

Financing controversial sectors

The Credit Risk Policy regulates, among other things, the following aspects and fields of action for financing sectors which could generate certain controversy.

The arms and munitions sector

- Operations and projects whose purpose or objective is companies which manufacture, distribute, sell or encourage the use of controversial arms (antipersonnel mines, cluster munitions, biological or chemical weapons) shall not be financed.
- Operations and projects for companies belonging to the arms and munitions sector whose country of nationality or residence is in armed conflict or is on the list of countries subject to arms embargos by the United Nations Security Council or by the EU, non-proliferation treaties, or any other international obligation which may arise in the field, shall not be financed.

Human rights

- New operations and projects related to companies in which it has been shown that human rights have been violated and that the Entity is aware thereof, shall not be financed.

Environmental and social risk

- The environmental impact of the business activity shall be taken into account. The development by the Company of an Environmental Management System such as the ISO 14001 certificate and other European EMAS certificates shall be considered in general and in the sectors of greatest impact in particular (e.g. the chemical industry and the energy industry).
- Companies shall be required to comply with current regulations in the field of the environment, and in particular with the application of the Environmental Responsibility Law, and shall comply with the financial guarantees detailed therein. The longer the period of the operation, the more relevant this becomes.
- For investment projects (Project Finance), the environmental and social aspects which could be affected shall be considered jointly. Compliance with the Equator Principles shall be valued.
- As for assets held as guarantees, the related environmental or social risks shall be assessed.

Illegal activities

Should the entity become aware of the circumstances described below, it shall not finance any new operations or projects for companies shown to be or have been related to the following activities of money laundering, financing terrorism, tax fraud or evasion and corruption.