic Affairs and Digital Transformation	18.02.2020
Elena Aparici Vázquez de Parga	Director General of Economic Policy	Ministry of Economic Affairs and Digital Transformation	18.02.2020
Judith Arnal Martínez	Director of the Technical and Financial Analysis Cabinet	Ministry of Economic Affairs and Digital Transformation	22.09.2020
Ignacio Mesquita Pérez-Andugar	Deputy Director-General for Foreign Investment	Ministry of Industry, Trade and Tourism	22.09.2020

DIVERSITY IN THE GENERAL BOARD

On 31 December 2020 there were 6 women on ICO's General Board (**54.4%**). **75%** of the Independent Directors are women.

In terms of age, **6 Directors** are under 50, while 4 are **over 60**. The average age of the Directors at the end of the year was **53.18 years** (51.17 years in the case of female Directors and **55.6%** as the average age of the male Directors).

Although the Independent Directors represent **36.7%** of the Board, they have double voting rights in major decision making. Consequently, in these cases, the Independent Directors represent **53.3%** of the total possible votes. In this context, women's votes represent **60%** of the total votes on the Board. Taking into account age and considering the double value of the Independent Directors' vote, those under 50 years of age hold **40%** of the total votes.



Because Independent Directors have double voting rights in major decision making, women's votes represent 60% of the total votes on the Board.

RESPONSIBILITIES

According to article 7.1 of the Statutes, the General Board is responsible for representing and managing ICO, and especially, but not limited to, the following powers:



A

Dictating internal regulations and the functioning of the Board itself in all matters not foreseen in the Statutes.



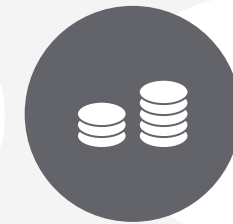
B

Proposing to the Minister for Economic Affairs and Digital Transformation the amendment of the Statutes.



C

Approving the Institute's annual accounts, the report and management report.



D

Adopting the relevant regulations and decisions for the implementation of specific economic policy measures.



E

Approving collaboration agreements that the Institute must enter into with other bodies or entities belonging to different Spanish public organisations and the European Union, as well as with any other public or private, domestic or foreign organisations.



F

Approving ICO's creation or participation in financial corporations directly or indirectly related to its activities.



G

Deciding on the implementation and conditions of the operations belonging to the entity's activity and anything directly or indirectly related to this and, in particular, granting, modifying and resolving credit operations, as well as authorising the issuance of securities, the granting of loans and the granting of guarantees of any kind or class.



H

Authorising any act of administration, disposition or acquisition over any kind of goods.



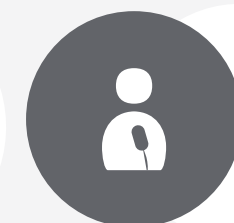
I

Annually approving, referring to 31 December of the previous year, the inventory of goods and rights, owned by or attached to the Institute.



J

Agreeing on the exercise of the jurisdictional or administrative actions and resources that correspond to the entity to defend its interests before the Law Courts and other Public Administrations.



K

Deciding which issues are submitted to the Chairman.

DELEGATION OF POWERS

The General Board can delegate powers, temporarily or permanently, to its Delegated Committees, the Chairman and the Operations Committee, in the terms it deems appropriate, except for the powers referred to in headings a), b), c) and d) of Article 7.1 of the Statutes.

CONVENING MEETINGS, DELEGATING VOTING RIGHTS

The General Board generally meets once a month, at the request and on the initiative of the Chairman, or at the request of at least half of its Directors.

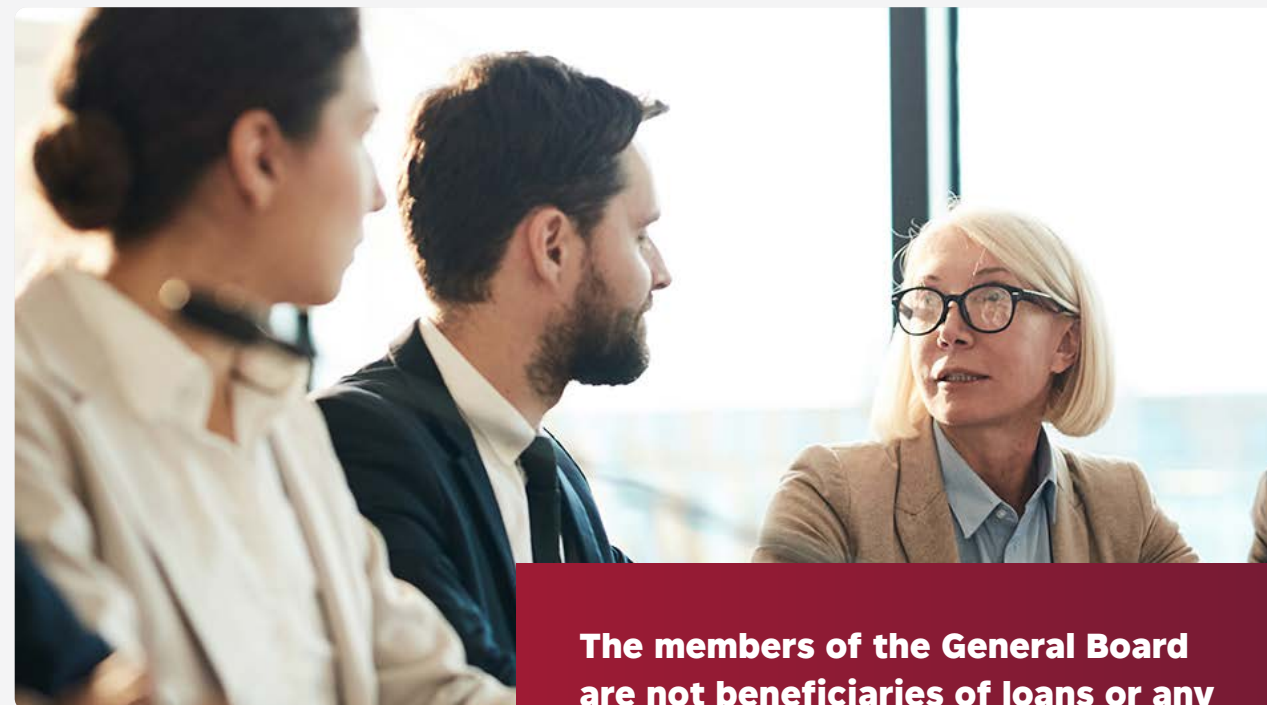
Except in urgent cases as assessed by the Chairman, the General Board shall be convened at least forty-eight hours in advance and the agenda will be set in this notice. The Board is validly constituted when the simple majority of its components attend the meeting, including those present and represented.

The members of the General Board can be represented by the Chairman or by any other Director, having communicated the conferred representation to the Chairman in writing.



SYSTEM FOR ADOPTING RESOLUTIONS. CHAIRMAN'S CASTING VOTE

The agreements are decided by a majority of the Directors present and represented. In the event of a tie, the Chairman shall have the casting vote. However, within the system, resolutions relating to financial operations of the Institute's own business assets and liabilities, each independent member shall have two votes, as provided for in Royal Decree 1149/2015, in its single article. It is not possible to vote via a representative when adopting resolutions relating to the exercise of the Board's powers, which, according to paragraph 2 of article 7 of the Statutes, cannot be delegated in any case.



The members of the General Board are not beneficiaries of loans or any other social benefit granted by ICO.

DIRECTORS' EXPENSES POLICY

Royal Decree 462/2002, of 24 May, on compensation due to service, provides for the payment of compensation for attending meetings of Public Administration and agency collegiate bodies.

In accordance with article 10 of Royal Decree 706/1999, on the adaptation of Instituto de Crédito Oficial to Law 6/1997, of 14 April, on the organisation and operation of the General State Administration and approval of its Statutes, the General Board's members, Secretary and Deputy Secretary shall be entitled to receive the economic compensation corresponding to their attendance of meetings, to be determined by the Board itself, according to what is provided for by the regulations on compensation due to service for Public Administration staff.

The total remuneration paid for attendance fees for the meetings of ICO's General Board in 2020 amounted to 137,274.48 euros. Of this amount, 37,042.32 euros correspond to the expenses of members holding High Office, which are paid into the Treasury. ICO General Board attendance expenses amounted to 1,089.48 euros per meeting, with no existing difference between the genders. The Chairman and the Secretary of the Board are excluded from receiving these allowances.

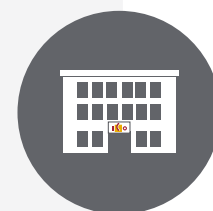
The members of the General Board are not beneficiaries of loans or any other social benefit granted by ICO.

CHAIRMAN RESPONSIBILITIES

As covered in Article 12 of the Statutes, the Chairman's responsibilities, so important that they largely define our organisation's social responsibility, are as follows:



A
To represent ICO and its General Board before all kinds of people and entities.



B
To manage the Institute's actions, ensuring its compliance to the legislation applicable to it, and the actions of the fundamental lines established by the Council of Ministers, the Delegate Commission of the Government for Economic Affairs and the Minister of Economic Affairs and Digital Transformation.



C
To ensure compliance with the Statutes.



D
To manage the General Board's actions, summon it, set the agenda, preside over and conduct its deliberations, settle ties with his casting vote and adjourn the meetings.



E
To execute resolutions adopted by the General Board.



F
To appoint and dismiss the Director Generals and Directors, the Board Secretary and, where appropriate, the Board's Deputy Secretary.



G
To be the head of the Institute's staff.



H
To formulate ICO's annual accounts and submit them for the General Board's approval, as well as to develop the plan for allocating the results, of which he will inform the Board.



I
To inform the General Board on the progress of ICO's operations and financial situation on a quarterly basis or when the General Board requests any kind of information.



J
To regulate expenses and payments that exceed the scope of any of the entity's units.



K
To determine the Institute's human resource structure.



L
To present ICO's programme of action, investments and financing to the Government for its approval, as well as any other legally required plans and budgets, informing the Board.



M
To fulfil all other roles attributed to him by these Statutes, those expressly assigned to him by the General Board as well as those not assigned to the aforementioned Board.



N
The Chairman shall be the Institute's contracting entity.

DELEGATION OF POWERS

The Chairman may delegate some of his functions to Board members, the Operations Committee, the Directors General and the heads of units that form the entity's structure, and can also grant, in the scope of his competences, belonging or assigned to him, special or general powers as he deems appropriate.

Powers assigned to the Chairman by the General Board cannot be delegated, nor can those specifically assigned by paragraphs f) and h) of the previous section (ICO Group Statutes Art. 12. Chairman's Powers).

MANAGEMENT BODIES:

STEERING AND STRATEGY COMMITTEE

The Steering and Strategy Committee is the body that assists the Chairman in the exercise and development of the functions and powers belonging to him, and facilitates coordination between ICO's different Directorates General.

The Steering Committee's functions, structure and composition are defined in the Chairman's Circular concerning management and internal operation and control bodies.

FUNCTIONS

The Steering and Strategy Committee's functions are essentially to manage ICO's actions by determining, fostering and coordinating:

- 1 ICO's objectives, as well as the management of processes for their implementation.
- 2 The Institute's strategic lines, for which the Operations Commander is responsible for implementing in concrete actions.
- 3 The programmes of action of ICO's various organisational units, and the evaluation of their results in order to fulfil ICO's purposes and functions.
- 4 The positioning of ICO at both the national and international level.

Organisational, HR and IT Systems strategies will be discussed in the Steering and Strategy Committee to achieve greater motivation and professional performance in achieving the approved objectives.

CONVENING MEETINGS

The Steering and Strategy Committee meets on a regular basis on a date determined by the Chairman, without prejudice to the fact that it can be gathered at any moment if the issue is urgent enough to require this.

REMUNERATION SYSTEM

ICO's Chairman holds a "high office" (Law 3/2015 of 30 March 1984, governing the exercise of the high office of the General State Administration). The remuneration of ICO's Chairman is determined by the State Secretariat for Budget and Expenditure of the Ministry of Finance. The gross annual remuneration for the financial year 2020 amounts to **139,511.26 euros**, which includes all the remuneration to be received for the exercise of the post, except for the long-service bonus that may be paid to him/her in accordance with the regulations in force and including, if applicable, any remuneration in kind.

ICO has four Directorate General posts and one Directorate of ICO Legal Counsel, which are considered "senior management" posts. The remuneration of ICO's senior management is governed by Royal Decree 451/2012, of 5 March, which regulates the emoluments of heads

and managers in the public business sector and other entities. The responsibility for setting remuneration lies with the Ministry to which ICO is attached, which must take into account the basic remuneration and the limits established in the Ministerial Order of 12 April 2012 of the Ministry of Finance and Public Administrations approving the classification of public business entities and other entities governed by public law.



The regulations governing the remuneration policy for senior management staff guarantee equal pay for men and women. Each Directorate General post shall receive gross annual remuneration of **131,342.81 euros**, for the 2020 financial year.



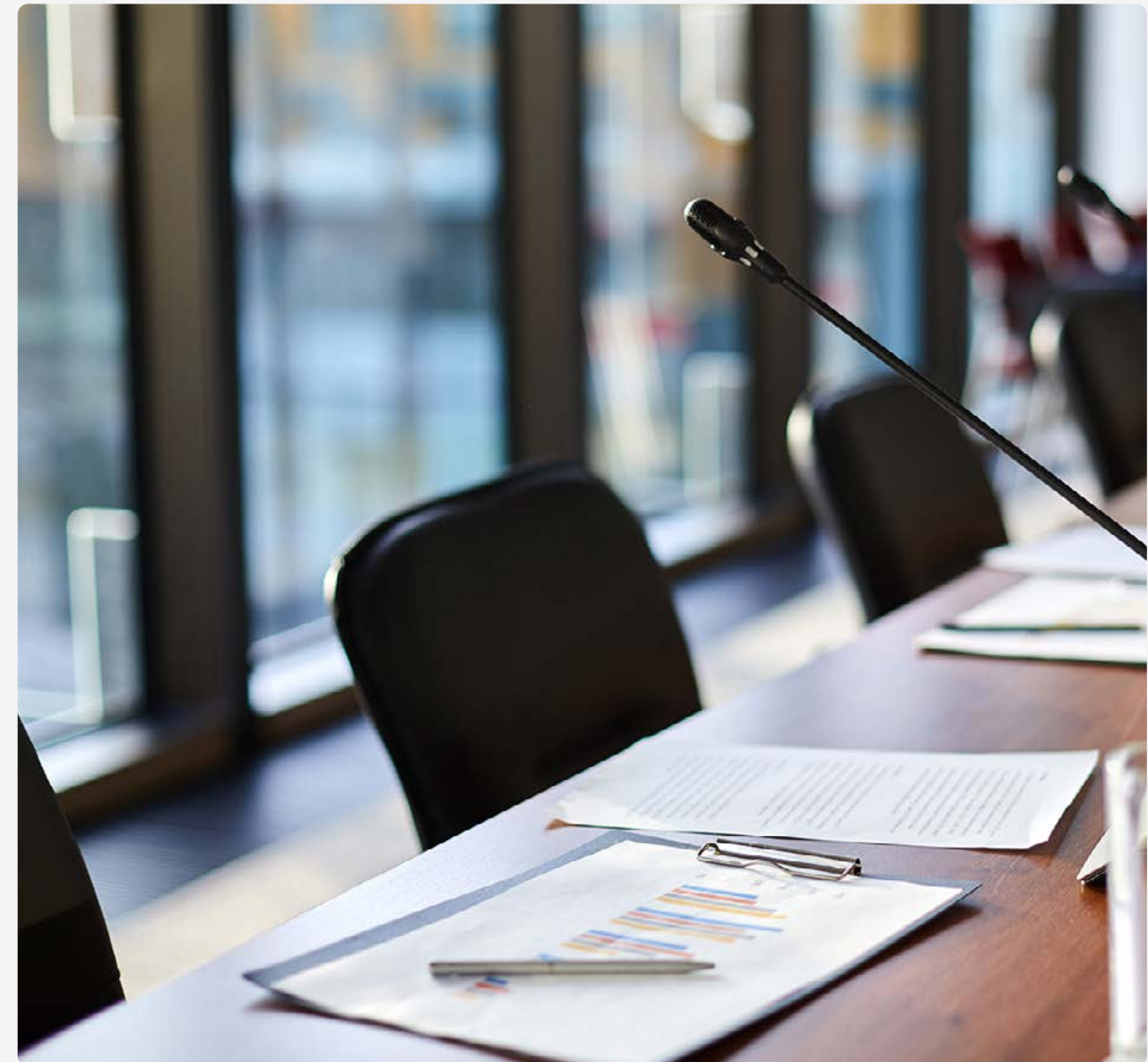
In the case of the Directorate of Legal Counsel, this amount is **111,229.81 euros**. These positions, like the rest of the staff, receive food vouchers, health insurance and life insurance coverage. The total remuneration paid to senior management in 2020, including this remuneration in kind, except for any long-service bonuses to which the incumbent may be entitled in accordance with current legislation, amounted to **649,819.92 euros**.

STRUCTURE AND COMPOSITION

The Steering and Strategy Committee is made up of the Chairman, the Institute's Directors General, the Department of Legal Counsel, the Department of the Chairman's Cabinet and the Directorate General of Axis. On 31 December 2020, the composition of the Steering Committee was as follows:

- **José Carlos García de Quevedo Ruiz.** Chairman.
- **Antonio Cordero Gómez.** Director General of Finance and Strategy.
- **Rosario Casero Echeverri.** Director General of Business.
- **Miguel López de Foronda Pérez.** Director General of Risks and Financial Control.
- **José Manuel Pacho Sánchez.** Director General of Technical Issues and Resources.
- **Juan Alfonso Domenech Gil.** Director of Legal Counsel
- **Alfonso Noriega Gómez.** Director of the Chairman's Cabinet
- **Guillermo Jiménez Gallego.** Director General of AXIS

Note: on 21.02. 2021, the Director of Legal Counsel left the Board and was replaced by Cayetana Lado Castro-Rial.



CHANGES TO THE COMPOSITION OF THE STEERING AND STRATEGY COMMITTEE IN 2020

RESIGNATIONS

Name	Role
Ignacio Vicente González	Director General of Finance and Strategy
Gerardo Gimeno Griñó	Director General of Risks and Financial Control
José Antonio Martín Pérez	Director General of Technical Issues and Resources

APPOINTMENTS

Name	Role
Antonio Cordero Gómez	Director General of Finance and Strategy
Miguel López de Foronda Pérez	Director General of Risks and Financial Control
José Manuel Pacho Sánchez	Director General of Technical Issues and Resources

OPERATIONS COMMITTEE

FUNCTIONS

This collegiate management body exercises decision-making and counsel powers in the terms and limits that are assigned to it by the General Board or by the Chairman.

OPERATION

The Operations Committee meets weekly on a regular basis, without prejudice to the fact that it can be convened at any moment if the issue is urgent enough to require this.

STRUCTURE AND COMPOSITION

On 31 December 2020, the composition of the Operations Committee was as follows:

- **José Carlos García de Quevedo Ruiz.** Chairman. Date of appointment: 23/06/2018.

- **Antonio Cordero Gómez.** Director General of Finance and Strategy. Date of appointment: 01/09/2020.

- **Rosario Casero Echeverri.** Director General of Finance and Strategy. Date of appointment: 28/05/2018.

- **Miguel López de Foronda Pérez.** Director General of Risks and Financial Control. Date of appointment: 13/10/2020.

- **José Manuel Pacho Sánchez.** Director General of Technical Issues and Resources. Date of appointment: 02/06/2020.

- **Juan Alfonso Domenech Gil.** Director of Legal Counsel and Committee Secretary. Date of appointment: 16/02/2018.



Axis has the following decision-making and control bodies to ensure transparency, independence and professionalism in investment decisions.

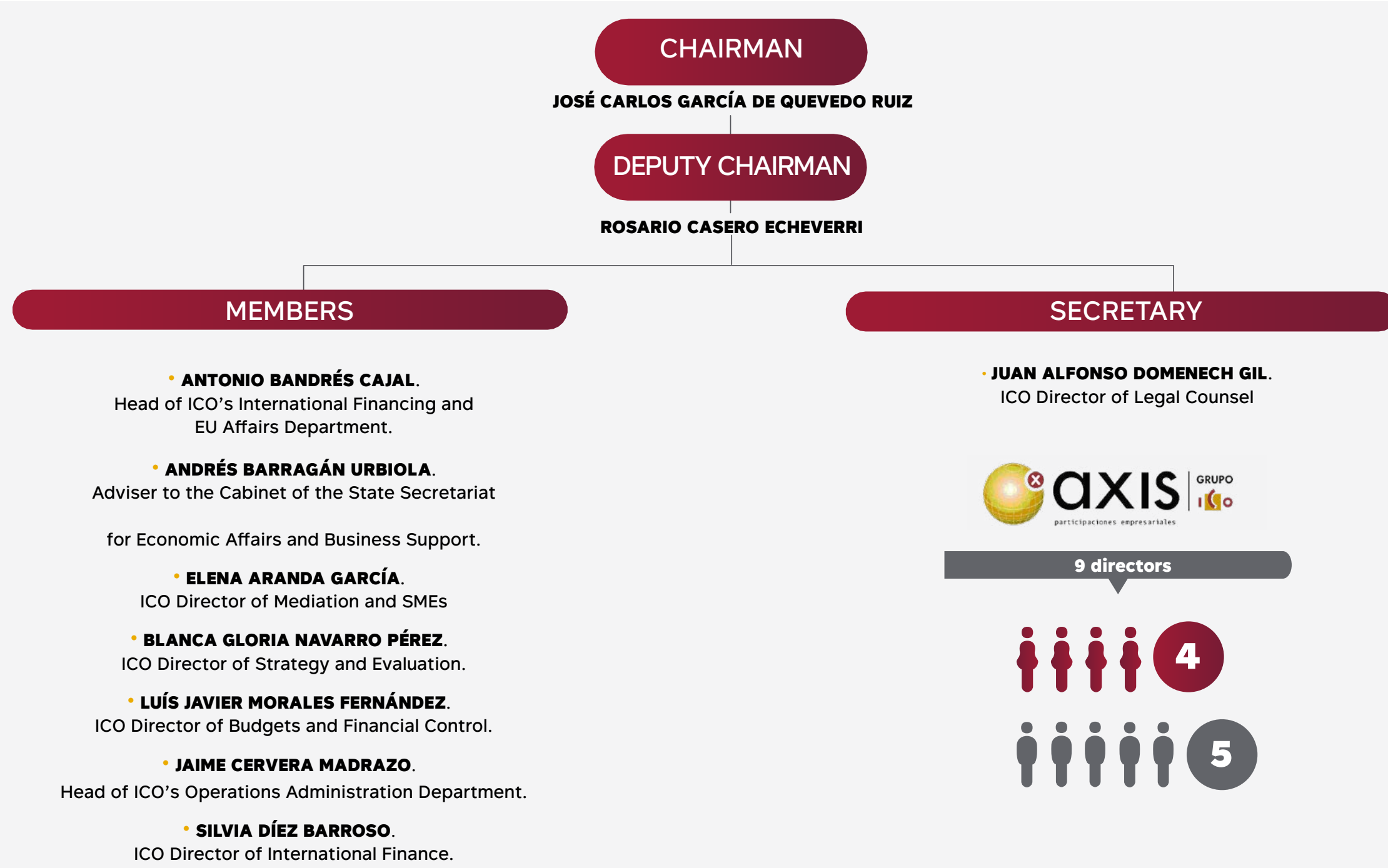
In accordance with Article 13 of the Company's Statutes, the General Meeting of Shareholders, the Board of Directors and its Chairman hold the powers of governance, administration and representation of the Company.

BOARD OF DIRECTORS

AXIS's governing body that is responsible for, amongst other functions, giving final approval for investment and disinvestment operations.

According to the provisions of Royal Decree 451/2012 and the Order issued by the Ministry of Finance and Public Administration on 30 March 2012, for Group 3 companies, the Board of Directors may not comprise more than nine directors. The Statutes establish that the Board of Directors shall be composed of a minimum of three and a maximum of nine Directors.





Changes made in 2020: On 14 October 2020, Antonio Cordero Gómez resigned as a member of the Board and was replaced on the same date by Andrés Barragán Urbiola.

Note: on 21.02. 2021, the Director of Legal Counsel left the Board and was replaced by Cayetana Lado Castro-Rial.

FUNCTIONS

Management, representation and administration of the Company. In accordance with the Company's Statutes, the Board of Directors shall be responsible for the judicial and extra judicial representation of the Company and for the full direction and administration of all matters relating to the Company's corporate purpose as well as its assets and business, and shall be empowered to enter into and execute all manner of acts and contracts, of administration and ownership, civil and commercial, whatever the nature of the assets to which they refer and the person or entity to which they affect, since, in general, it will have all those powers that, by law or by the provisions of these Statutes, are not expressly reserved to the General Meeting of Shareholders.

The responsibilities that the Board of Directors assumes, without prejudice to its powers as a governing body, over the performance of the Company are mainly the following:

- 1 Approving, where appropriate, the investment and divestment proposals for the funds managed by the Company, as well as modifications thereto.
- 2 Approving the risk control and management policy.
- 3 Deciding on the Company's general activity.
- 4 Formulating the Company's Annual Accounts.

5

Implementing Law 10/2010 of 28 April on the Prevention of Money Laundering and the Financing of Terrorism and its Regulations approved by Royal Decree 304/2014 of 5 May.

6

Approving the Annual Accounts, the proposed distribution of profits and the management report of all the funds managed by Axis.

EQUALITY ON THE BOARD OF DIRECTORS

44.4 % of the members of the Board of Directors are women.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

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

In 2020, the annual remuneration received by each of the members of the Board amounted to **6,809.77 euros**, the same remuneration received in the previous year.

There is no wage gap between women and men in the remuneration of the AXIS Board of Directors.

In 2020 the Company did not enter into any pension obligations with respect to former or current members of the Board of Directors and Senior Management, nor did it have any obligations on their behalf by way of guarantee. Nor were there any loans or advances to members of the Board of Directors and Senior Management.

CONVENING MEETINGS, PROCEDURE, QUORUM AND DELEGATING VOTING RIGHTS

The Board of Directors shall meet on the initiative of its Chairman or the person acting in his stead or at the request of one-third of the members of the Board, as often as may be necessary for the proper functioning of the Company, and in any case once per quarter for the purposes of and within the period stipulated in Article 245.3 of the Law on Capital Companies. The Board of Directors held eleven meetings in 2020.

The Board shall be convened, except in cases of urgency as determined by its Chairman, sufficiently in advance, and the agenda shall be established. The Board shall be validly constituted when half plus one of its members are present or represented at the meeting. Directors may be represented at Board meetings by members attending the meeting and must grant proxy in writing.

The total number of non-attendances by Directors at meetings of the Board of Directors during the year was five, with voting delegated for all such absences.

SYSTEM FOR ADOPTING RESOLUTIONS

Resolutions shall be adopted by an absolute majority of the votes, present or represented, with the Chairman casting the deciding vote.

DELEGATION OF POWERS

The Board may delegate its powers, in whole or in part, except those that cannot be delegated by law, to one or more of its members to exercise them in the capacity of Director or Managing Director or Executive Committee, without prejudice to the powers that it may confer on any person. Under no circumstances may the rendering of accounts or the presentation of balance sheets to the General Meeting or the powers granted by the latter to the Board be delegated, unless expressly authorised by the latter.

INCOMPATIBILITIES

No director of the management company (AXIS) is a director of another company in which AXIS has an interest through the managed funds.

PROHIBITIONS ON THE EXERCISE OF OFFICE

No member of the Board of Directors has informed the Company during 2020 that he or she has been prosecuted, or that a court order has been issued against him or her, for any of the offences referred to in Article 213 of the Law on Capital Companies.

COMMITTEES

AUDIT AND CONTROL COMMITTEE

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

INVESTMENT COMMITTEE

There is an investment committee for each Fund (FOND-ICOpyme and FOND-ICOinfraestructuras) and in both cases they are composed of three members appointed at the proposal of ICO/Axis and at least two independent experts. These are the bodies responsible for giving investment and disinvestment operations the green light before they are presented to the Board of Directors.





fundación



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

STEERING BODIES

BOARD OF TRUSTEES

It is the governing, administrative and representative body of Fundación ICO. It shall consist of a minimum of six members. The Chairman of the Board of Trustees is the Chairman of ICO. It also has a Secretary, a position held by the Secretary of ICO's General Board.

On 31 December 2020 the Board of Trustees was made up of ten prominent figures from the economic, cultural and scientific world, ten of whom are men and five women.

BOARD OF TRUSTEES OF FUNDACIÓN ICO (31.12.2020)

Name	Role	Position
José Carlos García de Quevedo Ruiz	Chairman	ICO Chairman
Alfonso Noriega Gómez	Deputy Chairman and Trustee	Director of the ICO Chairman's Cabinet
Juergen B. Donges	Trustee	Emeritus Professor of Economic Sciences (University of Cologne)
Eva María González Díez	Trustee	Director of the Legal Department of Grupo Mutua Madrileña
Pedro Nuevo Iniesta	Trustee	Technical Architect, Industrial Engineer and Doctor in Business Administration from Harvard University
Concepción Osácar Garaicoechea	Trustee	Managing Partner of Azora
Cecilia Pereira Marimón	Trustee	Commissioner of Xacobeo 2021 and Managing Director of SA do Plan Xacobeo
Juan José Toribio Dávila	Trustee	Emeritus Professor of Economics and President of the International Center for Financial Research (CIIF) of the IESE Business School
Pablo Vázquez Vega	Trustee	University Professor of Applied Economics
Lucinio Muñoz Muñoz	Trustee	Director of Fundación ICO
Juan Alfonso Domenech Gil	Non-Trustee Secretary	Secretary of ICO's General Board and ICO Director of Legal Counsel
Ángeles Blanco Fernández	Non-Trustee Deputy Secretary	Lawyer in ICO's Legal Counsel

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

Note: on 21.02. 2021, the Director of Legal Counsel left the Board and was replaced by Cayetana Lado Castro-Rial.

CHANGES IN THE COMPOSITION OF THE BOARD OF TRUSTEES OF FUNDACIÓN ICO IN 2020

RESIGNATIONS

Name	Position	Date of resignation
Juan Velarde Fuertes	Honorary President of the Royal Academy of Moral and Political Sciences	June 2020

In 2020, no new members joined the Fundación ICO Board of Trustees.

EXECUTIVE COMMITTEE

The Executive Committee is the body in charge of studying and proposing Fundación ICO's programmes and specific actions to the Board of Trustees. It is also responsible for the resolution and adoption of agreements.

The Executive Committee shall be chaired by the Chairman of the Board of Trustees and shall be made up of a minimum of three trustees and a maximum of five, including the Secretary if he or

COMPOSITION

Name	Role
José Carlos García de Quevedo Ruiz	Chairman
Eva María González Díez	Member
Pablo Vázquez Vega	Member
Alfonso Noriega Gómez	Member

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

CHANGES MADE IN 2020

During 2020, no changes have been made to the composition of the Executive Committee.



ADVISORY COMMITTEES

ART ADVISORY COMMITTEE

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

- **Francisco Javier Martín Ramiro**, Director General for Housing and Land Secretary General of the Urban Agenda and Housing. Ministry of Transport, Mobility and Urban Agenda.
- **Museo Nacional Centro de Arte Reina Sofía**, represented by its Director, **Manuel J. Borja-Villel**.
- **Martha Thorne**, Associate Dean of External Relations at IE School of Architecture and Design.
- **Jorge Ribalta**, photographer and exhibition curator.

The members of the Advisory Committees do not receive any financial compensation.

ADVISORY COMMITTEE OF THE FUNDACIÓN ICO - BECAS CHINA SCHOLARSHIP PROGRAMME

Its functions are to advise on the evaluation and selection of scholarship candidates. It consists of:

- **Taciana Fisac Badell**, Professor of East Asian Studies, specialising in Chinese Language and Literature, and Director of the Center for East Asian Studies at the Autonomous University of Madrid.
- **Ana Wang Wu**, CEO of Fenix Globe Consulting (Spain-Asia). Former Director for Asia-Pacific at Banco Santander.
- **Javier Serra Guevara**, Director General of Business Internationalisation of ICEX España Exportaciones e Inversiones. Economic and Commercial Adviser in Beijing during the years 2002 - 2007 and 2010 - 2016.

4.3. Our business model

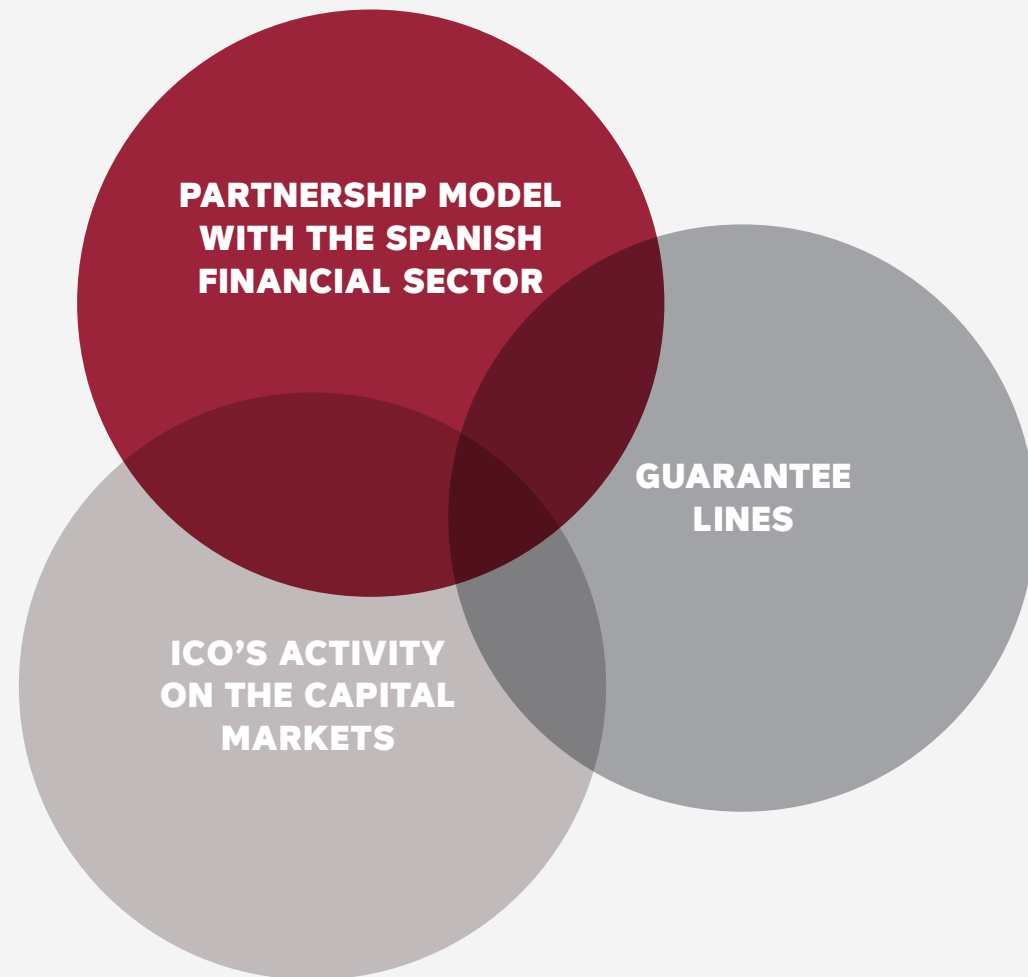
The ICO Group is made up of the Instituto de Crédito Oficial, E.P.E., Axis, a venture capital company, and the Fundación ICO. ICO is the National Promotional Bank of the Ministry of Economic Affairs and Digital Transformation, whose main objective is to contribute to sustainable growth, employment generation and wealth distribution, through its three main functions:

- **State Financial Agent:** it manages various funds and instruments of different types and purposes on behalf of the State; since 2020, it has also managed the State's COVID-19 Guarantee Lines.
- **National Promotional Bank:** promotes economic growth and business activity.
- **Financial instrument for Economic Policy:** it channels resources from the EU in its different forms and collaborates with government bodies to transfer resources to companies in order to achieve economic and sectoral policy objectives.

In a year conditioned by the economic effects of the global health crisis, the work carried out by ICO has been crucial to maintaining the Spanish business fabric on the basis of an unprecedented public-private partnership in Spain. The rapid and effective implementation of the ICO-COVID Guarantee Lines approved by the government to maintain liquidity and the flow of financing to companies, especially for SMEs and the self-employed, has been key to mitigating the effects of the pandemic and paving the way for economic recovery. In parallel, ICO has strengthened and made its various financing instruments available to companies more flexible in order to boost the recovery process and the transition of the Spanish economy towards a more sustainable and digital growth model, taking as a reference the new EU Financial Framework 2021-2027 and the Recovery, Transformation and Resilience Plan.



ICO'S ROLE IN THE HEALTH CRISIS



ICO's role during 2020 has been vital in helping to mitigate the economic effects of the pandemic, showcasing its significance in the Spanish financial sector and its important role in the Spanish economy, especially in times of difficulty. The crisis has impacted all areas of ICO's activity:

- Based on a successful model of collaboration with the Spanish financial sector, on behalf of the Ministry of Economic Affairs and Digital Transformation, ICO has managed the ICO COVID-19 Guarantee Lines, which have provided the self-employed and companies with access to financing, mainly to cover their liquidity needs and maintain the payment chain.

Years of experience in relations with financial institutions and the proper functioning of the technological infrastructure that supports the operations of ICO Second-Floor Facilities have enabled the rapid deployment and effectiveness of the COVID-19 Guarantee Lines in 2020.

Resources have been mobilised on an unprecedented scale, guaranteeing **89 billion euros** to more than **611,000 self-employed** persons and companies, which have been granted financing of more than **117 billion euros** through almost **966,000 operations**. According to estimates by the Institute's Research Department, financing granted in 2020 with a State guarantee accounted for **43%** of total financing to companies in the system between April and December 2020, a percentage that rises to almost **63%** if only financing to SMEs is considered.

These measures have been implemented quickly and efficiently by ICO, with considerable management effort required in a particularly difficult situation. This work will be continued in the future with the actions required of the Institute over the life of the operations.

Various comparative studies at the European Union I level carried out by the European Central Bank and the International Monetary Fund have

shown that Spain's guarantee programme is one of the most effective in terms of resources mobilised and capillarity, both in terms of GDP and in relation to the total size of resources approved, and is also the second EU Member State after France in terms of the absolute amount mobilised.

- In parallel to the management of the Guarantee Lines, ICO has intensified its work as a National Promotional Bank, strengthening and making more flexible all its own business financing instruments to help underpin the economic recovery and the transition towards a more sustainable and digitised production model. In 2020, ICO's Second-Floor Facilities financed

operations amounting to **3,348 million euros**. Through direct financing, the Institute has supported companies both through its traditional banking mechanisms and by launching new programmes for the purchase of bonds and notes issued in the Alternative Fixed Income Market (MARF). The main objective of these programmes is to address the liquidity needs of companies following the economic impact of COVID-19. During 2020, through direct ICO financing, **3,452 million euros** were injected into the business fabric, **106%** more than in 2019.

In the area of venture capital, the Institute has also promoted initiatives through Axis to help alleviate the economic effects of the health crisis. In this way, ICO has increased the Fond-ICO Global, F.C.R. endowment by **2.5 billion euros**, which will be allocated mainly to start-ups and to support recovery based on sustainability, innovation and digitalisation. During 2020, the Fund's thirteenth public call for proposals was closed, the largest in terms of both the amount committed and the number of funds, which will enable more than **1.2 billion euros** to be channelled to Spanish companies.

¹ Bank of Spain (August 2020), European Central Bank (September 2020) and IMF (Fiscal Monitor October 2020)

<https://www.bde.es/ff/webbde/SES/Secciones/Publicaciones/PublicacionesSerias/DocumentosOcasiones/20/Fich/do2019.pdf>

https://www.ecb.europa.eu/pub/economic-bulletin/focus/2020/html/ecb.ebbox202006_07~5a3b3d1f8f.en.html

<https://www.imf.org/~media/Files/Publications/fiscal-monitor/2020/October/English/ch1.ashx?la=en>

In addition, the COVID Entrepreneurial Ecosystem initiative was launched through Fond-ICOpyme, F.C.R., with an endowment of **50 million euros** (extendable to **100 million euros**) to cover the liquidity needs of innovative technology-based companies with difficulties in accessing new rounds of financing due to the economic impact of COVID-19. Within this initiative, participation in the “Aldea Opportunity Fund” was approved.

- Finally, ICO's activity in the capital markets has also been heavily focused on raising funds to mitigate the economic impact of the health crisis. ICO was the first Spanish issuer to launch a public transaction of COVID-19 Response social bonds in May for an amount of **500 million euros**. It is also an active player in promoting the ecological transition, as demonstrated by the issuance of its second green bond in October with a volume of **500 million euros**.

ICO AS A NATIONAL PROMOTIONAL BANK. A BENCHMARK INSTITUTION FOR CORPORATE FINANCING

The total flow of financing and guarantees that ICO granted to companies in 2020 reached 6,799 million euros distributed over **35,550 operations** provided to **26,447 companies**. New business in 2020 is **5.2%** higher than in the previous year.

INSTITUTO DE CRÉDITO OFICIAL. Drawdowns (million euros).

FINANCING AND GUARANTEES TO COMPANIES



2019

Amount:

6,463

Operations:

63,645

Client:

46,069

2020

Amount:

6,799

Operations:

35,551

Client:

26,447

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



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

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

The table below summarises ICO's 2020 activity in both modalities:

FINANCING AND GUARANTEES TO COMPANIES 2020

Distribution by method (million euros and no. of operations).

	FORMALISATIONS		DRAWDOWNS	
	AMOUNT	Nº OPERATIONS	AMOUNT	Nº OPERATIONS
 ICO Second-Floor Facilities	3,549	35,295	3,348	35,296
 Direct financing	3,693	222	3,452	255
Total	7,243	35,517	6,799	35,551

As for ICO Second-Floor Facilities, although 2020 began with the same dynamism as at the end of 2019, the outbreak of the COVID-19 health crisis and the launch of the various ICO-COVID Guarantee Lines approved by the government, which financial institutions could use with their own resources, has shifted the demand for traditional ICO Second-Floor Facilities towards these products. However, at the end of 2020, ICO Second-Floor Facilities reached a volume drawn down of more than 3.3 billion euros.

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

ICO'S FACILITIES FOCUS ON THE SELF-EMPLOYED AND MICRO-COMPANIES

ICO's Second-Floor Facilities have been a benchmark in the public-private collaboration model for decades, based on extensive experience in relations with financial institutions and, in particular, on the proper functioning of the technological infrastructure that supports their operations and processes.

The volume drawn down in 2020 through ICO Facilities in collaboration with financial institutions reached **3,348 million euros**, distributed through almost **35,300 loans**. While ICO designs the products and provides the funds, the financial institutions are in charge of marketing them, thus providing the capillarity that characterises these programmes.

63% of operations were entered into by companies and the self-employed with fewer than 10 workers, a percentage that increases to 89% if we include SMEs with up to 50 workers. **77%** of the operations were concluded at medium or long maturities (over 1 year) and **40%** of the volume drawn down corresponds to operations with a repayment term of 5 years or more.

The activity of ICO's Second-Floor Facilities generates positive impacts that contribute to production, employment and investment, and to the improvement of export capacity. In terms of GDP, the funding distributed in 2020 through this modality is estimated to reach **9,007 million euros**, or **0.8%** of GDP. Employment generated and/or maintained is over **148,000 jobs**, **0.9%** of the total volume of full-time equivalent employment.



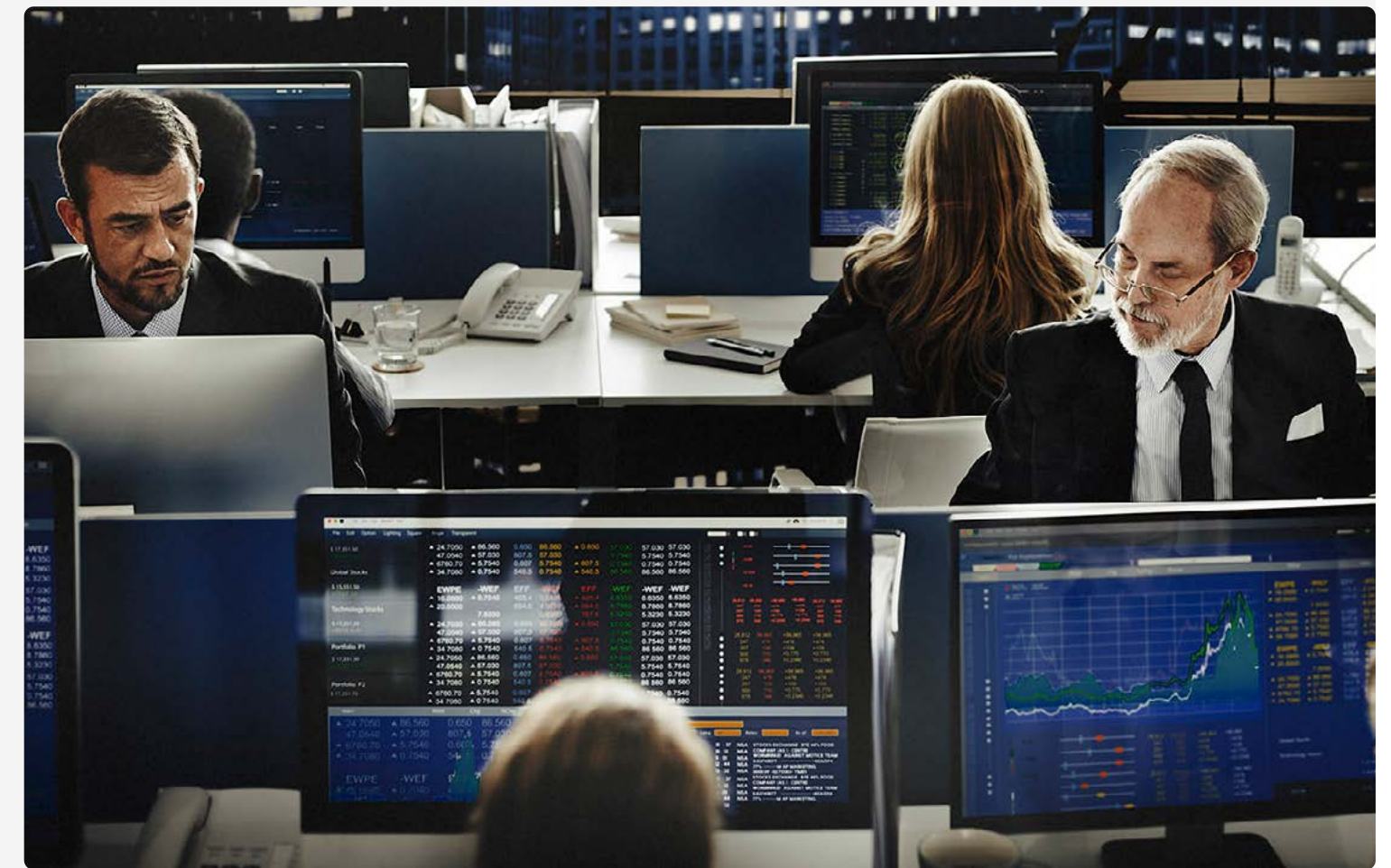
DIRECT CORPORATE FINANCING FOR LARGE INVESTMENT PROJECTS

ICO's direct financing operations are aimed at promoting the activity of large and mid-cap companies, as well as the development of large long-term investment projects in Spain and abroad. It also offers specific products to cover short- and medium-term liquidity needs.

The instruments used by ICO to carry out this activity are the granting of loans, credits, guarantees and the purchase of bonds and promissory notes issued in regulated markets, including the Alternative Fixed Income Market (MARF). In 2020, the acquisition of promissory notes issued in the MARF began with the launch of a new programme through which promissory notes were acquired for **624 million euros**, helping to mobilise more than 1.8 billion euros together with private initiative, demonstrating ICO's commitment to adding value to corporate financing, expanding its product offering and promoting complementary sources of financing.

The volumes drawn down in 2020 through the various direct financing instruments amounted to **3,452 million euros**, an increase of 106% over the previous year's volume.

The estimated impact on economic activity of direct operations formalised in 2020 is estimated at **10,763 million euros** in terms of GDP, equivalent to **1.0%** of GDP. Employment created and/or maintained by these operations amounts to more than **123,500** jobs, **0.7%** of the total volume of full-time equivalent employment.



ICO'S ACTIONS AS AN INSTRUMENT OF ECONOMIC POLICY. COLLABORATION WITH OTHER ORGANISATIONS

ICO's actions as a financial instrument of Economic Policy translate into support for the Spanish economy in two ways:

- As a channeller of EU resources, ICO has the necessary experience and capabilities to contribute to the channelling and management of EU resources together with the European Commission and Ministries, territorial public administrations and their dependent bodies. By the end of 2020, ICO had contributed to channelling more than **1.9 billion euros** to Spanish companies from the Juncker Plan, the European Fund for Strategic Investments, which represents around 15% of the total **12.157 billion euros** provided by the European Investment Bank (EIB) in Spain.

In 2020, the Institute successfully completed its accreditation process as an Implementing Partner (IP) of the European Union, which enables it to intervene in the management of programmes of the new Multiannual Financial Framework 2021-2027 such as *Invest EU* or *Connecting Europe Facility* (CEF). In this regard, during 2020 ICO has channelled CEF grants together with the Ministry of Transport, Mobility and Urban Agenda (MITMA) and has financed various sustainable mobility projects.

ICO has been working to acquire new tools that will allow it to contribute, together with the relevant ministries, to effectively deploy the resources of the European programmes envisaged in the new Multiannual Financial Framework, in the Next Generation EU initiative and in the European Guarantee Fund, all under a scheme of participation with private initiative, in line with the leverage policies of the Recovery, Transformation and Resilience Plan.

- Moreover, ICO acts as a financial instrument to implement government economic policy measures, collaborating with Ministries, Autonomous Communities, Local Corporations and their dependent bodies to channel their resources to companies and thus facilitate the achievement of economic and sectoral policy objectives. A number of initiatives were implemented in 2020, including the ICO-Thomas Cook line of guarantees with the State Secretariat for Tourism, collaboration with RED.ES on digitalisation under the Acelera Pyme Plan, the cultural and audiovisual agreement with RTVE to finance Spanish film productions, and financing with the EIB to promote social housing.

BOOST TO COMPLEMENTARY FINANCING CHANNELS

During 2020, the ICO Group continued to boost complementary financing channels through AXIS, its wholly-owned venture capital subsidiary, playing a leading role in implementing measures aimed at both moderating the economic effects caused by COVID-19 and boosting the recovery of companies in the medium and long term through the funds managed by AXIS.

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

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

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





With regard to Fond-ICO Global, F.C.R., in 2020 ICO increased the assets committed to the fund by 2.5 billion euros to 4.5 billion euros, and the fund's investment term was extended to 2026 and its duration to 2034.

Through the 13 calls resolved by the end of 2020, Fond-ICO Global, F.C.R. has approved investments in 108 private funds for an amount of 2,266 million euros, which will have an important multiplier effect, generating a minimum investment of 8,892 million euros in Spanish companies. For every euro of public capital invested by Fond-ICO Global, F.C.R., private funds have committed to investing a minimum of 3.9 euros in Spain.

Axis' actions complement and reinforce the ICO Group's clear stance in favour of sustainability. In the Fond-ICO Global, F.C.R. calls for proposals in 2020, sustainability, digitisation and innovation criteria have been incorporated into the assessment of the proposals of the participating funds.

In addition, during 2020, Axis launched the Entrepreneurial Ecosystem initiative through Fond-ICO pyme, F.C.R., a 50 million euro initiative (extendable to 100 million euros) aimed at covering the liquidity needs of innovative technology-based companies.

These actions are complemented by other initiatives such as the 5 million euro investment made by Fond-ICO pyme, F.C.R. through the sustainability and social impact initiative in Q-Impact, the approval of investments in other funds related to fintech and involvement in the construction and operation of photovoltaic plants in Spain through Fond-ICO infraestructuras II, F.I.C.C.

ICO AS MANAGER OF STATE FUNDS. STATE FINANCIAL AGENCY

As the State Financial Agency, ICO carries out the financial management of different funds and financial instruments which, since 2020, have been joined by the management of the different lines of guarantees set up as a result of the health crisis. As a Financial Agency, the Institute's functions are to formalise, manage and administer the activity of these funds, acting in the name and on behalf of the State. This means that the accounting records of its activity are kept separately from those of the Institute itself.

At the end of the 2020 financial year, the volumes managed by ICO as a Financial Agency amounted to almost 281.1 billion euros, including 89 billion euros of volume guaranteed by the State through the COVID-19 guarantee lines and 192.089 billion euros arising from the management of other public instruments in a threefold scope of action:



The internationalisation of Spanish companies, in collaboration with the Ministry of Industry, Trade and Tourism through the management of the Fondo para la Internacionalización de la Empresa (FIEM) and the Reciprocal Interest Adjustment Contract (CARI).



Territorial financing of Autonomous Communities (CCAA) and Local Corporations (CCLL) with the Ministry of Finance.



Cooperation and contribution to development, in collaboration with the Ministry of Foreign Affairs and Cooperation, managing the Fondo para la Promoción y el Desarrollo (FONPRODE) and the Fondo de Cooperación para Agua y Saneamiento.

SUSTAINABILITY AND DIGITISATION AS PRIORITIES

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

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

In lending transactions, ICO promotes and prioritises those business activities that promote a solid, competitive

and sustainable business fabric, that have a positive impact on people, the climate and the environment. ICO's new direct lending activity during 2020 has focused on actions covering the different areas of sustainability (environmental, social and governance), approving financing operations linked to sustainable development projects and plans for an amount of 2.76 billion euros.

Similarly, in the field of venture capital, the various funds managed by Axis seek to focus their actions on projects and initiatives that respond to this commitment.

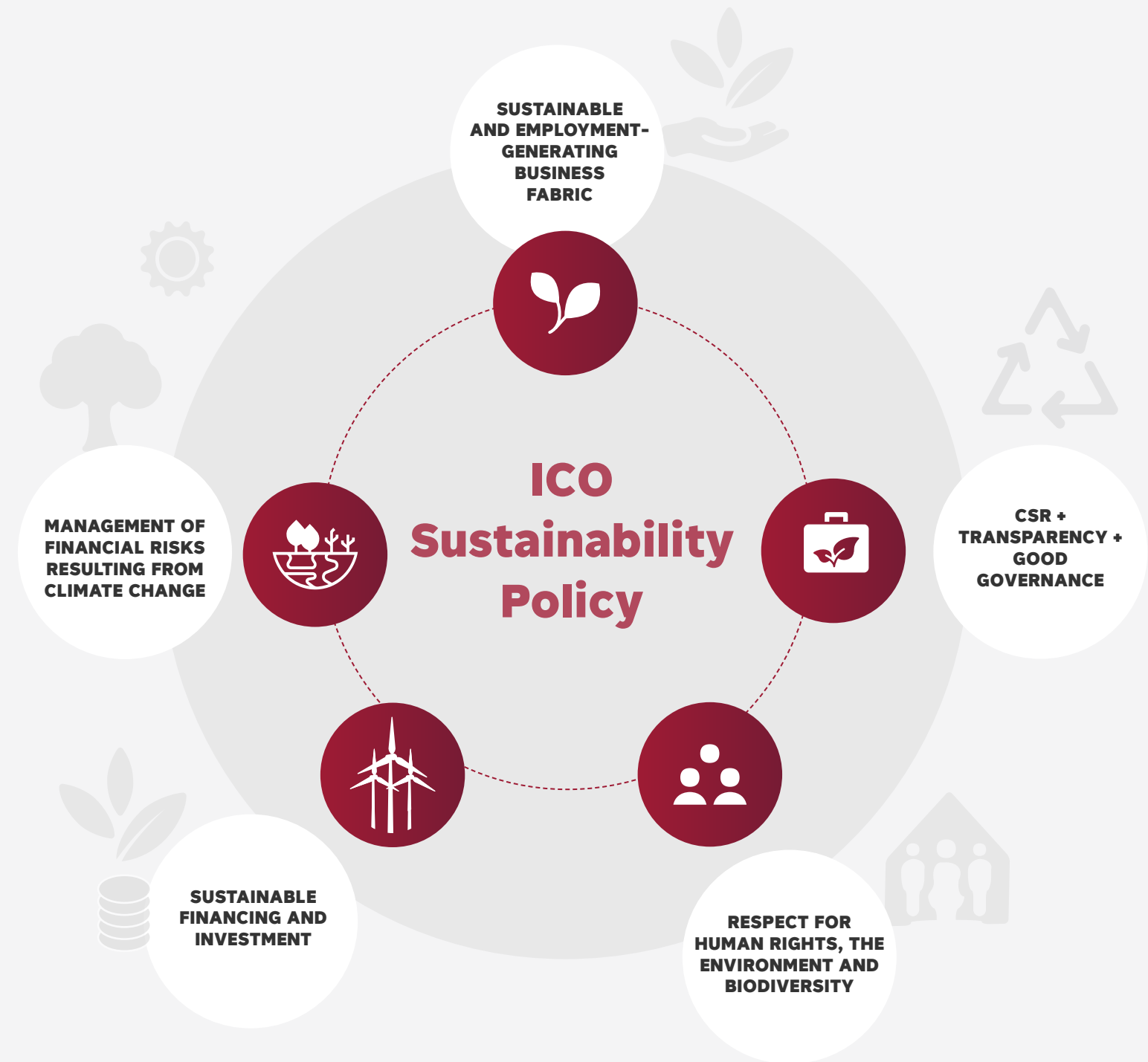
In terms of liability operations, ICO has consolidated its position in the green bond market, launching a green bond issue in 2020, amounting to 500 million euros, to finance Spanish companies' activities, investments and projects that contribute to protecting the environment and the fight against climate change. The Institute also issued a new social bond for an amount of 500 million euros, reinforcing its role in the fight against the consequences of COVID-19. Since 2015, ICO has issued a total of 4.55 billion euros in 7 social bond issues and 2 green bond issues.



Sustainability is also incorporated into ICO's internal management. In 2020, with the support of the European Commission's Structural Reforms Support Service (SRSS), the Institute prepared the document entitled "Sustainable Finance Action Plan", the conclusions of which constitute a key element for incorporating sustainability into all of the Institute's activities, laying the foundations for promoting, coordinating and contributing to the development of ICO's actions in the area of sustainability.

The Sustainability Policy approved in the first quarter is also a very important milestone from the point of view of internal governance, as it brings together a multitude of initiatives and actions. The creation of an organisational area specialising in this field with coordination and promotion functions, as well as the creation of a working group with the involvement of all the Institute's directorates general, demonstrate ICO's strategic commitment to this area.

Digitisation is also a key objective of ICO's activity. Externally, by promoting the financing of projects that favour greater digitisation and competitiveness of companies and the Spanish economy; internally, by continuing along the path already embarked upon with the aim of intensifying the simplification of internal procedures and relations with customers and financial institutions, bringing them into line with market standards.



PROMOTION OF THE INTERNATIONALISATION OF SPANISH COMPANIES IN THIRD MARKETS

Boosting Spanish companies' international activity has been a hallmark of ICO in recent years. This commitment continues to be an essential component of its current strategy. The total amount of financing and guarantees drawn down to promote companies' international investment accounted for 38% of the total volume drawn down in 2020, totalling 2.59 billion euros. This financing was directed at both export activity and investment by Spanish companies in third markets, mainly in the EU, Latin America, the US and Canada.

The volume allocated in 2020 to finance the activity of Spanish companies in third markets has increased by more than 18% compared to 2019. Of the total volume drawn down, 1,345 million euros relate to mediation activity and the remaining 1,245 million euros to direct financing operations. Demand for guarantees for international awards and tenders and the growing importance of the weight of sustainable activity have been consolidated in the latter category.

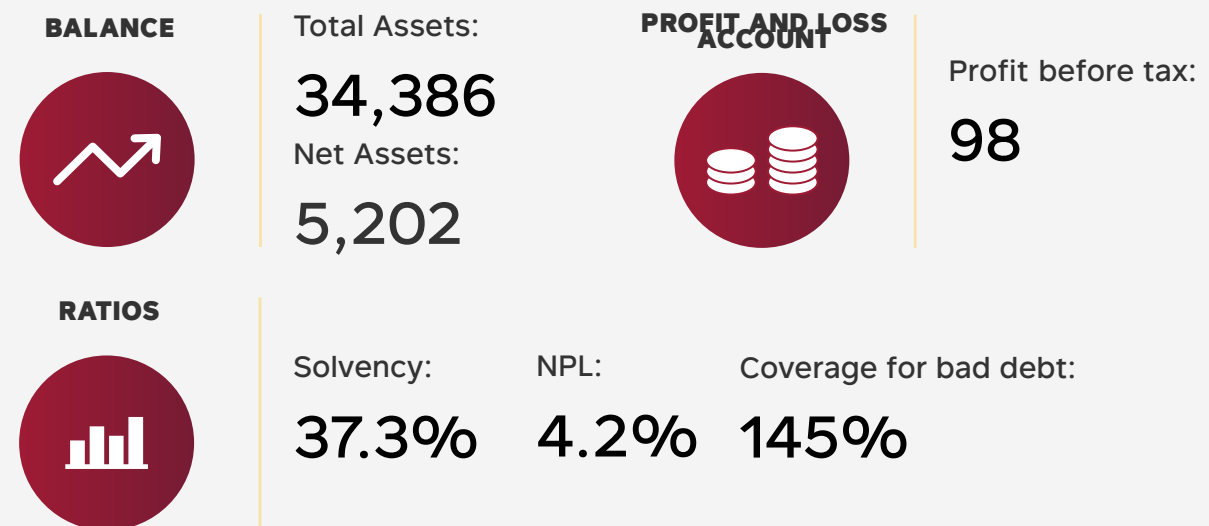


MANAGEMENT INDICATORS

In 2020, management indicators remained positive. The following table shows the main figures and management indicators related to ICO's activity in the financial year, in unconsolidated figures.

ICO MAIN FIGURES 2020.

(millions of euros and %) Non-consolidated figures.



4.4. ICO's investees

The Instituto de Crédito Oficial participated in the shareholder bodies of the following entities in 2020:

AXIS PARTICIPACIONES EMPRESARIALES SGEIC, S.A. S.M.E. (AXIS), venture capital fund manager established in 1986. ICO owns 100% of the share capital.

COMPAÑÍA ESPAÑOLA DE REAFIANZAMIENTO, S.A (CERSA). ICO owns 24.30% of the share capital. This is a state-owned trading company, attached to the Ministry of Industry, Trade and Tourism. Its goal is to make it easier for SMEs and the self-employed to obtain all kinds of financing, especially start-up companies and smaller companies. CERSA provides support through its refinancing to the Sistema de Garantía Recíprocas (Mutual Guarantee System) in Spain, consisting of CERSA itself, 20 Guarantee Associations and SAECA.

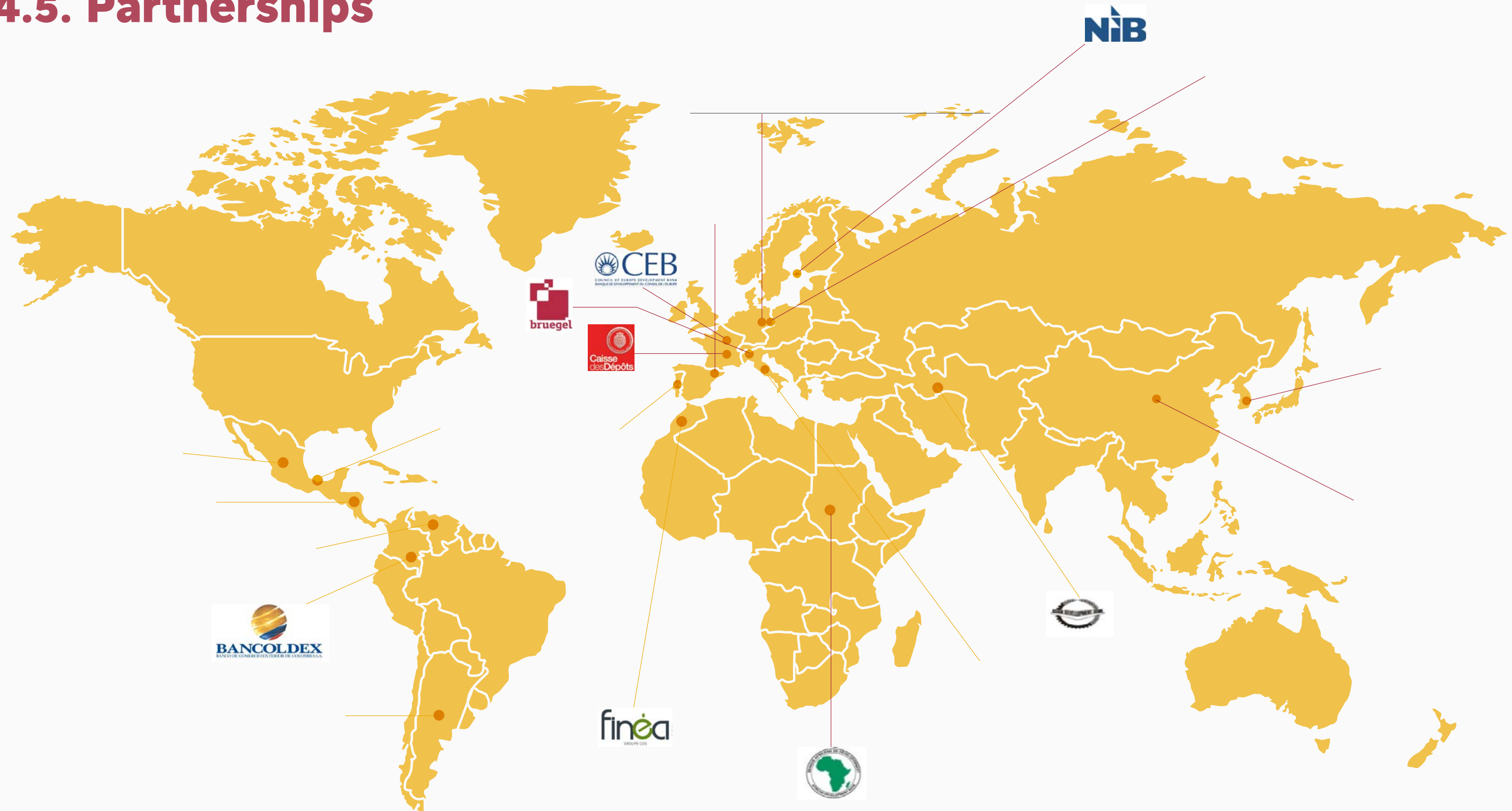
COMPAÑÍA ESPAÑOLA DE FINANCIACIÓN DEL DESARROLLO, COFIDES, S.A, S.M.E. ICO holds 20.31% of the share capital. This is a state-owned trading company, attached to the Ministry of Industry, Trade and Tourism. It aims to finance private and viable investment projects overseas in the medium- and long-term where there is some kind of Spanish interest, in order to contribute, with profitability criteria, both to the development of recipient countries of investments, as well as to the internationalisation of the economy and Spanish companies.

THE EUROPEAN INVESTMENT FUND (EIF). ICO has been a partner since its foundation in 1994 and currently has a holding of 0.72% in the capital. The main shareholder is the EIB and its fundamental aim is to provide financing for infrastructure and provide guarantees for SMEs. In 1997, the EIF also began to perform venture capital operations.

EUROPEAN DATAWAREHOUSE (ED), GMBHG. ICO's shareholding is 3.57%. ED is a European centralised securitisation repository that collects data on loans that make up the securitised portfolios to be used by investors and other market participants in their analysis. Through ED data, users can analyse underlying portfolios and compare portfolios systematically.

SOCIETY FOR WORLWIDE INTERBANK FINANCIAL TELECOMMUNICATION, SCRL (SWIFT). ICO has had a stake in this company since 2008. SWIFT was created in 1986 under Belgian law, which aims to provide a secure network that allows financial institutions around the world to send and receive information on financial transactions. The society has around 2,400 partners worldwide, of which 27 are Spanish financial institutions. This participation allows ICO to use this platform to perform financial transactions in a secure, standardised and reliable environment.

4.5. Partnerships



Economic context
of our activity

ICO's lending
activity in 2020

Boost to
complementary
financing channels

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

Operations managed on
behalf of the State

Financing of companies'
internationalisation

Fundraising

5

Business development

5.1. Economic context of our activity

THE SPANISH ECONOMY CONTRACTED IN 2020 AGAINST AN INTERNATIONAL BACKDROP OF DOWNTURNS

The COVID-19 pandemic marked the evolution of the economy during 2020. Although the impact differed slightly over time (in Spain it was mainly from March onwards), all economies suffered a severe contraction as a consequence of the measures adopted to contain the serious health effects of the pandemic. Thus, during 2020, lockdowns were decreed, mobility was restricted and a multitude of establishments were closed, among other measures, which caused a slowdown in activity, mainly in the first half of the year. Although the evolution of economic activity in the second half of the year was generally better than in the first half, it did not outweigh the decline in the first six months.



Contribution to United Nations targets **8.1**, **8.2** and **8.3** which are to maintain sustainable economic growth and increase productivity and the development of policies that support job creation, especially in SMEs and micro-companies.



Spanish GDP contracted by 10.8% in 2020, in contrast to growth of 2.0% in 2019. Although GDP grew quarter-on-quarter in the third quarter and was unchanged in the fourth quarter with respect to the third, this performance in the second half of the year did not offset the downturn in the first two quarters. The decline in GDP in 2020 put an end to the annual growth that had occurred every year since 2014. Moreover, this downturn occurred amid a reduction in both domestic demand, which made a negative contribution of 8.8 percentage points (pp), and the foreign sector, which made a negative contribution of 2.0 pp (in 2019 domestic demand had made a positive contribution of 1.4 pp and the foreign sector had also made a positive contribution of 0.6 pp). Only public consumption increased under the measures implemented in response to the COVID-19 crisis, with declines in investment, private consumption, exports and imports.

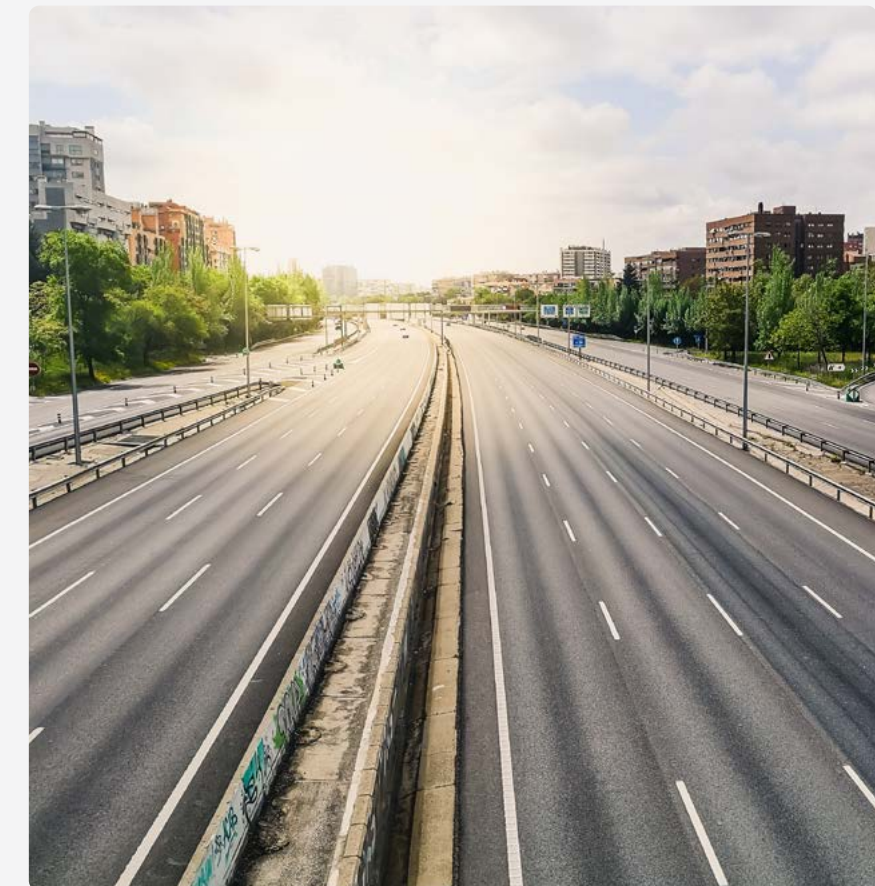
In the Eurozone, activity fell by 6.6% in 2020, in contrast to growth of 1.3% in 2019. As in the Spanish case, worsening confidence among economic agents as a whole led to a fall in domestic demand, including declines in both

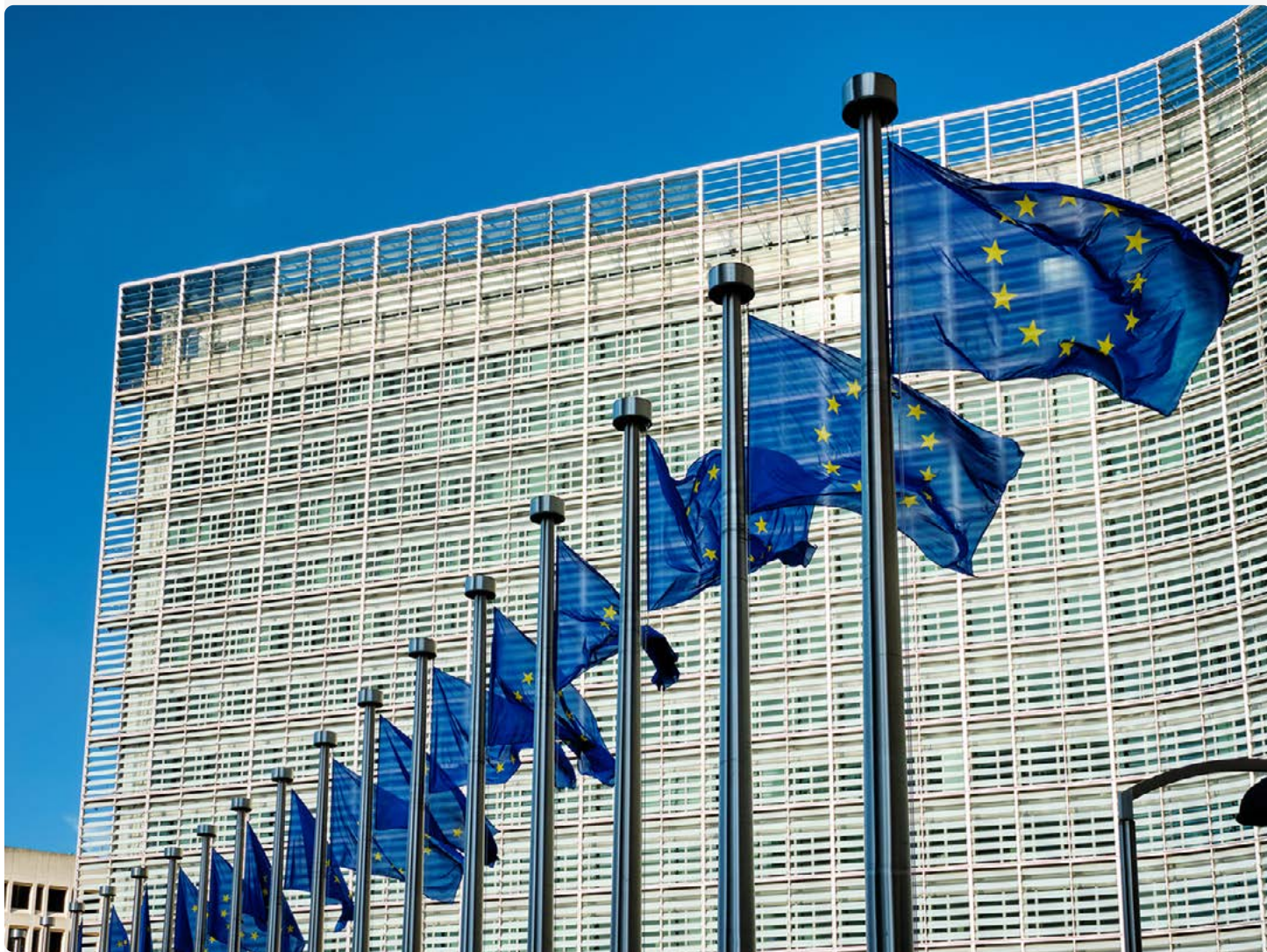
consumption (with the exception of public spending due to the stimulus measures adopted by the different countries) and investment. Similarly, the overall deterioration of the economy led to a decline in exports and imports.

THE ECB BROADENED ITS EXPANSIONARY POLICY STANCE IN RESPONSE TO THE PANDEMIC

In 2020 the European Central Bank (ECB) did not alter interest rates from where they stood in 2019, but changed virtually all of its other monetary policy instruments. Thus, rates remained at 0% for the main refinancing operations, at 0.25% for the marginal lending facility and at -0.5% for the deposit facility.

The expansionary nature of monetary policy increased from March onwards, when the ECB started to take action in response to the outbreak of COVID-19.





From March until December, when the last "recalibration" of its instruments took place, the ECB announced the expansion of its asset purchase programmes (APP), including a new specific pandemic emergency purchase programme (PEPP), which, after several modifications during the year, is endowed with 1.85 trillion euros and which plans to make purchases until at least March 2022. This new programme joined the existing one, which also continued to operate during 2020. In addition to the asset purchase programmes, new rounds of targeted longer-term refinancing operations (TLTRO-III) were announced and their conditions relaxed, while new pandemic emergency longer-term refinancing operations (PELTROs) were announced with the aim of ensuring liquidity in the financial system.

At the institutional level, the new Multiannual Financial Framework of the European Union (EU) for the period 2021-2027 was adopted during 2020 and will be accompanied by a novel instrument: *Next Generation EU* (NGEU), endowed with 750 billion euros, to promote the recovery of the European economy on the basis of sustainable and lasting growth. At the end of 2020, the EU reached a deal with the UK on the rules governing their future relationship, reducing the uncertainty that has existed to date.



HOUSEHOLD AND CORPORATE LENDING RATES REMAINED AT HISTORICALLY LOW LEVELS.

The expansionary monetary policy succeeded in keeping interest rates at low levels despite the worsening economic situation and increased uncertainty. Therefore, the average interest rate applied to companies in operations of less than 1 million euros, which can be taken as an approximation of the rate applied to SMEs, was 1.78% in

December 2020, practically the same as the 1.76% of a year earlier. Moreover, the interest rate on these loans in Spain was lower than that of the same loans in Germany for practically the whole year (only in January was the German rate lower), ending the year with a difference of 20 basis points.

Interest rates on smaller loans up to 250,000 euros also remained at a very similar level to the previous year. The December 2020 rate (1.87%) was the same as in December of the previous year and remained well below its equivalent in the Eurozone as a whole (1.99%) and in Germany (2.21%).

With regard to financial sector activity, Spain saw a decline in the volume of new business lending in 2020, especially for smaller amounts. Thus, new operations below 250,000 euros fell by 8.95% compared to the previous year, while operations under 1 million decreased by 0.5%. In contrast, operations over 1 million grew by 5.5% in 2020 compared to 2019.

On the back of this performance of larger loans, the outstanding amount of bank credit to companies was

boosted during the year, growing by 5.6% in December.

NON-PERFORMING LOANS MAINTAINED A DOWNWARD TREND DURING 2020

Spanish credit institutions' NPL ratios continued the downward trend of recent years. It stood at 4.5% in December 2020 compared to 4.8% in December 2019. As a result, the NPL ratio reached its lowest level since spring 2009. This fall is explained by a reduction in credit classified as doubtful in parallel to the increase in total household and corporate lending.

5.2. ICO's lending activity in 2020

5.2. 1. ICO'S SECOND-FLOOR FACILITIES

During 2020, ICO has continued to develop its role as a National Promotional Bank for businesses in collaboration with private financial institutions, which intermediate in the arrangement of operations with companies and the self-employed to meet their financing needs.

Through the so-called ICO Second-Floor Facilities, the Institute offers a wide range of products to cover the liquidity and investment needs of Spanish companies, channelling its funds through the commercial network of financial institutions and defining the main characteristics, recipients, purposes and conditions of the products. The financial institutions are responsible for processing, studying and approving the operations, assuming the credit risk of the final recipient of the financing.

Although in the first quarter of 2020 ICO's Second-Floor Facilities showed great dynamism, continuing the trend of 2019, the outbreak of the COVID-19 health crisis made it necessary to launch and rapidly deploy the Guarantee Line to cover and guarantee the liquidity needs of the self-employed and companies, channelling demand towards these programmes.

IN 2020, ICO'S SECOND-FLOOR FACILITIES FOSTERED THE CHANNELLING OF BUSINESS FINANCING

Over the course of 2020, ICO has provided a volume of 3,348 million euros through its second-floor facilities, corresponding to 35,296 financing operations that have been accessed by around 26,300 companies. The second-floor facilities can be divided into two major strategic areas of activity: Companies and Entrepreneurs, and Internationalisation.

ACTIVITY OF ICO SECOND-FLOOR FACILITIES IN 2020 DISTRIBUTION BY AREAS OF ACTIVITY (MILLIONS OF EUROS AND NUMBER OF OPERATIONS).

	DRAWDOWNS	
	AMOUNT	Nº OPERATIONS
Area of Companies and Entrepreneurs	2,003	28,303
International Area	1,345	6,993
TOTAL	3,348	35,296

STRATEGIC AREA OF COMPANIES AND ENTREPRENEURS

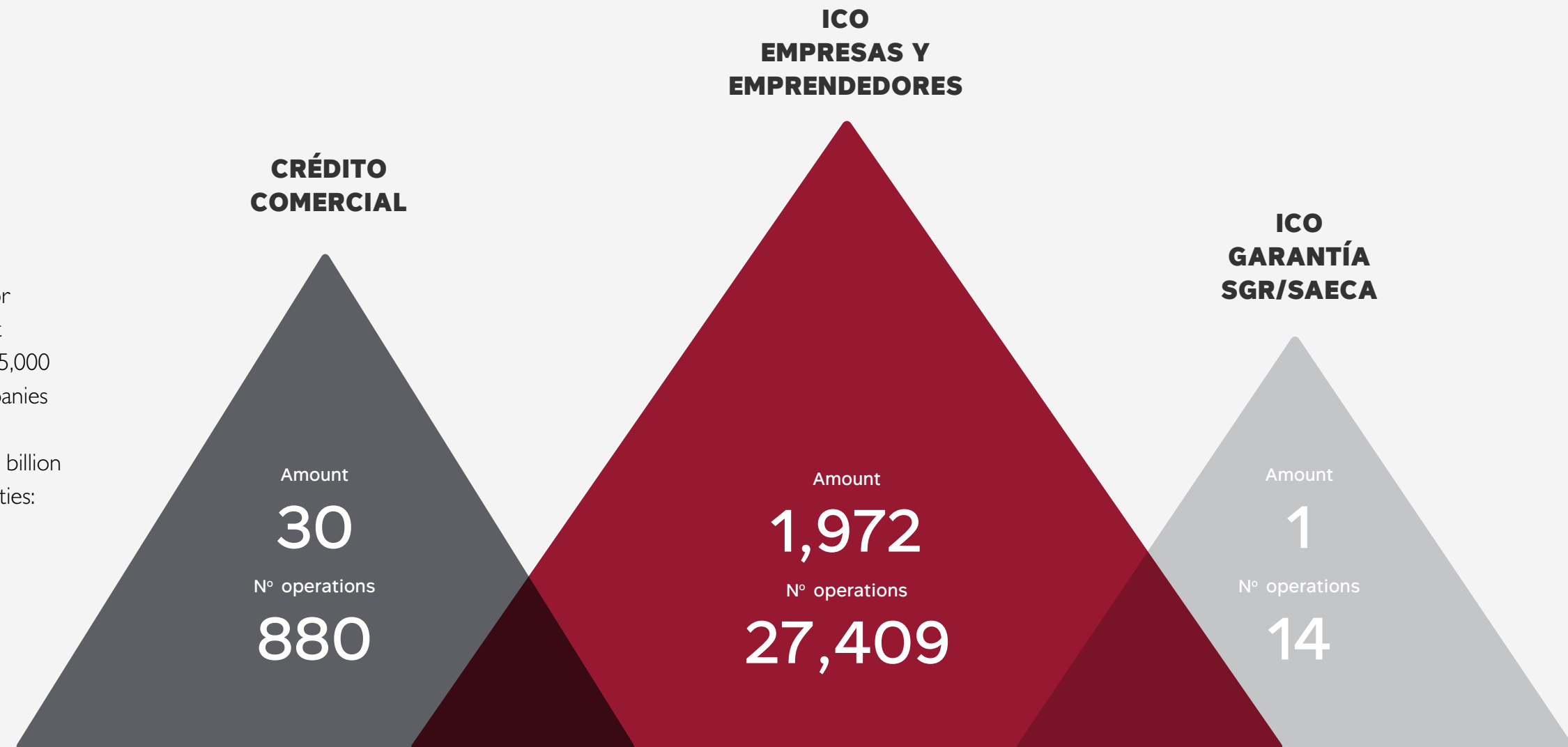
Amount

2,003

Nº operations

28,202

The aim is to provide financing for business activities and investment projects in Spain. In 2020, over 25,000 self-employed persons and companies took out and drew down 28,303 transactions amounting to over 2 billion euros, through the following facilities:



ICO SECOND-FLOOR FACILITIES DRAWN DOWN IN 2020 (millions of euros and nº operations).



ICO EMPRESAS Y EMPRENDEDORES

Intended to finance up to 100% of the investments and activity of the self-employed, SMEs and companies in Spain, as well as the financing of housing and building refurbishment projects carried out by homeowners' associations and private individuals.



ICO CRÉDITO COMERCIAL

Provides liquidity to companies through the advance payment of invoices arising from their short-term commercial activity as well as the financing of the manufacturing stage of goods or services that can be sold in the national territory.



ICO GARANTÍA SGR/SAECA

Intended to finance companies that are endorsed by a Mutual Guarantee Association (SGR) or the Sociedad Anónima Estatal de Caución Agraria (National Agricultural Capital Indemnity Company - SAECA). ICO collaborates closely with the sector, simultaneously boosting different activities to increase awareness of ICO's products, as well as advantages for the SGR in financing the corporate network.

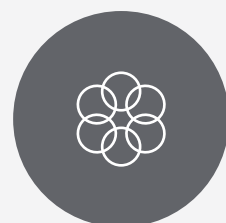
STRATEGIC AREA OF INTERNATIONALISATION

In recent years, the Institute has been developing a complete catalogue of products with the aim of covering all the financing needs of Spanish companies to operate in third markets. In 2020 nearly 1,000 companies have drawn down 6,993 operations for a cumulative amount of 1,345 million euros. The table below shows the activity for the year on each of the facilities:



ICO EXPORTADORES

Aimed at providing liquidity to export companies through the advance payment of invoices arising from their short-term export activity, as well as coverage of their liquidity needs to cover the costs of manufacturing the goods to be exported.



ICO INTERNACIONAL

Through this line, Spanish companies are financed so they can invest outside of the national territory, to cover liquidity needs and to promote medium- and long-term export activity.

ICO CANAL INTERNACIONAL



This product adds value to ICO's catalogue of products to boost the activity of Spanish companies in third markets. Based on a collaboration scheme with international financial institutions acting as intermediaries, this facility provides Spanish companies with access to financing for investment projects and liquidity needs abroad, while allowing ICO to broaden the distribution of funds to new counterparties operating in international markets where Spanish companies have a more active commercial or investment presence, thus favouring their internationalisation. Support in the local banking system, with a better knowledge of the market, makes it easier for companies to have specific solutions available for each country regarding currencies, terms and conditions.

INTERNATIONAL AREA

Amount

1,345

Nº operations

6,993

ICO EXPORTADORES

Amount

892

Nº operations

6,844

ICO CANAL INTERNACIONAL

Amount

417

Nº operations

6

ICO INTERNACIONAL

Amount

36

Nº operations

143

ICO SECOND-FLOOR FACILITIES DRAWN DOWN IN 2020 (millions of euros and nº operations).

The product has become increasingly important to the Institute's activity. 417 million was disbursed in 2020 in 6 loans granted to 4 different entities.

The cumulative volumes of the product since its launch in 2015 until the end of 2020 are presented in the table below:

According to the information provided by the receiving institutions, ICO funds disbursed since the start of the facility have allowed 385 projects to be financed in 20 different countries involving 308 Spanish companies. By sector, projects associated with electricity distribution, machinery manufacturing, construction of electricity and communications networks, motorway and road construction and technical engineering services stand out.

ICO CANAL INTERNACIONAL. ACCUMULATED HISTORICAL ACTIVITY. 2020 (millions of euros and nº of operations).

	FORMALISATIONS		DRAWDOWNS	
	AMOUNT	Nº OF OPERATIONS	AMOUNT	Nº OF OPERATIONS
TOTAL ACTIVITY	2,370	22	1,231	17

The distribution of projects financed by country is presented in the following figure:



CAPILLARITY IN THE DISTRIBUTION OF ICO SECOND-FLOOR FACILITIES

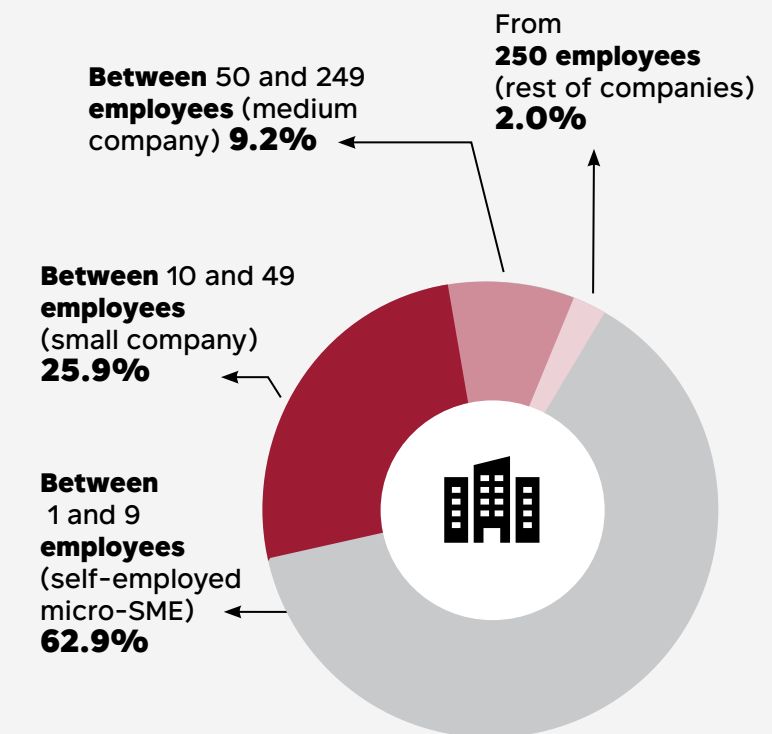
By size of the financed company, 63% of operations drawn down in 2020 were directed at microSMEs (with 1-9 employees), a percentage that rises to 89% if small businesses are also included (those with up to 49 workers).

ICO SECOND-FLOOR FACILITIES DRAWN DOWN IN 2020. Distribution of operations by company size final recipient (by number of employees).	LOAN AMOUNT (MILLIONS OF EUROS)	%/TOTAL LOAN	Nº OPERATIONS	%/TOTAL OPERATIONS
BETWEEN 1 AND 9 EMPLOYEES (SELF-EMPLOYED AND MICROSMES)	963	32.9%	22,183	62.9%
BETWEEN 10 AND 49 EMPLOYEES (SMALL COMPANY)	831	28.4%	9,151	25.9%
BETWEEN 50 AND 249 EMPLOYEES (MEDIUM COMPANY)	666	22.7%	3,245	9.2%
250 EMPLOYEES AND OVER (REMAINING COMPANIES)	471	16.1%	711	2%
TOTAL	2,931	100%	35,290	100%

Does not include drawdowns from ICO Canal International (417 million euros).

ICO SECOND-FLOOR FACILITIES DRAWN DOWN IN 2020

Distribution of operations by size of final receiving company (by number of employees).



With regard to the distribution by loan volume, 42.5% of the operations drawn down have an amount of less than or equal to 25,000 euros, while more than 78% did not exceed 75,000 euros.

ICO SECOND-FLOOR FACILITIES DRAWN DOWN IN 2020.

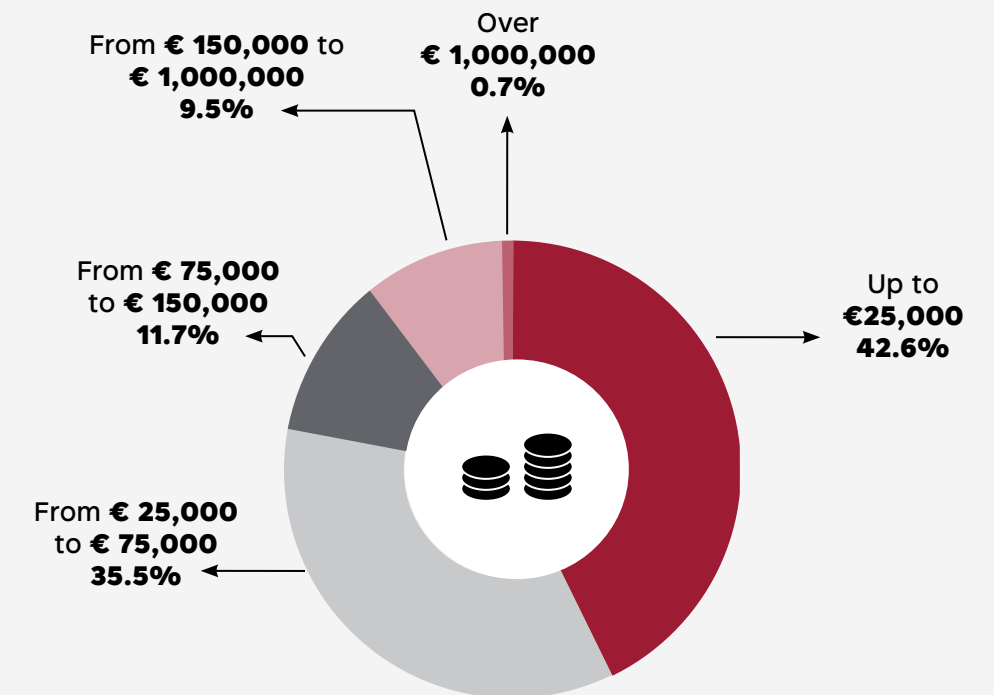
Distribution of operations by credit volume.

	LOAN AMOUNT (MILLIONS OF EUROS)	%/TOTAL LOAN	Nº OPERATIONS	%/TOTAL OPERATIONS
UP TO €25,000	210	7.2%	15,008	42.6%
FROM €25,000 TO €75,000	543	18.5%	12,541	35.5%
FROM €75,000 TO €150,000	438	14.9%	4,135	11.7%
From €150,000 to €1,000,000	1,174	40.1%	3,359	9.5%
Over €1,000,000	565	19.3%	247	0.7%
TOTAL	2,931	100%	35,290	100%

Does not include drawdowns from ICO Canal International (417 million euros).

ICO SECOND-FLOOR FACILITIES DRAWN DOWN IN 2020.

Distribution of operations by credit volume.



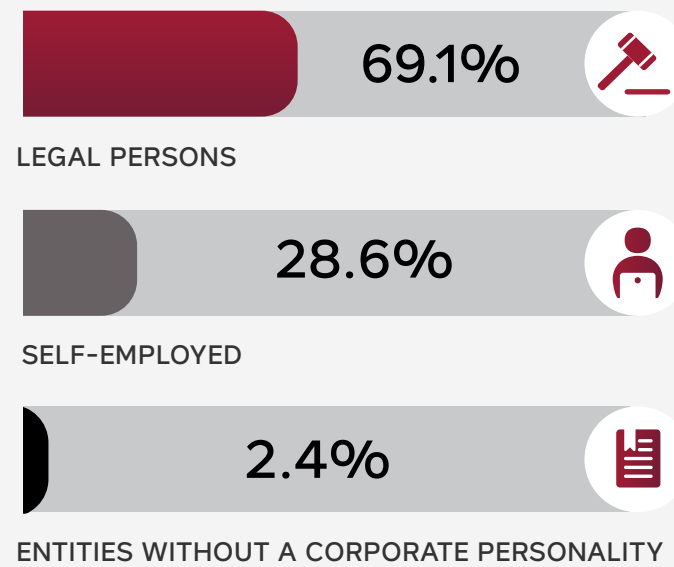


These indicators, relative to the size of the company and loan volumes, highlight the high degree of capillarity that characterises the distribution of ICO's S Second-Floor Facilities; most of the financing is aimed at smaller transactions, to micro-SMEs and the self-employed.

By type of final recipient, 69% of the transactions in 2020 correspond to legal entities (overwhelmingly limited liability companies).

ICO SECOND-FLOOR FACILITIES 2020

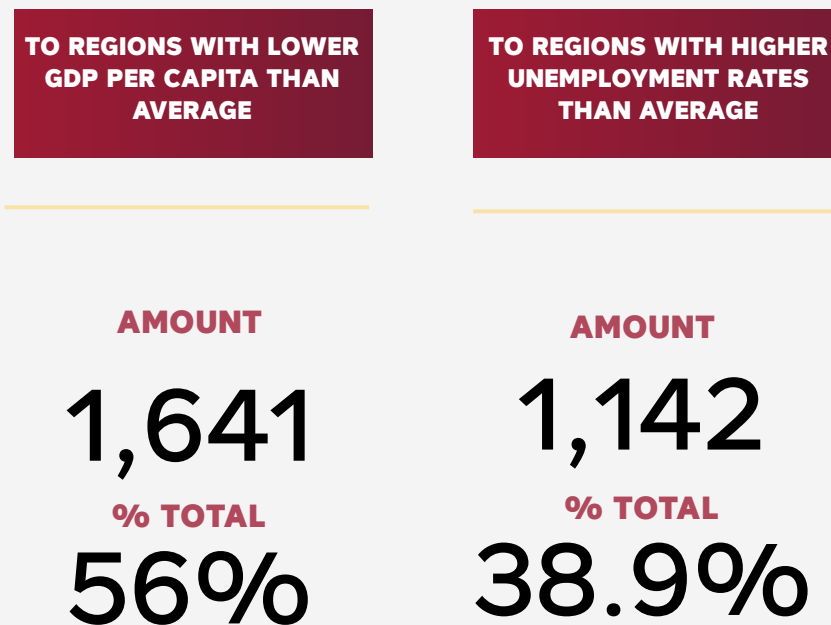
Number of operations by type of final recipient (%)



In terms of the contribution to economic development and cohesion between territories, it is noteworthy that 56% of the volume channelled through ICO's Second-Floor Facilities in 2020 went to companies located in Autonomous Communities with GDP per capita below the national average¹. Almost 40% went to recipients located in regions with an above-average unemployment rate².

SECOND-FLOOR FACILITIES 2020. AMOUNTS DRAWN DOWN

Contribution to regional development (million euros and %)



¹ Regions with a lower GDP per capita than the national average (26,426 euros) in 2019. Source INE

² Regions with unemployment rate higher than the national average (15.53%) in 2020. Source INE

The funds lent through ICO Second-Floor Facilities in 2020 were broadly spread across sectors, with activity in the tourism, leisure and culture sectors, as well as in the food and beverage industry.

SECOND-FLOOR FACILITIES FORMALISED AND DRAWN DOWN IN 2020. Distribution by activity sectors (Amounts and %/total amount).

	AMOUNT	%/TOTAL
TOURISM, LEISURE AND CULTURE	581	19.82%
FOOD AND BEVERAGE INDUSTRY	294	10.05%
COMMERCIAL DISTRIBUTION OF FOOD AND BEVERAGES	234	7.97%
AGRICULTURE, LIVESTOCK AND FISHING	233	7.95%
METALLURGY AND OTHER MATERIALS	227	7.74%
CAPITAL GOODS AND INDUSTRIAL PRODUCTS	222	7.57%
TRANSPORT AND LOGISTICS	169	5.77%
CONSTRUCTION AND INFRASTRUCTURE	163	5.55%
BUSINESS, PROFESSIONAL AND ADMINISTRATIVE SERVICES	121	4.11%
INDUSTRY AND HEALTH SERVICES	113	3.84%
CONSUMER GOODS	104	3.55%
CHEMICAL INDUSTRY	81	2.77%
AUTOMOTIVE AND TRANSPORTATION MATERIAL	76	2.59%
TEXTILES AND FASHION INDUSTRY	68	2.33%
REAL ESTATE SERVICES	63	2.15%
ICT	44	1.52%
PAPER, WOOD AND PRINTING SERVICES INDUSTRY	38	1.30%
ENVIRONMENT	37	1.26%
ENERGY	30	1.02%
EDUCATION	20	0.70%
EXTRACTION INDUSTRIES	13	0.44%
TOTAL	2,931	100.0%

Does not include ICO Canal Internacional activity

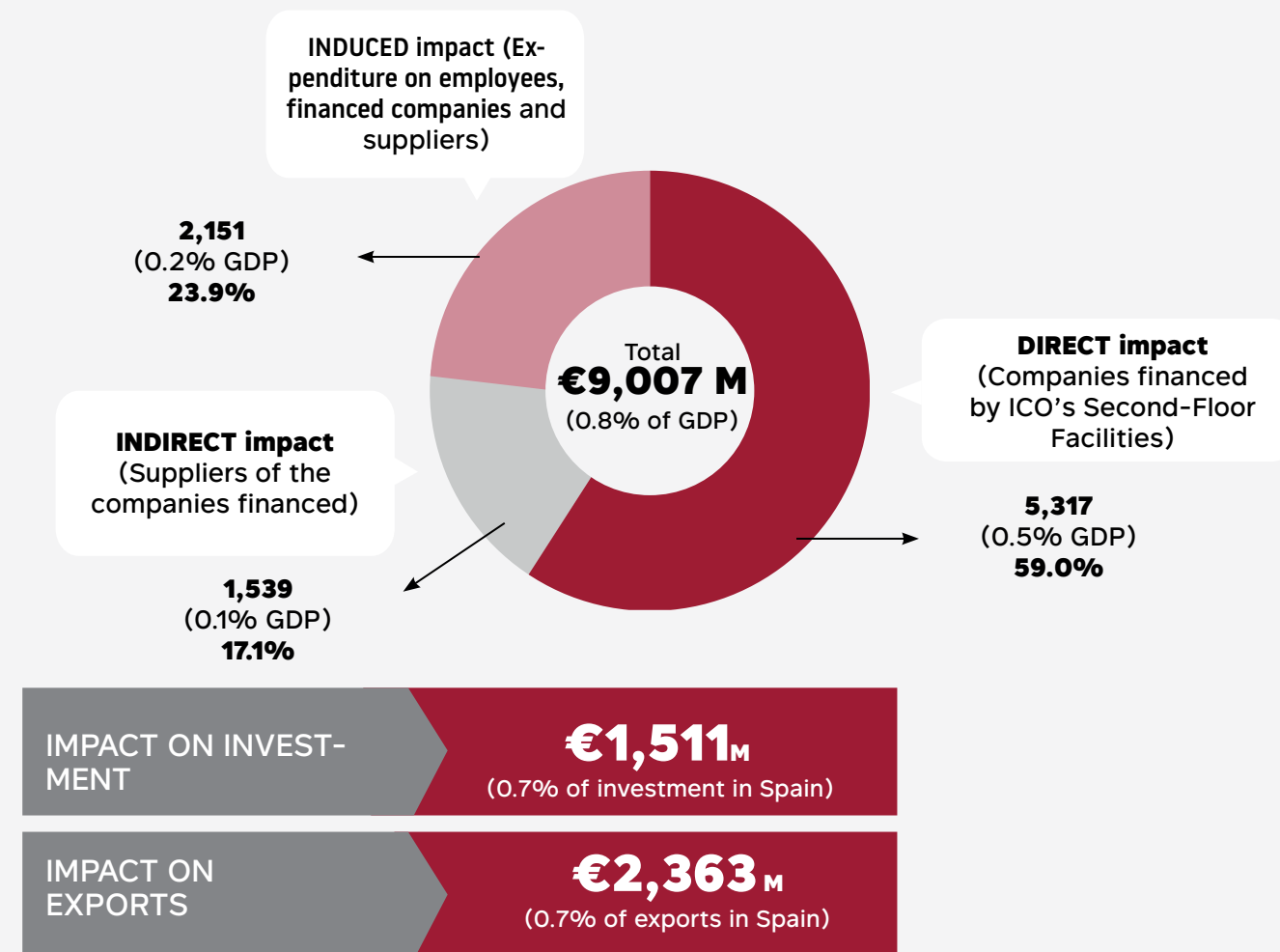
IMPACT OF ICO SECOND-FLOOR FACILITIES ON THE SPANISH ECONOMY. CONTRIBUTION TO ECONOMIC DEVELOPMENT

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

The estimated impact on economic activity of the financing distributed in 2020 through ICO's Second-Floor Facilities is estimated at 9,007 million euros in terms of GDP, equivalent to 0.8% of GDP. This financing activity accounted for 1,511 million euros in investment, 0.7% of total gross fixed capital formation (GFCF) in Spain in 2020.

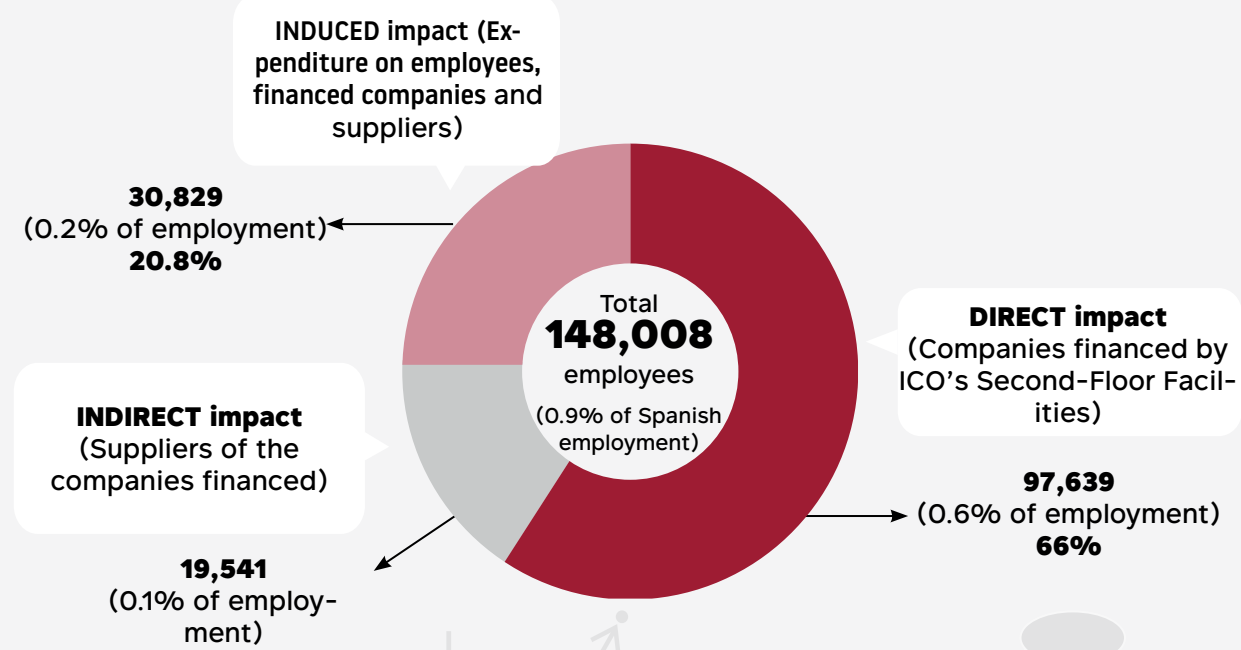
In relation to exports, the impact generated is estimated at 2,363 million euros, 0.7% of the total volume of Spanish exports.

ICO SECOND-FLOOR FACILITIES 2020. Contribution to GDP: €9.007M (0.8% of GDP).



The estimate of employment generated and/or maintained was over 148,000 jobs, representing 0.9% of the total volume of full-time equivalent employment.

ICO SECOND-FLOOR FACILITIES 2020. Contribution to Employment: 148,008 jobs maintained and/or created (0.9 % of total employment in Spain¹).



¹ Full-time equivalent employment.





5.2. 2. OPERATIONS FORMALISED DIRECTLY BY ICO

The Institute complements its lending activity carried out through its second-floor facilities, mainly oriented towards smaller companies, with the offer of a wide range of direct financing and guarantee solutions aimed at promoting corporate operations and large investment projects in Spain or those projects with Spanish interest that are carried out abroad. In the operations formalised through this system, the Institute assumes the final recipient's credit risk.

ICO has extensive experience in direct bilateral operations or in cooperation with private credit institutions under the principles of complementarity and subsidiarity. The priority sectors of activity for the Institute are infrastructure, energy, engineering, environment and tourism, all based on the principles of sustainability, innovation, digitalisation and actions that have a positive social impact.



Once the acute phase of the COVID-19 crisis is over, it will be necessary to invest in infrastructure more than ever before in order to accelerate economic recovery, create jobs, reduce poverty and stimulate productive investment. ICO will always support this recovery.

ICO's involvement in these operations adds value, especially in obtaining longer-term financing tranches. In addition, it enables local currency financing for certain projects, which allows for completion of operations.

During 2020, ICO has continued to complement its traditional direct lending and guarantee activity with alternative financing models:

- Purchase of corporate bonds: issued by Spanish companies that are preferably certified as responsible issuers or listed in sustainability indices, providing companies with the necessary financing to undertake their medium and long-term investment plans.
- Purchase of project bonds, as a financing instrument particularly linked to large infrastructure financing operations.
- Purchases of corporate bonds and promissory notes issued through the MARF to provide issuers (especially medium-sized companies) with access to funding to cover their short- and medium-term liquidity needs.

The following bond and note purchases were made in 2020:

ACQUISITIONS OF BONDS AND PROMISSORY NOTES 2020

METHOD	CASH AMOUNT (MILLIONS OF €)	Nº OPERATIONS	Nº COMPANIES
CORPORATE BONDS	195	6	5
PROJECT BONDS	46	2	2
MARF BONDS	42	4	4
TOTAL BONDS	284	12	11
TOTAL MARF NOTES	624	122	26
TOTAL BONDS AND NOTES	908	134	37

In lending transactions, ICO promotes and prioritises those business activities that promote a solid, competitive and sustainable business fabric, that have a positive impact on people, the climate and the environment.

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

In 2020, ICO drew down 3,452 million euros in direct loan and credit operations, bond and promissory note purchases and guarantees in favour of companies (106% higher than the volume drawn down in 2019). Of the total amount drawn down during the year, 1,245 million was allocated to projects abroad (36% of the total).

DIRECT FINANCING TO COMPANIES 2020.

Geographical distribution by investment destination (million euros).

	AMOUNT DRAWN DOWN	% TOTAL
National investment	2,207	63.9%
International Investment	1,245	36.10%
TOTAL	3,452	100%



Direct financing activity in 2020 is aimed at sustainable projects and those that promote the internationalisation of Spanish companies.



Funds drawn down through direct financing in 2020 show a broad distribution across sectors. Companies active in tourism, leisure and culture, construction and infrastructure, and energy will account for the largest percentages of the funds drawn down in 2020.

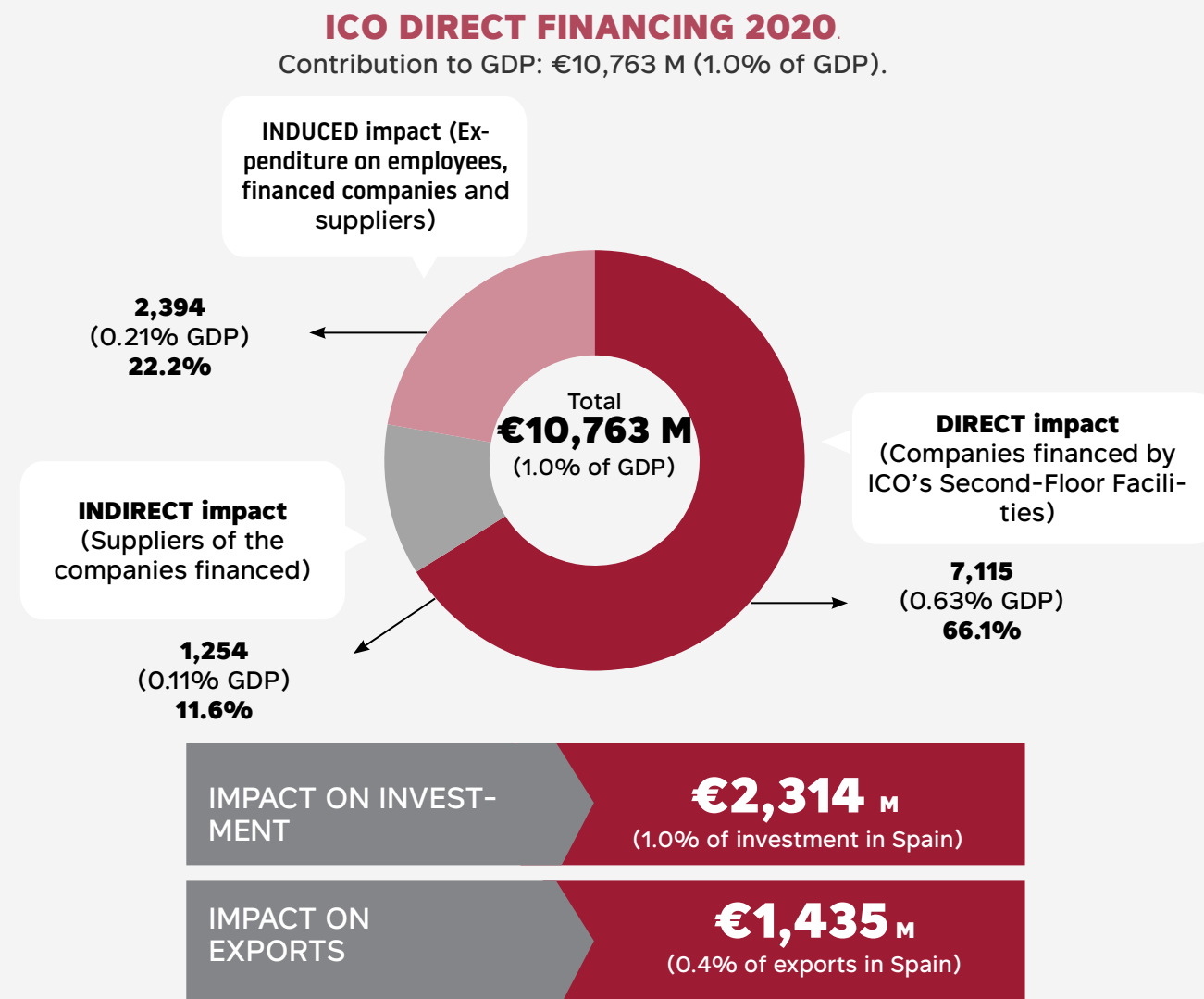
DIRECT FINANCING TO COMPANIES 2020. AMOUNT DRAWN DOWN.

Distribution by activity sector (amount and % total)

	Amount Mill €	%/TOTAL
TOURISM, LEISURE AND CULTURE	550	21.7%
CONSTRUCTION AND INFRASTRUCTURE	497	14.3%
ENERGY	465	13.5%
BUSINESS, PROFESSIONAL AND ADMINISTRATIVE SERVICES	386	12.8%
ENVIRONMENT	343	11.6%
TRANSPORT AND LOGISTICS	302	10.7%
COMMERCIAL DISTRIBUTION OF FOOD AND BEVERAGES	270	4.9%
ICT	243	3.3%
METALLURGY AND OTHER MATERIALS	140	2.1%
AUTOMOTIVE AND TRANSPORTATION MATERIAL	115	1.7%
CHEMICAL INDUSTRY	72	1.3%
TEXTILES AND FASHION INDUSTRY	27	0.7%
CONSUMER GOODS	16	0.6%
INDUSTRY AND HEALTH SERVICES	15	0.5%
CAPITAL GOODS AND INDUSTRIAL PRODUCTS	7	0.2%
REAL ESTATE SERVICES	3	0.1%
FOOD AND BEVERAGE INDUSTRY	2	0.06%
TOTAL	3,452	100.0%

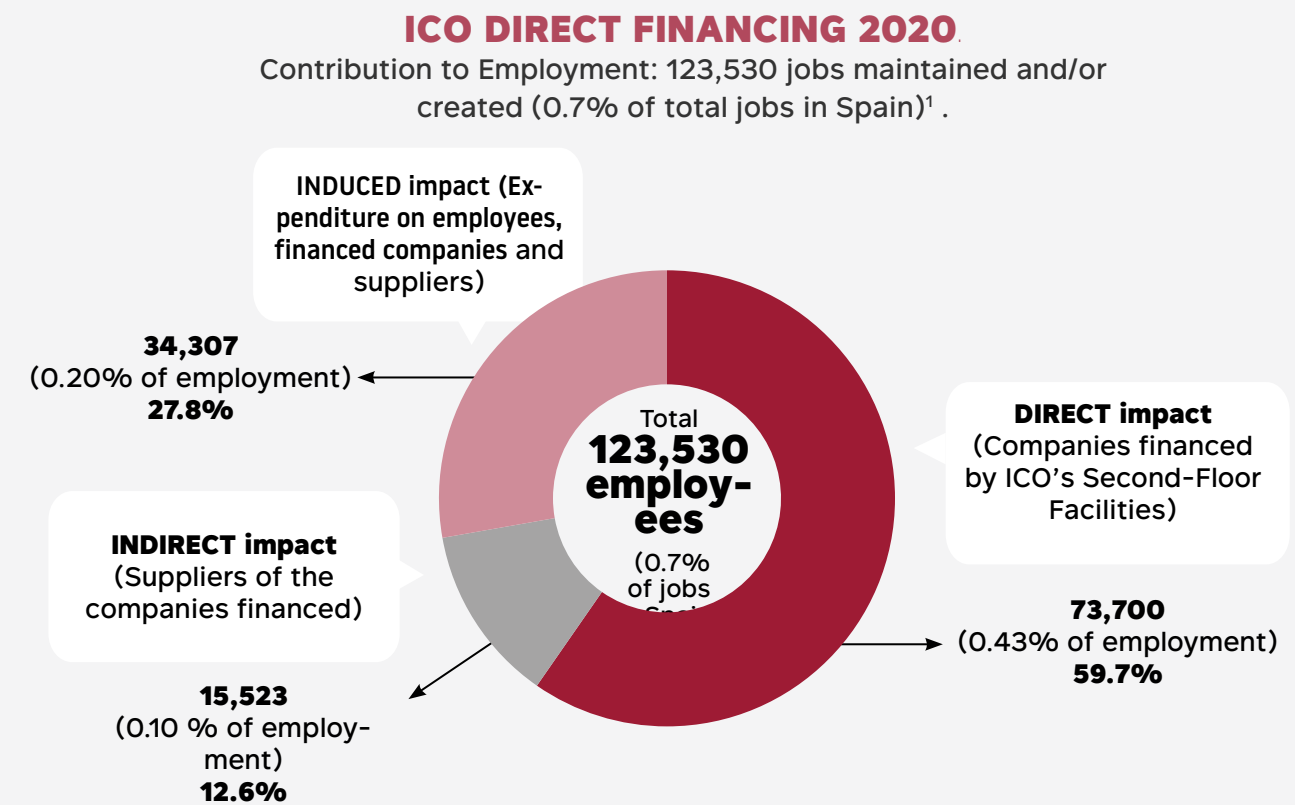
IMPACT OF ICO'S DIRECT FINANCING OF THE SPANISH ECONOMY

The estimated impact on economic activity of direct operations formalised in 2020 is estimated at 10,763 million euros in terms of GDP, equivalent to 1.0% of GDP.



These operations accounted for 2,314 million euros in investment, 1.0% of the gross fixed capital formation (GFCF) in Spain in 2020. The impact in terms of exports is estimated at 1,435 million euros, 0.4% of the total volume of Spanish exports.

The quantification in terms of employment created and/or maintained as a result of these operations amounts to more than 123,500 jobs, 0.7% of the total volume of full-time equivalent employment.



¹ Full-time equivalent employment.

5.3. Boost to complementary financing channels

FOND-ICO GLOBAL, F.C.R.

In 2020, the Institute has continued to promote, in public-private collaboration with the Spanish venture capital sector, alternative and complementary financing to bank financing for Spanish companies, boosting the activity of the venture capital funds it manages through its subsidiary AXIS.

The company AXIS Participaciones Empresariales, S.G.E.I.C., S.A., S.M.E was established in 1986 and was the first venture capital management company registered in the Comisión Nacional del Mercado de Valores (National Securities Market Commission). Since its inception, AXIS has promoted venture capital as complementary to bank financing for Spanish companies, improving their capitalisation and boosting innovation, entrepreneurship and internationalisation and promoting sustainability and digitisation. Its main objective is to maintain the financial equilibrium of the funds managed to ensure their continuity.

AXIS is one of the most active operators in the venture capital field in Spain, managing **5,150 million euros** through three funds: Fond-ICO Global, F.C.R., Fond-ICOpyme,

F.C.R., and Fond-ICO infraestructuras II, F.I.C.C., which invest in companies and/or projects throughout all stages of the investment cycle.

Fond-ICO Global, F.C.R.'s objective is to develop and diversify sources of non-banking finance, promoting the creation of privately managed venture capital funds that invest in Spanish companies in different activity sectors and in all its stages: from technology transfer and seed capital, passing through the early stages, to development capital that promotes their expansion and internationalisation.

It operates as a fund of funds, taking stakes in other venture capital entities authorised in Spain or who have residence in another OECD member state. In this way, the fund is the catalyst for the creation of new venture capital funds, managed by private operators with a presence in Spain. The venture capital funds that Fond-ICO Global, F.C.R invests in must have mostly private capital.

AXIS's fund selection process is expressed through its public bidding principles: publicity, concurrency, equality and transparency. To do this, public invitations to tender are carried out in which the funds concerned bid. During

2020, the twelfth and thirteenth calls were resolved, awarding a maximum Fond-ICO Global F.C.R. contribution of 532 million euros to 11 and 15 funds, respectively. This represents the highest annual volume since the Fund was established. In addition, this thirteenth call was the one with the largest number of funds and the largest volume of investment (329 million euros) approved since the creation of Fond-ICO Global, F.C.R. The volume invested in each of the funds participated in depends on the stages at which it invests and the size of the fund.

To stimulate the capitalisation of companies and promote their internationalisation, growth, digitisation and innovation, Fond-ICO Global, F.C.R seeks to promote alternative financing to bank financing based on the principles of private resource management. To this end, in recent calls, criteria of sustainability, digitalisation and innovation of the productive fabric have been incorporated into the evaluation of the proposals of the participating funds in order to promote these areas of activity.

FOND-ICO Global was launched with an initial endowment of 1.2 billion euros and ICO's committed assets have been increased three times, the last time in 2020 by 2.5 billion

euros, to currently reach 4.5 billion euros. In addition, in 2020, the investment term of the fund was extended to 2026 and the duration to 2034. These decisions are part of the measures for financing start-ups and supporting the entrepreneurial ecosystem being developed by the MINECO.

FOND-ICO GLOBAL MOBILISES AROUND 8.9 BILLION EUROS TO INVEST IN COMPANIES IN SPAIN

In the thirteen calls resolved, investments have been approved in 108 private funds with a maximum fund commitment of 2,266 million euros. This volume has an important multiplier effect that could mobilise up to four times more investment in Spanish companies, up to 8,892 million euros. That is to say, for every euro of public capital invested by FOND-ICO Global, private funds have committed to investing a minimum of 3.9 euros in Spanish companies.

Furthermore, 28% of these funds are international, which highlights the relevance of this instrument in attracting foreign capital to Spain.

FOND-ICO GLOBAL. (millions of euros).

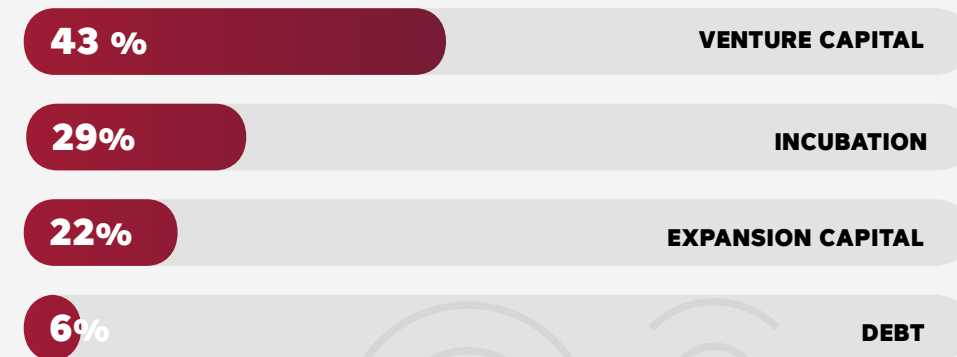
Calls	Target fund	Investment target volume in Spain	FOND-ICO Global Commitment
December 2013	685	660	189
May 2014	3,785	665	248
November 2014	4,125	668	194
March 2015	756	573	124
November 2015	671	606	121
June 2016	668	272	71
October 2016	727	659	157
May 2017	1,041	625	161
November 2017	7,594	818	159
July 2018	1,287	535	145
May 2019	830	676	166
February 2020	1,676	911	203
December 2020	3,400	1,224	329
TOTAL	27,245	8,892	2,266

The funds that FOND-ICO Global has participated in made investments in 636 Spanish companies, with a total of over 172,500 employees, from a variety of sectors and stages of growth. 83% of the Spanish recipient companies are SMEs.

FOND-ICO GLOBAL. Diversification of investment by size.



The distribution of volume of investments between the different categories of funds is presented in the following graph with venture capital standing out with **43%** of the total.





FOND-ICOPYME, F.C.R.

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

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



Among the initiatives developed within the framework of Fond-ICOpyme, it is worth highlighting the launch, together with the European Investment Fund (EIF), of two funds aimed at promoting the development of business angel activity in Spain, focusing on investments in seed capital and early stages.

○ The first fund launched under this initiative, endowed with **30 million euros**, also involved the Neotec fund. According to the most recent data available, this first fund partnered with **13 business angels** in **128 co-investments** for a total amount mobilised of **27.5 million euros**.

The second co-investment fund was set up in 2019, with **40 million euros, 50%** provided each by the EIF and Fond-ICOpyme, F.C.R., with the aim of financing Spanish technology companies with a high innovative component.

Within the Sustainability and Social Impact Initiative, endowed with 50 million euros, in 2020 FOND-ICOpyme, F.C.R.'s participation in the Q-Impact fund was formalised for 5 million euros, which joins the first one carried out in 2019.

In this same area, AXIS joined the Foroimpacto platform in June 2019 to promote Spain's incorporation into the Global Steering Group on Impact Investment (GSG), which took place in 2020. Since then AXIS has worked regularly with Spain NAB, the body that coordinates impact activity within the GSG to promote impact investment in the venture capital segment.

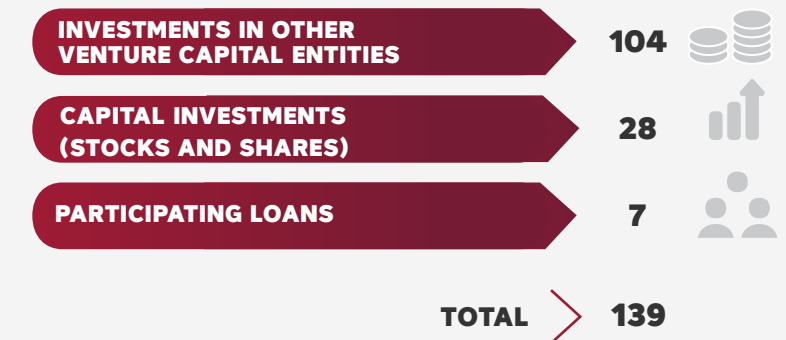
In parallel, as part of the Diversified Debt Initiative, which has a forecast investment of 50 million euros, FOND-ICOpyme, F.C.R. formally invested 15 million euros in October SME IV in 2020, becoming the first fintech in which this Fund invests. This initiative is aimed at venture capital entities that invest in a higher number of SMEs with debt instruments, either alone or in joint venture with other investors or platforms. It aims to promote

complementary and innovative sources of financing for Spanish companies and support them in their digitalisation process, and enables the ICO Group to position itself on crowdlending/crowdfunding platforms.

In response to the healthcare crisis, AXIS approved the COVID-19 Entrepreneurial Ecosystem Initiative in 2020, through FOND-ICOpyme, F.C.R., for 50 million euros (extendable up to 100 million euros). It promotes the creation of funds to finance the temporary liquidity needs of highly innovative technology start-ups and SMEs with a high growth potential, which face financing difficulties due to the economic impact of the pandemic. Participation in the Aldea Opportunity Fund has been approved for up to 24.5 million euros under this initiative.

The portfolio balance of FOND-ICOpyme investments at the close of 2020 was as follows:

FOND-ICOPYME, FCR.
Formalised investment portfolio
Balance in December 2020 (million euros)



FOND-ICO INFRAESTRUCTURAS II, F.I.C.C.

In December 2018, the fund called Fond-ICO infraestructuras II, F.I.C.C. registered in the CNMV for the amount of 400 million euros. It aims to invest in sustainable infrastructure projects directly or through other investment funds in Spain and abroad with Spanish companies. The fund's duration is 22 years, extendable for a period of 5 additional years by decision of the management company. The fund was launched in 2019 and its actions are conditional on minority participation, in any case, which does not imply effective control of the company, excluding those projects included for the purposes of public administration debt and deficit.

Through equity holdings, subordinated debt and participating loans, it invests in transport, energy and environmental infrastructure and social infrastructure. Among other investments, it finances motorways, roads, rail networks, ports, airports, energy distribution networks, sustainable generation or renewable energy, hospitals and educational and judicial services' infrastructure.

On 31 December 2020, the balance of the Fond-ICO infraestructuras II, F.I.C.C. investments portfolio is as follows:

FOND-ICO INFRAESTRUCTURAS II, F.I.C.C.

Formalised investment portfolio. Balance in December 2020 (million euros).

	AMOUNT
Investments in other venture capital entities (subscribed)	100
Syndicated	24
Capital investments (stocks and shares)	9
TOTAL	133



In 2020 Fond-ICO infraestructuras II, F.I.C.C. formalised the investment of up to 15 million euros for the construction and operation of 4 photovoltaic plants in Spain, with the aim of contributing to national ecological transition targets.

PURCHASES OF ASSET-BACKED SECURITIES

The Institute began its activity as an investor in asset-backed securities in 2017, when ICO approved a framework for investment in securitisations, in accordance with its Strategic Plan. This framework establishes the characteristics of the operations to be considered in terms of asset type, credit quality and maturity. In order to invest, ICO requires an explicit commitment from the originating institution to generate new financing for companies and the self-employed in Spain. This ensures that the impact of ICO's investment is reflected in new credit in general, and credit directed at the productive fabric in particular.

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

PARTICIPATION IN OTHER FUNDS

The Institute participates in other funds managed by different management companies:

- Fons Mediterrània Capital.** This is a venture capital fund in accordance with Spanish law, created and designed by ICO, along with the Institut Català de Finances (Catalan Finance Institute - ICF) and the EIB, for a total of **62.5 million euros**. It has a generalist and diversified investment mission for investment in companies that develop projects in the Mediterranean area of Maghreb (Morocco, Tunisia and Algeria). The management company is Riva y García Gestión, SGIIC SA. ICO's participation amounts to **15 million euros (24%)**.

The fund is now in the process of disinvestment, with 5 upcoming projects remaining.

- Marguerite Fund.** This is a European capital fund designed by ICO, along with other public entities: the European Investment Bank, the European Commission, the KfW Bankengruppe, Cassa Depositi e Prestiti, Caisse des Dépôts et Consignations and PKO Bank Polski, S.A.

It aims to invest in projects and companies in the infrastructure (transport, energy and renewable energy) sector that contribute to the objectives established in EU policy. The management company is Marguerite Adviser, SA. ICO participates with 100 million euros, provided by the current Ministry of Economic Affairs and Digital Transformation, which represents 14.08% of the capital. Currently, the fund is in a period of disinvestment, leaving 7 remaining projects at the close of 2020.

- Fondo de Apoyo a Empresas (AFS FUND - Fund for Supporting Companies).** The fund's aim, constituted in 2013 for an unlimited amount of time, is to provide non-banking financing to companies through commercial invoice discounts guaranteed by Compañía Española de Créditos a la Exportación (CESCE - Spanish Export Credit Agency). The management company is AFS, S.à.r.l. a private limited liability company. Since 2018, ICO has held a 13.16% stake, with CESCE as the main investor.

5.4. ICO as an instrument of economic policy. Management of European Union Funds

ICO, as a financial instrument of Economic Policy, supports the Spanish economy in two ways:



Enhancing its role as a channel for resources from the EU in their different forms.



Performing the functions entrusted to it as a **financial instrument** in the implementation of the government's economic policy measures.



MANAGEMENT OF EUROPEAN UNION FUNDS

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

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

Once accredited as an Implementing Partner, ICO will work to channel funds from initiatives within the Multiannual Financial Framework 2021-2027, such as

Invest EU or Connecting Europe Facility (CEF), to Spanish projects. ICO is also collaborating in the management of the European Guarantee Fund and in the management of the Next Generation EU programme, all with the aim of offering Spanish entrepreneurs and the self-employed better access to the various Community initiatives and funds, enabling them to diversify both the sources from which they obtain support and the instruments through which it materialises.

ICO has the capacity to design and adapt its products in order to channel EU funds made available to Member States in the form of guarantees, financing and/or grants to companies, in collaboration with the relevant Ministries. In this way, in the coming months, ICO will contribute to the implementation of transformative projects that will boost the ecological and digital transition and underpin the economic recovery.



Specifically, InvestEU will distribute 26 billion euros in guarantees throughout the EU to promote, thanks to the collaboration with private initiative, investments estimated at more than 372 billion euros in four priority areas of action: sustainable infrastructure, research, innovation and digitalisation, SMEs and social investments and training.

ICO has a long history of collaboration with the EU and its institutions. The volume of financing mobilised by ICO under the

Investment Plan for Europe (known as the Juncker Plan) amounted to 1.9 billion euros. This figure represents almost 15% of the total 12,157 million euros allocated by this initiative to projects in Spain.

It is also worth mentioning the role played by ICO in 2020 in managing the presentation of sustainable mobility projects by Spanish companies, in collaboration with MITMA, in the CEF programme. This programme combines grants from the Community budget with repayable bank financing. In 2020 the European Commission confirmed the approval of CEF grants for 5 projects funded and processed by ICO in 2019 as an Implementing Partner. In addition, in 2020, the Institute



continued to support projects considered eligible for this grant and submitted 8 new proposals to the Commission in which ICO has participated with financing of over 200 million euros.

In short, European funds are a great opportunity to promote projects that strengthen economic growth and the ecological and digital transition of the productive fabric. For this reason, ICO has acquired new tools to enable it to contribute through all its areas of action to the effective deployment of these resources in line with the EU's Multiannual Financial Framework for the period 2021-2027 and with the leveraged policies of the Recovery, Transformation and Resilience Plan.

FINANCIAL INSTRUMENT OF ECONOMIC POLICY

In its role as an instrument of economic policy, ICO collaborates with the various ministries and other public administrations to mobilise resources from these bodies through the various products marketed by ICO. In this way, through public-private participation schemes, it implements the government's initiatives and projects.

As such, ICO helps to channel resources to companies and facilitate the achievement of economic and sectoral policy objectives. A number of initiatives were implemented in 2020, including the ICO-Thomas Cook line of guarantees with the State Secretariat for Tourism, collaboration with RED.ES on digitalisation under the Acelera Pyme Plan, the cultural and audiovisual agreement with RTVE to finance Spanish film productions, and financing with the EIB to promote social housing.

5.5. Operations managed on behalf of the State

As a State Financial Agent, ICO manages, for and on behalf of the State, various public instruments created with different purposes:

1

To provide support for the internationalisation of Spanish companies: Fondo para la Internacionalización de la Empresa (FIEM) and the Reciprocal Interest Adjustment Contract (CARI), both belonging to MINCOTUR.

2

Encourage financial cooperation for development: Fondo para la Promoción del Desarrollo (FONPRODE) and Fondo de Cooperación para Agua y Saneamiento (FCAS), both on behalf of the Agencia Española de Cooperación Internacional para el Desarrollo (Spanish Agency for International Development Cooperation - AECID) attached to the Ministry of Foreign Affairs, European Union and Cooperation.

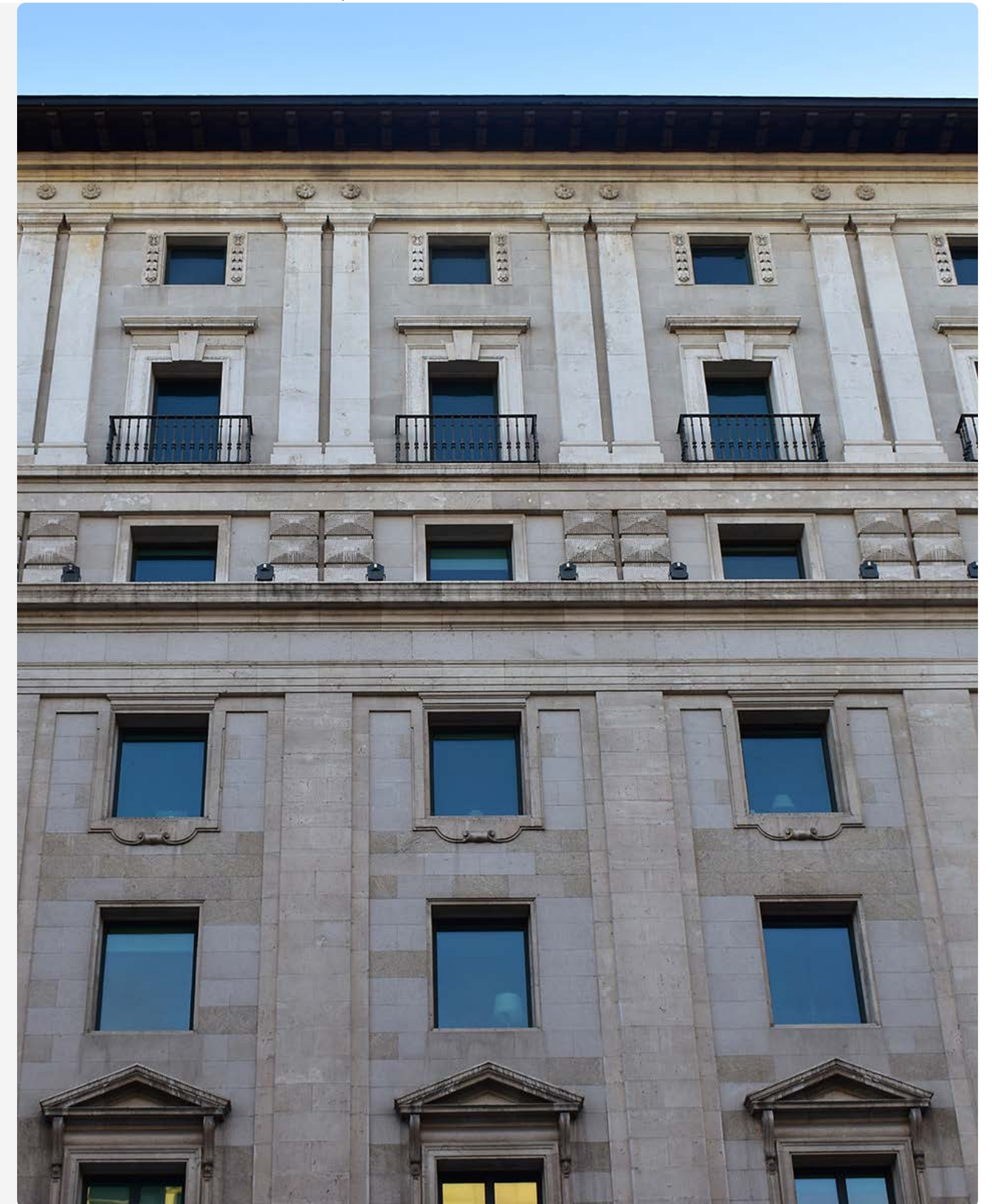
3

Facilitate the sustainability of regional and local administrations: Fondos de Financiación de las Comunidades Autónomas (FFCAA) and Fondo de Financiación de las Entidades Locales (FFEELL), belonging to the Ministry of Finance.



4

Since 2020, in addition to the aforementioned instruments, the Institute has been managing the various ICO-COVID Guarantee Lines approved by the Government to maintain liquidity and the flow of financing to companies, especially SMEs and the self-employed. During 2020, more than 89 billion euros have been guaranteed under these Guarantee Lines.



The Institute's role as the financial agent of these instruments is to formalise, manage and administer its activity, acting in the name of and on behalf of the State. The accounting record is done separately, so that their balances do not form part of ICO's financial statements.

At the end of 2020, the overall volume under management will be around 281.1 billion euros.

BALANCES MANAGED ON BEHALF OF THE STATE (millions of euros) .

Data as of 31 December

	2020
Fondo para la Financiación de las Comunidades Autónomas (FFCCAA)	178,865
State COVID-19 Guarantee Lines (guaranteed volume)	89,003
Fondo para la Financiación de las Entidades Locales (FFEELL)	6,312
Fondo para la Internacionalización de la Empresa (FIEM)	3,848
Reciprocal Interest Adjustment Contract (CARI)	2,631
Fondo para la Promoción del Desarrollo (FONPRODE)	422
Fondo de Cooperación para Agua y Saneamiento (FCAS)	11
TOTAL	281,092

AUTÓNOMAS (FFCCAA)

Via Royal Decree-Law 17/2014, on measures to ensure the financial sustainability of Autonomous Communities and Local Entities, the Fondo de Financiación de Comunidades Autónomas (FFCCAA) was created with the aim of providing liquidity to these administrations. In terms of rights and obligations, this fund succeeded the defunct Fondo de Liquidez Autonómico (FLA) and Financiación del Pago a Proveedores (FFPP) created in 2012, assuming their assets.

ICO was designated as the fund's financial manager. Its functions include the formalisation of financial operations with Autonomous Communities and the provision of technical instrumentation, accounting, cashier, paying agent and oversight services.

The amount drawn down through the FFCCAA during 2020 amounted to 38,660 million euros. The fund's outstanding balance to 31 December 2020 was 178,865 million euros.

FONDO DE FINANCIACIÓN A ENTIDADES LOCALES (FFEELL)

The Royal Decree-Law 17/2014 also created the Fondo de Financiación a Entidades Locales (FFEELL) in order to provide liquidity and ensure the financial sustainability of municipalities by attending to their financial needs. The assets of the defunct FFPP were transferred to this new fund, in the part corresponding to these administrations. ICO was also designated as the fund's financial agent, with the same functions as it has for the FFCCAA.

The amount drawn down through the FFEELL during 2020 amounted to 270 million euros, with the amount outstanding at the close of the year of 6,312 million euros.

Since their creation in 2012, these instruments have injected direct liquidity into the economy in excess of 111,115 million euros. This has been possible thanks to the payment of over 14 million invoices, benefiting around 370,000 companies. **It has also dealt with territorial administrations' financial debts amounting to 177,426 million euros.**

FONDO PARA LA INTERNACIONALIZACIÓN DE LA EMPRESA (FIEM)

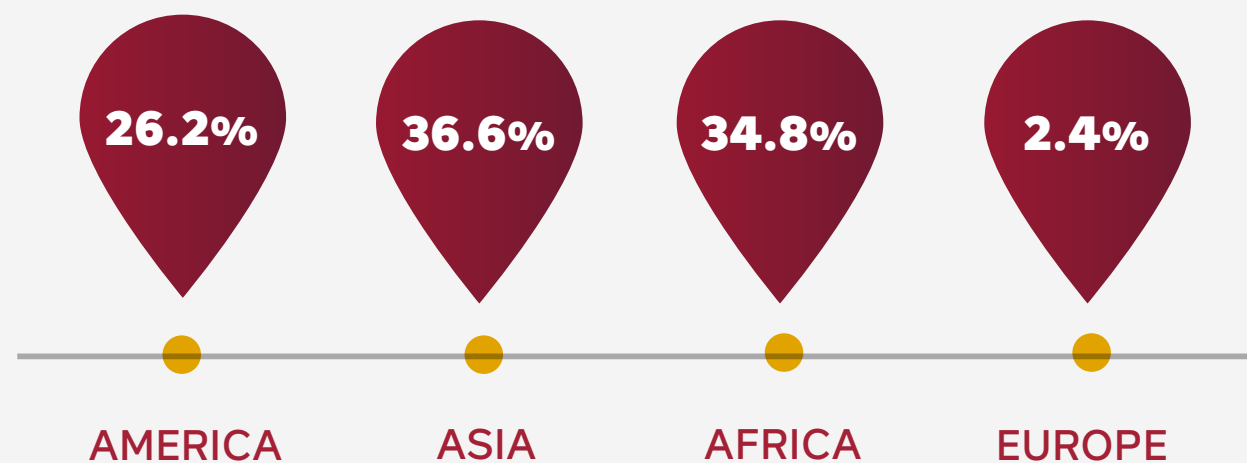
The Fondo para la Internacionalización de la Empresa (FIEM) aims to support and promote the internationalisation of the Spanish economy, with the mission of being a complementary instrument to the private market. The FIEM was created by Law 11/2010 of 28 June as an instrument for official support financing of the internationalisation of Spanish business. It aims to promote Spanish companies' export operations and direct Spanish investment abroad. To accomplish this, the Fund carries out repayable financing of projects, in concessional or market terms, linked to the acquisition of Spanish goods and services or the execution of Spanish investment projects or those that are in the national interest.

The fund is owned by the State Secretariat for Trade, reporting to the MINCOTUR, the unit responsible for selecting projects to be financed, preparing profiles and feasibility studies that are needed for their analysis, evaluating financing proposals and monitoring the execution and assessment of these.

ICO acts as financial agent, formalising, in the name of and on behalf of the Spanish Government and on behalf of the State, the corresponding credit, loan or grant agreements linked to the FIEM. It also provides technical instrumentation, accounting, cashier, paying agent and control services, and, in general, all services of a financial nature relating to operations authorised under the FIEM. In addition, in certain aspects relating to the management of the fund, ICO advises the Ministry in the following international forums: The Paris Club, Exports Credit Group with official help from the European Council and the OECD Participant Group.

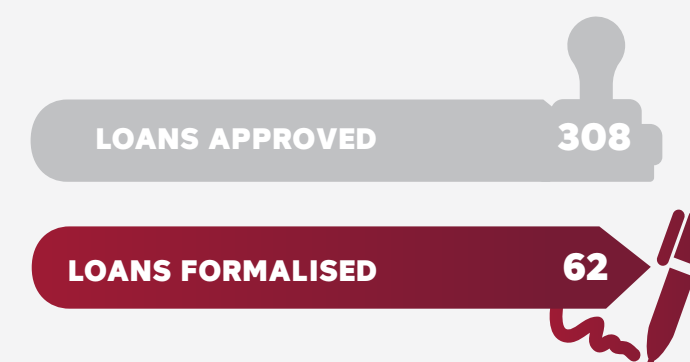
In 2020, operations were formalised under the FIEM that amounted to 308 million euros, formalising credit for 62 million euros.

The FIEM has consolidated itself as an important official instrument that supports the entry of Spanish companies into foreign markets. The outstanding loan portfolio balance to 3 December 2020 rose to 3,848 million euros, geographically distributed as follows:



FONDO PARA LA INTERNACIONALIZACIÓN DE LA EMPRESA (FIEM).

Operations approved and formalised in the 2020 financial year (millions of euros).





RECIPROCAL INTEREST ADJUSTMENT CONTRACT (CARI)

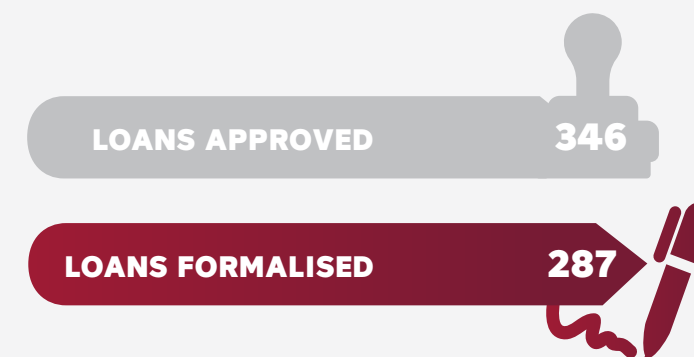
The CARI is a financial instrument that resembles a certain type of interest, which aims to promote Spanish exports, encouraging financial institutions to grant long-term loans at a fixed interest rate.

Interest adjustment contracts ensure that the lenders apply a particular financial margin on the outstanding amount of each loan collected through the system, eliminating risks arising from the difference between the fixed rate of the loan and the cost conventionally attributed to the resources that finance them. This financial instrument offers flexibility to banks and exporters to adapt to the construction period, the number of provisions and amortisation schedules, as well as having the coverage of the Compañía Española de Seguro de Crédito a la Exportación (CESCE - an Export Credit Agency). One of the necessary conditions in order to qualify for the system is that the interest rates established in the operations by lenders are those indicated in the agreement of the Organisation for Economic Co-operation and Development (OECD).

The activity of the CARI during the past year 2020 is summarised in the following table:

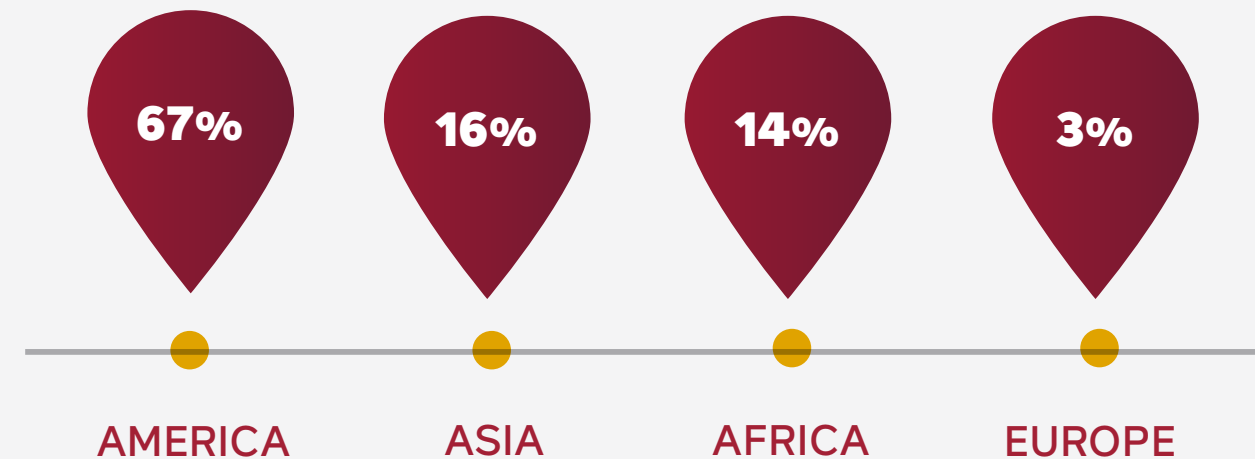
RECIPROCAL INTEREST ADJUSTMENT CONTRACT (CARI).

Operations approved and formalised in the financial year (million euros).



CARI's outstanding loan portfolio balance to 31 December 2020 amounted to **2,631 million euros**, with the following geographical distribution:

RECIPROCAL INTEREST ADJUSTMENT CONTRACT (CARI).
Geographical distribution of loan portfolio balance at 31.12.2020 (percentages of the total).



FONDO PARA LA PROMOCIÓN DEL DESARROLLO (FONPRODE)

The Fondo para la Promoción del Desarrollo (FONPRODE) is configured as one of the main financial instruments of Spanish cooperation. It is owned by the Ministry of Foreign Affairs, the European Union and Cooperation, through the Agencia Española de Cooperación Internacional para el Desarrollo (Spanish Agency for International Development Cooperation - AECID), the body in charge of administering the fund.

The Fund's main objective is to eradicate poverty, reduce social inequalities and inequities between people and communities, promote gender equality, and defend human rights and sustainable development in developing countries. It grants both non-repayable operations (donations, contributions and benefactions to multilateral agencies and international financial development institutions) and repayable operations (repayable contributions to multilateral agencies, loans to local microfinance institutions and credit to States). Finally, the fund may also make capital contributions to investment funds.

ICO formalises, in the name of and on behalf of the Spanish government and on behalf of the State, the agreements to be signed with the beneficiaries. It also provides technical instrumentation, accounting, cashier, paying agent and control services, and, in general, all services of a financial nature relating to transactions authorised under the Fund. In 2020, operations were formalised that amounted to 23 million euros.



FONDO DE COOPERACIÓN PARA AGUA Y SANEAMIENTO (FCAS)

Law 51/2007, of 26 December, on the General State Budget for 2008, created the Fondo de Cooperación para Agua y Saneamiento (FCAS) as an instrument aimed at financing actions, within the policy of international cooperation for development, designed to enable citizens of Latin American countries to access water and sanitation.

The fund is attached to the Agencia Española de Cooperación para el Desarrollo (AECID), under the Ministry of Foreign Affairs, European Union and Cooperation.

The fund grants non-reimbursable aid and, where appropriate, loans under the co-financing regime with the national authorities of beneficiary countries, with supranational bodies or with private institutions. ICO formalises, in the name of and on behalf of the Spanish government and on behalf of the State, the corresponding FCAS financing agreements and provides all financial services relating to the authorised operations.

Since its creation in 2008, disbursements made from the fund amount to over 846 million euros, which corresponds in its entirety to non-reimbursable programmes. In 2020, 5 new programmes have been approved for a total amount of 6 million euros to be disbursed from resources available from non-implemented programmes.

At year-end 2020 the outstanding amount is 422 million euros, broken down as follows:

FONDO PARA LA PROMOCIÓN DEL DESARROLLO (FONPRODE).

Loan portfolio balance at 31.12.2020 (millions of euros and percentages).

	2020	%/TOTAL PORTFOLIO
REIMBURSABLE CONTRIBUTIONS TO MULTILATERAL AGENCIES	310	73.6%
MICRO-CREDIT PROGRAMMES	86	20.4%
CREDIT TO STATES	26	6%
TOTAL PORTFOLIO	422	100.0%

5.6. Financing of companies' internationalisation

Boosting the international activity of Spanish companies and attracting foreign investment is one of ICO's strategic priorities. To this end, it provides companies with a wide range of financial instruments that promote their export and investment activity with ever greater geographical diversification and towards sectors with higher added value, making a significant contribution to strengthening the foreign sector and consolidating its role as a driver of growth for the Spanish economy. In fact, ICO is part of and actively contributes to the Strategy for the Internationalisation of the Spanish Economy 2017-2027.

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

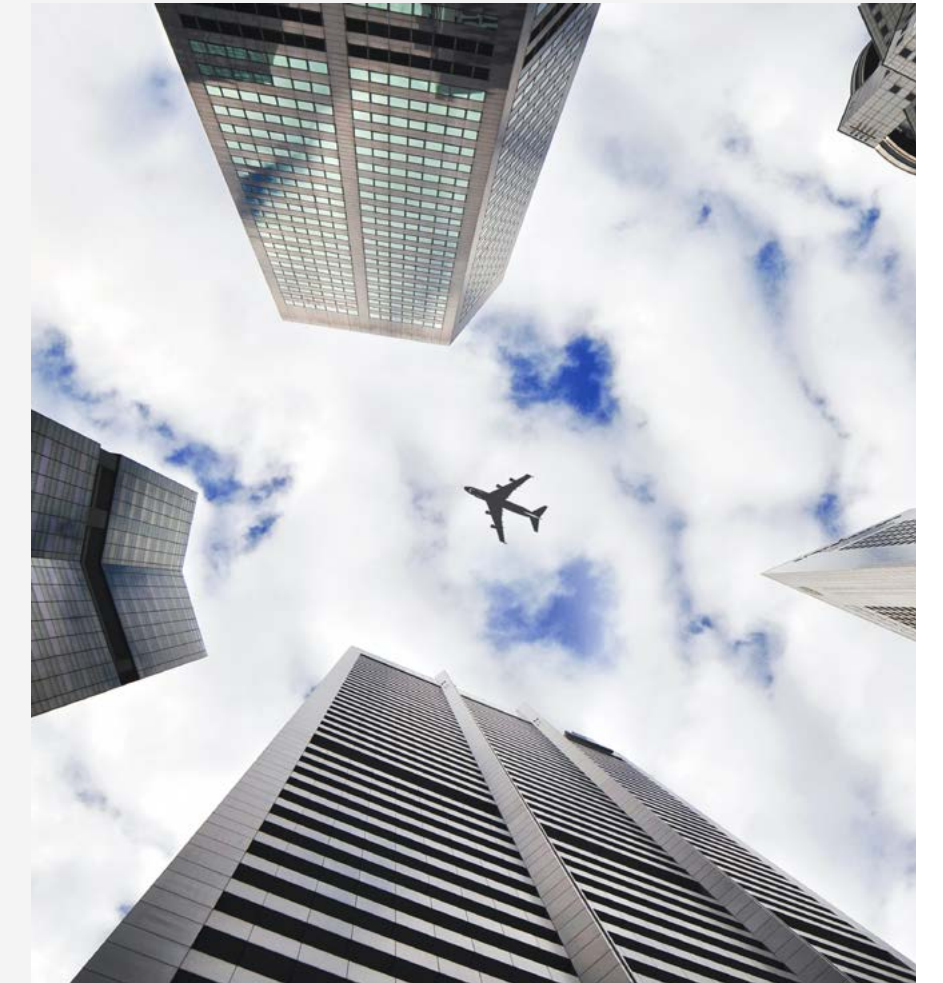
guarantees is also of particular importance.

In 2020, the volume of financing and guarantees earmarked for promoting the internationalisation of Spanish companies amounted to 2.59 billion euros (38% of the total volume drawn down).

FINANCING AND GUARANTEES TO COMPANIES 2020.

Distribution by investment destination (million euros %).

	AMOUNT	%
NATIONAL INVESTMENT	4,210	61.9%
INTERNATIONAL INVESTMENT	2,590	38.1%
TOTAL	6,799	100.0%





ICO Facilities: Of the total amount drawn down through ICO Second-Floor Facilities in 2020, 40% (1,345 million euros) was aimed at financing investments abroad and promoting Spanish business's export activity in 125 different countries. This financing has been granted through 7,000 operations to nearly 1,000 clients.

Of note in the 2020 activity of ICO's Second-Floor Facilities for internationalisation was the significant contribution of the ICO Canal Internacional facility, with 417 million euros drawn down, the main area of application of which is the LATAM Area. This product is distributed with the collaboration of international financial institutions that favour access to financing for Spanish companies in local markets.



ICO SECOND-FLOOR FACILITIES DRAWN DOWN IN 2020.

Distribution by recipient country of the investment (million euros).

	AMOUNT	%/TOTAL
FRANCE	194	14.4%
ITALY	116	8.6%
GERMANY	80	5.9%
UNITED STATES	69	5.1%
NETHERLANDS	62	4.6%
PORTUGAL	49	3.7%
BELGIUM	41	3.0%
UNITED KINGDOM	40	3.0%
CHINA (PEOPLE'S REPUBLIC OF)	22	1.6%
SWITZERLAND	18	1.4%
UNITED ARAB EMIRATES	16	1.2%
JAPAN	15	1.1%
MOROCCO	14	1.0%
TURKEY	13	1.0%
SWEDEN	9	0.7%
IRELAND	8	0.6%
AUSTRIA	8	0.6%
MEXICO	8	0.6%
POLAND	7	0.5%
DENMARK	7	0.5%
PERU	7	0.5%
CHILE	6	0.5%
ALGERIA	6	0.4%
ROMANIA	6	0.4%
SAUDI ARABIA	6	0.4%
REST (*)	518	38.5%
TOTAL	1,345	100.0%

(*) Includes operations towards 100 countries as well as amounts drawn through ICO Canal Internacional (417 million euros).

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

The following table shows the distribution by country of drawdown with an international destination:

DIRECT FINANCING IN THE 2020 FINANCIAL YEAR. Distribution by recipient country of the investment (millions of euros).

DRAWDOWNS

	AMOUNT	%/TOTAL
PORTUGAL	338	27.1%
UNITED KINGDOM	177	14.3%
OTHER COUNTRIES (*)	169	13.6%
MEXICO	112	9.0%
CHILE	103	8.3%
GERMANY	80	6.4%
COLOMBIA	78	6.2%
FRANCE	48	3.8%
ALGERIA	30	2.4%
UNITED ARAB EMIRATES - DUBAI	28	2.3%
BAHRAIN	18	1.5%
CANADA	13	1.0%
PARAGUAY	12	1.0%
ITALY	10	0.8%
OMAN	10	0.8%
PERU	8	0.6%
SLOVAKIA	8	0.6%
BRAZIL	2	0.2%
OVERALL TOTAL	1,245	100.0%

(*) This section includes those operations whose investments are aimed at more than one country.



5.7. Fundraising

The Institute finances its medium and long-term activity mainly through debt issues in the capital markets and through bilateral loans from multilateral financial institutions. ICO is not financed through the General State Budgets, nor does it accept deposits from individuals. **During 2020, ICO obtained medium- and long-term resources for 5,665 million euros.**

IN 2020, ICO LAUNCHED ITS SEVENTH SOCIAL BONDS ISSUE

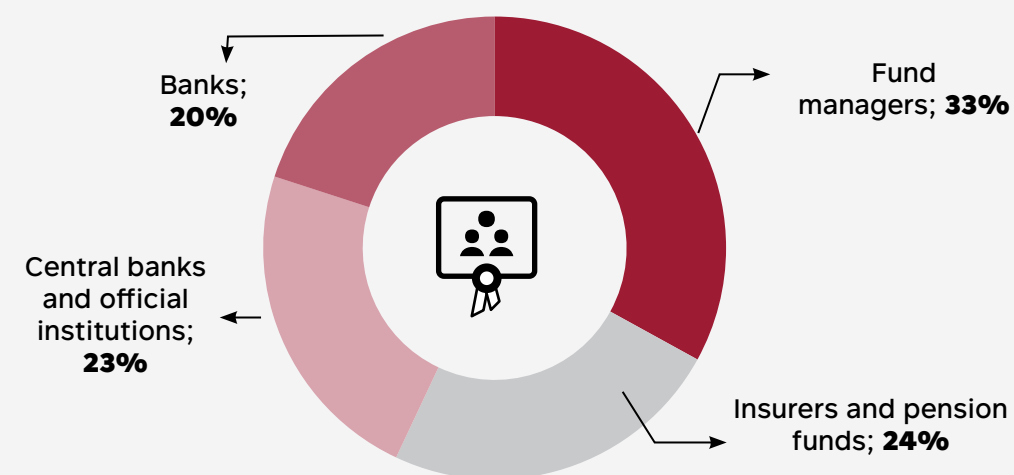
In May 2020, ICO launched a new social bond issue for an amount of 500 million euros to finance operations by the self-employed, SMEs and companies that contribute to alleviating the social and economic impact of COVID-19. The issue was very well received by investors with a demand of more than 3.5 billion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

With this issue, ICO is launching its newly updated framework for social bond issuance focused on categories such as depopulation in "empty Spain", problems arising from natural or health disasters, social housing, public health, education, professional training or basic infrastructure. The distribution by type of investor of this bond issue is detailed below:

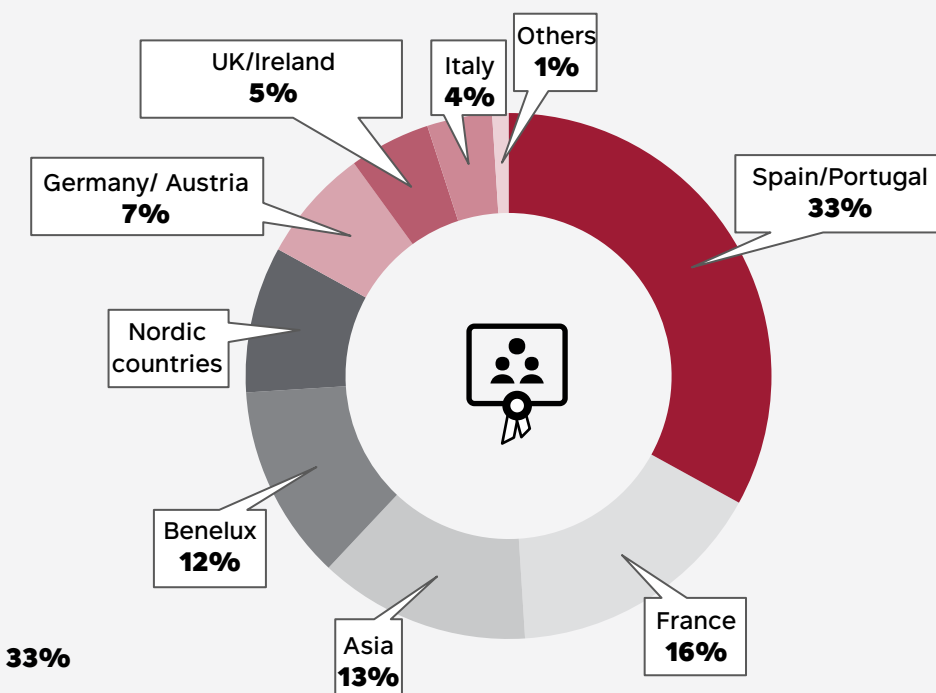
The geographical distribution of the issue is shown in the graph below:

SOCIAL BOND ISSUE IN 2020

(500 million euros). **Distribution by type of investor.**



(500 million euros). **Distribution by country.**



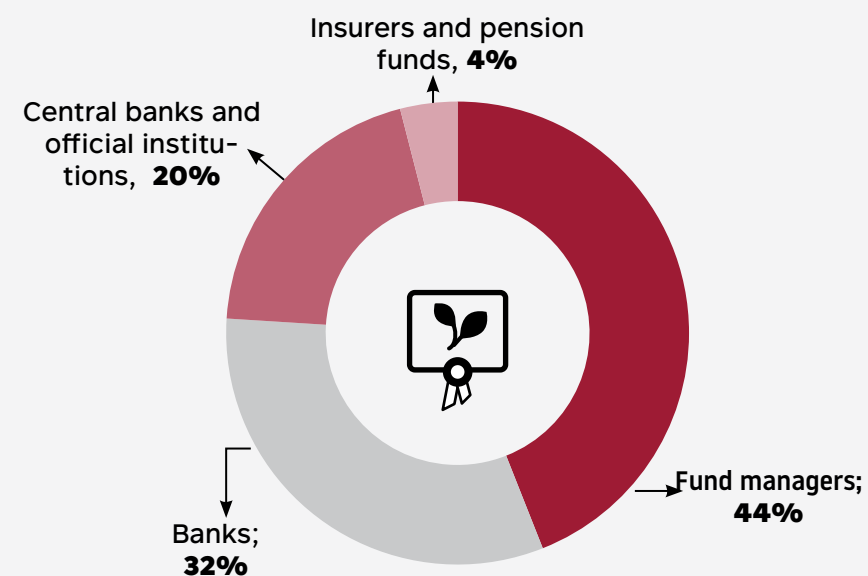
SECOND GREEN BOND ISSUE

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

In terms of the type of investor, the distribution was as follows:

GREEN BOND ISSUE IN 2020

(500 million euros). Distribution by type of investor.



ICO HAS CONSOLIDATED ITS POSITION IN THE SUSTAINABLE BOND MARKET.

With these two new 2020 issues, the Institute has issued 7 social bonds totalling 3,550 million euros and 2 green bonds totalling 1 billion euros, thus consolidating ICO's position as one of the benchmark issuers in this market at European level.

Transparency towards investors remains a cornerstone for ICO. In 2020, the impact reports corresponding to the social bonus and green bonus issued in 2019 have been published. Through these reports, ICO provides information to investors about the destination of the funds raised and the impact generated. The funds were used to finance 9,514 SMEs in disadvantaged regions of Spain, contributing to the creation or retention of 44,733 jobs, and 9 renewable energy projects were financed, which will help to avoid the emission of 315,101 tonnes of CO₂.

ICO's participation in the sustainable bond market is not only limited to the issuance of sustainable bonds. ICO also actively collaborates in developing and promoting the market for these bonds as an active member of the social bond working groups of the International Capital Market Association (ICMA). Following its appointment last year, ICO became a member of the Advisory Council of the GBP and SBP Executive Committee of ICMA in 2020.

BILATERAL LOANS FORMALISED WITH MULTILATERAL AGENCIES. ACCESS TO FINANCING UNDER PREFERENTIAL CONDITIONS

In recent years, the Institute has intensified the search for alternative sources to complement financing in capital markets, by obtaining loans from international financial institutions and multilateral agencies. These operations, due to their favourable conditions in terms of price, maturity and availability, make it possible to offer Spanish companies better financing conditions.

In this regard, agreements have been signed with the Council of Europe Development Bank (CEB) for 300 million euros in 2020 to finance Spanish SME projects that favour the creation and maintenance of employment, and with the EIB for 1.5 billion euros, whose funds, channelled through ICO's Second-Floor Facilities and direct financing programmes, will help to alleviate the economic and social impact of COVID-19 on Spanish companies.

ICO is one of the main partners of the EIB Group in Europe, thus providing an answer to the European Commission communication of July 2015, relating to the necessary coordination and complementarity of national promoter banks with the EIB.





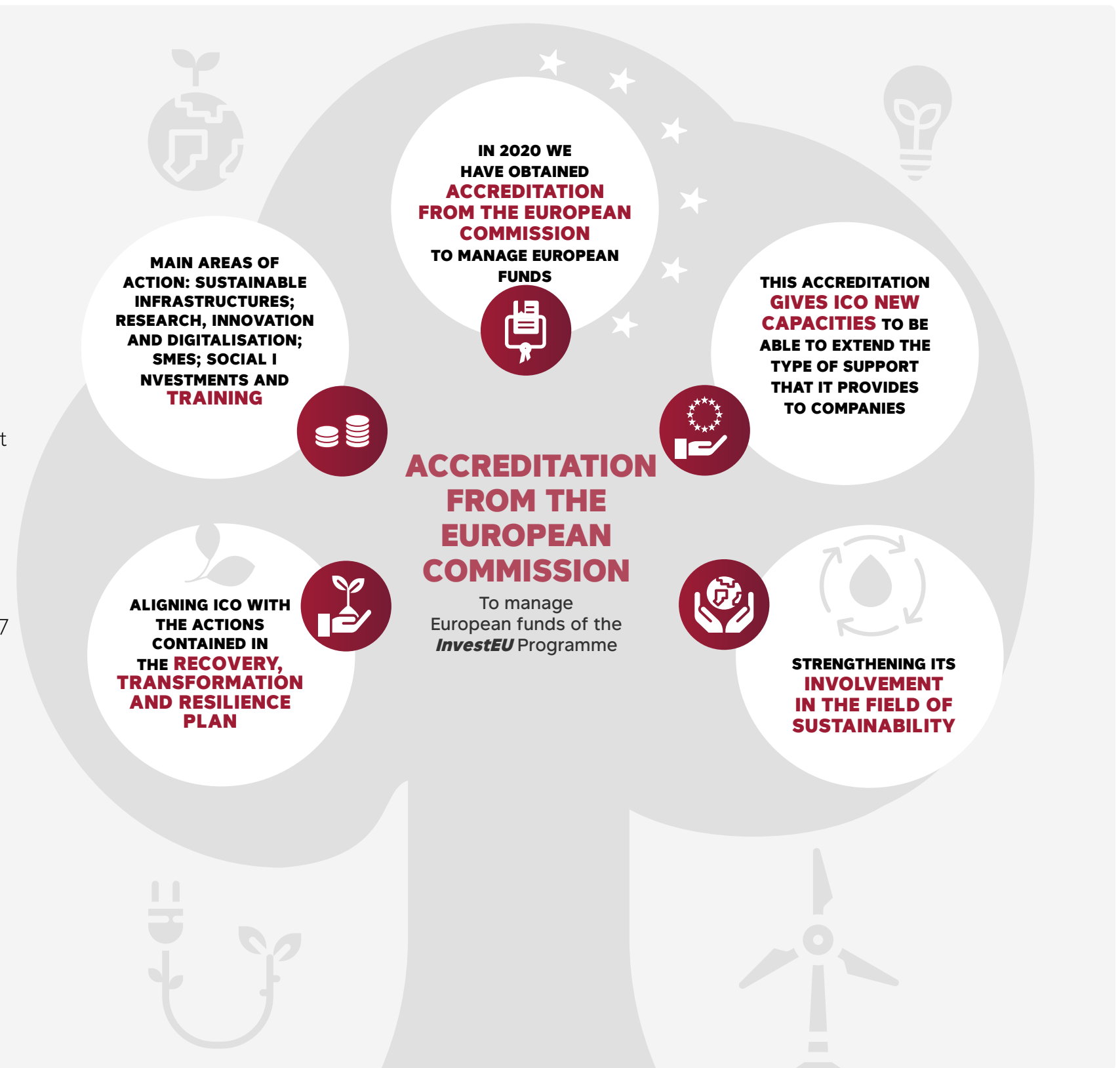
6 | Social responsibility at ICO

6.1. Sustainability in the ICO Group

Sustainability and the transition to a climate-neutral, resource-efficient and circular economy are key to ensuring long-term competitiveness. In keeping with this line of action, article 2 of ICO's bylaws establishes that sustainability is a basic pillar of ICO's activity, both in its asset and liability operations and in its internal management of the organisation, from the perspective of governance and Corporate Social Responsibility. This is why sustainability involves all areas of the organisation, constituting a management basis for fulfilling its mission as a public and promotional bank.

ICO plays a key role in promoting the development of a sustainable finance model that incorporates environmental, social and governance objectives into business decisions. It also mobilises resources to facilitate the transition to a future model of sustainable growth in line with the guidelines set by the new EU Financial Framework for 2021-2027 and the Next Generation EU initiative.

Obtaining accreditation from the European Commission in 2020 to manage European funds under the InvestEU Programme provides the Institute with new capabilities to expand the type of support it makes available to companies, reinforcing its involvement in the field of sustainability, in line with the action plans set out in the Recovery, Transformation and Resilience Plan, focusing on four main areas of action: Sustainable Infrastructures; Research, Innovation and Digitisation; SMEs; and Social Investments and Skills.



ACTIONS FOR THE SUSTAINABILITY OF ASSET OPERATIONS

ICO promotes and prioritises financing operations that have a positive impact on people, climate and the environment in the different areas of sustainability (environmental, social and governance - ESG).

Of particular note in 2020 was social impact financing, where the Institute has provided direct financial support from its own funds to large and medium-sized enterprises through the urgent measures implemented by the government to address the economic and social impact of COVID-19. Of particular note in this area are the financing operations or the purchase of promissory notes issued on the Alternative Fixed Income Market (MARF) with the partial guarantee of the State.

In addition, in 2020, ICO has maintained its historically high level of commitment to environmental impact financing for the development of projects to improve energy efficiency, mobility, the development of renewable energies and water and waste treatment. In this line, it is worth highlighting the



financing of projects that contribute positively to the diversification of the energy model by supporting the development of networks of charging points for electric vehicles. The financing compliant with the Green Loan Principles (GLP), promoted by the Loan Market Association (LMA), which seek a framework of market standards and guidelines to assist in the development of this activity, is also noteworthy. ICO uses these principles to rate its green loans.

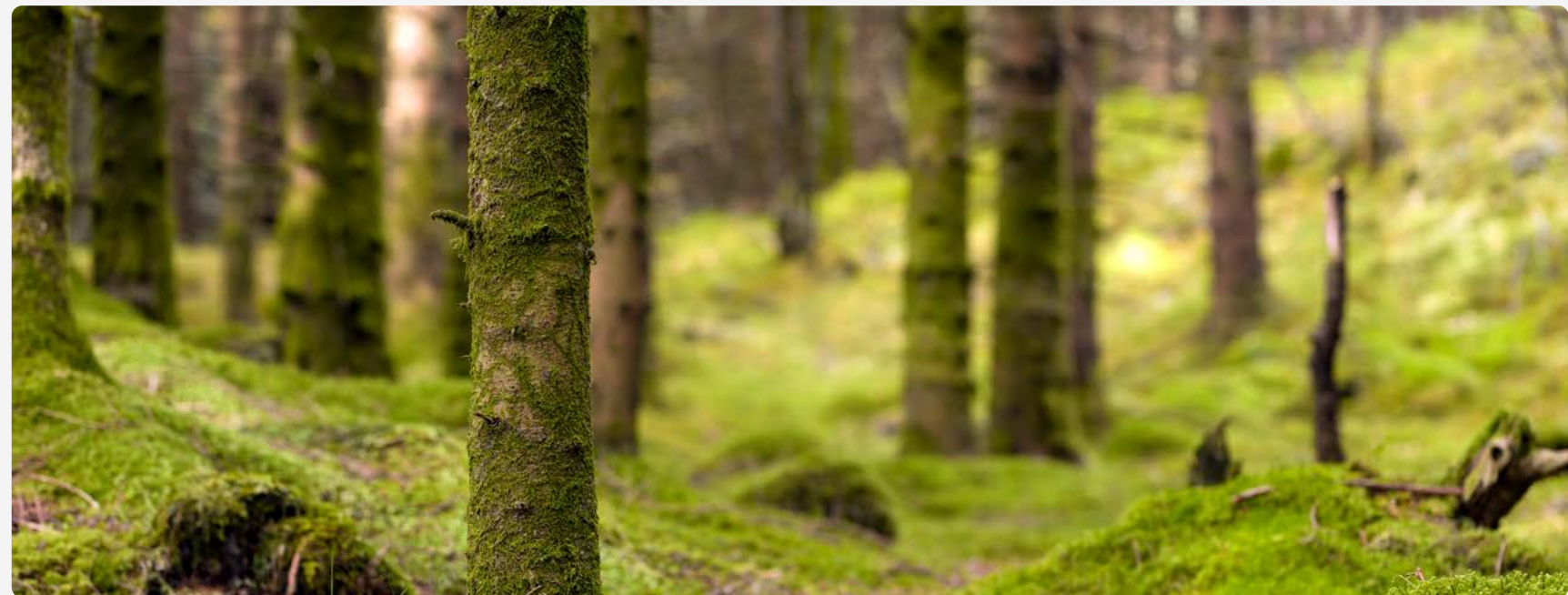
In this line of work, ICO has played an active role in the Connecting Europe Transport (CEF) programme, which promotes the involvement of private sector investors and financial institutions in projects that contribute to the environmental sustainability

and efficiency of the transport sector in Europe. The CEF programme supports sustainable mobility projects of European companies, combining grants from the European Commission of up to **20%** of the total investment of the project with repayable loans, thus amplifying the capacity to mobilise resources in public-private partnerships.

In 2020, ICO approved the financing of 8 projects eligible for programme funding in excess of 200 million euros.

In October 2016, ICO signed up to the Equator Principles, committing to ensure that the projects it finances or advises are carried out in a socially and environmentally responsible manner, which means complying with the United Nations Principles on Business and Human Rights (UNGPs), supporting the objectives of the 2015 Paris Agreement and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In 2020, the total volume of financing approved for operations linked to sustainable development projects and plans amounts to 2.76 billion euros.



ACTIONS FOR THE SUSTAINABILITY OF LIABILITY OPERATIONS

In terms of liability operations, ICO has consolidated its position in the green bond market, launching a green bond issue in 2020, amounting to **500 million euros**, to finance Spanish companies' activities, investments and projects that contribute to environmental protection and the fight against climate change.

A new issue of social bonds for an amount of 500 million euros was also launched.

This issue was carried out after extending the scope initially set out in the social bond framework that regulates this type of fundraising. The broadening of the scope better reflects the Institute's social objectives by including the fight against the consequences of the COVID-19 pandemic.

ICO has issued:

€4,550 M
in sustainable bonds



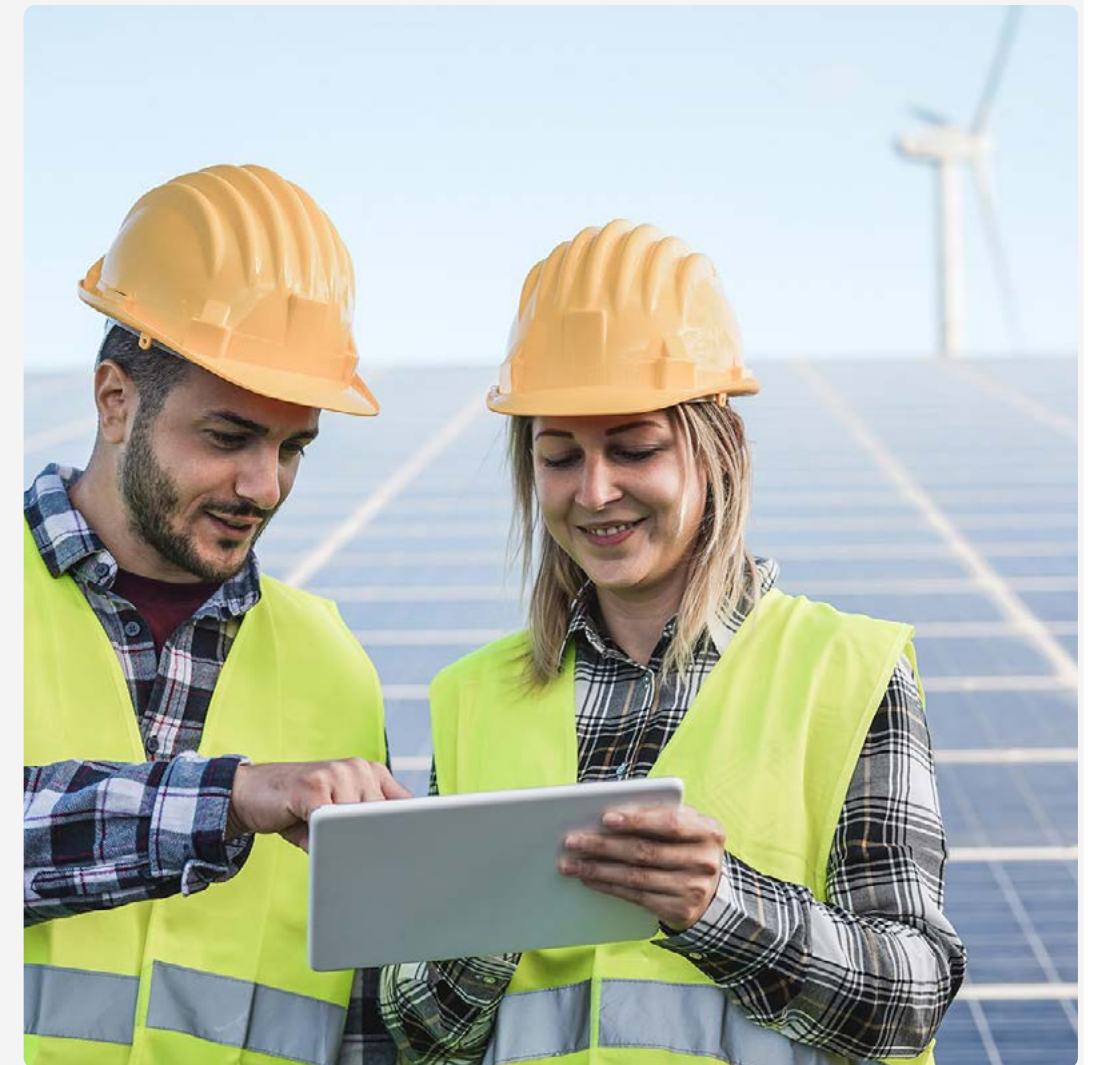
SOCIAL BOND ISSUES

7



GREEN BONDS

2



SUSTAINABILITY ACROSS THE ORGANISATION

Sustainability criteria have been implemented throughout the ICO Group, including Axis in the management of ICO's venture capital funds and the Fundación ICO. A number of internal actions are being carried out to consolidate sustainability as a strategic vector that involves the entire organisation, its governance and its corporate social responsibility policy in a cross-cutting manner.

approved in December and technical assistance has been requested from the European Commission's Structural Reform Support Service (SRSP) to train ICO in the application of the new EU sustainable finance regulation. As a starting point for these actions, ICO designed a Sustainable Finance Action Plan in July 2020 with the aim of promoting, coordinating and contributing to the development of actions in this area.

ICO acts in coordination at EU level with other National Promotional and Development Banks, notably through its participation in the Joint Initiative for the Circular Economy (JICE), launched by the five largest European national promotional banks (German KfW, Italian CDP, French CDC, Polish BGK, ICO) together with the EIB, to support the development and implementation of circular economy projects and programmes in the EU worth **10 billion euros** in the period 2019-2023.



In 2020 the Sustainability Policy and the Environmental Policy were approved, which establish the basic guidelines for identifying and monitoring ICO's activity in this area.



ICO joined the *Clean Ocean Initiative* in 2020, which aims to mitigate the effects of climate change and combat pollution in the oceans by financing projects that contribute to efficiently managing the production and recycling processes of plastic and solid waste worth 2 billion euros in the period 2019-2023.

An internal sustainability assessment manual was also

Collaboration agreements have also been signed with national and international institutions in the field of sustainability. Since 2005, ICO has been a member of the Spanish Network of the United Nations Global Compact and collaborates with the High Commissioner for the 2030 Agenda, an organisation that aims to promote the development of a sustainable business fabric for SMEs. It is part of the Collective Commitment to Climate Action, which reflects the joint commitment of the Spanish banking sector to reduce the carbon footprint of the credit portfolios of the signatory institutions.

The Institute is a member of associations aimed at promoting sustainable finance. Specifically, it is part of FORETICA, from where ICO led the launch of the CSR Action Group in public companies to share knowledge and integrate the Sustainable Development Goals (SDGs) into the strategy of public companies, of SPAINSIF, whose mission is to promote the integration of ESG criteria among the investment community, and of FINRESP (Centre for Responsible and Sustainable Finance), which aims to address the difficulties and needs of the business community, particularly Spanish SMEs, to contribute positively to the commitments of the 2030 Agenda.

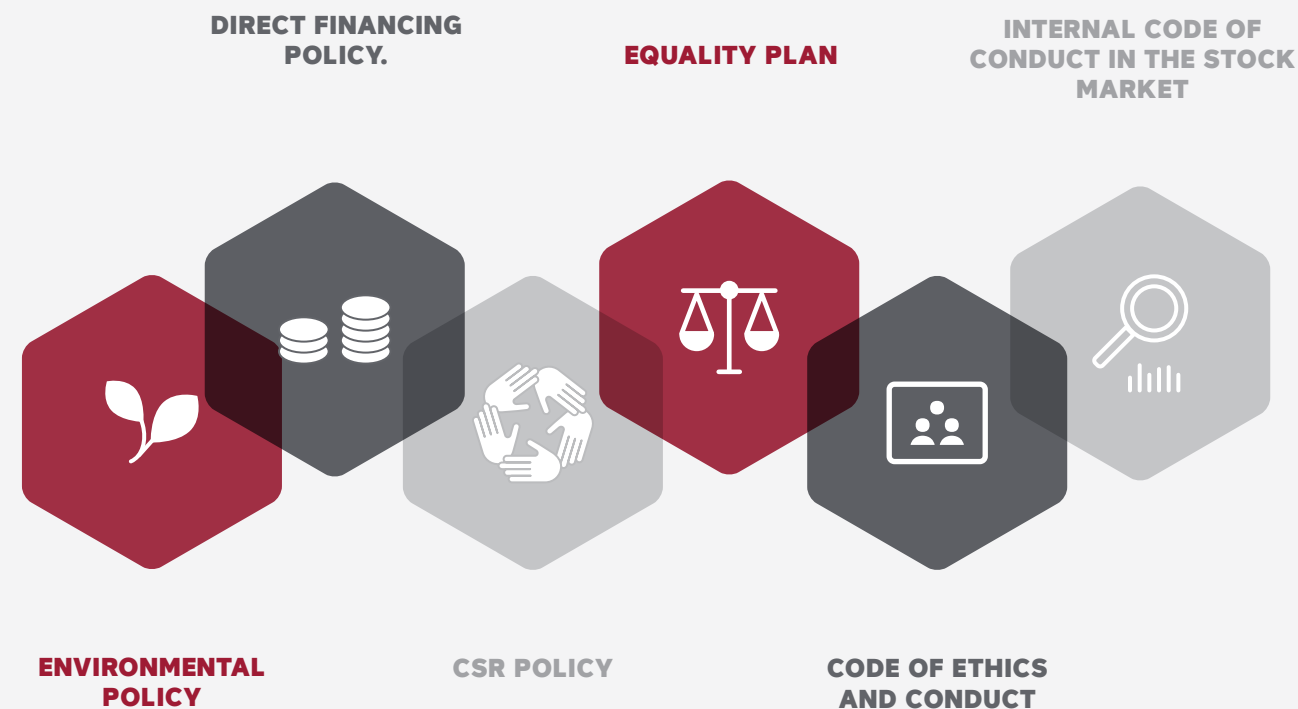
of these workshops. It is also intended to continue this line of action with the creation of a MOOC (Massive Online Open Course) that will enable the self-employed, companies and the general public to access information on the circular economy and SMEs.

Fundación ICO is also aligned with the criteria of sustainability, in particular the collaboration with the UNED to prepare a study on the circular economy and Spanish SMEs, the result of which is the document "The transition to the circular economy. Guide for SMEs", which is intended to be a user-friendly tool for SMEs, as well as the organisation of web workshops to train SMEs in the circular economy and a seminar to summarise the conclusions



6.2. Sustainability policy

ICO's Sustainability Policy, approved in February 2020, reflects the coherence between the management of our operations and the needs of society and the environment. In addition, it establishes a general framework for action that is complemented by the rest of the internal policies that govern ICO's activity.



Through the Sustainability Policy, ICO expresses its commitment to:



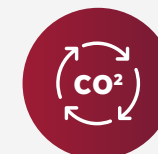
The **promotion of a sustainable business fabric** that generates employment, social welfare and positive environmental impact.



The **integration of Corporate Social Responsibility** into ICO, as the backbone of the whole organisation, as well as transparency and good governance, and the promotion of sustainability in all business activities within its reach and over which it can exert an influence.



Respect for Human Rights and the preservation of the surroundings, the **environment** and **biodiversity**, in the framework of its activity as financier and along its value chain.



The fight against climate change, the **promotion of a low-carbon economy model** and the **mobilisation of resources, financing and investment towards sustainable activities**, aiming to play a particularly active role in the field of renewable energies and energy efficiency and saving projects.



The **promotion of proper management of financial risks** arising from climate change, and the social and environmental impacts associated with its activity.

EXCLUSION OF ACTIVITIES:

In order to lead the transition toward a sustainable economic model in partnership with other financial institutions or promotional banks, ICO will not finance the following activities:

- Illegal activities according to the legislation applicable to the operation in question or according to international agreements and conventions.
- Projects that could result in the violation of human rights or the limitation of individual rights and freedoms. Nor will it finance those projects that do not comply with national, European, or local environmental legislation, or IFC standards or OECD guidelines where this is a better reference.
- Projects that do not respect labour rights in general and in particular rights on child labour, discrimination and forced labour, on the basis of the fundamental conventions of the International Labour Organization (ILO).
- Activity linked to pornography and/or prostitution.
- Lethal weapons, munitions and dual-use goods, except for the financing of the manufacture and marketing by an EU or NATO country of parts, components and subsystems intended for non-lethal defence equipment. Exceptionally, when it is considered to be in the national interest, and after consultation with the Ministry concerned and after justification and approval by ICO's General Board, dual-use goods may be financed with third countries.
- Companies on the relevant sanctions lists, in accordance with the Policy on Prevention of Money Laundering and Terrorist Financing.
- Projects that may generate negative social, environmental or climate impacts, where the promoter does not adopt the necessary measures for their adequate management and mitigation.
- Projects that do not comply with the social and environmental standards that ICO has established in its internal procedures or do not meet the criteria and limitations established in ICO's direct financing policy.

6.3. Stakeholders

The stakeholder identification matrix and the definition of their needs and expectations were reviewed in 2020 as another aspect of the materiality analysis.

ICO	SUB-GROUP	DESCRIPTION	OBJECTIVES
1-CLIENTS	FINANCIAL INSTITUTIONS	Financial institutions that act as mediators for the ICO Group's loans for SMEs and the self-employed.	Channel ICO Group financing through the offices of financial institutions to provide SMEs and the self-employed access to autonomous loans from the ICO Group.
	SMES	Companies benefiting from the ICO Group's financing lines.	Generate/maintain employment particularly, in those regions with a GDP below the national average; boost the internationalisation of Spanish business; fund investment projects generating wealth and employment, and those with positive environmental and social impacts.
	SELF-EMPLOYED	Individual entrepreneurs who benefit from the ICO Group's financing lines.	
	LARGE COMPANIES	Companies benefiting from the ICO Group's direct loans.	
	STATE FUND MANAGERS	Departments managing State funds for internationalisation.	Manage funds set up by ministerial departments.

ICO	SUB-GROUP	DESCRIPTION	OBJECTIVES
INVESTORS - 2	INVESTORS	Subscribers of bonds issued by the ICO Group to fund its activity.	Capture the financial resources needed to carry out the ICO Group's activity. Development of SRI bonds. Platforms for dialogue.
3-PEOPLE	ACTIVE EMPLOYEES	Staff with a fixed or temporary contract.	Facilitate the activity and professional development of ICO Group employees with equality, non-discrimination, conciliation and training policies.
	SCHOLARSHIP RECIPIENTS	Graduates who are registered to the SEPI Foundation training programme who undertake their scholarship in the ICO Group.	Support the practical training of recently graduates to facilitate their access to the world of work.
	OTHERS	Staff who are on work leave due to retirement, leave of absence or any other reason.	Facilitate relations with the ICO Group in terms of labour rights once the labour contract is finalised.
SUPPLIERS - 4	SUPPLIERS	Companies supplying goods and services for the ICO Group	Contracts under public procurement principles, including CSR clauses. Evaluation of suppliers' CSR performance. Minimise deadlines for the payment of invoices.

ICO	SUB-GROUP	DESCRIPTION	OBJECTIVES
AGENCIES AND - 5 ENTITIES ACTIVE IN ECONOMIC AND FINANCIAL MARKETS	MULTILATERAL AGENCIES	International supranational entity, made up of a group of countries or Member States, formed to achieve common goals that benefit the community or regions where it acts.	Find cooperation frameworks for the development of joint programmes and projects.
	ICO GROUP COUNTERPARTS	Entities of EU member states and other countries with similar functions to the Institute.	Collaborative agreements and agreements for the exchange of good practices and expertise that generate shared value.
	REGULATORS AND SUPERVISORS	Agencies and entities that issue standards and monitor activity.	Regulatory compliance and transparency.
	LEAD OR INSURANCE ENTITIES IN FINANCIAL MARKETS	Financial institutions that place the bonds issued by the ICO Group for its funding.	Regulatory compliance and transparency.
MEDIA - 6	SPECIALISED MEDIA	Economic information media.	Publicise the ICO Group's activity, as well acts and events in which the Institute participates.
	GENERAL MEDIA	General information media.	

ICO	SUB-GROUP	DESCRIPTION	OBJECTIVES
7-ANALYSTS	FINANCIAL	Economic and financial rating agencies.	Provide information with maximum transparency to facilitate review work.
	MEDIA SPECIALISED IN CSR	Agencies specialised in rating ESG criteria.	
MINISTRY OF - 6 ECONOMY, INDUSTRY AND COMPETITIVENESS	STATE SECRETARIAT FOR THE ECONOMY AND BUSINESS SUPPORT	Ministerial department to which the ICO Group reports.	Respond to requests for information from the Ministry on the ICO Group's activity and answering parliamentary questions. Review and realisation of possible observations, where applicable, of preliminary and draft regulations and regulations that affect the ICO Group.
	SPECIALISED IN CSR	Organisations specialised in CSR of which the ICO Group is a partner (Red Española del Pacto Mundial, Forética, Spainsif).	Improve the development and implementation of the CSR internally; keep abreast of national and international social responsibility trends; promote initiatives for the development of CSR in SMEs.
9-SOCIAL ORGANISATIONS	NON-PROFIT ORGANISATIONS AND FOUNDATIONS	Organisations and Foundations with which the ICO Group collaborates on the development of the corporate voluntary work plan and on the PYMES SOLIDARIAS project.	Promote the engagement of the ICO Group's employees and their relatives with social integration of groups at risk of exclusion through participation in non-profit foundations' and associations' activities through corporate volunteering.

6.4. Material issues

A new analysis of ICO's material issues was carried out in 2020. In accordance with the provisions of ICO's Statutes and strategic axes, we first identified the issues and the ICO Group's products and services that materialise them. In addition, the materiality analyses of ICO's European counterparts were observed, as well as the recommendations of the Pillar Assessment review for ICO's accreditation as an Implementing Partner of the European Commission and its participation in InvestEU.

This first draft was analyzed by various internal units, whose contributions resulted in the analysis shown below.

MATERIAL ISSUE	EXPLANATION
CORPORATE GOVERNANCE, SUSTAINABILITY, CSR AND TRANSPARENCY	<p>For the ICO Group, implementing best practices in Corporate Governance is a fundamental pillar on which its activity is based, in order to align with its institutional mission, regulations, sector-specific guidelines and sustainability.</p> <p>The ICO Group incorporates Corporate Social Responsibility as the backbone of the whole organisation, as well as transparency, good governance, and the promotion of sustainability in all business activities within its reach and over which it can exert influence.</p>
SOURCES OF FINANCING AND FINANCIAL BALANCE	<p>Solvency, liquidity and shared value are key concepts with which ICO finances itself in the financial markets, always maintaining an adequate financial balance under the principle of prudence and sustainability.</p> <p>ICO does not consolidate with the State accounts nor does it have recourse to the General State Budget. As a credit institution, it operates under market conditions, without granting public aid, and is subject to the supervision and control regulations of the Bank of Spain, under the principles of financial equilibrium and sufficiency.</p> <p>In addition, ICO has the explicit, irrevocable, unconditional and direct guarantee of the Spanish State, applicable to all debt and obligations contracted with third parties. The resources obtained are destined to financing lines that generate economic, social and environmental benefits, and it is the benchmark Spanish public bank in the issuance of sustainable bonds.</p>

MATERIAL ISSUE	EXPLANATION
<p>BOOST TO DEVELOPMENT AND IMPROVEMENT OF THE DISTRIBUTION OF NATIONAL WEALTH DIGITALISATION AND ADAPTATION TO NEW ENVIRONMENTS</p>	<p>The ICO Group works to reverse the economic and social effects of economic and health crises, natural disasters, ecological disasters and other events of general interest, financing the recovery of the most affected sectors and providing the Government of Spain with all its operational capacity as a State Financial Agency.</p> <p>We promote exports and development aid by managing the State's official financing instruments.</p> <p>The ICO Group promotes digital transformation, innovation and technological development in order to stay competitive, adapt to new environments and continue to offer the best service as a public bank and as a State Financial Agency.</p>
<p>SUSTAINABLE ECONOMIC GROWTH AND EMPLOYMENT; ENVIRONMENT, CLIMATE AND HUMAN RIGHTS</p>	<p>Through its financing products, the ICO Group aims to have a positive impact on employment, the country's economy and sustainable development, while generating shared value for the environment, the climate and the protection of human rights. The SDGs, the Paris Climate Agreement and the Guiding Principles are also reflected in its financing decisions, expressly prohibiting, through its internal policies, the financing of activities that go against its commitment to sustainability.</p> <p>ICO relies on public-private partnership models to finance strategic sectors, providing long-term value and financing. Its work complements that of private banks or is carried out in partnership with other national promotional and development banks similar to ICO.</p> <p>Support for entrepreneurship, the growth and internationalisation of SMEs, direct and complementary financing of large investment projects, and financial support from Axis funds, the ICO Group's venture capital management company, are always carried out in the common interest.</p>

MATERIAL ISSUE	EXPLANATION
<p>PEOPLE</p>	<p>The ICO Group's most important asset is its human and intellectual capital. Professionals who drive the organisation forward on a daily basis and make it possible to overcome the organisation's challenges.</p> <p>Given the ICO Group's activities and its status as a public entity, it is essential to promote and foster a culture of efficiency and ethical and responsible management, starting with the integrity and high level of training of its professionals.</p> <p>Training, health and safety plans, equality and family reconciliation policies, reflected in the EFR (Family Responsible Company) certification, are some of the most important aspects focused on protecting and caring for the people are part of the organisation.</p>
<p>PARTNERSHIPS</p>	<p>Through public-private partnerships, ICO will seek to maximise the positive impacts generated in its activity and to work in harmony with the financial sector, capital markets, civil society and the third sector for a more sustainable economic model and compliance with global sustainability agendas.</p> <p>The ICO Group works in partnership and collaboration with other multilateral and regional investment and development banks and counterpart promotional banks in third countries and at EU level. The ICO Group shares best practices and management models with private credit institutions, which it supports and complements in their efforts to boost business financing.</p> <p>As part of the Public Administration, ICO coordinates with other bodies to share knowledge and best practices and implements the economic policy measures mandated by the Government.</p>
<p>COMMUNITY SERVICE</p>	<p>The ICO Group contributes to the social, cultural and environmental development of its immediate surroundings.</p> <p>Through collaboration agreements with social entities, the ICO Group promotes corporate volunteering initiatives to help the most vulnerable groups or those at risk of exclusion. This is in addition to actions to raise awareness and disseminate key aspects related to social responsibility and sustainability.</p> <p>The mission of the ICO Group, through the Fundación ICO, is to contribute to and support the development of society by promoting culture and knowledge in the areas of economics, architecture and contemporary art.</p>

6.5. Ethical and responsible management

The ICO Group is governed by the principles of good corporate governance and has several control tools in this regard.



At the ICO Group we adopt internal and external policies to promote transparency, respect for human rights and sustainable supply chain management. In order to face the challenges of the 21st century and build more peaceful and inclusive societies, it is necessary to establish efficient and transparent policies.

CODE OF CONDUCT

The aim of the ICO Group's Ethical Code and Code of Conduct is to define and develop the basic foundations of behaviour and operational guidelines to ensure that the Institute's principles, through the individual actions of its employees, officers and directors, are apparent in internal relations, as well as in external relations established with clients, suppliers and third parties, as well as in their actions on the markets. This section now includes regulations on ethical conduct, internal policies approved or updated in 2015, such as the policies corresponding to corporate gifts, representation expenditures and corporate cards, as well as CSR.

ETHICAL CHANNEL

The Ethical Channel is a mechanism that allows employees to confidentially but not anonymously communicate any irregularities of potential importance regarding the Code of Conduct and Ethics. No complaints were filed through the Ethical Channel in 2020.

INTERNAL CODE OF CONDUCT IN THE STOCK MARKET

This identifies units in the ICO Group that develop activities related to the stock market, and defines the separation that should be adopted to avoid potential conflicts of interest or the use of privileged information. The version in force on 31.12.2016 was approved by the ICO Group's General Board at its meeting of 27th February 2012. No breaches of the code of conduct were recorded in 2020.

POLICY FOR THE PREVENTION OF MONEY LAUNDERING

The ICO Group is aware of the importance of and the role that financial institutions play

in the prevention of money laundering and it collaborates with the relevant authorities and combines its efforts with those of the rest of the Spanish financial system in their fight against any kind of money laundering. The policy, revised in December 2017, summarises the operating standards and systems of control and communication to prevent unwanted individuals and groups from accessing the entity, and establishes the criteria for accepting clients.

In 2020 we organised a training course on the Prevention of Money Laundering in the Spanish Financial System, taught by the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Infractions (SEPBLAC), with the participation of 72 employees from ICO and 6 from AXIS.

MANAGEMENT BY OBJECTIVES (MBO)

Management model in place to effectively manage ICO, establishing strategic, general objectives and contributing to the generation of a culture of assessment of employees' professional merit. Management by objectives holds great value due to its uniqueness within the Administration; it allows the efforts of different areas to align with the road map, and improves the quality of work and professional performance, rewarding effort and achievement of objectives. The adoption of the strategic objectives proposed by the Management Committee are subject to the approval of the Ministry of Economic Affairs and Digital Transformation.



integrity, to promote the applicable ethical standards and to strengthen accountability and transparency. It is also responsible for identifying and evaluating compliance with regulations related to the prevention of money laundering and the financing of terrorism, and for coordinating the internal policies and procedures implemented in this field. It is also involved in identifying, assessing and controlling risks that could affect the ICO Group's integrity and reputation arising as a consequence of the breach or failure to comply with the rules or measures recommended by policies or the ICO Group's internal regulations or external recommendations or standards that may apply.

RISK IDENTIFICATION, CONTROL AND MANAGEMENT

The identification, management and control of risks is a priority task for ICO. This is done in accordance with the Risk Policy Manual. The Manual compiles different methodologies, applicable regulations, procedures and an organisational structure. The ICO Group is exposed to financial risks (credit, liquidity and market) and operational risks. Three other types of risk are considered under "other risks": reputational risk, strategic risk and business risk.

COMMITMENT TO SOCIAL RESPONSIBILITY

The ICO Group has approved and published a CSR policy with the aim of being a transparent and socially committed entity that incorporates ethical, social and environmental values and that applies the principles of good governance and thus is recognised for its activity and for its relationship with its stakeholders. To this end, the principles that govern ICO's activity are established; good governance and transparency with respect for the environment and the United Nations' Global Compact Principles that the ICO Group has signed.

PROTECTION OF THE ENVIRONMENT

In order to ensure respectful and preventative actions for the environment, the ICO Group has approved and documented an environmental policy and a code of good environmental practices.

PROTECTION OF PERSONAL DATA

The ICO Group has adopted a personal data protection policy adapted to EU Regulation 2016/679 and Spanish Law 3/2018, which is developed and implemented in internal processes and files through the security manual, which contains procedures adopted by the Operations Committee.

LABOUR RELATIONS

The staff policies applied in the ICO Group are based on respect for employees' human rights and industrial rights, and the implementation of actions to facilitate and enhance their ability and professional development. Equal opportunities, non-discrimination policies, diversity and work-life balance are fundamental principles in the development and implementation of industrial relations between ICO and its staff.

COMMUNICATION

The Institute has a single headquarters and no branches, so it uses a network of private banks to distribute much of its financing. For this reason, it needs some channels and tools for effective internal and external communication to disseminate its lines of financing and activities and to meet the information needs of its stakeholders.

TRANSPARENCY

The ICO Group provides its stakeholders with all the relevant information relating to its organisational structure and activity. In addition, and in accordance with the provisions of the Transparency Law, ICO provides direct access to the Spanish Government's Transparency Portal, through a link at www.ico.es. In this way, it makes it easier for the user to consult all available data. Each year ICO prepares and publishes an Audit Report on the Consolidated Annual Accounts and Consolidated Management Report online, with all the economic

information and information related to its activity as a financial institution. The annual accounts are audited by an independent expert.

In addition, the Integrated Report prepared in accordance with GRI Standards is published on the website, which is submitted for the verification of an independent expert to increase stakeholders' confidence. In this spirit, the ICO Group has produced a Progress Report in relation to the United Nations' 10 Global Compact Principles.

INTERNAL AND EXTERNAL CONTROL SYSTEMS

The ICO Group's internal control regarding Corporate Governance is borne by the internal operating bodies with powers in the regulatory area of its activities. Information on these can be found on page 28.

In accordance with the Audit Guidelines approved by the Operations Committee, the Internal Audit Department continuously audits operational and business procedures, risk management and the internal control system. Internal control carried out by the Internal Audit Department is reinforced by the activity of the Audit and Compliance Committee, whose functions include promoting measures for adopting audit recommendations.

Externally, the ICO Group regularly submits its performance to the control of experts from different national bodies (IGAE, Services Inspectorate of the Ministry of Economy and Competitiveness, Court of Auditors, Bank of Spain, etc.) and other competent EU bodies.





HUMAN RIGHTS

ICO is firmly and effectively committed to the protection of Human Rights, with the United Nations Guiding Principles on Business and Human Rights and its three fundamental pillars, protecting, respecting and repairing, as the benchmark with which ICO aligns its actions.

In this sense, we are especially committed to the “National Business and Human Rights Action Plan”, whose objective is the application in Spain of the “United Nations Guiding Principles on Business and Human Rights” and which establishes a series of measures for their implementation.

One of these measures has been the creation of the “Interministerial Working Group on Internationalisation and Human Rights” (WGIHR), in which ICO works, together with other public bodies, to establish recommendations on how to require Spanish companies operating outside Spain to comply with the UN Guiding Principles on Business and Human Rights.

As a result of these recommendations, ICO now includes clauses in all its financing contracts requiring companies to commit to the Guiding Principles.

ICO considers that respect for human rights must be a real obligation, integrated in a cross-cutting manner throughout its management and in any social or local setting in which it carries out its activity. For this reason, ICO includes this matter in its risk assessment and expressly prohibits any financing of activities or projects which could have the effect of violating human rights or limiting individual rights and freedoms.

In the same way, ICO integrates the protection of human rights into its internal management, providing its staff with training, awareness and appropriate initiatives, such as the social and

labour inclusion of groups with functional diversity in its staff, the contracting of services in Special Employment Centres or the performance of corporate volunteer activities, which it develops through collaboration agreements with social entities.

In this relationship with its employees, ICO monitors effective compliance with the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, freedom of association and the effective exercise of the right to collective bargaining, equal treatment and opportunities between men and women, and the fight against any type of discrimination.

Similarly, ICO also considers the reconciliation of work, family and personal life, professional development, training, and health and safety at work as rights that are effectively integrated into its labour relations.

On the other hand, ICO, within the scope of its business relations and as a complement to its commitment to promote the SGDs and Agenda 2030, also promotes the 10 Principles of the Global Compact, which, with regard to Human Rights, determine that "companies should support and respect the protection of internationally recognised fundamental human rights within their sphere of influence", and that "companies should ensure that they are not complicit in human rights abuses".

In another area, as a signatory to the Equator Principles, ICO relies on due diligence processes to determine and avoid the impact of its large financing projects, whether in terms of human rights, the environment or climate. In this respect, in its management ICO also takes into

account the safeguards or performance standards of the International Finance Corporation (IFC), the guidelines of the World Bank Group, as well as the recommendations of the OECD.

In its relationship with suppliers, ICO also demonstrates its commitment to human rights, implementing the appropriate requirements in this area in all its bidding processes.

Finally, it should be noted that ICO's own mission and activity promotes the development of people, and that, through its management of funds on behalf of the State, its direct credit activity and support for SMEs and entrepreneurs, its social bond issues, partnerships or initiatives with which it promotes social development, ICO fights against poverty and social differences that could minimise human rights.

6.6. Communication for sustainable growth

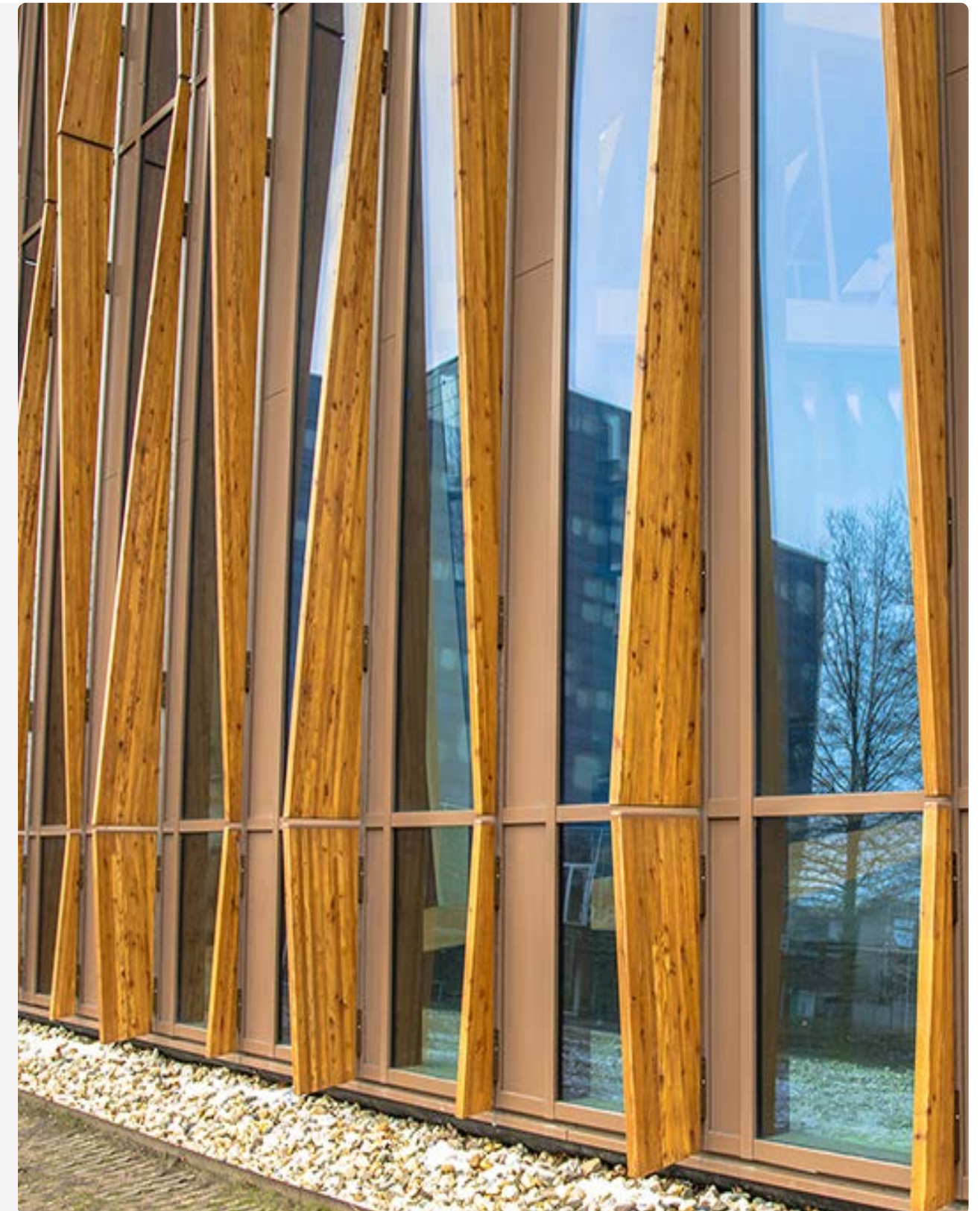
Commitment to sustainable economic growth is a hallmark of the ICO Group and as such has become a strategic focus of its current communication policy. The entire organisation is involved in applying environmental, social and good governance criteria to our activities, and we transfer this commitment to the outside world through the various channels we use.

[This year more than ever, our commitment to transparency and our stakeholders' need for information has intensified in response to the severe health, social and economic crisis.](#)

ADVERTISING CAMPAIGNS

“Working together, looking to the future” OUR GUARANTEE LINES, KEEPING YOUR COMPANY AHEAD OF THE GAME.

The year 2020 has been an exceptional year for ICO's activity and also in terms of advertising. Every year, the ICO Group carries out advertising and marketing campaigns to report and publicise the implementation of ICO Second-floor Facilities, intended to finance business activity and investment projects by the self-employed, entrepreneurs and companies, as well as their internationalisation process. This advertising campaign had been carried out annually in collaboration with the financial institutions that market ICO's Facilities.



In 2020, taking into account the relevance of the Guarantee Lines launched by the Government to mitigate the economic effects of the health crisis and to maintain and boost the activity of the self-employed and companies, ICO decided to focus its advertising activities on promoting these programmes.

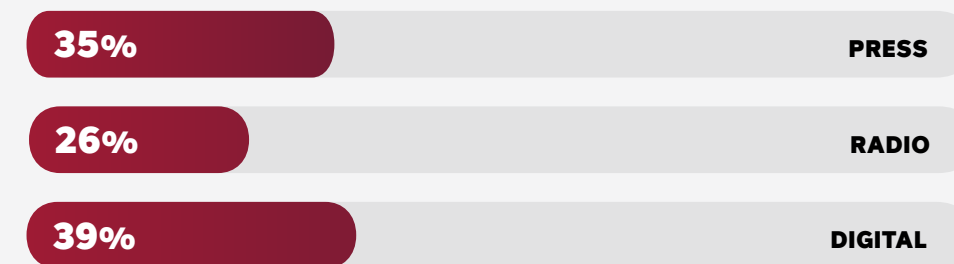
The campaign had the following main objectives:

- To promote the Guarantee Line mainly among the target audience: entrepreneurs, SMEs, the self-employed and companies.
- To convey a positive message of confidence in the business sector, communicating the joint efforts of society as a whole.
- To add value to the public-private partnership model.
- To look to the future with hope.

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

The campaign was concentrated in a single round during the months of November and December 2020. The media in which ICO was present were press, radio, and internet. In the press, it had coverage in national, economic, and regional newspapers and supplements. The radio campaign was on mainstream national channels, economic channels, music channels and sports channels. On the Internet the campaign was developed in display and programming in the main online media, with various banner formats.

INVESTMENT DISTRIBUTION



INTERNATIONAL ADVERTISING CAMPAIGN

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

In the international arena, ICO also runs an advertising campaign with the dual aim of supporting ICO's role as a benchmark issuer in the capital markets and reinforcing the Institute's identity as one of the leading issuers in sustainable financial markets through the issue of social bonds and green bonds.

The text of the 2020 ad mentions the role played by ICO in helping to mitigate the social and economic impact of COVID-19 by financing the operations of the Spanish self-employed, SMEs and companies.

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

Within the off-line campaign, 8 advertisements were published in 8 publications selected on the basis of their target audience and geographical distribution, with particular emphasis on the European and Asian markets.

Within the online campaign, 12 media were used, reaching 3,785,100 hits.

In addition, actions with a presence in economic information terminals were reinforced.





ON-LINE COMMUNICATION CHANNELS

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



ICO NEWSLETTER

In 2019 and 2020, the electronic newsletter has been used as ICO's channel of communication with the self-employed and SMEs to publicise the main products and financing programmes available, as well as success stories from our client companies.

In 2019 and 2020, the number of newsletters increased from 4 in 2018, 9 in 2019 and 10 in 2020, which were distributed by email to the ICO database (approximately 360,000 contacts), with an average open rate of around **35%**.

These newsletters were also published on ICO's website.

In 2020, the total number of visits to the website's newsletter editions has increased, with 99,302 visits received (119% more than in 2019).



NEWSLETTER FOR INVESTORS

Published quarterly, this newsletter provides up-to-date information and any information of interest to investors. The newsletter is written in English, published on the ICO website and sent by email to the Institute's investor database (over 1,500 records).



SOCIAL MEDIA

Twitter @ICOgob

Twitter has established itself as one of the main online channels for ICO to publicise its activity, especially from March onwards and the launch of the Guarantee Line. One out of every four tweets published in 2020 corresponded to ICO Guarantee Lines, the most widely published as a result of the COVID-19 crisis.

During 2020 ICO has also increased information on sustainable finance, #ICOSustainableFinance, and has regularly included more graphic and visual elements (videos, infographics...) in its tweets.

The number of followers on Twitter increased by **19.6%** in 2020 compared to 2019.

In 2020, 2,303,000 hits were recorded, compared to 440,500 in the previous year, an increase in visibility of 422.81%.

YouTube Channel

The Instituto de Crédito Oficial channel on YouTube allows audiovisual content to be shared and disseminated on social networks. In 2020 it has also been used to advertise the Guarantee Lines, by recording a video for the State Secretariat for the Economy and Business Support.

LinkedIn Pages

ICO has a company LinkedIn page, Instituto de Crédito Oficial, which provides corporate information on the role of the public bank. It is also one of the channels used to post the Institute's public job announcements.

WEB PAGE



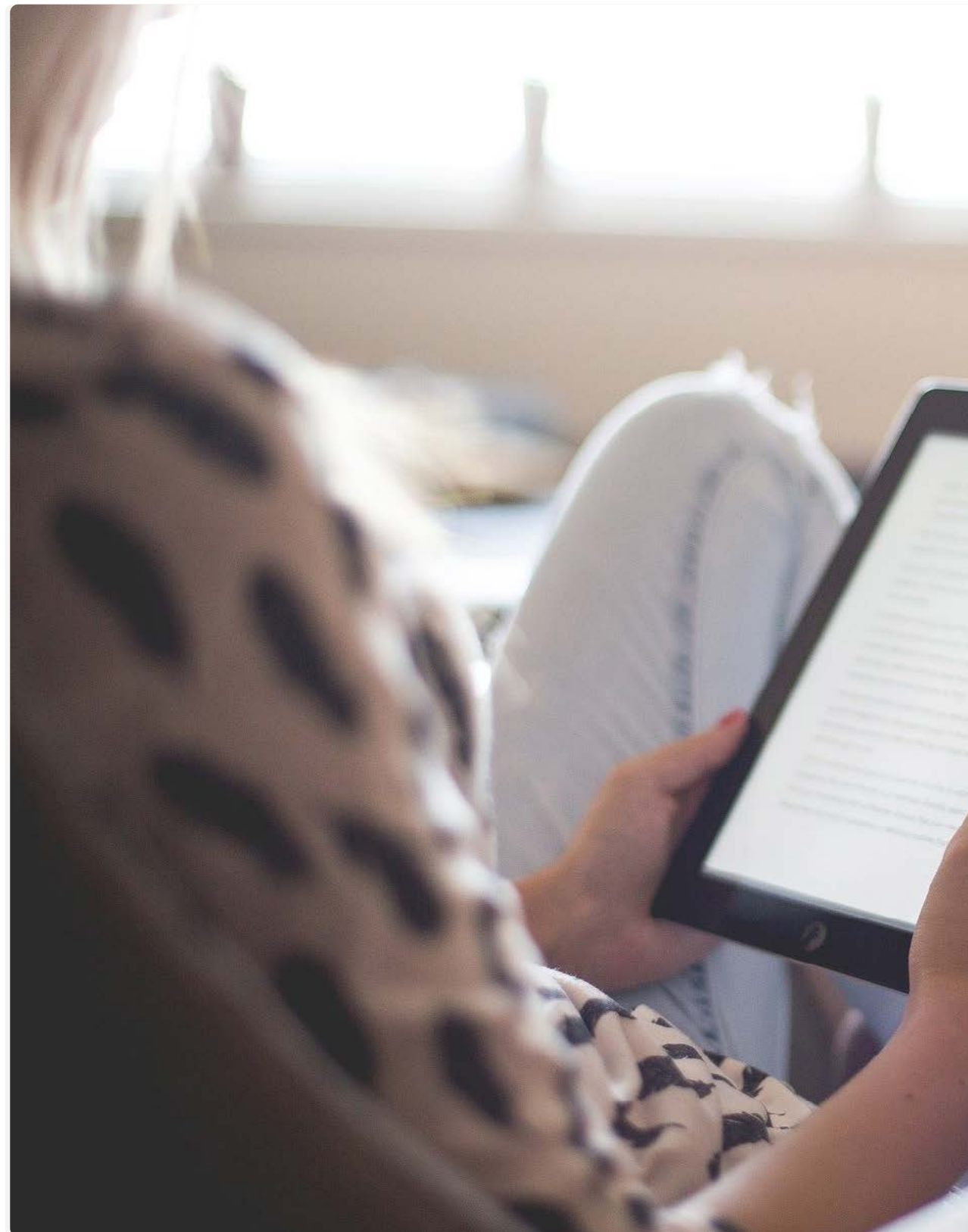
The web page continues to be the Institute's main channel for institutional communication, offering up-to-date information on the ICO Group's activity for the self-employed, SMEs and companies, as well as information of interest to international investors.

In 2020, two new features were added to ICO's website:

- Creation of a new section on the Guarantee Lines set up by the Government and managed by ICO to mitigate the economic and social impact of COVID-19.
- Sustainability Policy. Creation of a Sustainability section of its own, which includes all the information relating to ICO policies in this area: sustainable financing, sustainable bond programmes, etc.

In 2020, ICO's company website received 2,047,087 hits, 269.38% more than the previous year. The number of pages visited amounted to 6,536,882, an increase of 234.01% compared to 2019.

1 April 2020 was the day on which ICO's website received the highest number of visits in 2020, namely 56,258, an increase of 1,034.69% compared to the peak of 2019 visits on 24 April. This date coincides with the period when the Guarantee Line was launched, which demonstrates the usefulness of ICO's website as an information system for society in general.



The most visited content related to:

- **ICO Second-Floor Facilities; Specifically, ICO Empresas y Emprendedores was top in the ranking of the most visited pages, with 1,362,206 visits and 20.84% of the total visits to the website. This figure was 59.45% higher than in the previous year.**

- **ICO Guarantees Line recorded 591,878 visits in its debut since March as a new section on ICO's company website. In percentage terms, this page accounted for 9.05% of all visits to the website in 2020.**

The preferred channel for users to connect to ICO's website has changed from desktop in 2019 to mobile in 2020 and the place of origin of users is mainly Spain. Traffic to ICO's website continues to mostly come from organic search. However, referral traffic grew, thanks in part to the **ICO Guarantee Lines advertising campaign** carried out at the end of 2020.

OFF-LINE COMMUNICATION CHANNELS



PRESS RELEASES

In order to convey the activity of the ICO Group, the Institute maintains regular contact with the media, both national and regional and specialized press. Press releases are one of the main instruments we

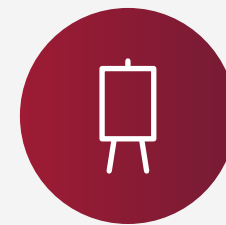
have to report on the activity carried out by ICO. In 2020, **57 press**

releases were issued (**19%** more than in 2019). When ICO's activity is related to other institutions or companies - such as the signing of a financing operation or a collaboration agreement - ICO coordinates with the other institution to issue a joint press release. In 2020 ICO

issued 43 joint press releases with other institutions (**75%** of the total).

In addition to the press releases, the communication area carries out interviews and writes opinion articles to be published in the media.

INFORMATION CONFERENCES



The ICO Group regularly carries out and participates in events and informative conferences throughout the national territory to publicise its activities and financing instruments that are available to self-employed people and SMEs. During 2020 and due to the exceptional circumstances caused by COVID 19, ICO has participated in a number of webinars to publicise the characteristics and application requirements of the Guarantee Lines and the different tranches that have been approved by the Government.

During 2020 ICO has participated in **101 Conferences** as a speaker (both in-person and online), organised in collaboration with various institutions, sector associations and collaborating agents, covering the entire national territory.



FAIR ATTENDANCE

As part of the strategy to promote ICO's various financing instruments, in 2020 the Institute participated in two trade fairs (Forinvest in January and Imex Madrid in February) aimed at the self-employed, business people, entrepreneurs and investors.

7

Human resources and diversity management

Human resources and diversity management



ICO's most important asset is its human and intellectual capital, committed professionals who drive the organisation every day towards achieving its mission in an environment of collaboration and trust.

As regards the relationship with the professionals who make up its organisation, ICO commits to:



The Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.



Freedom of association and effective recognition of the right to collective bargaining.



Equal treatment and opportunities between men and women and the fight against all forms of discrimination.



The conciliation of work, family and personal life.



Professional development and training.



Workplace health and safety.



Balancing professional activity with respect for the environment.



The inclusion of groups with functional diversity in social and work contexts.



Corporate volunteering, to be carried out through collaboration agreements with social entities.

The ICO Group's commitments to its staff are set out in the Sustainability Policy approved in 2020.

7.1. Staff data

Number of **ICO Group** employees, broken down by gender, age and professional groups. **Information on scholarship recipients and external staff.**



ICO GROUP

357

Workforce

93%

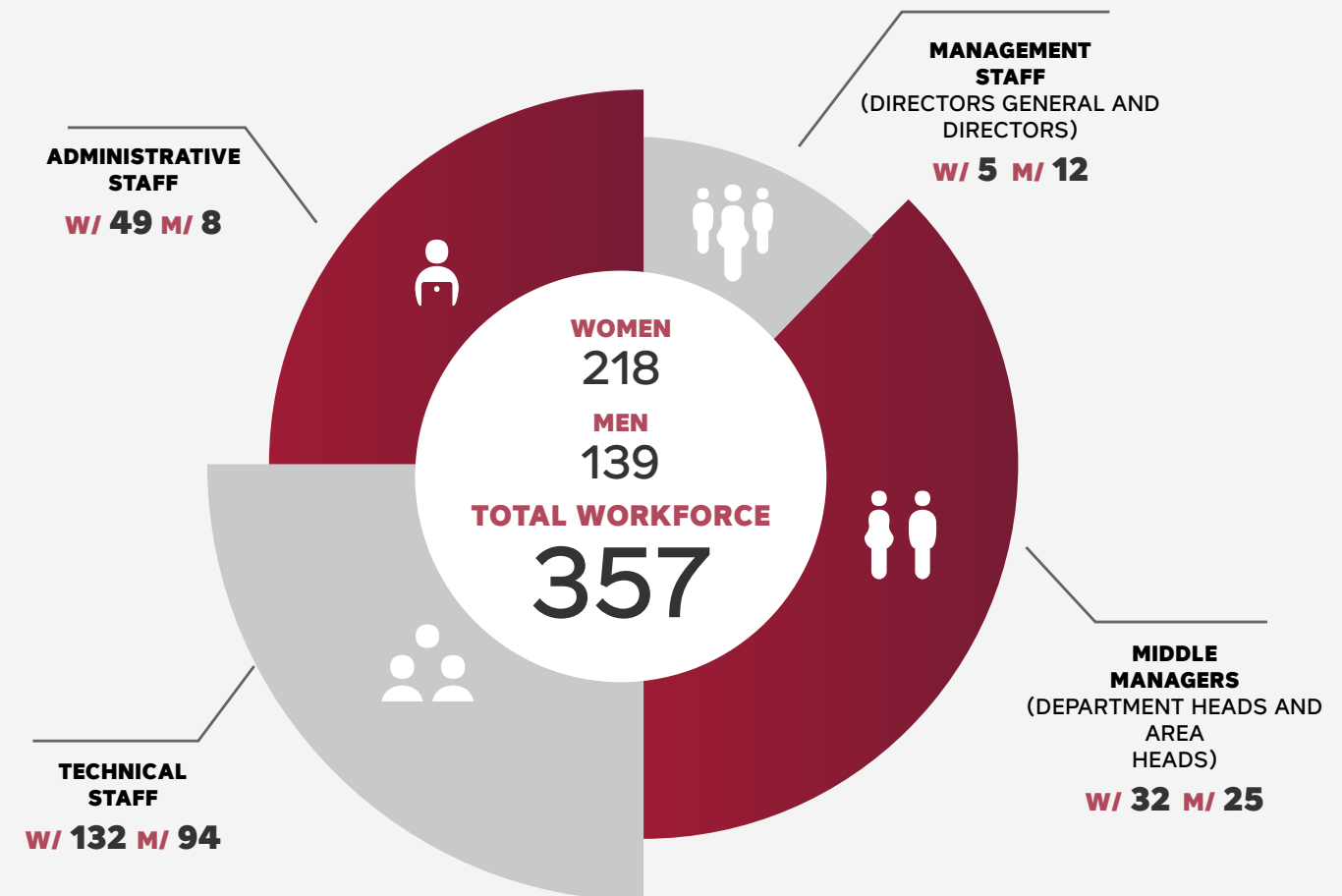
work at **ICO**.

5% work at **AXIS**.

2% work at **Fundación ICO**.

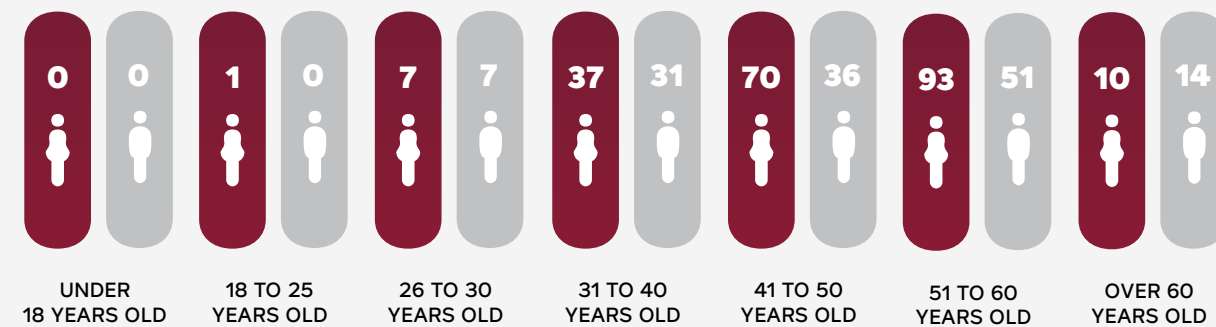
The high specialisation of the products and services offered by ICO Group entities is reflected in the distribution of staff by professional group. **63.3% of the workforce is in the professional group Technical Staff.**

DISTRIBUTION OF THE WORKFORCE BY PROFESSIONAL GROUP AND GENDER



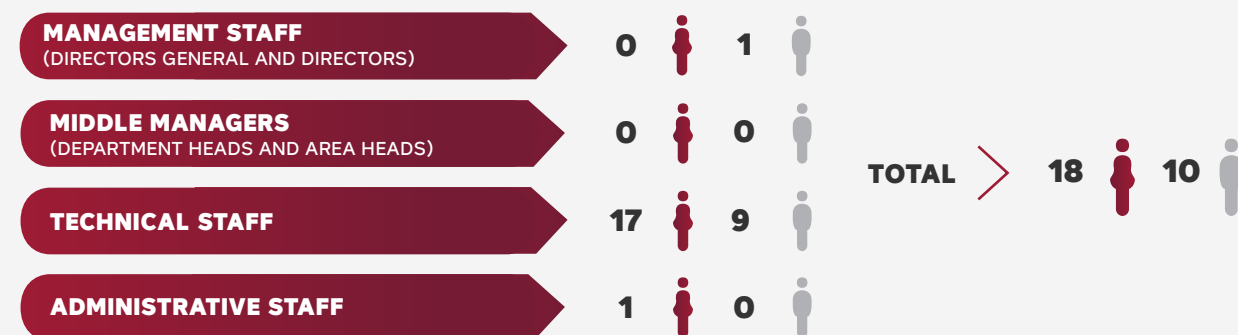
With regard to the distribution of the workforce by age, the majority of the workforce is in the **51-60** age bracket, with a total of **137 people** in this age group (**40.1% of the workforce**).

DISTRIBUTION OF WORKFORCE BY AGE



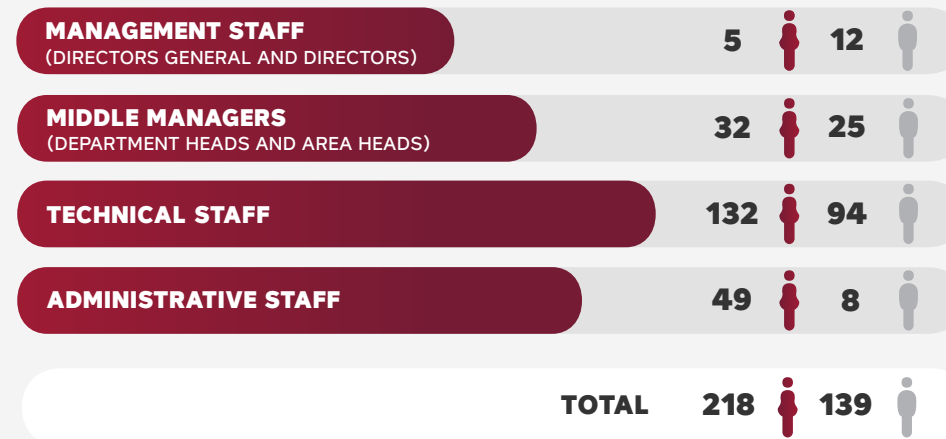
• **New hires at the ICO Group.**

DISTRIBUTION OF NEW HIRES BY PROFESSIONAL GROUP AND GENDER



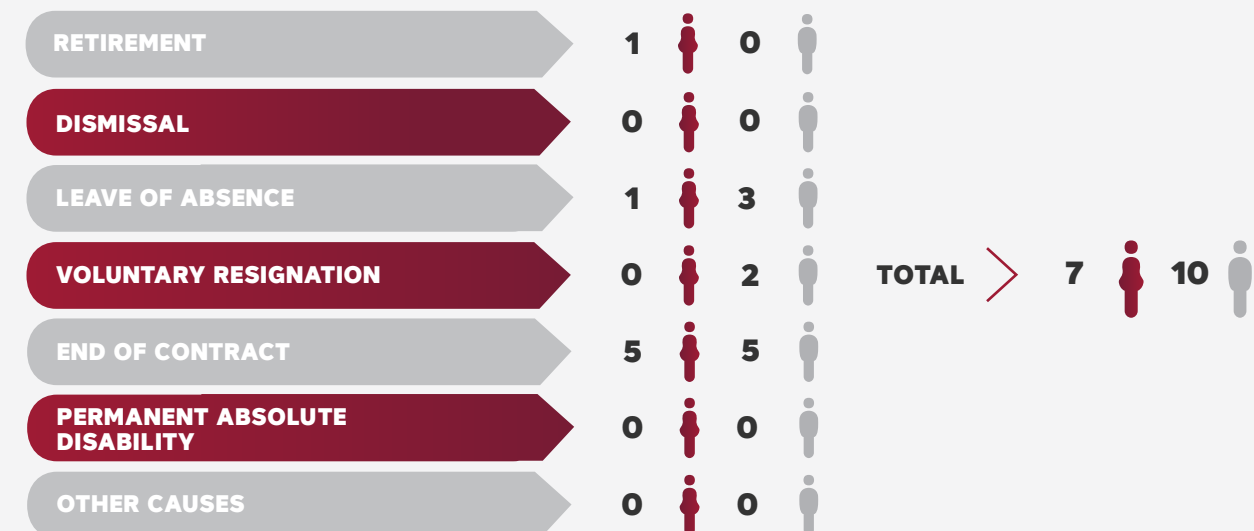
Note: All new hires in 2020 were ICO staff. There were no new hires at AXIS or Fundación ICO.

DISTRIBUTION OF WORKFORCE BY PROFESSIONAL GROUP AND GENDER



• **ICO Group staff leavers . No dismissals were recorded.**

DISTRIBUTION OF LEAVERS BY CAUSE AND GENDER



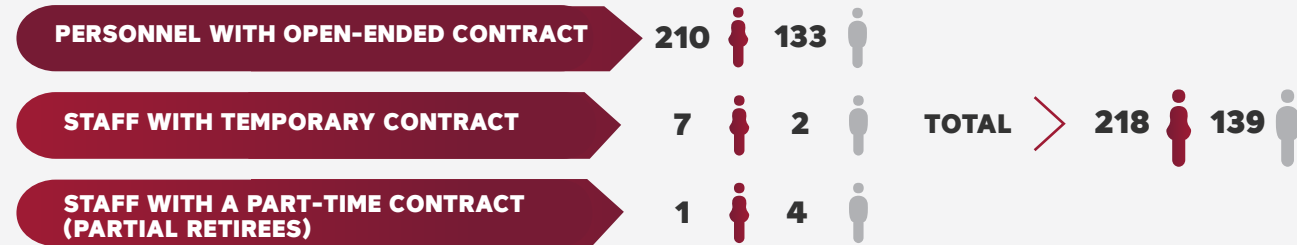
Note: All leavers in 2020 were ICO staff. There were no leavers at AXIS or Fundación ICO.



At ICO Group, we contribute to target 8.5 of the Sustainable Development Goals, which is to achieve full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value by 2030.

7.2. Contract types

DISTRIBUTION OF WORKFORCE BY CONTRACT TYPE



7.3. Average earnings and wage gap

AVERAGE EARNINGS

In 2020, in compliance with the provisions of art. 28.2 of the Workers' Statute and Royal Decree 902/2020, of 13 October, on equal pay for men and women, and in line with the commitments made in the 2nd Equality Plan, ICO drew up a wage register at the end of the 2020 financial year. This wage register makes it possible to analyse the wage gap between women and men and thus determine whether there is a gender pay gap. These data include total remuneration, in cash and in kind, adjusted annually to avoid deviations due to the date of incorporation, which have been paid in 2020, regardless of their accrual, and are broken down by professional group and gender.

ICO AVERAGE EARNINGS (€)

	2020			%
MANAGEMENT STAFF (DIRECTORS)	93,187.81	93,792.58	92,703.99	100.6%
MIDDLE MANAGERS (DEPARTMENT HEADS AND AREA HEADS)	69,202.24	68,224.59	70,302.10	98.6%
TECHNICAL STAFF	47,639.75	48,241.83	46,870.42	101.3%
ADMINISTRATIVE STAFF	36,486.64	36,464.45	36,635.60	99.9%
MINIMUM SALARY ICO TECHNICAL STAFF (ENTRY-LEVEL)	29,090.61	29,090.61	29,090.61	100.0%
MINIMUM SALARY ICO ADMINISTRATIVE STAFF (ENTRY-LEVEL)	19,800.54	19,800.54	19,800.54	100.0%



The average remuneration of the groups reflected in this table in 2020 was **50,484.11 euros**.

No information is included to allow comparison with respect to the 2019 amounts due to a change in the calculation method.

The differences with respect to the data reflected in the 2019 report are due to the fact that this report includes the total remuneration (in cash and in kind) paid in the year in line with the pay gap study carried out. In any case, the remuneration of ICO staff has been updated in accordance with the provisions of the budget regulations, which in 2020 authorised an **increase of 2%** with respect to the remuneration in force on 31 December 2019.

PAY GAP ANALYSIS AT ICO



The regulations governing the remuneration policy for management and middle management positions are set by the Ministry of Finance and guarantee equal pay for men and women. The collective bargaining agreement also establishes pay levels for staff covered by the agreement (belonging to the professional groups of Technical staff and

Administrative staff) which guarantee equal pay for people at the same level of pay. Pay grade promotion is linked to performance appraisal. The data show that there are no significant wage differences between men and women within each group. The differences found ranged from 0.6% to 1.3% in favour of women in management and technical staff and from 0.1% to 1.4% in favour of men in middle management and administrative staff. In any case, these differences are not due to gender, but to personal circumstances that explain variations in the receipt of personal (seniority) and functional bonuses related to the post, as well as differences in remuneration in kind and variable remuneration associated with meeting targets.

The average wage at Fundación ICO, except for the director, was **37,620.27 euros**.

The average wage at AXIS at the end of 2020 was **50,558 euros, 1.01%** higher than at the end of the previous year. By professional group and gender, the average wages in 2020 were as follows:

AXIS AVERAGE EARNINGS

2020



Note: The average wage for the professional group of Managers is not indicated. As there is only one person in that group, the information would violate the legislation on the protection of personal data. A breakdown by gender is also not provided, since in some of the professional groups this could be in breach of the legislation in force.

7.4. Work organisation





7.5. Work-life balance

The Institute's commitment to conciliation reflects an effort to ensure the well-being of the people who make up ICO, our main source of value. Conciliation seeks to balance the pursuit of work and private life objectives through flexible arrangements that allow for the development and success of both. Therefore, it is not reduced to paid leave. It is a way of organising the work environment that makes it easier for men and women to carry out their work, personal and family responsibilities.

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

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

CONCILIATION MEASURES

		
STAFF WITH REDUCED WORKING HOURS DUE TO CHILDCARES	16	1
STAFF WITH REDUCED WORKING HOURS FOR CARING FOR PARENTS	2	0
PERSONNEL WITH REDUCED WORKING HOURS FOR OTHER REASONS	1	0
STAFF WITH REDUCED WORKING HOURS DUE TO PARTIAL RETIREMENT	1	4

ICO has been certified as a Family Responsible Company by Fundación Masfamilia since December 2014, in accordance with the EFR 1000-I standard. This management and work organisation model provides a simple and effective methodology for reconciling work and family life and allows progress to be made in implementing a social and business culture based on flexibility, respect and mutual commitment. In order to effectively implement this model, ICO has an **EFR Model Management Procedure for Reconciliation and Equality**.

To guarantee and ensure proper compliance with the values and principles underlying ICO's commitment to reconciliation, an external communication channel has been set up so that ICO staff, as an entity certified under the EFR model, can express their complaints and claims regarding reconciliation directly to Fundación Másfamilia. This channel is only activated for the management of conflicts in this area as a last resort. Fundación Másfamilia guarantees the absolute confidentiality of the information received through this channel. During 2020, Fundación Másfamilia has not received any claim or complaint through the channel provided.

ICO also provides its employees with an ethical channel for reporting breaches of its code of conduct and a Compliance Committee that keeps a record of all complaints received through the ethical channel or any other means that the complainant considers using. The Compliance Committee guarantees the confidentiality of the complaints received. No complaints were received in 2020.



The Compliance Committee guarantees the confidentiality of the complaints received. No complaints were received in 2020.

7.6. Social dialogue

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

At ICO, the Works Council acts as a collegiate body representing the workers and interacts with the company through its autonomous operation, and through its participation in various committees (Joint Committee, Health and Safety Committee, Vocational Training and Promotion Committee, and Social Affairs Committee), in addition to the specific working groups and negotiating committees that may be set up to deal with specific issues that require it. For the development of its functions, ICO has provided the Works Council with its own physical space to meet and keep documentation, as well as its own e-mail to receive queries and a space on the intranet to publish its information.



ICO's Works Council is made up of 13 members, which represent 3 different trade unions. 38.5% of the members of the Works Council are women.

During the year 2020, 10 meetings were held, documented in the minutes of the Joint Committee, the Health and Safety Committee, the Training and Professional Promotion Committee and the Specific Negotiating Committees, through which **3 agreements** were reached:

- Distribution of the additional increase of 0.30% of the wage bill, with the amount being earmarked for the equalisation or adaptation of salaries within the framework of the Professional Development System for staff covered by collective bargaining agreements.
- Amendment of the wording of Article 15 of the Collective Agreement in order to extend cases of paid leave.
- Agreement to include the Works Council's contributions in the Training Plan for 2021-2021.

• **Applicable collective agreement.**

The VI Collective Agreement, published in the BOCM (Official Gazette of the Community of Madrid) on 11 January 2014, is currently in force (http://w3.bocm.es/boletin/CM_Orden_BOCM/2014/01/11/BOCM-20140111-3.PDF).

The Agreement is applicable to **80.1%** of **the workforce**, although the Chairman, the management team and the professional group of middle managers are excluded from its application.

7.7. Equality

One of the guiding principles on which the responsible management of the ICO Group is based is equal opportunities, in a broad sense, which is evident both in the public job offer processes and in the tenders for the purchase of goods or the contracting of services.



At the ICO Group, we contribute to target 5.5 of the Sustainable Development Goals, which is to ensure women's full and effective participation and equal opportunities for leadership at all decision-making levels in political, economic and public life.

The above sections show the breakdown of the workforce by gender, and how women have a higher participation in almost all professional groups. In terms of female representation in governing bodies, it is worth noting the parity achieved in ICO's General Board (**60% women** and **40% men**) and in the governance structure considering the Chairman, Senior Management and General Board (**44% women** and **56% men**).

In 2020, 2 important aspects related to gender equality should be highlighted. On the one hand, the entry into force of the **2nd Equality Plan**, approved at the end of 2019. Actions have been carried out across the seven axes that make up the Plan. Of the 45 measures, **33 have been implemented (73% of the 2nd Plan)**.

On the other hand, ICO's adhesion to the **Manifiesto Donde Esta Ellas**, (Where are they? Manifiesto), an initiative launched by the European Parliament whose aim is to promote and empower the presence of women in debate forums and conferences. **In 2020, the ICO Group was represented by women in 44% of the events in which the ICO Group participated as a speaker.**

7.8. Health and safety

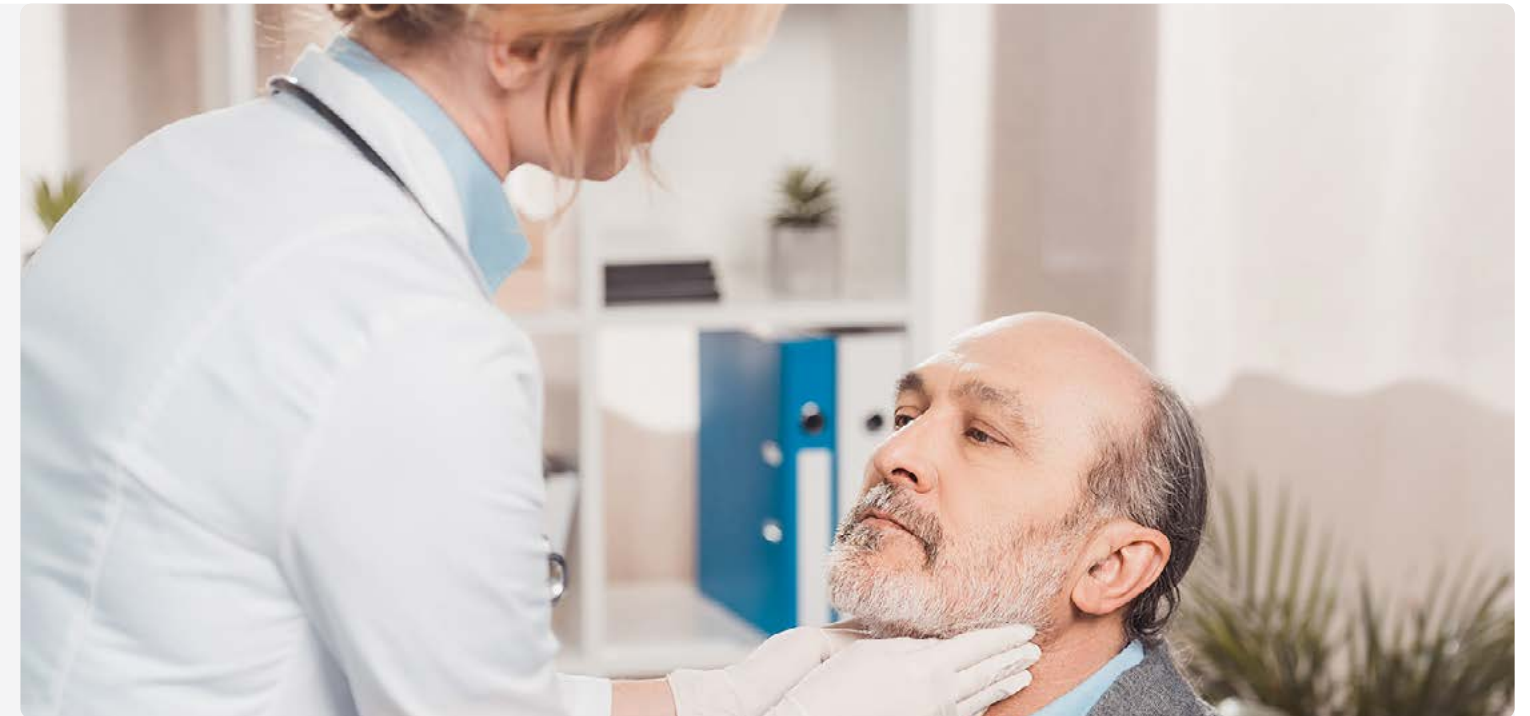
At the ICO Group, we consider it essential to strengthen and oversee the **occupational health and safety** of our staff.

Health and safety management in the workplace is carried out by **Grupo MPE Prevención de Riesgos Laborales**, an accredited external prevention service.

Occupational safety and health monitoring is the responsibility of the Health and Safety Committee made up of representatives of the Company and the Workers' Legal Representation, as well as the Medical Service and the External Prevention Service.



Contribution to target 10.2, which is to promote the inclusion of all people, regardless of status, as well as 10.3, to ensure equal opportunities.



During 2020, as a result of the situation caused by COVID-19, the management and monitoring of occupational health and safety has been conditioned by the instructions of the General Secretariat for Public Administration. In addition, a protocol was approved and implemented, developed by ICO's Occupational Risk Prevention Service, in coordination with ICO's Health and Safety Committee and Business Continuity Committee. It defines the measures and means for the protection of workers, in particular all those who worked on ICO premises. A specific channel was set up for two-way communications concerning the pandemic. There were **18 cases** of COVID-19 reported by staff

In 2021, and following an exhaustive audit process, the ICO Group obtained AENOR certification for its COVID-19 protocols. This certification covers all the Group's activities and facilities, explicitly including ICO, AXIS, FUNDACIÓN ICO and MUSEO ICO.

The AENOR certificate is a formally recognised external endorsement of the effectiveness of the measures applied by the Group, providing assurance that appropriate and recognised protocols are being applied and also demonstrating to employees, customers and the general public its commitment to preventing the spread of COVID-19. In particular, it certifies compliance with the guidelines laid down by the Ministry of Health and the Community of Madrid, both at the workplace where the offices are located and at the Museo ICO facilities, thus guaranteeing the safety of the staff working at the facilities and of visitors.

In short, the AENOR certification endorses all the measures implemented by the ICO Group since March 2020, under appropriate and effective risk management, which allows the Group to continue its activity in the current pandemic under the best health and safety conditions for people accessing the facilities.

It should also be noted that the AENOR certification process requires the ICO Group to undergo periodic audits to verify the correct application, maintenance and updating of the existing protocols, which further reinforces the ICO Group's commitment to complying with its high safety and prevention standards, in order to guarantee optimum safety conditions in the workplace.

In 2020, **18 cases of COVID-19** reported by staff were recorded.



On the other hand, 4,082 days of sick leave and parental leave were recorded. There were **2 accidents**, both minor.

At AXIS 59 days of sick leave and parental leave were recorded.

The absenteeism rate stood at **5.14%**, compared to **7.06% absenteeism** in the previous year.

The situation caused by COVID-19 made it advisable to postpone the usual annual staff health surveillance protocol. In 2020, only **21 medical examinations were possible**, compared to **178 examinations carried out in 2019**. These examinations have been resumed in the first half of 2021. However, during 2020, through ICO's medical insurance for staff, the medical services offered to staff were extended to include additional medical consultations via video call, antigen tests and PCR tests to ensure the health and well-being of staff.



7.9. Training

Training and empowering staff is key to contributing to the goal of decent work and economic growth. The ICO Group encourages the improvement of the knowledge, skills and abilities of its staff and, at the same time, in accordance with its objective of promoting the growth and development of the country, it responds to the training needs of other groups, such as young people and people with intellectual disabilities.

The ICO Group's commitment to professional development and continuous training is included in the Sustainability Policy, and is embodied annually in the preparation and development of a Training Plan and unplanned training actions that address needs identified during the year. In 2020, the state of alarm, lockdown measures and travel restrictions decreed by the health authorities constrained the development of the **Training Plan**, forcing the suspension of all face-to-face training at the beginning of March.

Even so, ICO has continued its commitment to staff training, seeking new alternatives in the online training market. As a result, online training gained prominence and in 2020, 56% of all training hours were online. The number of hours of online training increased 170% compared to the previous year. Along the same lines, the annual Language Programme has been redesigned to adapt to the current context, through a digital platform that facilitates language learning without physical interaction between student and teacher and provides autonomy and flexibility to students when it comes to managing and planning their language training. Although the budget approved for training in 2020 increased by **2%** compared to the previous year, the investment made was **45.7%** lower than at the end of 2019.

Similarly, there was a significant reduction in the number of training hours and the number of people trained.



Our training policy is aligned with UN target 8.5 to achieve productive employment through training and skills enhancement.

The distribution of training hours by professional group and gender was as follows:

PROFESSIONAL GROUP	TOTAL		
MANAGEMENT STAFF (CHAIRMAN, DIRECTORS GENERAL AND DIRECTORS)	305	81	224
MIDDLE MANAGERS (DEPARTMENT HEADS AND AREA HEADS)	2,875	1,957	928
TECHNICAL STAFF	6,232	3,231	3,001
ADMINISTRATIVE STAFF	774	754	20

Note: The training hours data refer to ICO and AXIS.

The ICO Group considers language training for its staff to be essential. **66%** of the investment in training goes to this training area, while the rest is divided between job-specific training and training in new technologies and skills training.

TRAINING AREA	TOTAL (€)	(€)	(€)
LANGUAGES	103,404	63,073	40,331
WORKPLACE TRAINING	42,181	21,817	20,364
NEW TECHNOLOGIES	4,541	900	3,641
SKILLS TRAINING	1,802	1,219	583

Note: The training investment data refer to ICO and AXIS.





8

Commitment to society

8.1. Fundación ICO

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



FUNDACIÓN ICO

Much of the ICO Group's interaction with the community is carried out through Fundación ICO, which classifies its actions into three main groups of activity: art, economics and international.

ART AREA

ICO COLLECTIONS

The ICO Collections represent the most important artistic contributions of the 20th century in Spain. It continued to loan its works to national and international cultural institutions in 2020 to further consolidate the dissemination of this exceptional collection. We also undertook a comprehensive review of the ICO Collections and implemented the usual preventive conservation actions.

Collaboration agreement with the Museo Nacional Centro de Arte Reina Sofía

Within the framework of the collaboration agreement signed by the Fundación ICO and the Museo Nacional Centro de Arte Reina Sofía (MNCARS) on 30 August 2012, which was extended twice, they have been on display at the MNCARS since 9 July 2013 until 30 July 2023.

Temporary loans

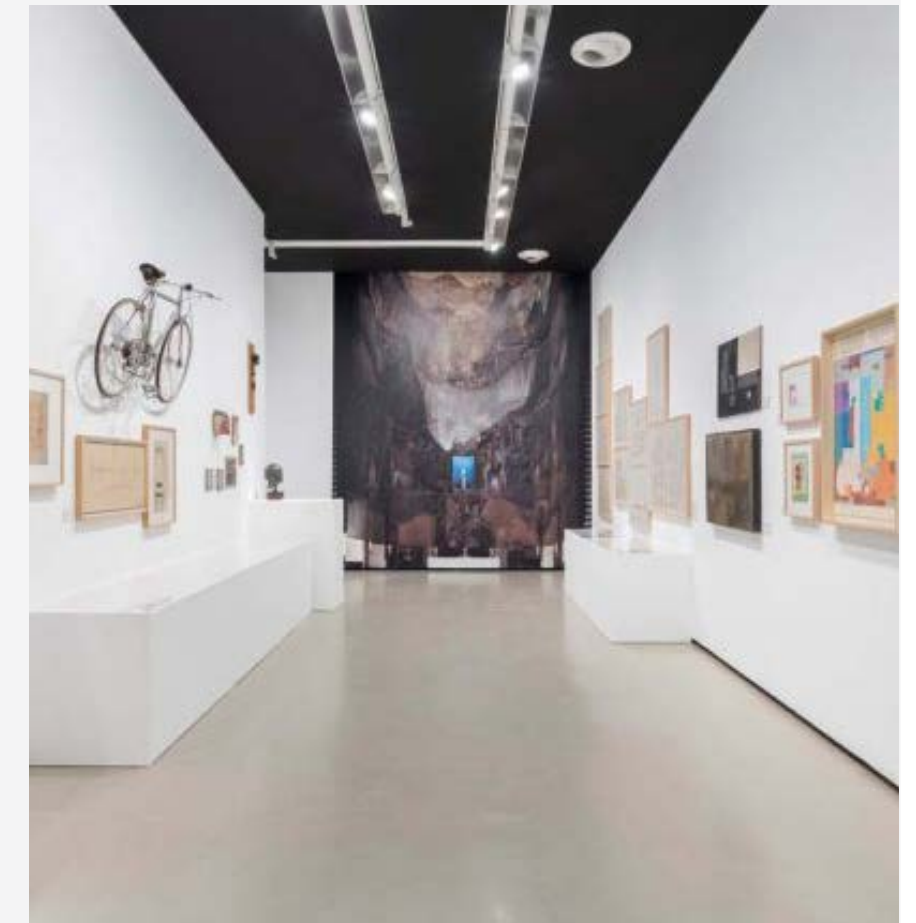
During 2020, 4 requests for temporary loans from the ICO Collections were dealt with.

Conservation

In 2020, a comprehensive review of the works that make up the ICO Collections was completed in collaboration with a professional restorer, and the conservation recommendations resulting from this review were implemented.

ICO Collections in the CER.ES network

Since 2016, the ICO Collections have been part of the Digital Network of Spanish Museum Collections (CER.ES), with more than 500 works of Spanish painting and sculpture that make up Pablo Picasso's Volland Suite. It is a national network of contemporary art and the hundred engravings managed by the Ministry of Education, Culture and Sport, which allows the online distribution of the funds belonging to the ICO Collections (<http://ceres.mcu.es>).



MUSEO ICO EXHIBITIONS

The Fundación ICO, in addition to being entrusted by ICO with managing its art collections, is in charge of Museo ICO's temporary exhibition programme. Since October 2012, it has specialised in researching and disseminating architecture as an artistic and cultural discipline.

Throughout 2020, the first year marked by the restrictions imposed by the COVID-19 pandemic in the cultural sphere, Museo ICO was closed from 12 March to 9 June and followed the reopening of the State Museums dependent on the Ministry of Culture and Sport and the vast majority of museum centres in the city of Madrid. During the temporary closure of the Museum, work focused on creating digital educational activities as part of the actions of cultural institutions under the slogan #culturaencasa (culture at home). In addition, content dissemination was intensified to raise awareness of the current exhibition "Sáenz de Oiza. Artes y oficios" and architecture on social networks and the museum took part in virtual events such as International Museum Day.

Despite the disruption caused by COVID-19, the following exhibitions were offered to the public:



It was visited by
16,444
PEOPLE

SÁENZ DE OÍZA. ARTES Y OFICIOS

From February 6 to April 26 (extended until August 23, 2020).

The exhibition revolved around the relationship between arts and crafts and architecture, understood by Sáenz de Oíza as an inseparable part of his life and work. It was divided into five chapters: The trade of learning / The art of teaching; The trade of inhabiting / The art of building; The trade of the soul / The art of evoking; The trade of believing / The art of patronage; The trade of competing / The art of representing.



11,129
PEOPLE VISITED THE EXHIBITION

DANNY LYON. THE DESTRUCTION OF LOWER MANHATTAN

From 16 September 2020 to 17 January 2021.

This exhibition showed, for the first time in Spain, the photographic essay taken by the New York photographer Danny Lyon in 1967. At the age of 25, he portrayed, with archaeological intent and as if they were fossils, the mostly 19th-century buildings that were to be demolished to make room for the future, ill-fated Twin Towers.

SUPPORTING ACTIVITIES

The year 2020, strongly affected by the pandemic, forced the Fundación ICO to reschedule its exhibition programme and to reformulate the entire educational and mediation service of the Museo ICO. During lockdown, communication was optimised via social networks and by contacting loyal customers through newsletters.

The reopening of the Museo ICO incorporated educational activities and guided and independent visits, subject to all the prevention regulations implemented by the authorities.



GUIDED VISITS AND CULTURAL MEDIATION

In the first quarter and the last quarter of the year, adapting the activities to comply with COVID-19 regulations, the company MagmaCultura carried out guided tours and cultural mediation, a free service provided by Museo ICO.

2,814
PEOPLE

During the closure of the Museo ICO during lockdown (March-June), efforts were focused on mediation, producing content for sharing on social networks.

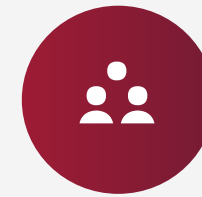


FAMILY WORKSHOPS

When Museo ICO reopened, in order to guarantee the safety of the public and to comply with museum regulations, the workshops for families were limited to ages 7 to 12. The number of participants in each group was reduced as in the guided tours.

110
PEOPLE ENJOYED THESE ACTIVITIES

In 2020, 110 people enjoyed these activities in person, approximately 10% of the average of previous years.

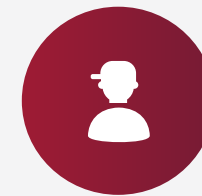


ACTIVITIES WITH SCHOOLS

Up to March, activities were carried out with schools in the infant, primary, secondary and baccalaureate stages, holding workshops at Museo ICO for a total of 256 people.

256
STUDENTS

After lockdown, they could not be resumed due to rules that prevented students from going outside the schools and institutes. This led to the creation of school materials for work in classrooms, a line of work that was christened "Activa Espacios" (Active Spaces).



URBAN WORKSHOP FOR YOUNG PEOPLE

In June and July, two sessions were held, each lasting three days, in which a total of 20 young people between the ages of 13 and 17 were introduced to the life and work of the architect in dynamic tours of the museum's rooms and the streets of Madrid.

20
YOUNG PEOPLE

INCLUSION AND ACCESSIBILITY



19
PARTICIPANTS

WORKSHOPS FOR PEOPLE WITH COGNITIVE FUNCTIONAL DIVERSITY

The offer of activities to employment centres and associations of people with cognitive diversity, as always carried out in collaboration with Plena Inclusión Madrid (PIM), was also reduced due to the pandemic. This very large group and their families suffered greatly from the restrictions on therapy and socialisation activities.

Despite this, Museo ICO and PIM, in collaboration with the Royal Botanical Garden, managed to hold two three-day workshops with two different groups, with a total of 19 participants. In these activities, which took place at the main employment centre, in the Botanical Gardens and at Museo ICO, participants discovered creative abilities based on the themes of inspiration and space, always hand in hand with the figure and work of Sáenz de Oíza.



INCLUSION: EMPOWER PARENTS

2020 was a year of reflection and analysis of the Empower Parents programme from 2013 to 2019 with the publication of the book "Empower Parents. Imaginando espacios comunes" ("Empowering Parents. Imagining Common Spaces"), a work published by the Fundación ICO and produced by the Hablarenarte Association.



ECONOMICS AREA

The Economics Area promotes activities aimed at generating and disseminating knowledge in economic and financial matters, mainly through shared reflection and debate among experts and agents in these fields.

PUBLICATIONS

○ FUNDACIÓN ICO COLLECTION - INTERNATIONAL ECONOMICS

A selection of 23 articles by Nobel laureate James Tobin was published. The selection was made by the coordinator of the work and author of the introductory essay, Julio Segura, Emeritus Professor of Fundamentals of Economic Analysis (UCM). The author of the translation is Estrella Trincado, Professor of History of Economic Thought at the Complutense University of Madrid.

○ CLASSICS OF SPANISH ECONOMIC THOUGHT

This collection is the largest and most important collection of writings on the history of Spanish economic thought, revised and updated with introductory studies by experts. In 2020 the work "Memorial del Contador Luis Ortiz a Felipe II"

("Memorial of the Accountant Luis Ortiz to Felipe II") (1558) by Luis Ortiz was published, which also reproduces the introductory study carried out at the time by Ernest Lluch, this being one of the last works he published, shortly before he was assassinated, so this edition aims to pay tribute to him on the twentieth anniversary of his death.

○ COMPETITION YEARBOOK

In 2020, this edition has been continued, this being the first time that it has been published only in digital format, through the microsite created for this purpose: <https://anuariocompetencia.fundacionico.es/s/anuario/page/home>.

○ EURO YEARBOOK 2020

The seventh edition of this work was published under the title "El Euro en 2020. A Yearbook on the European Monetary Union" ("The Euro in 2020. A Yearbook on the European Monetary Union"), in

English and Spanish. It consists of ten chapters, divided into four parts covering the following relevant issues in Europe: (i) the political, economic and financial environment; (ii) monetary policy; (iii) fiscal policy and (iv) banking. It also includes an executive summary by the director of this work, Fernando Fernández, who systematises the contributions made by the different contributors and presents a list of conclusions.

Since its launch, the Euro Yearbook has become a reference work that promotes the analysis of the European Monetary Union with the aim of contributing to and enriching the financial debate, informing about the changes that are taking place, analysing what they mean and how they influence society.



○ SEMINARS, STUDIES AND OTHER ACTIVITIES

Throughout 2020, activity on Fundación ICO's social networks increased. It also collaborated on visits organised by the Instituto de Crédito Oficial for VET - vocational education and training - and university students to its headquarters (until the beginning of March 2020). Collaboration with the e-FP Programme (online VET) run by the Créate Foundation and the Spanish Chamber of Commerce was maintained and a new collaboration on start-ups and financial education was initiated.

○ E-FP PROGRAMME

Given the success and usefulness of the e-FP Programme, with which a collaboration began in 2019, the Fundación has maintained its support. To this end, and through the Spanish Mentoring Network, work was carried out on the programme's mentoring service, providing students with the help of a mentor (an entrepreneur or professional with at least five years' experience) between January and June 2020, with the aim of harnessing a significant part of the existing business knowledge capital and making it available to VET and Dual VET students.

○ CIRCULAR ECONOMY AND SMES

In mid-2020, the results of the research initiated the previous year with the National University of Distance Education on Circular Economy and SMEs were published. The document "La transición hacia la economía circular. Guía para Pymes" ("The transition towards the circular economy. Guide for SMEs") (<https://www.fundacionico.es/economia-circular>), aims to be an easy-to-use tool. It is an introduction to the topic of the circular economy, with a focus on small and medium-sized enterprises, as well as a presentation of the results of the fieldwork carried out.

The workshops, held in December without an audience, were dedicated to each of the economic sectors studied (construction, textiles and food), and were preceded by a general session attended by all participants in the three workshops.

AREA OF INTERNATIONALISATION

FUNDACIÓN ICO - CHINA SCHOLARSHIPS PROGRAMME

The Fundación ICO - China Scholarships Programme is aimed at young Spanish professionals, and offers intensive training in Mandarin Chinese, as well as the culture and economy of this Asian country. The universities where the scholarships are enjoyed are the University of International Business and Economics (UIBE) of Beijing, the Beijing University (PKU) and the Beijing Normal University (BNU). The Programme covers the tuition fee for the entire course at the destination site, travel to and from the site, accommodation for the ten-month duration, medical insurance and a personal expense allowance.

This is a programme that promotes Chinese-Spanish relations through training, creating a pool of professionals capable of developing links between the two societies, economically as well as socially and culturally. The scholarship recipients are young professionals with a degree and a minimum demonstrable professional experience, with a high level of English and previous knowledge of Mandarin Chinese.

The COVID-19 pandemic greatly affected this Programme, both in its 2019-2020 call and in the 2020-2021 call. The Fundación ICO has adapted the conditions of the Programme as far as possible to the new circumstances and has made it easier for scholarship holders to make the most convenient decisions, always putting the integrity and safety of its students before any other consideration. As a result, the scholarship holders have been able to receive good training, despite not having been able to enjoy the immersion in Chinese society that is an essential part of the programme.

OTHER ACTIVITIES RELATED TO CHINA. FUNDACIÓN CONSEJO ESPAÑA CHINA (SPAIN CHINA COUNCIL FOUNDATION)

The Fundación Consejo España China is a private non-profit institution for the promotion of bilateral relations. It promotes cooperation between China and Spain in the cultural, economic, commercial, business, scientific and sports fields.

In 2020 we remained members of the Board of Trustees of Fundación Consejo España China, in order to continue being part of one of the main forums of debate and relationship with the People's Republic of China. The 2020 edition of the Future Leaders Programme, a programme aimed at Chinese professionals from various sectors with great potential as opinion leaders, could not be held.

SEMINARS, FORUMS AND OTHER ACTIVITIES

The Fundación ICO promotes platforms for debate that encourage experts to reflect and analyse by creating forums for work and the exchange of experiences and knowledge on highly specialised subjects, most of which are complementary to the activities carried out by ICO, thus boosting the Institute's image.



8.2. Suppliers

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

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

For its part, AXIS does not have the status of contracting authority, and is governed by the provisions of Articles 321 and 322 of the aforementioned Law. In compliance with this, it has approved the Internal Contracting

Instructions that regulate procurement procedures, guaranteeing the application of the principles of publicity, competition, transparency, confidentiality, equality and non-discrimination.

In accordance with the provisions of Law 9/2017, of 8 November, on Public Sector Contracts, the ICO Group analyses whether environmental and social requirements can be incorporated in accordance with the object of the contract.

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

14.62 million euros were paid to suppliers during fiscal year 2020.

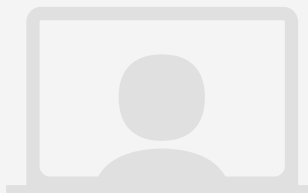


Contribution to target 12.7 for promotion of responsible procurement practices and compliance with environmental policies.

8.3. Clients:

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


For communication with clients, the ICO Group has three channels:



Written support is provided through the corporate website (<https://www.ico.es/web/ico/contacto>), where clients can request more information about the products or express their complaints or suggestions. This tool also allows us to ascertain the actions and information that the institutions' offices have on the ICO Group's facilities. This tool also enables clients to learn about other ICO Group activities not necessarily related to financing products.



There is a call centre, managed by the firm Konecta, which communicates with clients through telephone calls, the Click to Call application, and through Web Chat, a new channel of communication with clients launched in December 2020.



The ICO Group has implemented face-to-face customer service to assist all clients who decide to request information or make their complaints and suggestions directly at the Institute's premises.

During 2020, there was a very significant increase in the activity of the client communication channel with ICO, except in the case of the face-to-face service. The data, in any case, must be contextualised against the effects caused by COVID-19 and ICO's important role in providing guaranteed financing to allow companies and the self-employed to mitigate the effects caused by the pandemic.

From the analysis of the information we can draw the following conclusions:

SUPPORT CHANNEL

	2020	2019
COMPLAINTS	1,493	136
REQUESTS FOR INFORMATION	12,402	765
SUGGESTIONS	32	8
FACE-TO-FACE SUPPORT	152	857
TELEPHONE SUPPORT	48,087	8,006
CLICK TO CALL	105	
WEB CHAT	92	—
TOTAL	62,211	8,915

Client **complaints** focused mainly on the rejection of applications for guaranteed financing due to the institution's risk policy.

In relation to the management of the financial institutions, clients' complaints focused on the time they have had to wait to have the funds in their accounts after having signed the guaranteed loan, especially in the months of April and May.

- The product terms and conditions, mainly in Liquidity Guarantees (possibility to formalise with several entities, maximum amount, how loans over 50 million were requested).
- How and when to apply for a loan through Leasing Guarantees.
- Possibility of obtaining a moratorium on loans for Companies and Entrepreneurs and old Facilities.

In relation to the **management of the ICO Group**, no incidents have been reported on the management of ICO.

Clients' **requests for information** were mainly addressed to the Guarantee Lines set up to deal with COVID-19, and the enquiries focused on the following reasons.

The average response time was 2.9 days for complaints and 2.25 days for requests for information, both shorter than the average response time of the previous year.

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

9

Environmental commitments

Internal environmental management

Due to its public nature and its vocation to serve society, ICO considers those financing operations that have a positive impact on people, the climate and the environment to be a priority. The role that ICO will have to play as an instrument of support for Spanish and European energy and climate policy is particularly relevant. As is happening in the rest of the financial sector, especially by other promotional banks, progress will be made in aligning ICO's balance sheet, operations and activity with its climate action. Thus, ICO will actively contribute to the decarbonisation of the Spanish economy through the decarbonisation of its own portfolio.



Contribution to UN target 13.1 by 2030, to strengthen resilience to climate change.



Contribution to United Nations target 12.3 by 2030 to manage resources sustainably and efficiently.



A Sustainability Policy was approved in 2020, with commitments to environmental, social and governance performance. In the case of environmental performance, ICO is committed to the fight against climate change, the promotion of a low-carbon economy model and the mobilisation of resources, financing and investment towards sustainable activities, aiming to play a particularly active role in the field of renewable energies and energy efficiency and saving projects.

The Sustainability Policy is in line with the Spanish Collective Commitment to Climate Action, signed by ICO on 9 December 2019 at COP25 in Madrid, together with the Spanish Banking Association (AEB), CECA and some twenty Spanish financial institutions (<https://sl.aebanca.es/wp-content/uploads/2019/12/spanish-collective-commitment-to-climate-action.pdf>). 

Furthermore, in 2020 ICO agreed to develop, **implement and certify an environmental management system based on the ISO 14001:2015 standard**. In November of the same year, COPER approved an updated version of the Environmental Policy in line with the requirements of the aforementioned standard. From there, the process of implementing environmental management processes and procedures began. At the same time, the public tender procedure for the certification of the implemented system is being launched, which will be completed in 2021.



9.1. Sustainable use of natural resources

The reduction in consumption during the 2020 financial year is due to off-site working hours as a result of the lockdown decreed by the Government and the Autonomous Communities to deal with COVID-19.

Although the following sections report information from the last two financial, the evolution between the two is not analysed. Nor is any information reported about consumption per employee since the information would not report real data either.

All water consumption comes from the public water supply network. The ICO Group does not store or recycle water. All wastewater is discharged into the public sanitation network.

NATURAL RESOURCE



ELECTRICITY kWh

2020	1,892,488.79
2019	2,103,706.00



WATER m³

2020	1,460.80
2019	2,607.00



PAPER kg (*)

2020	450.00
2019	12,723.00

The new environmental management system aims to develop a new indicator based on paper consumption during the year, rather than on paper purchases made during the period.

*In 2020 the paper consumption calculation was made based on the weight in kg, instead of according to the number of units purchased.

9.2. Waste management

One of the objectives defined within the environmental management system is waste sorting on site. To this end, bins will be placed on all floors of the building to enable waste to be sorted according to the type of product or material in question.

In this regard, bins were placed in various areas of each site for the collection and removal of COVID-19 masks to prevent environmental contamination.

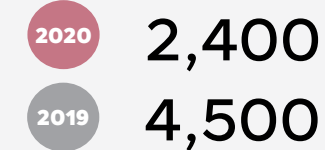


WASTE MANAGED



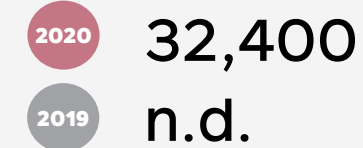
PAPER AND PAPERBOARD

Estimated Kgs



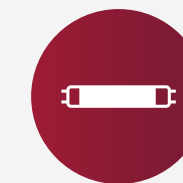
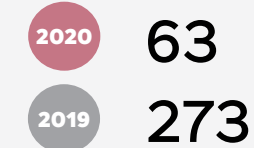
PLASTIC AND PACKAGING

m³



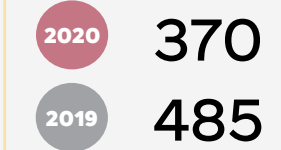
TONER AND INK CARTRIDGES

Units



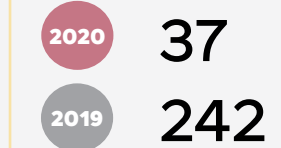
FLUORESCENT TUBES

Number



BATTERIES

Number



9.3. Emissions

Since the state of emergency came into force, almost all business travel has been suspended, so the CO₂ emissions data for 2020 are affected by this measure.



INDIRECT GHG EMISSIONS BY ELECTRICITY CONSUMPTION

Tons of CO₂

2020 662.37

2019 763.3



INDIRECT GHG EMISSIONS FROM EMPLOYEES' WORK TRIPS

Tons of CO₂

2020 8.09

2019 116.9

Note:

Calculation made through <http://calcarbono.servicios4.aragon.es/index.htm>

10

About this report

10.1. About this report

This report has been prepared following the Global Reporting Initiative (GRI) standard, a comprehensive compliance option for sustainability reporting, as well as taking into account our contribution to the Sustainable Development Goals and UN targets for 2030.

This report follows the GRI methodology, allowing us to report on the most relevant issues relating to the company's sustainability and management.

As with other editions, internal organisation documents such as the Strategic Plan, the Corporate Manual and other sources of information considered relevant in painting a realistic picture of the company's fulfilment of social sustainability and responsibility have been used to draft this report.

For any questions related to the content of this report, you can contact: rse@ico.es.

1 MATERIALITY AND STAKEHOLDERS

The content of this Report has been defined taking into account the stakeholders and material aspects identified.

2 LEADERSHIP

The Report is approved by the Operations Committee, the ICO Group's most senior administrative and management body, and endorsed by the General Board in its capacity as the Institute's most senior governing body. The ICO Group's Management approves the allocation of resources necessary for the preparation and auditing of the report.

3 COMPARABILITY

To provide information on the ICO Group's progress within the scope, the Report includes data not only for the financial year 2020, but also sometimes for the previous year.

4 BALANCE

To submit a balanced and fair presentation, this Report has been prepared in accordance with the GRI standards. In addition, the requirements of the United Nations' Global Compact Progress Report relating to the development of its 10 Principles have been observed.

5 PUNCTUALITY AND REGULARITY

The ICO Group prepares its economic-financial, social responsibility and corporate governance reports annually. The information covered refers to the calendar year. The ICO Group prepares and presents a report comprised of all the aforementioned information.

6 CLARITY, ACCURACY AND RELIABILITY

The ICO Group has submitted the Report's contents to be verified by independent experts. In relation to the annual accounts and financial information, the verification has been carried out by the General Intervention of the State Administration (IGAE), and by Mazars Auditores, S.L. In relation to the GRI standard for the preparation of social responsibility reports, the verification has been carried out by AENOR. During the verification processes, it was confirmed that the document's structure allows the information to be easily and clearly read. In addition, the accuracy of the information and reliability of the sources used was verified.

11

GRI table of contents

GRI table of contents

MATERIAL ASPECTS

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	MATERIAL TOPIC	PAGE / LINK OMISSIONS
-----	-----	General Information	16	MT1. Corporate governance, Sustainability, CSR and Transparency.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 22 to 49. "SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
201-1 and 201-4	2016	General Information	2, 5, 7, 8 and 9	MT2. Sources of financing and financial balance.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 50 to 63. "BUSINESS DEVELOPMENT". Pages 66 to 109.
-----	-----	General Information	1, 2, 6, 11, 13 and 17	MT3. Boosting development and improving the distribution of national wealth, digitalisation and adaptation to new environments.	"BUSINESS DEVELOPMENT". Pages 66 to 109.
201, 203, 300, 401, and 412	2016 and 2018	-----	3, 5, 6, 7, 8, 10, 12, 13, 14, 15 and 16	MT4. Sustainable economic growth and employment; environment, climate and Human Rights.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138. "HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Pages 139 to 153.
401 to 406	2016 and 2018	Principles 3, 4, 5 and 6	5, 8, 10, 16	AM5. People.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Pages 139 to 153.
102-12 and 102-13	2016	General Information	17	MT6. Partnerships	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 64 and 65.
102-12, 413, 414, 415 and 416	2016	-----	17	MT7. Community service.	"COMMITMENT TO SOCIETY". Pages 154 to 165.

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	DESCRIPTION	PAGE / LINK OMISSIONS
GRI 101	2016	General Information		Basics	"CHAIRMAN'S LETTER". Pages 7 to 10. "ABOUT THIS REPORT". Pages 160 to 161.
GRI 102. GENERAL CONTENT					
ORGANISATION PROFILE					
GRI 102 - 1	2016	General Information		Name of the organisation.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 22 to 65.
GRI 102 - 2	2016	General Information		Activities, brands, products and services.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 22 to 65. "BUSINESS DEVELOPMENT". Pages 66 to 109.
GRI 102 - 3	2016	General Information		Location of our headquarters.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 24 to 26.
GRI 102 - 4	2016	General Information		Location of operations.	ICO only operates in Spain.
GRI 102 - 5	2016	General Information		Ownership and legal form.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 6	2016	General Information		Markets served.	"BUSINESS DEVELOPMENT". Pages 66 to 109.

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	DESCRIPTION	PAGE / LINK OMISSIONS
GRI 102 - 7	2016	General Information		Size of the organisation.	"BUSINESS DEVELOPMENT". Pages 66 to 109. "HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Pages 139 to 145.
GRI 102 - 8	2016	General Information Principle No. 6	8	Information about employees and other workers.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Pages 139 to 153.
GRI 102 - 9	2016	General Information		Supply Chain	"COMMITMENT TO SOCIETY" Page
GRI 102 - 10	2016	General Information		Significant changes in the organisation and its supply chain.	There have been no significant changes.
GRI 102 - 11	2016	General Information		Precautionary principle or approach.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GRI 102 - 12	2016	General Information		External initiatives	"THE ICO GROUP AND OUR BUSINESS MODEL. PARTNERSHIPS". Pages 65
GRI 102 - 13	2016	General Information		Membership of associations.	"THE ICO GROUP AND OUR BUSINESS MODEL. PARTNERSHIPS". Pages 65
STRATEGY					
GRI 102 - 14	2016	General Information		Declaration of senior executives responsible for decision-making.	"CHAIRMAN'S LETTER". Pages 7 to 10.
GRI 102 - 15	2016	General Information		Main impacts, risks and opportunities.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	DESCRIPTION	PAGE / LINK OMISSIONS
ETHICS AND INTEGRITY					
GRI 102 - 16	2016	Principle No. 10	16	Values, principles and standards of conduct.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GRI 102 - 17	2016	Principle No. 10	16	Advisory and ethical concern mechanisms.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GOVERNANCE					
GRI 102 - 18	2016	General Information		Governance structure	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 19	2016	General Information		Delegation of capacities.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 20	2016	General Information		Executive responsibility for economic, environmental and social issues.	Director General of Technical Issues and Resources.
GRI 102 - 21	2016	General Information	16	Consultation with stakeholders on economic, environmental and social issues.	"SOCIAL RESPONSIBILITY AT ICO". Pages 119 to 121.
GRI 102 - 22	2016	General Information	5, 16	Composition of the most senior governing body and its committees.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	DESCRIPTION	PAGE / LINK OMISSIONS
GRI 102 - 23	2016	General Information	16	President of the most senior governing body	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 24	2016	General Information	5, 16	Nomination and selection.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 25	2016	General Information	16	Conflict of interest.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 26	2016	General Information		Role of the most senior governing body in establishing objectives, values and strategy.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 27	2016	General Information	4	Collective knowledge of the most senior governing body.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 28	2016	General Information		Evaluation of the performance of the most senior governing body.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 27 to 49.
GRI 102 - 29	2016	General Information	16	Identification and management of economic, environmental and social impacts.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GRI 102 - 30	2016	General Information		Effectiveness of risk management processes.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GRI 102 - 31	2016	General Information		Evaluation of economic, environmental and social issues	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	DESCRIPTION	PAGE / LINK OMISSIONS
GRI 102 - 32	2016	General Information		Role of the most senior governing body in sustainability reporting.	The ICO Group's Integrated Report is approved by the most senior governing body, and brought to the attention of the General Board.
GRI 102 - 33	2016	General Information		Communication of critical concerns.	"SOCIAL RESPONSIBILITY AT ICO". Pages 123 to 125.
GRI 102 - 34	2016	General Information		Nature and total number of critical concerns.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GRI 102 - 35	2016	General Information		Role of the most senior governing body in establishing objectives, values and strategy.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 35, 38 and 43. "HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Pages 143 to 145.
GRI 102 - 36	2016	General Information		Process to determine remuneration.	"THE ICO GROUP AND OUR BUSINESS MODEL". Pages 35, 38 and 43. "HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Pages 143 to 145.
GRI 102 - 37	2016	General Information	16	Involvement of stakeholders in remuneration.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GRI 102 - 38	2016	General Information		Total annual compensation ratio.	The Chairman's salary is 2.76 times the average wage of an ICO employee.
GRI 102 - 39	2016	General Information		Ratio of percentage increase of total annual compensation.	The ICO Group's wages increase according to the increase for public employees defined by the Government.

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	DESCRIPTION	PAGE / LINK OMISSIONS
PARTICIPATION OF STAKEHOLDERS					
GRI 102 - 40	2016	General Information		List of stakeholders.	"SOCIAL RESPONSIBILITY AT ICO" Pages 119 to 122.
GRI 102 - 41	2016	General Information	8	Collective bargaining agreements.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Page 148.
GRI 102 - 42	2016	General Information		Identification and selection of stakeholders.	"SOCIAL RESPONSIBILITY AT ICO" Pages 119 to 122.
GRI 102 - 43	2016	General Information		Approach to the participation of stakeholders.	"SOCIAL RESPONSIBILITY AT ICO" Pages 119 to 122.
GRI 102 - 44	2016	General Information		Key issues and concerns mentioned.	"SOCIAL RESPONSIBILITY AT ICO" Pages 119 to 122.
PRACTICES FOR THE PREPARATION OF REPORTS					
GRI 102 - 45	2016	General Information		Entities included in the consolidated financial statements	"THE ICO GROUP AND OUR BUSINESS MODEL" Pages 23 to 26.
GRI 102 - 46	2016	General Information		Definition of the contents of the reports and coverage of the topic	The report's content is defined by ICO's Management
GRI 102 - 47	2016	General Information		List of material issues	"SOCIAL RESPONSIBILITY AT ICO" Pages 123 to 125.
GRI 102 - 48	2016			Restatement of information	There have been none
GRI 102 - 49	2016	General Information		Changes in the preparation of reports	The present report has been prepared in accordance with GRI standards.

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	DESCRIPTION	PAGE / LINK OMISSIONS
GRI 102 - 50	2016	General Information		Reporting period	01.01.2020 – 31.12.2020.
GRI 102 - 51	2016	General Information		Date of the last report.	01.01.2019 – 31.12.2019.
GRI 102 - 52	2016	General Information		Reporting cycle	Annually
GRI 102 - 53	2016	General Information		Point of contact for questions about the report.	rse@ico.es
GRI 102 - 54	2016	General Information		Declaration of the preparation of the report in accordance with the GRI Standards.	This document has been prepared on the basis of the GRI standards, comprehensive option.
GRI 102 - 55	2016	General Information		GRI table of contents.	"GRI TABLE OF CONTENTS". Pages 162 to 178.
GRI 102 - 56	2016	General Information		External verification	AENOR. May 24 and 25, 2021.
MANAGEMENT APPROACH					
GRI 103 - 1	2016	General Information	12, 13, 14, 15	Explanation of the material aspect and its Coverage.	"ABOUT THIS REPORT". Pages 160 and 161.
GRI 103 - 2	2016	General Information	1, 5, 8, 12, 13, 14, 15, 16	Management approach and its components.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GRI 103 - 3	2016	General Information	12, 13, 14, 15	Evaluation of the management approach.	"SOCIAL RESPONSIBILITY AT ICO". Pages 110 to 138.
GRI 200. ECONOMIC					

REF. GRI	EDITION	REF GLOBAL COMPACT PROGRESS REPORT	REF. SDG	DESCRIPTION	PAGE / LINK OMISSIONS
GRI 201. ECONOMIC PERFORMANCE					
GRI 201 - 1	2016	General Information	2, 5, 7, 8, 9	Direct economic value generated and distributed.	"BUSINESS DEVELOPMENT". Pages 66 to 109.
GRI 201 - 2	2016	General Information	13	Financial implications and other risks and opportunities arising from climate change.	"BUSINESS DEVELOPMENT". Pages 66 to 109.
GRI 201 - 3	2016	General Information		Obligations of the established benefit plan and other retirement plans.	There are no contracted obligations.
GRI 201 - 4	2016	General Information		Financial assistance received from the Government.	ICO does not receive subsidies or financial aid from the Government.
GRI 202. PRESENCE ON THE MARKET					
GRI 202 - 1	2016	General Information	1, 5, 8	Ratio of entry level salary by sex compared to local minimum wage	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Pages 143 to 145.
GRI 202 - 2	2016	General Information	8	Proportion of senior executives recruited from the local community	100%
GRI 203. INDIRECT ECONOMIC IMPACTS					
GRI 203 - 1	2016	General Information	2, 5, 7, 9, 11	Investments in infrastructure and provided services	"BUSINESS DEVELOPMENT". Pages 66 to 109.
GRI 203 - 2	2016	General Information	1, 2, 3, 8, 10, 17	Significant indirect economic impacts	"BUSINESS DEVELOPMENT". Pages 66 to 109.

GRI 204. ACQUISITION PRACTICES

GRI 204 - 1	2016		12	Proportion of expenditure on local suppliers	100%
--------------------	------	--	----	--	------

GRI 205. ANTI-CORRUPTION

GRI 205 - 1	2016		16	Operations evaluated for risks related to corruption.	All credit operations directly studied by the ICO Group analyse the risk of corruption.
GRI 205 - 2	2016	Principle No. 10	16	Communication and training on anti-corruption policies and procedures.	“SOCIAL RESPONSIBILITY AT ICO” Pages 126 to 131.
GRI 205 - 3	2016	Principle No. 10	16	Confirmed cases of corruption and measures taken.	0

GRI 206. UNFAIR COMPETITION

GRI 206 - 1	2016		16	Legal actions related to unfair competition and monopolistic practices and those against free competition.	0
--------------------	------	--	----	--	---

GRI 207. TAX

GRI 207 - 1	2018		16	Tax approach	With regard to state taxation, ICO is subject to direct corporate income taxation as a credit institution, taxed at a rate of 30%, and without any special rules other than the general tax regime. It is also a taxable entity subject to VAT, under the general regime, with no specific advantages or exemptions. In terms of local taxation, the Institute is also a taxpayer of the different taxes in force (tax on asset transfers, property tax, etc.), with no exemptions other than those expressly provided for in the regulations of each tax for public law entities.
--------------------	------	--	----	--------------	--

GRI 207 - 2	2018	16	Tax governance, control and risk management.	The management and control of taxation at ICO is the responsibility of the Directorate General of Risk and Financial Control, through the Accounting Department.	The management and control of taxation at ICO is the responsibility of the Directorate General of Risk and Financial Control, through the Accounting Department.
GRI 207 -3	2018		16	Stakeholder engagement and management of concerns related to tax,	“COMMITMENT TO SOCIETY. STAKEHOLDERS”. Pages 119 to 122.
GRI 207-4	2018		16	Country-by-country reporting.	ICO only pays taxes in Spain. Information on taxes paid can be found in the Audited Accounts Report.
GRI 300. ENVIRONMENTAL					
GRI 301. MATERIALS					
GRI 301 - 1	2016	Principles No. 7,8,9	8, 12	Materials used by weight and volume.	“ENVIRONMENTAL COMMITMENTS”. Pages 154 to 159.
GRI 301 - 2	2016	Principles No. 7,8,9	8, 12	Recycled supplies	“ENVIRONMENTAL COMMITMENTS”. Pages 154 to 159.
GRI 301 - 3	2016	Principles No. 7,8,9	8, 12	Reused products and packaging materials.	“ENVIRONMENTAL COMMITMENTS”. Pages 154 to 159.
GRI 302. ENERGY					
GRI 302 - 1	2016	Principles No. 7,8,9	7, 8, 12, 13	Energy consumption within the organisation.	“ENVIRONMENTAL COMMITMENTS”. Pages 154 to 159.
GRI 302 - 2	2016	Principles No. 7,8,9	7, 8, 12, 13	Energy consumption outside of the organisation.	No data
GRI 302 - 3	2016	Principles No. 7,8,9	7, 8, 12, 13	Energy intensity	“ENVIRONMENTAL COMMITMENTS”. Pages 154 to 159.

GRI 302 - 4	2016	Principles No. 7,8,9	7, 8, 12, 13	Reduction of energy consumption.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 302 - 5	2016	Principles No. 7,8,9	7, 8, 12, 13	Reduction of products and services' energy requirements.	No information
GRI 303. WATER					
GRI 303 - 1	2018	Principles No. 7,8,9	6	Management of water-discharge related impacts.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 303 - 2	2018	Principles No. 7,8,9	6	Water withdrawal.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 303 - 3	2018	Principles No. 7,8,9	6	Water discharge.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 303 - 4	2018	Principles No. 7,8,9	6	Water consumption.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 303 - 5	GRI 304.	Principles No. 7,8,9	7, 8, 12, 13	Energy consumption outside of the organisation.	No data
GRI 304. BIODIVERSITY					
GRI 304 - 1	2016	Principles No. 7,8,9	6, 14, 15	Operations centres owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity outside of protected areas.	Does not apply. The ICO Group does not have any facilities in protected natural areas.
GRI 304 - 2	2016	Principles No. 7,8,9	6, 14, 15	Significant impacts of activities, products and services on biodiversity.	Does not apply. The ICO Group has no impact on biodiversity.
GRI 304 - 3	2016	Principles No. 7,8,9	6, 14, 15	Protected or restored habitats.	Does not apply. The ICO Group does not impact protected habitats due to its activity.

GRI 304 - 4	2016	Principles No. 7,8,9	6, 14, 15	Species that appear on the IUCN Red List and on national conservation lists whose habitats are in areas affected by operations.	Does not apply. The ICO Group does not impact habitats of species in danger of extinction through its activities.
GRI 305. EMISSIONS					
GRI 305 - 1	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Direct greenhouse gas (GHG) emissions (scope 1).	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 305 - 2	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Indirect GHG emissions by generating energy (scope 2).	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 305 - 3	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Other indirect GHG emissions (scope 3).	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 305 - 4	2016	Principles No. 7,8,9	12, 13, 14, 15	Intensity of GHG emissions.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 305 - 5	2016	Principles No. 7,8,9	12, 13, 14, 15	Reduction of GHG emissions.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 305 - 6	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Emissions of ozone-depleting substances (ODS).	The ICO Group does not emit ozone-depleting substances through its activities.
GRI 305 - 7	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Nitrogen oxides (No _x), sulphur oxides (So _x) and other significant air emissions.	The ICO Group does not emit substances with a significant impact on the air through its activities.
GRI 306. EFFLUENT AND WASTE					
GRI 306 - 1	2016	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	Drainage of water based on their quality and destination.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 306 - 2	2016	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	Waste by type and method of disposal.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 306 - 3	2016	Principles No. 7,8,9	3, 6, 12, 13, 14, 15	Significant spillages.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.

GRI 306 - 4	2016	Principles No. 7,8,9	3, 12, 13, 14, 15	Transport of hazardous waste.	Does not apply. The ICO Group does not impact habitats of species in danger of extinction through its activities.
GRI 306 - 5	2016	Principles No. 7,8,9	6, 12, 13, 14, 15	Bodies of water affected by drainage of water and/or runoffs.	"ENVIRONMENTAL COMMITMENTS". Pages 154 to 159.
GRI 307. ENVIRONMENTAL COMPLIANCE					
GRI 307 - 1	2016	Principles No. 7,8,9	12, 13, 14, 15, 16	Failure to comply with environmental legislation and regulations.	0
GRI 308. ENVIRONMENTAL ASSESSMENT OF SUPPLIERS					
GRI 308 - 1	2016			New suppliers that have passed assessment and selection filters according to environmental criteria.	"COMMITMENT TO SOCIETY". Page.
GRI 308 - 2	2016			Negative environmental impacts in the supply chain and measures taken.	"COMMITMENT TO SOCIETY". Page.
GRI 400. SOCIAL					
GRI 401. EMPLOYMENT					
GRI 401 - 1	2016	Principle No. 3, 4, 5 and 6	5, 8	New appointments of employees and staff rotation.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Page 141 and 142.
GRI 401 - 2	2016	Principle No. 3, 4, 5 and 6	8	Benefits for full-time employees that are not available to part-time or temporary employees.	Company canteen.
GRI 401 - 3	2016	Principle No. 3, 4, 5 and 6	5, 8	Parental leave.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Page 146 and 147.

GRI 402. EMPLOYEE - COMPANY RELATIONSHIP

GRI 402 - 1	2016		8	Minimum notice periods for operational changes.	No additional periods to those that are legally defined.
--------------------	------	--	---	---	--

GRI 403. HEALTH AND SAFETY AT WORK

GRI 403 - 1	2018	Principle No. 3, 4, 5 and 6	3, 8	Occupational health and safety management system.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 403 - 2	2018	Principle No. 3, 4, 5 and 6	3, 8	Hazard identification, risk assessment and incident investigation.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 403 - 3	2018	Principle No. 3, 4, 5 and 6	3, 8	Occupational health services	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 403 - 4	2018	Principle No. 3, 4, 5 and 6	3, 8	Worker participation, consultation and communication on occupational health and safety	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 403 - 5	2018	Principle No. 3, 4, 5 and 6	3, 8	Worker training on occupational health and safety.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 403 - 6	2018	Principle No. 3, 4, 5 and 6	3, 8	Promotion of worker health.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 403 - 7	2018	Principle No. 3, 4, 5 and 6	3, 8	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 403 - 8	2018	Principle No. 3, 4, 5 and 6	3, 8	Workers covered by an occupational health and safety management system.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 403 - 9	2018	Principle No. 3, 4, 5 and 6	3, 8	Work-related injuries.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.

GRI 403 - 10	2018	Principle No. 3, 4, 5 and 6	3, 8	Work-related ill health.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT. HEALTH AND SAFETY". Pages 150 and 151.
GRI 404. TRAINING AND EDUCATION					
GRI 404 - 1	2016	Principle No. 3, 4, 5 and 6	4, 5, 8	Average hours of training per year per employee.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Page 152 and 153.
GRI 404 - 2	2016	Principle No. 3, 4, 5 and 6	8	Programmes to improve employees' skills and programmes to assist transition.	"HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Page 152 and 153.
GRI 404 - 3	2016	Principle No. 3, 4, 5 and 6	5, 8	Percentage of employees receiving regular assessments of their professional performance and development.	100%
GRI 405. DIVERSITY AND EQUAL OPPORTUNITIES					
GRI 405 - 1	2016	Principle No. 3, 4, 5 and 6	5, 8	Diversity in governing bodies and amongst employees.	"THE ICO GROUP AND OUR BUSINESS MODEL" Pages 32, 39, 42 and 47.
GRI 405 - 2	2016 DIVERSITY" Page 149.	Principle No. 3, 4, 5 and 6	3, 8	Promotion of worker health.	"THE ICO GROUP AND OUR BUSINESS MODEL" Pages 35, 38 and 43. "HUMAN RESOURCES AND DIVERSITY MANAGEMENT". Pages 143 to 145.
GRI 406. NON-DISCRIMINATION					
GRI 406 - 1	2016	Principle No. 3, 4, 5 and 6	5, 8, 16	Cases of discrimination and corrective action taken.	0
GRI 407. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 407 - 1	2016	Principle No. 3, 4, 5 and 6	8	Operations and suppliers whose right to freedom of association and collective bargaining may be at risk.	No data

GRI 408 CHILD LABOUR					
GRI 408 - 1	2016	Principle No. 3, 4, 5 and 6	8, 16	Operations and suppliers with a significant risk of child labour.	0
GRI 409. FORCED OR COMPULSORY LABOUR					
GRI 409 - 1	2016	Principle No. 3, 4, 5 and 6	8	Operations and suppliers with a significant risk of forced or compulsory labor	0
GRI 410. SECURITY PRACTICES					
GRI 410 - 1	2016	Principle No. 3, 4, 5 and 6	5, 8, 16	Cases of discrimination and corrective action taken.	0
GRI 411. RIGHTS OF INDIGENOUS PEOPLES					
GRI 411 - 1	2016	Principle No. 1 and 2	2	Cases of violations of indigenous people's rights.	0
GRI 412. ASSESSMENT OF HUMAN RIGHTS					
GRI 412 - 1	2016	Principle No. 1 and 2		Operations subject to human rights revisions or impact assessments.	0
GRI 412 - 2	2016	Principle No. 1 and 2		Training of employees in policies and procedures on human rights.	There have been no specific training actions on human rights.
GRI 412 - 3	2016	Principle No. 1 and 2		Significant investment agreements and contracts with human rights clauses or subjected to an assessment of human rights.	0

GRI 413. LOCAL COMMUNITIES

GRI 413 - 1	2016	Principle No. 1 and 2		Operations with the participation of the local community, impact evaluations and development programmes	0
GRI 413 - 2	2016	Principle No. 1 and 2	1, 2	Operations with significant real and potential negative impacts on local communities	Does not apply

GRI 414. SOCIAL ASSESSMENT OF SUPPLIERS

GRI 414 - 1	2016		5, 8, 16	New suppliers that have passed selection filters according to social criteria.	"COMMITMENT TO SOCIETY". Page
GRI 414 - 2	2016		5, 8, 16	Negative social impacts in the supply chain and measures taken.	The Group does not measure the social impact of the supply chain

GRI 415. PUBLIC POLICY

GRI 415 - 1	2016		16	Contributions to political parties and/or representatives.	The ICO Group does not make contributions to political parties or representatives.
--------------------	------	--	----	--	--

GRI 416. CUSTOMER HEALTH AND SAFETY

GRI 416 - 1	2016			Assessment of the impact of products or services on health and safety.	Does not apply.
GRI 416 - 2	2016		16	Cases of non-compliance relating to the impact of products or services on health and safety.	Does not apply.

GRI 417. MARKETING AND LABELLING

GRI 417 - 1	2016		12, 16	Requirements for products and services information and labelling.	Does not apply.
GRI 417 - 2	2016		16	Cases of non-compliance related to products and services information and labelling.	Does not apply.
GRI 417 - 3	2016			Cases of non-compliance related to marketing communications.	Does not apply.

GRI 418. CUSTOMER PRIVACY

GRI 418 - 1	2016		16	Justified complaints concerning violations of customer privacy and loss of customer data.	0
--------------------	------	--	----	---	---

GRI 419. SOCIO-ECONOMIC COMPLIANCE

GRI 419 - 1	2016		16	Non-compliance with social and economic laws and regulations	0
--------------------	------	--	----	--	---

