CriteriaCaixa

CriteriaCaixa Group consolidated financial statements and consolidated management report for the year ended 31 December 2023

Translation of financial statements originally issued and prepared in Spanish. This English version is a translation of the original in Spanish for information purposes only. In the event of a discrepancy, the original Spanish-language version prevails.

Criteria Caixa, S.A. and its subsidiaries

Auditor’s report
Consolidated annual accounts at December 31, 2023
Consolidated management report

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor´s report on the consolidated annual accounts

To the sole shareholder of Criteria Caixa, S.A.U.:

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of Criteria Caixa S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2023, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

R. M. Madrid, Hoja M-63.988, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

Key audit matters	How the matter was addressed in the audit
Valuation of the portfolio of equity-accounted investments	
In view of the Group's activity (see Note 1 to the accompanying consolidated annual accounts), the consolidated balance sheet includes a significant volume of equity-accounted investments. The Group continuously monitors the business and the degree of fulfilment of budgets and strategic plans by its main investees. At the year end, an analysis was carried out to identify any indications of impairment and to update the estimated recoverable amount of each of these investments. For the main equity-accounted investments, the Group calculates recoverable amounts by means of valuation methods based on the estimation of the Group's share of cash flows that are expected to be generated by the industrial investees and the estimation of dividends potentially receivable in the future from the ownership interests forming part of the portfolio of interests in financial institutions. These measurements require the application of significant judgements and estimates on the part of the Group's parent company management, both when determining the cash flows that the industrial investees will be capable of generating in the future and when estimated dividends receivable in the future from ownership interests in financial institutions, as well as when considering other key assumptions of the valuation methods, related primarily to the discount rates to be used and the growth rate to be applied to each business.	In the framework of our audit, we gained an understanding of the valuation policies and methods applied by the Group when determining the value of the different positions held at the year-end in associated companies, so as to verify that they are appropriate and are applied consistently to the said investees, based on the business sector in which they operate. In addition, our work was, basically, focused on conducting certain tests of detail on the valuation and existence process of the main investees forming part of the Group's portfolio at the year end, the most significant being: • Obtainment of a breakdown of investees held at 31 December 2023 and understanding of the main changes during the year, if applicable. • Obtainment of the year-end valuation and of the most recent available financial information provided by the Group's parent company for each of the most significant equity-accounted investments. • Analysis of those measurements made by Group management by means of a mathematical and methodological review of the models applied, with the assistance of our valuation experts, as well as a comparison by reference to external sources of the discount rates and macro assumptions used in the valuations, in accordance with public information for the business sector in which each investee operates.

Key audit matters	How the matter was addressed in the audit
Accordingly, and bearing in mind the relevance of the associated investments, as well as the fact that the determination of the recoverable value of the investments entails a complex analysis process requiring a high level of judgement and estimation on the part of the directors and management of the Group's parent company, the valuation process was treated as a key audit matter. See Notes 3.1 and 9 to the accompanying consolidated annual accounts.	• With the help of our valuation experts, comparison of the results obtained by discounting cash flows or discounting dividend flows against objective analyst assessments of share price trends, performing the sensitivity analysis in relation to the valuation of each investee, delivered by the Group. • Request for confirmation of the number of shares in each of the main investees held by the Group at the year end. • Verification of the disclosures included in the accompanying consolidated annual accounts in relation to the valuation of each investee. As a result of the procedures described above we have not identified differences, within a reasonable range.
Recoverability of deferred tax assets	
At year-end 2023, the Group's parent company forms part of the tax group that also includes, among other entities, Fundación Bancaria “la Caixa” and CaixaBank, S.A., the latter being the tax group's ultimate parent company. The tax group´s ultimate parent company regularly performs, with the help of an independent expert, an evaluation of the recoverability period of the deferred tax assets, based on last budgets and Business plans approved by management and Board of Directors from every Group Entity.	In the framework of our audit and with assistance from our tax experts, we gained an understanding of the process followed to estimate deferred tax assets and future recoverability. There follows a description of the main audit procedures carried out: • Analysis of the tax strategy planned by the Group's parent company management in relation to determining the recoverability of deferred tax assets. • Verification of the reasonableness of the deferred tax assets deemed to be monetizable within the tax group of which Criteria Caixa, S.A. forms part.

Key audit matters	How the matter was addressed in the audit
Therefore, the evaluation of the recoverability of deferred tax assets recognised at the year-end in the Group's consolidated balance sheet will depend, among other factors, on the actual fulfilment of the assumptions and hypotheses considered in the recoverability analysis performed for the tax group of which Criteria Caixa, S.A. forms part, which entails a complex analysis requiring a high level of judgement and estimation, so this was deemed to be a key audit matter. See Notes 3.11 and 20 to the accompanying consolidated annual accounts.	• Verification of information on the latest budgets and business plans employed by the tax group's parent company on the capacity to generate taxable income in future years. • Analysis of the consistency of the information used to prepare the budgets, business plans and economic and financial assumptions considered, as well as the degree of fulfilment of actual results obtained in comparison with those projected in the recoverability analysis provided by the tax group's parent company for the previous year. • Verification of the information included in the accompanying consolidated annual accounts in connection with the process followed to analyse the recoverability of the deferred tax assets recognised by the Group at the year end. • For Group companies not included in the tax group of which the parent company forms part but which have deferred tax assets recognised in the Group's consolidated balance sheet at the year end, we requested the corresponding reporting information from the external auditors of those investees so as to verify whether or not there are indications of reasonable doubts as to the probable recoverability of the tax credits contributed to the Group. As a result of the procedures described above we have not identified differences, within a reasonable range.

Key audit matters	How the matter was addressed in the audit
Valuation of investment property and inventories The Group has a relevant portfolio of investment property and inventories at year-end 2023. The importance of audit procedures allowing conclusions to be drawn on the suitability of the balances in the portfolio of investment property and inventories, as well as the analysis of possible impairment of those assets, which entails a high level of judgement on the part of Group management, led us to treat the valuation of the Group's portfolio of real estate assets as a key audit matter. See Notes 3.5, 3.8, 8 and 12 to the accompanying consolidated annual accounts.	In the framework of our audit, we gained an understanding of the valuation policies and methods employed by the Group when determining the recoverable amount of investment property and inventories, so as to consider whether or not they are appropriate and applied consistently to each asset type. We also carried out audit procedures on the measurement and recognition of impairment losses on investment property and inventories, the most significant being: • Obtainment of a breakdown of the portfolio of real estate assets held as inventories and investment property at 31 December 2023 and understanding of the main changes during the year. • Verification of documentary support for a sample of additions and disposals of investment property and inventories recognised during the year to test the completeness of the information recorded under those headings. • Analysis of the application of the valuation method for a sample of real estate assets based on the valuation policies in place and applicable legislation. • Obtainment and analysis of valuation reports issued during the year by external valuers for a sample of real estate assets, checking the main attributes employed and their impact on the valuation. • Request for the reporting package from the external auditors of the main real estate companies that manage a significant volume of the Group's investment property and inventories to verify the procedures followed in connection with the valuation of those real estate assets.

Key audit matters	How the matter was addressed in the audit
	As a result of the procedures described above we have not identified differences, within a reasonable range.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2023 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information has been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2023 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit commission for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Parent company's audit commission is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

Auditor’s responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit commission with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent company’s audit commission, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Report to the audit commission of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit commission of the Parent company dated 8 March 2024.

Appointment period

The sole shareholder on 22 September 2022 appointed us as auditors of the Group for a period of one year, as from the year ended 31 December 2023.

Previously, we were appointed by the sole shareholder for a period of three years and we have audited the accounts continuously since the year ended 31 December 2020.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 22.6 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original signed in Spanish by
Guillermo Cavia González (20552)

8 March 2024

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CONSOLIDATED BALANCE SHEET

at 31 December 2023 and 2022, in thousands of euros
CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

ASSETS		31/12/2023	31/12/2022 (*)
NON-CURRENT ASSETS			
Right-of-use assets	(Note 5)	6,519	6,806
Intangible assets	(Note 6)	11,245	14,067
Property, plant and equipment	(Note 7)	16,368	56,566
Investment property	(Note 8)	1,550,137	1,544,493
Investments accounted for using the equity method	(Note 9)	17,200,120	16,004,677
Non-current financial assets	(Note 10)	4,373,150	3,807,772
Derivative financial instruments	(Note 11)	5,794	6,942
Deferred tax assets	(Note 20)	921,642	953,292
Total non-current assets		**24,084,975**	**22,394,615**
CURRENT ASSETS			
Non-current assets held for sale	(Note 21)	1,386,797	1,435,286
Inventories	(Note 12)	1,130,532	1,149,466
Trade and other receivables	(Note 13)	66,677	59,252
Other current financial assets	(Note 10)	38,815	52,221
Derivative financial instruments	(Note 11)	4	13,776
Cash and cash equivalents	(Note 14)	573,591	428,566
Total current assets		**3,196,416**	**3,138,567**
TOTAL ASSETS		**27,281,391**	**25,533,182**

(*) Balances at 31/12/2022 are presented for comparison purposes only (see Note 2.4 – Comparison of information and changes in consolidation perimeter).

The accompanying Notes 1 to 27 and Appendices I and II are an integral part of the consolidated balance sheet at 31 December 2023.

CONSOLIDATED BALANCE SHEET

at 31 December 2023 and 2022, in thousands of euros
CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

EQUITY AND LIABILITIES		31/12/2023	31/12/2022 (*)
EQUITY			
Capital	(Note 15)	1,834,166	1,834,166
Reserves	(Note 15)	18,071,685	17,627,786
Profit/(loss) attributable to the Group	(Note 15)	1,909,611	1,198,781
Valuation adjustments	(Note 15.5)	(237,378)	(1,347,881)
Items that will not be reclassified to profit or loss		*(166,175)*	*(620,410)*
Items that may be reclassified to profit or loss		*(71,203)*	*(727,471)*
Non-controlling interest	(Note 15.6)	123,050	130,515
Total equity		**21,701,134**	**19,443,367**
NON-CURRENT LIABILITIES			
Deferred income	(Note 16)	18,231	19,893
Non-current provisions	(Note 17)	21,244	21,733
Non-current financial liabilities	(Note 18)	3,454,732	3,983,379
Derivative financial instruments	(Note 11)	857	1,788
Deferred tax liabilities	(Note 20)	61,338	28,380
Total non-current liabilities		**3,556,402**	**4,055,173**
CURRENT LIABILITIES			
Liabilities associated with non-current assets held for sale	(Note 21)	949,443	984,297
Current provisions	(Note 17)	-	-
Current financial liabilities	(Note 18)	1,019,425	965,999
Derivative financial instruments	(Note 11)	63	144
Trade and other payables	(Note 19)	54,571	84,009
Other current liabilities		353	193
Total current liabilities		**2,023,855**	**2,034,642**
TOTAL LIABILITIES AND EQUITY		**27,281,391**	**25,533,182**

(*) Balances at 31/12/2022 are presented for comparison purposes only (see Note 2.4 – Comparison of information and changes in consolidation perimeter).

The accompanying Notes 1 to 27 and Appendices I and II are an integral part of the consolidated balance sheet at 31 December 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the years ended 31 December 2023 and 2022, in thousands of euros
CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

		31/12/2023	31/12/2022 (*)
Sales and services	(Note 22.1)	142,808	250,500
Cost of sales	(Note 22.2)	(86,642)	(186,181)
Share of profit/(loss) of entities accounted for using the method	(Note 9)	2,285,355	1,548,450
Returns on financial instruments	(Note 22.3)	83,468	100,905
Gains/(losses) on financial transactions, with group companies and associates	(Note 22.4)	(14,263)	677
Other operating income		2,167	1,906
Personnel expenses	(Note 22.5)	(32,424)	(30,646)
Other operating expenses	(Note 22.6)	(69,090)	(72,325)
Depreciation and amortisation	(Notes 5, 6, 7 and 8)	(25,424)	(25,549)
Changes in provisions		376	93
Impairment and gains/(losses) on disposal of non-current assets	(Note 22.7)	16,588	21,327
Impairment of stakes in associates	(Note 9)	(283,869)	(400,000)
Other gains and losses		4,712	3,447
NET OPERATING INCOME/(EXPENSE)		**2,023,762**	**1,212,604**
Financial income	(Note 22.8)	36,592	6,897
Financial expenses	(Note 22.8)	(143,345)	(73,413)
Change in fair value of financial instruments	(Note 22.8)	(15,687)	34,739
Impairment and profit and loss on disposal of financial instruments		(140)	136
NET FINANCIAL INCOME/(EXPENSE)		**(122,580)**	**(31,641)**
PROFIT/(LOSS) BEFORE TAX		**1,901,182**	**1,180,963**
Income tax expense	(Note 20)	3,664	(4,087)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**1,904,846**	**1,176,876**
Profit/(loss) from discontinued operations	(Note 21)	2,911	27,935
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**1,907,757**	**1,204,811**
Attributable to minority interests [non-controlling interests]		**(1,854)**	**6,030**
From continuing operations		(857)	(893)
From discontinued operations		(997)	6,923
Attributable to owners of the Parent		**1,909,611**	**1,198,781**
From continuing operations		1,905,703	1,177,769
From discontinued operations		3,908	21,012

(*) Balances at 31/12/2022 are presented for comparison purposes only (see Note 2.4 – Comparison of information and changes in consolidation perimeter).

The accompanying Notes 1 to 27 and Appendices I and II are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended 31 December 2023 and 2022, in thousands of euros
CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

	31/12/2023	31/12/2022 (*)
PROFIT/(LOSS) FOR THE PERIOD	**1,907,757**	**1,204,811**
OTHER COMPREHENSIVE INCOME	**1,110,712**	**(985,577)**
Items that will not be reclassified to profit or loss	**454,235**	**(1,052,041)**
Financial assets measured at fair value with changes in Other comprehensive income – Equity instruments	486,320	(1,200,191)
Share of other recognised income and expense of investments in associates (Note 9)	16,501	35,099
Tax effect (Note 20)	(48,586)	113,051
Items that may be reclassified to profit or loss	**656,477**	**66,464**
Foreign currency translation	100,547	239,117
Translation profit/(loss) taken to equity	*100,547*	*239,117*
Transferred to profit or loss	-	-
Other reclassifications	-	-
Cash flow hedges (effective portion)	227	3,547
Translation profit/(loss) taken to equity	*3,214*	*2,200*
Transferred to profit or loss	*(2,987)*	*1,347*
Transferred to initial carrying amount of hedged items	-	-
Other reclassifications	-	-
Financial assets measured at fair value with changes in other comprehensive income – Debt instruments	1,217	(2,293)
Translation profit/(loss) taken to equity	*1,217*	*(2,293)*
Transferred to profit or loss	-	-
Other reclassifications	-	-
Share of other recognised income and expense of investments in associates (Note 9)	554,738	(176,378)
Tax effect	(252)	2,471
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,018,469**	**219,234**
Attributable to minority interests [non-controlling interests]	**(1,645)**	**6,246**
From continuing operations	(857)	(893)
From discontinued operations	(788)	7,139
Attributable to owners of the Parent	**3,020,114**	**212,988**
From continuing operations	3,015,785	194,655
From discontinued operations	4,329	18,333

(*) Balances at 31/12/2022 are presented for comparison purposes only (see Note 2.4 – Comparison of information and changes in consolidation perimeter).

The accompanying Notes 1 to 27 and Appendices I and II are an integral part of the consolidated statement of other comprehensive income for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the years ended 31 December 2023 and 2022, in thousands of euros
CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

	Equity attributable to the parent						Non-controlling interests		
	Shareholders' equity								
	Capital	Share premium	Reserves and other shareholder contributions	Profit/(loss) attributable to owners of the Parent	Less: Interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	Total
Opening balance at 01/01/2023	**1,834,166**	**1,219,519**	**16,408,267**	**1,198,781**	**-**	**(1,347,881)**	**(372)**	**130,887**	**19,443,367**
Total comprehensive income for the period	**-**	**-**	**-**	**1,909,611**	**-**	**1,110,503**	**209**	**(1,854)**	**3,018,469**
Other changes in equity	**-**	**(400,000)**	**843,899**	**(1,198,781)**	**-**	**-**	**-**	**(5,820)**	**(760,702)**
Dividends (or remuneration to shareholders) (Note 15.2)	-	(400,000)	-	-	-	-	-	-	(400,000)
Transfers among components of equity (Note 15.3)	-	-	1,198,781	(1,198,781)	-	-	-	-	-
Other increase/(decrease) in equity (Note 15.3)	-	-	(354,882)	-	-	-	-	(5,820)	(360,702)
Closing balance at 31/12/2023	**1,834,166**	**819,519**	**17,252,166**	**1,909,611**	**-**	**(237,378)**	**(163)**	**123,213**	**21,701,134**

The accompanying Notes 1 to 27 and Appendices I and II are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the years ended 31 December 2023 and 2022, in thousands of euros
CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

	Equity attributable to the parent						Non-controlling interests		
	Shareholders' equity								
	Capital	Share premium	Reserves and other shareholder contributions	Profit/(loss) attributable to owners of the Parent	Less: Interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	Total
Opening balance at 01/01/2022	**1,834,166**	**1,594,519**	**14,183,108**	**1,696,769**	**-**	**(362,088)**	**(588)**	**138,037**	**19,083,923**
Total comprehensive income for the period	**-**	**-**	**-**	**1,198,781**	**-**	**(985,793)**	**216**	**6,030**	**219,234**
Other changes in equity	**-**	**(375,000)**	**2,225,159**	**(1,696,769)**	**-**	**-**	**-**	**(13,180)**	**140,210**
Dividends (or remuneration to shareholders) (Note 15.2)	-	(375,000)	-	-	-	-	-	-	(375,000)
Transfers among components of equity (Note 15.3)	-	-	1,696,769	(1,696,769)	-	-	-	-	-
Other increase/(decrease) in equity (Note 15.3)	-	-	528,390	-	-	-	-	(13,180)	515,210
Closing balance at 31/12/2022	**1,834,166**	**1,219,519**	**16,408,267**	**1,198,781**	**-**	**(1,347,881)**	**(372)**	**130,887**	**19,443,367**

Presented for comparison purposes only (see Note 2.4 – Comparison of information and changes in consolidation perimeter).

The accompanying Notes 1 to 27 and Appendices I and II are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF CASH FLOW

for the years ended 31 December 2023 and 2022, in thousands of euros

CRITERIACAIXA AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

		31/12/2023	31/12/2022 (*)
1. Cash flows from operating activities		**(97,318)**	**130,817**
Profit/(loss) before tax		1,901,182	1,180,963
Adjustment to profit/(loss)	(Note 26)	(1,941,786)	(1,214,261)
Changes in working capital	(Note 26)	39,906	192,495
Other operating assets and liabilities		3,700	6,435
Interest paid		(136,177)	(81,518)
Interest received		14,092	3,555
Tax recovered/(paid)		21,765	43,148
2. Cash flows used in investing activities		**1,127,664**	**627,753**
Dividends received and returns on debt instruments		1,120,838	813,950
Payments (-)		(535,135)	(1,231,117)
Group companies and associates		*(2,019)*	*(3,483)*
Property, plant and equipment, investment property and other intangible assets		*(58,152)*	*(350,282)*
Financial assets – Equity instruments	*(Note 10.1)*	*(295,951)*	*(642,729)*
Financial assets – Debt instruments	*(Note 10.2)*	*(178,192)*	*(232,409)*
Loans granted		*(821)*	*(2,214)*
Other		-	-
Proceeds (+)		541,961	1,044,920
Group companies and associates		*101,153*	*3,655*
Property, plant and equipment, investment property and other intangible assets		*49,156*	*23,389*
Financial assets – Equity instruments		*225,236*	*877,607*
Financial assets – Debt instruments		*166,416*	*139,679*
Repayment of loans granted		-	*590*
3. Cash flows from financing activities		**(885,321)**	**(1,169,308)**
Dividends paid	(Note 15.2)	(400,000)	(375,000)
Loans obtained and issuance of bonds		545,000	210,000
Repayment of loans obtained and redemption of bonds		(1,030,321)	(1,004,308)
4. Cash flows from discontinued operations		**-**	**32,860**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**145,025**	**(377,878)**
Cash at beginning of period	(Note 14)	428,566	903,003
Cash transferred to/from Non-current assets held for sale	(Note 21)	-	(96,559)
Cash at end of period	(Note 14)	573,591	428,566
Cash generated (consumed) in the year		**145,025**	**(377,878)**

(*) Balances at 31/12/2022 are presented for comparison purposes only (see Note 2.4 – Comparison of information and changes in consolidation perimeter).

The accompanying Notes 1 to 27 and Appendices I and II are an integral part of the consolidated statement of cash flows for the year ended 31 December 2023.

Notes to the consolidated financial statements for the year ended 31 December 2023

CRITERIA CAIXA, S.A.U.

AND COMPANIES COMPOSING THE CRITERIACAIXA GROUP

1. Corporate information

Criteria Caixa, S.A.U. (hereinafter, "Criteria", "CriteriaCaixa", or the "Parent") and its subsidiaries comprise the CriteriaCaixa Group (hereinafter, the "Group" or the "Criteria Group").

Criteria Caixa, S.A.U., with tax number A63379135 and registered office at Plaza Weyler 3, Palma (Mallorca), was incorporated on 16 December 2003.

Pursuant to article 2 of its Articles of Association, Criteria's corporate purpose is to perform the following activities:

- the acquisition, sale and administration of transferable securities and holdings in other companies, whether or not their securities are listed on the stock exchange;
- the administration and management of companies, and administration and management of securities representing the equity of entities resident and non-resident in Spain;
- financial, tax, technical and stock exchange counselling or any other type of advisory service;
- providing consultancy, advisory and development services for industrial, commercial, urban, agricultural and any other sort of enterprise;
- The construction, refurbishment, maintenance and technical assistance, acquisition, administration, management, promotion, sale and leasing (except for financial leasing), of all manner of real estate assets, whether owned by the company itself or by third parties, and connected either with the tourism industry, such as theme and leisure parks, or with shopping centres, whether for senior citizens, private individuals or entrepreneurs/developers; and
- marketing of real estate in the broadest terms and through all marketing channels, including online channels through use and management of websites.

The Parent may also hold shares in other companies and may even be involved in their incorporation, partner with them and hold any type of interest in them.

Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona ("la Caixa" Banking Foundation, "la Caixa" Foundation, or "la Caixa") is the Sole Shareholder of the Parent and also the parent company of Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Group, which includes CriteriaCaixa.

2. Basis of presentation

2.1. Regulatory financial reporting framework

The Group's consolidated financial statements were authorised for issue by the directors of the Parent in accordance with the regulatory financial reporting framework applicable to the Group and established in:

a) the International Financial Reporting Standards ("IFRS") as adopted by the European Union through EU regulations, in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 and subsequent amendments;

b) the Spanish Commercial Code and all other Spanish corporate law; and

c) other applicable Spanish accounting regulations.

2.2. Fair presentation

The consolidated financial statements were prepared from the accounting records of the Parent and the other companies that make up the Group and are presented in accordance with the regulatory framework for financial reporting applicable to them and, in particular, with the accounting principles and rules contained therein and, accordingly, present a true and fair view of the Group's consolidated equity and financial situation at 31 December 2023 and of the Group's results, changes in equity and cash flows during the year 2023. The accompanying consolidated financial statements include certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of the Group.

Criteria's separate financial statements and the Criteria Group's consolidated financial statements for 2023 were authorised for issue by the Board of Directors at a meeting held on 7 March 2024. They have yet to be approved by the Sole Shareholder. However, the Board of Directors expects they will be approved without any changes. Criteria's separate financial statements and the Criteria Group's consolidated financial statements for 2022 were approved by the Sole Shareholder at the meeting held by "la Caixa" Banking Foundation's Board of Trustees on 27 April 2023 and are filed at the Companies Registry of Palma, Mallorca.

Note 3 to these consolidated financial statements describes the accounting criteria and measurement bases used. All mandatory accounting principles and measurement bases with a significant effect on the consolidated financial statements were applied.

Figures are presented in thousands of euros unless the use of another monetary unit is stated explicitly. Certain financial information contained in these notes to the consolidated financial statements was rounded off and, consequently, the figures shown herein as totals may differ slightly from the arithmetic sum of the individual figures given before them.

In addition, in deciding which information to disclose in these consolidated annual financial statements, materiality was assessed in relation to the annual financial data.

Standards and interpretations issued by the International Accounting Standard Board (IASB) that became effective in 2023

The most significant standards to have taken effect in 2023 are as follows:

Standards and interpretations	Title	Mandatory application for annual periods beginning on or after:
Approved for use in the EU		
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1	Breakdown of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IFRS 17	Insurance contracts — Initial Application of IFRS 17 and IFRS 9 — Comparative Information	1 January 2023
Amendments to IAS 12	Tax Reform — Pillar 2 Model Rules	1 January 2023

None of the aforementioned amendments that came into force in 2023 have had a significant impact on the Group, except for the impact of IFRS 17 and IFRS 9 on the associate CaixaBank in relation to its assets and liabilities assigned to the insurance business (see Note 9).

IFRS 17: Insurance Contracts

IFRS 17 was published in May 2017, replacing IFRS 4. It sets out the principles for recognising, measuring, presenting and disclosing insurance contracts so that the entity provides relevant and reliable information enabling users of the information to determine the effect the contracts have on the financial statements.

Amendments to IAS 1: Presentation of Financial Statements and to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

These amendments help entities improve disclosures about accounting policies with the aim of providing more useful information to investors and users of financial statements and to differentiate between changes in accounting estimates and changes in accounting policies.

Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

This amendment clarifies how entities should record deferred tax arising on transactions such as leases and decommissioning obligations. Specifically, it involves the non-application of the IAS 12 exemption on initial recognition of an asset or liability when the same transaction gives rise to equal amounts of taxable and deductible temporary differences.

Amendments to IFRS 17: Insurance Contracts: Initial Application of IFRS 17 and IFRS 9: Comparative Information

An amendment is proposed to the transition requirements set out in IFRS 17 for entities applying IFRS 17 and IFRS 9 for the first time at the same time.

Amendments to IAS 12: Tax Reform — Pillar Two Model Rules

This amendment introduces a mandatory temporary exemption to the recognition of deferred taxes related to the new Pillar Two international tax model, which was created to address the tax challenges arising from the digitalisation of the global economy. Entities should disclose in their financial statements whether they have applied the temporary exemption and their current tax expenditure in relation to the Pillar Two top-up tax.

Standards and interpretations issued by the IASB but not yet effective

At the date of authorisation for issue of the accompanying consolidated financial statements, following are the most significant standards and interpretations issued by the IASB but not mandatory in the preparation of 2023 consolidated financial statements, either because their effective date is subsequent to the date of the consolidated financial statements or because they have not yet been endorsed by the European Union.

Standards and interpretations	**Title**	**Mandatory application for annual periods beginning on or after:**
Approved for use in the EU		
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Not approved for use in the EU		
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability	1 January 2025

Approved for use in the EU

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

This amendment requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

This amendment makes the following clarifications regarding the classification of liabilities as current or non-current: i) the conditions existing at the end of the reporting period are those that will be used to determine whether a liability settlement can be deferred; (ii) management's expectations regarding events after the reporting period are not relevant; and (iii) the amendment clarifies situations that qualify as liability settlements.

Not approved for use in the EU

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

This amendment requires new disclosures of information in order to increase transparency on the nature of financing arrangements with suppliers. Qualitative and quantitative information should be provided to enable users of financial statements to evaluate the effects of these arrangements on their liabilities and cash flows and on their exposure to liquidity risk.

Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability

The amendments provide further clarification regarding: i) when a currency is exchangeable for another currency; ii) how a firm should determine the exchange rate to apply when a currency is not exchangeable; and iii) new disclosure requirements.

2.3. Responsibility for the information and for the estimates made

In preparing the accompanying consolidated financial statements, estimates were used on the basis of historical experience and on various other factors considered reasonable in accordance with prevailing circumstances. These have been used as the basis for determining the carrying amount of certain assets, liabilities, income, expenses and commitments whose value is not readily determinable through other sources.

The Group continuously reviews its estimates. These estimates have been made on the basis of the information available at the date of authorisation for issue of these consolidated financial statements. However, these estimates may be amended in the future if and when more reliable, up-to-date and specific information becomes available. Any such changes would be made prospectively.

The Group's main estimations are as follows:

- The useful life of and determination of impairment losses on right-of-use assets, intangible assets (goodwill and other intangible assets), property, plant and equipment and investment property (see Notes 3.2, 3.3, 3.4 and 3.5).
- Determination of impairment losses on inventories (see Note 3.8).
- Determination of recoverable amount and gains/(losses) on investments accounted for using the equity method (see Notes 3.1 and 9).
- Determination of impairment losses on certain financial assets (see Notes 10 and 11).
- Determination of the fair value of certain financial assets and liabilities (see Notes 3.6.3, 10, 11 and 18).
- The measurement of the provisions required to cover labour, legal, tax and other contingent liabilities (see Notes 3.13 and 17).
- The measurement of the provisions required to cover provisions for replacement and fees (see Note 3.3).
- The income tax expense based on the tax rate expected for the full year and the capitalisation and assessed recoverability of tax assets (see Notes 3.11 and 20).
- Estimating the fair value less costs to sell of non-current assets held for sale (see Notes 3.9 and 21).

2.4. Comparison of information and changes in perimeter

The 2022 figures in the accompanying 2023 consolidated financial statements are given for comparison purposes only.

2.5. Seasonality of operations

The cyclical or seasonal nature of the operations of the companies composing the Criteria Group is not significant. Specific disclosures are therefore not included in these notes to the consolidated financial statements for 2023.

Nevertheless, pursuant to the interpretation of IFRIC 21, certain taxes and levies are expensed when the payment obligation arises, as per prevailing regulations. The Group recognises property tax on 1 January of each year. The expense in the consolidated statement of profit or loss for the year ended 31 December 2023 was EUR 8,426 thousand (EUR 8,460 thousand at 31 December 2022). Of this amount, EUR 5,462 thousand is recognised under *Other operating expenses* and EUR 2,964 thousand under *Profit/(loss) from discontinued operations* (EUR 5,575 thousand and EUR 2,885 thousand, respectively, in the previous year).

2.6. Changes in accounting policies

In 2023, there were no changes in accounting criteria with respect to the significant criteria applied when drawing up the information for 2022. The only changes made were the new standards and interpretations issued by the *International Accounting Standards Board* (IASB), which came into force in 2023 and had no significant impact on the Group beyond those explained in Note 2.2.

2.7. Events after the reporting period

On 18 January 2024, the Constitutional Court issued a ruling annulling certain tax measures of Royal Decree-Law 3/2016 and limiting its effects to the past. The parent company of the tax group to which Criteria belongs has made an initial assessment of the ruling, both for previous years and in 2023. As a result, no significant impacts are expected for Criteria.

3. Accounting policies and measurement bases

The main accounting policies and principles and measurement bases used in preparing the Group's consolidated financial statements for 2023, in accordance with International Financial Reporting Standards adopted by the European Union, were as follows:

3.1. Basis of consolidation

In addition to data relating to the parent, the consolidated financial statements also contain information on subsidiaries, associates and joint ventures. The procedure for including the assets and liabilities of these companies was based on the type of control or influence exercised over them, the detail being as follows:

Subsidiaries

The Group considers subsidiaries to be companies over which it has the power to exercise control. Control is evidenced when the Company has:

- power to steer the relevant activities of the investee, meaning authority to significantly influence its performance, whether by virtue of legal provisions, the articles of association or by agreement;
- the present (practical) ability to exercise the rights to exert power over the investee to affect its returns; and
- exposure, or rights, to variable returns from its involvement with the investee.

In general, voting rights give the ability to direct the relevant activities of an investee. To calculate voting rights, all direct and indirect voting rights, as well as potential voting rights (e.g. call options on equity instruments of the investee) are considered.

In some circumstances, a company may have power to direct the activities without holding a majority of the voting rights.

In these cases, the investor considers whether it has the practical ability to direct the relevant activities unilaterally. Relevant activities include establishing financial and operating decisions, or appointing and remunerating governing bodies, among others.

The information for subsidiaries is consolidated, without exception, on the grounds of their activity, with those of Criteria using the full consolidation method, which consists of aggregating the assets, equity and liabilities, income and expenses of a similar nature, included in their separate financial statements (see *Business combinations* below for more details on the accounting method used for the associated goodwill). The carrying amount of direct and indirect investments in the share capital of the subsidiaries is then eliminated in proportion to the percentage of ownership in the subsidiaries held by virtue of these investments. Lastly, all other balances and transactions between consolidated companies are eliminated on consolidation.

The share of third parties in the equity and profit and loss of the Criteria Group is shown under *Non-controlling interests* in the consolidated balance sheet and under *Profit/(loss) attributable to non-controlling interests* in the consolidated statement of profit or loss.

The results of subsidiaries acquired during the year are consolidated from the date of acquisition. Similarly, the results of subsidiaries that are no longer classified as subsidiaries in the year are consolidated at the amount generated from the beginning of the year up to the date on which control is lost.

According to IFRS 10 'Consolidated financial statements', on loss of control of a subsidiary, the assets, liabilities, non-controlling interests and other items recognised in valuation adjustments are derecognised from the consolidated balance sheet, and the fair value of the consideration received and any retained investment recognised. The difference is recognised in the consolidated statement of profit or loss.

In addition, when there is a loss of control over a subsidiary, any investment held in the former subsidiary is recognised at fair value at the time of the loss of control. Subsequently, that investment and any amounts due to or from that subsidiary will be reported in accordance with relevant IFRSs. The remeasured fair value is regarded as the fair value on initial recognition of a financial asset in accordance with IFRS 9 'Financial instruments' or the cost on initial recognition of an investment in an associate or joint venture, if applicable.

Acquisitions and disposals of investments in subsidiaries without a change of control are accounted for as equity transactions, with no gain or loss recognised in the consolidated statement of profit or loss. The difference between the consideration paid or received and the decrease or increase in the amount of non-controlling interests, respectively, is recognised in reserves.

Relevant information on these entities is disclosed in Appendix I to these notes to the consolidated financial statements. The above information is based on the most recent actual or estimated data available at the time of preparation of these notes to the consolidated financial statements.

Associates

Associates are companies over which the Group exercises significant direct or indirect influence, but which are not subsidiaries or joint ventures. In the majority of cases, significant influence is understood to exist when the company holds 20% or more of the voting rights of the investee. If it holds less than 20%, significant influence is evidenced by the circumstances indicated in IAS 28 'Investments in Associates and Joint Ventures'. The existence of significant influence is usually evidenced by representation on the board of directors, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel or the provision of essential technical information.

Exceptionally, investees in which more than 20% of the voting rights is held, but it can clearly be demonstrated that significant influence does not exist, and therefore it effectively does not have the power to govern the entity's financial and operating policies, are not considered associates.

The most representative investments in which the Group has significant influence with a stake of less than 20% are as follows:

- Bank of East Asia (BEA): the "la Caixa" Group began its relationship with this investee in 2007, and it was reclassified as an associate in 2009. Criteria and BEA have entered into a strategic investment and collaboration agreement. An individual representing Criteria sits on BEA's Board of Directors and on its Appointments Committee. Collaboration agreements have also been arranged between the BEA foundation and "la Caixa" Banking Foundation. CaixaBank, a Criteria Group associate, is a BEA banking partner in carrying out commercial activities. At 31 December 2023, Criteria held a stake of 19.19% in BEA (see Note 9).

- Grupo Financiero Inbursa (GFI): the "la Caixa" Group began its relationship with this investee in 2008, with an initial stake of 20%. GFI Inbursa has been classified as an associate since that time. Criteria has a shareholders' agreement in effect with GFI's controlling shareholders. Meanwhile, GFI's board of directors has two members related to Criteria, one of whom also sits on its Corporate Practices Committee, Management Committee and Credit and Risks Committee. In addition, both are invited (with the right to speak but not to vote) to attend meetings of the Audit Committee. It is worth noting that CaixaBank acts as banking partner of GFI in carrying out its commercial activities. At 31 December 2023, Criteria's stake in GFI stood at 9.10%, making it the second majority shareholder (see Note 9).

In the consolidated financial statements, investments in associates are accounted for using the "equity method", i.e. in proportion to the Group's share of the assets of the investee, after adjusting for dividends received and other equity eliminations. However, stakes held directly or indirectly by a private equity or venture capital institution are an exception to this general criterion. In this case, and by virtue of the exception permitted under IAS 28 'Investments in associates and joint ventures', the Group analyses each case to decide whether the investment should be measured at fair value through profit or loss in accordance with IFRS 9 'Financial instruments', or otherwise using the equity method.

The profits and losses arising from transactions with an associate are eliminated to the extent of the Group's interest in the share capital of the associate. The Group's share of the profit or loss of associates, according to its economic stake, is recognised in the consolidated statement of profit or loss.

The amortisation of intangible assets with a finite useful life identified as a result of a Purchase Price Allocation (PPA) is recognised with a charge to *Share of profit/(loss) of entities accounted for using the equity method* in the consolidated statement of profit or loss.

The Group has not used the financial statements of companies accounted for using the equity method that refer to a different date than that of the Group's Parent.

Relevant information on these companies is disclosed in Appendix II and, where appropriate, in Note 9 to these consolidated financial statements. For listed companies, the latest public figures are shown. Otherwise, the information relates to the latest actual or estimated data available at the date of authorisation for issue of these notes to the consolidated financial statements.

Impairment of investments in companies accounted for using the equity method

Impairment of investments accounted for using the equity method is determined by comparing their recoverable amount (the higher of value in use and fair value less costs to sell) with their carrying amount provided that there is evidence that the investment may have become impaired.

The Group has a methodology in place for performing a semi-annual assessment of potential indications of impairment in the carrying amount of these stakes. Specifically, it assesses investees' business performance and, where applicable, the companies' share prices throughout the period and the target prices published by renowned independent analysts. The Group uses the data to determine the recoverable value of the investment and, if this exceeds the investee's carrying amount, it considers that there are no indications of impairment.

The Criteria Group also conducts an analysis at least once a year to assess the recoverable amount of its stakes and verify the valuation adjustments recognised. Generally accepted valuation methods are employed, such as discounted cash flow (DCF) and dividend discount models (DDM).

The main assumptions used to estimate the recoverable value of companies accounted for using the equity method are described in Note 9.

Impairment losses on this type of asset may be reversed if there have been changes in the estimates used to determine the recoverable amount. Both the allowance and the reversal of an impairment loss are recognised under the heading *Impairment of stakes in associates and joint ventures* in the consolidated statement of profit or loss. In this respect, an impairment loss is reversed only to the extent that the carrying amount of the asset after the reversal does not exceed the amount which would appear in the accounting records if the aforementioned impairment loss had not been previously recognised.

Business combinations

Accounting standards define business combinations as the combination of two or more entities within a single entity or group of entities. "Acquirer" is defined as the entity which, at the date of acquisition, obtains control of another entity.

For business combinations in which the Group obtains control, the cost of the combination is calculated. Generally, it will be the fair value of the consideration transferred. This consideration includes the assets transferred by the acquirer, the liabilities assumed by the acquirer to former owners of the acquiree and the equity instruments issued by the acquirer.

In addition, the acquirer recognises, at the acquisition date, any difference between:

i) the aggregate of the fair value of the consideration transferred, of the non-controlling interests and the previously held stakes in the company or business acquired, and

ii) the net amount of the identifiable assets acquired and liabilities assumed, measured at their fair value.

Any positive difference between i) and ii) is recognised under *Intangible assets – Goodwill* in the consolidated balance sheet, provided it is not attributable to specific assets or identifiable intangible assets of the company or business acquired. Any negative difference is recognised under *Negative goodwill recognised in profit or loss* in the consolidated statement of profit or loss.

An increase or a decrease in an investment in a subsidiary that does not give rise to a change of control is treated as an equity transaction. Therefore, the goodwill paid would be recognised directly in the Group's equity, with no effect on goodwill or on the consolidated statement of profit or loss.

At the end of each reporting period or whenever there are indications of impairment, an estimate is made of any impairment that may bring the recoverable value of the goodwill to below its net carrying amount. Where impairment exists, the goodwill is written down with a balancing entry in *Impairment and gains/(losses) on disposal of non-current assets* in the consolidated statement of profit or loss. Impairment losses recognised for goodwill are not reversed in a subsequent period.

Goodwill relating to associates accounted for using the equity method is presented under *Investments accounted for using the equity method* in the consolidated balance sheet, together with the amount the investment represents of the entity's capital.

3.2. Right-of-use assets

The Criteria Group applies the exemption provided in IFRS 16 "Leases" for current leases (defined as leases with a term of 12 months or less) and low-value asset leases (less than USD 5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which the economic rewards of the leased asset will be diminished.

3.3. Intangible assets

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses.

At 31 December 2023 and 2022, the administrative concessions of the car park management business run by the Saba Infraestructuras group were recognised under *Non-current assets held for sale*, as that business was classified as a discontinued operation in the first half of 2022.

In general, administrative concessions are recognised as assets at the amounts paid to obtain the concession.

Accounting for public and private concession of services is regulated by IFRIC 12, in effect since 1 January 2010, when:

- the grantor controls or regulates the services for which the concessionaire is to provide the infrastructure, to whom the services are to be provided and at what price, and

- the grantor controls any significant residual interest in the infrastructure at the end of the term of the agreement.

In such concession agreements, the concessionaire acts as a provider of services – specifically, of infrastructure improvement or construction services and of operation and maintenance services during the term of the agreement. The consideration charged for these services is recognised according to the type of contractual right received:

- Under the intangible asset model, the right is received to charge users a price for use of the public service and this price is not unconditional, but depends on the users actually using the service. The corresponding intangible asset is recognised under *Intangible assets – Administrative concessions* of the consolidated balance sheet, as prescribed by the intangible asset model, in which demand risk is assumed by the concessionaire.

- Under the financial asset model, the operator receives an unconditional contractual right to receive cash or another financial asset from (or on behalf of) the awarding entity. This means that the awarding entity guarantees payment to the operator of a fixed or determinable amount, or of any shortfall. In this case, the operator does not bear any demand risk as it receives payment even if the infrastructure is not used. The corresponding financial asset is recognised under the financial asset model.

- Where a combination of both models exists, the split or mixed model is applied for each component of the contract.

Likewise, after applying IFRIC 12, future actions are determined that must be taken by the Group's concessionaires in order to maintain and restore infrastructure. The corresponding provisions are therefore recognised in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", on the basis of the best estimates of the disbursement required to carry out the aforesaid actions at the consolidated balance sheet date.

At 31 December 2023 and 2022, provisions subject to the IFRIC 12 framework were recorded under the heading *Liabilities related to non-current assets held for sale*, due to the classification of the car park management business run by Saba Infraestructuras as a discontinued operation during the first half of 2022.

The average amortisation period for the intangible assets presented in the consolidated balance sheet is as follows:

Asset class	Estimated average useful life (years)
Administrative concessions	Based on the average useful life of the concession (average of 18 years)
Computer software	3–5
Other intangible assets	3–10

The policies for recognising impairment losses on these assets and for reversing impairment losses recognised in prior years are similar to those for tangible assets.

In the specific case of service concession arrangements, they are mostly allocated to the car park management cash-generating unit (CGU). This CGU undergoes an annual impairment test. If there is evidence, the recoverable amount is estimated. The methodology used for this purpose is the discounted cash flows expected by the Group in the concession periods (see Note 21).

3.4. Property, plant and equipment

Property, plant and equipment is generally stated according to the cost model, i.e. at cost less accumulated depreciation and any impairment losses determined by comparing the carrying amount of each item with its recoverable amount.

Depreciation is calculated using the straight-line method, on the basis of the acquisition cost of the assets less their residual value, based on estimated useful life. Land is not depreciated, since it is considered to have an indefinite useful life. The annual allowance for the depreciation of property, plant and equipment is recognised under *Depreciation and amortisation* in the consolidated statement of profit or loss and is based on the years of estimated useful life of the various assets, as follows:

Asset class	Estimated useful life (years)
Buildings	20–50
Plant and machinery	4–10
Furniture and other fixtures	3–10
Electronic equipment	3–10
Other	4–10

At the end of each reporting period, the Criteria Group assesses tangible assets for any indications that their net carrying amount exceeds their recoverable amount, understood as fair value less costs to sell and value in use.

Any impairment loss determined is recognised with a charge to *Impairment and gains/(losses) on disposal of non-current assets* in the consolidated statement of profit or loss and a reduction in the carrying amount of the asset to its recoverable amount.

Similarly, when there are indications of a recovery in the value of the assets, a reversal of the impairment loss recorded in prior periods is recognised. Under no circumstances may the reversal of an impairment loss on an asset raise its carrying amount to above the value it would have been given had no impairment losses been recognised in prior years.

Likewise, the estimated useful lives of tangible assets are reviewed each year or whenever indications are noted which make it advisable to do so and, where appropriate, the depreciation charges are adjusted accordingly under the same heading of the consolidated statement of profit or loss for future years.

3.5. Investment property

Investment property is measured according to the cost model, i.e. at cost less any accumulated depreciation and impairment losses.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are recognised as additions to the cost of the related assets, whereas upkeep and maintenance expenses are charged to *Other operating expenses* in the consolidated statement of profit or loss for the period in which they are incurred.

In relation to projects in progress, only the costs of construction and financial expenses are capitalised, provided that they had been incurred before the assets became ready for their intended use and the duration of the construction work exceeded one year.

The Group did not capitalise any financial expenses in 2023 or 2022.

The Group depreciates its investment property on a straight-line basis at annual rates, net of impairment, based on the following years of estimated useful life:

	Estimated useful life (years)
Buildings	50
Facilities and furniture	8–12

The Group regularly checks that there are no indications of impairment of its investment property that might change its recoverable amount. Likewise, at year-end the Group compares the carrying amount of the various items of its investment property with their recoverable amount, which is the higher of value in use and fair value less costs to sell. The Group determines fair value on the basis of valuations made by independent experts. These valuations are no more than two years old and may undergo subsequent adjustments in accordance with an internal valuation model.

Criteria has a corporate policy that guarantees the professional competence, independence and objectivity of external valuation agencies, pursuant to which these agencies must comply with neutrality and credibility requirements so that use of their estimates does not undermine the reliability of their valuations.

The Group conducts detailed studies of the segmentation of its real estate assets, drawing up an individual action plan for each property segment. For the rental segment, the Company relies on the valuation obtained by the independent expert, while for other rental products the internal valuation model adjusts the valuations accordingly, based largely on the difference between the actual sale price and the valuation obtained by the independent expert for those real estate assets from the same segment sold by the Group in the last 24 months on a like-for-like period basis, as well as other aspects such as marketing costs or the future rental performance of certain assets.

These internal valuation models were reviewed at 31 December 2023 to incorporate the information currently available. For properties for which no up-to-date appraisal is available in the current year because they are valued every two years, it has been verified that, from the results obtained by the rest of the real estate portfolio, updating the valuations would not give rise to any significant difference in the overall value of the portfolio.

When the adjusted valuation is less than the net carrying amount of the asset concerned, the Group recognises the appropriate impairment loss with a charge to the consolidated statement of profit or loss for the year.

Furthermore, when there are indications of a recovery in the value of the assets, a reversal of the impairment loss recorded in prior periods is recognised by crediting the consolidated statement of profit or loss. Under no circumstances may the reversal of an impairment loss on an asset raise its carrying amount to above the value it would have been given had no impairment losses been recognised in prior years.

3.6. Financial instruments (excluding *Cash and cash equivalents* and *Derivative financial instruments*)

Financial instruments are recognised initially in the consolidated balance sheet when the Group becomes a party or legal to the contract or legal transaction in accordance with the provisions thereof. Financial assets and liabilities are recognised from the date on which the legal right to receive or a legal obligation to pay cash arises.

3.6.1. Classification and measurement of financial assets and liabilities

Financial assets

Financial assets are included for measurement purposes under one of the following categories: (i) those measured at amortised cost; (ii) those measured at fair value with changes recognised in other comprehensive income (equity); and (iii) those measured at fair value with changes recognised in profit or loss.

The classification in these categories will depend on the following two factors:

- The Group’s business model for the management of financial assets, and
- The contractual flows of the financial assets.

Initial recognition

All financial instruments are initially recognised at their fair value. For financial instruments measured at fair value with changes in consolidated profit or loss, transaction costs directly attributable to their acquisition or issue are recognised immediately in the consolidated statement of profit or loss. For other financial instruments, the fair value amount is adjusted by adding or deducting these transaction costs.

Subsequent recognition

After its initial recognition, the Group measures a financial asset according to the category it has been included in after classification.

Financial assets measured at amortised cost

This heading in the consolidated balance sheet includes the following types of assets: firstly, financial assets that are held under a business model, the purpose of which is to obtain contractual cash flows, and secondly, where the contractual arrangements for these financial assets give rise to cash flows that are solely principal and interest payments on the principal amount pending.

Accrued interest (using the effective interest rate method), impairment losses and any other changes in value, such as exchange differences, are recognised in the consolidated statement of profit or loss.

Financial assets at fair value through other comprehensive income (changes in valuation adjustments)

This heading in the consolidated balance sheet includes the following types of assets: firstly, financial assets that are held under a business model, the purpose of which is achieved by obtaining contractual cash flows and selling financial assets, and secondly, if the contractual arrangements for these financial assets give rise to cash flows on specified dates that are solely principal and interest payments on the principal amount pending. This means that the financial assets are measured at fair value with changes in other comprehensive income if the purpose of the business model is to collect the cash flows or to sell the financial asset.

In this case, the interest accrued (using the effective interest rate method) and, when applicable, the dividends and exchange differences (for monetary assets) are recognised in the consolidated statement of profit or loss. For non-monetary assets, exchange differences are recognised under other comprehensive income. For debt instruments, impairment losses or gains on their subsequent reversal are recognised in the consolidated statement of profit or loss. All other changes in value are recognised in other comprehensive income.

When an asset that is measured at fair value with changes in other comprehensive income is derecognised from the balance sheet, the accumulated loss or gain in equity is restated in consolidated profit or loss for the period. However, there is an exception when an equity instrument measured at fair value with changes in other comprehensive income is derecognised from the consolidated balance sheet (if this the Group's irrevocable decision, see next section). In this case, the amount of the loss or gain recognised in accumulated other comprehensive income is not restated to consolidated profit or loss, but to reserves.

Financial assets measured at fair value with changes in profit or loss

All other financial assets, including embedded derivatives, must be fully measured at fair value with changes in consolidated profit or loss, to the extent that the contractual flows under the instrument do not meet the SPPI test (Solely Payments of Principal and Interest on the amount outstanding). This means that any change in value is recognised in full in profit or loss for the period, distinguishing, for non-derivative instruments, for the portion attributable to income accrued on the instrument, which is recognised as interest or dividends accordingly to its nature, and the remainder, which is recognised as gains/(losses) on financial assets and liabilities.

Investments in equity instruments are an exception to the general valuation criteria described above. If the purpose on initial recognition is to hold specific equity instruments for trading, which would otherwise be measured at fair value with changes in profit or loss, the Group may make an irrevocable decision to present subsequent changes in fair value in other comprehensive income. The amounts recognised in other comprehensive income are not subject to restatement to profit or loss, but are restated to reserves when they are derecognised from the consolidated balance sheet, while dividends are recognised in the consolidated statement of profit or loss. Therefore, no impairment losses are recognised in profit or loss, and gains or losses will not be reclassified to the consolidated statement of profit or loss at the time of sale.

For each individual instrument, the Group assesses whether or not to exercise its irrevocable option of including the instruments in the portfolio of financial assets measured at fair value with changes in other comprehensive income.

Financial liabilities

Financial liabilities include accounts payable by the Group that have arisen from the purchase of goods or services in the normal course of its business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

The financial liabilities included in this category (including interest-bearing loans and borrowings and bonds issued) are initially measured at fair value adjusted by the amount of the transaction costs directly attributable to the issue or contracting of the financial liability, which will be assigned to the statement of profit or loss through applying the effective interest method until maturity. These liabilities are subsequently measured at amortised cost.

The accrued interest on financial liabilities measured at amortised cost is recognised under *Financial expenses* in the consolidated statement of profit or loss.

Financial liabilities at amortised cost under leases

The Group recognises the present value of the lease payments under *Non-current financial liabilities* and *Current financial liabilities on the accompanying consolidated balance sheet.* For the discounting of lease payments, an effective interest rate corresponding to the lessee's incremental borrowing rate at the time the liability is recognised has been applied. Accrued interest (following the effective interest rate method) is recognised in the consolidated statement of profit or loss, under the heading *Financial expenses*.

3.6.2. Fair value of financial instruments

Upon initial recognition in the consolidated balance sheet, all financial instruments are recognised at fair value, which, unless there is evidence to the contrary, is the transaction price. Thereafter, at a specified date, the fair value of a financial instrument is the amount for which it could be delivered, if an asset, or settled, if a liability, in a transaction carried out between knowledgeable, willing parties on an arm's-length basis. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it on an organised, transparent and deep market ("quoted price" or "market price").

If there is no market price for a given financial instrument, its fair value is estimated on the basis of the price established in recent transactions involving similar instruments and, in the absence of this information, of valuation techniques commonly used by the international financial community, taking into account the specific features of the instrument to be measured and, particularly, the various types of risk associated with it.

For financial reporting purposes, fair value measurements are classified as Level 1, 2 or 3 depending on the extent to which the inputs used are observable and their importance when measuring fair value overall, as described below:

- **Level 1**. The estimate of fair value of financial instruments included in Level 1 use as observable inputs quoted prices in active markets captured from independent sources. In 2023 and 2022, listed equity instruments (recognised under *Financial assets measured at fair value with changes in other comprehensive income*) and listed debt instruments (recognised under *Financial assets measured at fair value with changes in other comprehensive income*) were all measured according to the criteria described above. The bonds issued by the Criteria Group were also measured in accordance with the same criteria in both 2023 and 2022.

- **Level 2**. Using valuation techniques in which the assumptions correspond to market data that is observable, directly or indirectly, or listed prices for similar assets in active markets. The fair value of the instruments that the entity classifies as Level 2, for which there is no market price, is estimated on the basis of the listed prices of similar instruments and valuation techniques commonly used by the international financial community, taking into account the specific features of the instrument to be measured and, particularly, the various types of risk associated with it. The fair value of interest rate swaps is determined using methods such as net present value (NPV), where each flow is estimated and discounted bearing in mind the market to which it belongs, the index to which it refers and the credit risk the market assigns to Criteria; or option pricing models based on observable market data (e.g. Black'76 for caps, floors and swaptions, and Black-Scholes for exchange rates and equity options). Almost all financial instruments recognised as trading derivatives and hedging derivatives are measured according to the criteria shown for Level 2. Additionally, non-listed debt instruments (recognised under *Financial assets at amortised cost*) are also included in this valuation group.

- **Level 3**. Using valuation techniques in which some of the main assumptions are not supported by observable market data. For non-listed equity instruments measured at fair value, loans and receivables at amortised cost and also financial liabilities at amortised cost, which the entity classifies in Level 3, for which there is no market price, valuation techniques are used in which some of the key assumptions are not supported by observable market data. To do this, the Group estimates their fair value based on discounted cash flows, with this process including an estimation of interest rate, credit and liquidity risks. With regard to *Interest-bearing loans and borrowings (current and non-current)*, since the majority of the bilateral loans are referenced to floating interest rates, the Group believes that their fair value does not differ significantly from their carrying amount.

The fair values of the Criteria Group's financial instruments at 31 December 2023 and 2022 are provided in Notes 10 and 18.

3.6.3. Impairment of financial assets

As a minimum at the close of each year, the Group reviews the need to make impairment allowances for assets recognised at amortised cost and for fixed income securities recognised as financial assets measured at fair value with changes in other comprehensive income. Value adjustments caused by impairment are recognised in the consolidated statement of profit or loss for the period in which the impairment becomes apparent, and in the event that it occurs, the reversal of any previously recognised impairment loss is recognised in the consolidated statement of profit or loss for the period in which the impairment is reduced or ceases to exist.

As a general rule, the impairment of financial assets is based on the expected loss model, which requires recording at the initial date of recognition of financial assets, the expected loss from a default event occurring in the subsequent 12 months or the life of the contract, according to the extent of the credit risk to which the financial asset is exposed since initial recognition in the consolidated balance sheet or the application of the "simplified models" that can be applied under the standard for certain financial assets.

Specifically, the general expected loss model has three separate stages. Measurement of expected loss depends on whether there has been a significant increase in credit risk since initial recognition, whereby: (i) 12-month expected credit loss (Stage 1) applies to all assets (from initial recognition) as long as there is no significant increase in credit risk; (ii) life-time expected loss (Stages 2 and 3) applies when a significant increase in credit risk has occurred on an individual or collective basis. For impaired financial assets in Stage 3, interest revenue is calculated on net carrying amount.

For financial instruments subject to the calculation of expected loss, the Group mostly applies the general approach, with the exception of balances held as trade receivables. Instruments subject to the general model are in Stage 1, and the probability of expected loss in the 12-month period is calculated on an individual basis, obtaining a probability of default and a recovery percentage for each instrument.

The Group uses a simplified approach for recognising balances held in trade receivables, which are not significant on the consolidated balance sheet. In this way, the expected loss is calculated generically for all trade receivables, based on historic internal Group data, mainly default rates.

3.6.4. Derecognition of financial instruments

The Group derecognises the financial assets when they expire or the rights on the cash flow from the corresponding financial asset are assigned and the risks and rewards inherent to ownership have been substantially transferred.

Conversely, the Group does not derecognise the financial assets and recognises a financial liability for the same amount of the consideration received in financial asset assignments in which the risks and rewards inherent to ownership are substantially retained.

Financial liabilities are likewise derecognised from the consolidated balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

3.7. Derivatives and hedges

The Group uses financial derivative instruments as a financial risk management tool. These transactions are considered hedges when the changes in the fair value or cash flows of the hedging instrument offset the changes in the fair value or cash flows of the hedged item. When this relationship is not offset, the hedge becomes ineffective.

When the Group designates a transaction as a hedge, this is done at inception of the transaction or of the instruments included in the hedge and the hedge relationship is documented. This documentation includes the identification of the hedging instrument and the hedged item, the nature of the risk to be covered and the manner in which the Group assesses whether the hedge relationship meets the effectiveness requirements (in addition to an analysis of the causes of ineffectiveness in the hedge and the method used to establish the coverage ratio). Once the hedge relationship has been established, the Group analyses the effectiveness of hedge on an ongoing basis.

In accordance with prevailing regulations, for hedge effectiveness requirements to be verified:

i) there must be an economic relationship between the hedged item and the coverage instrument;

ii) the credit counterparty risk of the hedged item or the coverage instrument must not exercise a dominant effect on any changes in value caused by this economic relationship, and

iii) the coverage ratio of the accounting hedge relationship must be the same as the coverage ratio used for management purposes.

Hedging transactions fall into two categories:

- Fair value hedges, which hedge the exposure to changes in fair value of financial assets and liabilities or unrecognised firm commitments, or an identified portion of such assets, liabilities or firm commitments, that is attributable to a particular risk and could affect consolidated profit or loss. Under IFRS 9, it is possible to designate a fair value hedge of an equity asset designated at fair value through other comprehensive income in which the hedged risk does not affect the consolidated statement of profit or loss.

- Cash flow hedges, which hedge exposure to variability in cash flows that is attributable to a particular risk associated with a recognised financial asset or liability or with a highly probable forecast transaction and could affect consolidated profit or loss.

In the specific case of financial instruments designated as hedged items or qualifying for hedge accounting, gains and losses are recognised as follows:

- In fair value hedges, the gains or losses on the hedging instrument or on the hedged item for the portion attributable to the hedged risk are recognised directly in the consolidated statement of profit or loss.

- In cash flow hedges, the gains or losses arising on the portion of the hedging instruments qualifying as an effective hedge are recognised temporarily in equity under *Items that may be reclassified to profit or loss*, and are not recognised in the consolidated statement of profit or loss until the gains or losses on the hedged item are recognised in the consolidated statement of profit or loss or until the date of maturity of the hedged item in certain situations in which hedge accounting is discontinued. The gains or losses on the derivative are recognised under the same heading of the consolidated statement of profit or loss as gains or losses on the hedged item. The ineffective portion of the gains or losses of the hedging instrument are recognised directly under *Net financial income/(expense) – impairment and gains/(losses) on disposal of financial instruments* in the consolidated statement of profit or loss.

The discontinuation of hedge accounting may affect:

i) a hedging relationship in its entirety; or

ii) part of a hedging relationship (in this case, the remainder of the hedging relationship continues as normal).

The Group will discontinue a hedging relationship in full when the instrument expires or is sold, when the hedging relationship ceases to meet the qualifying criteria, i.e. the economic relationship between the hedged item and the hedging instrument ceases to exist, or credit risk has a dominant effect on changes in value resulting from the economic relationship, or lastly, when the hedging relationship no longer meets the Group’s documented risk management objective.

When hedging derivatives no longer meet the requirements for hedge accounting, they are reclassified as trading derivatives. For fair value hedges, the previously recognised gains or losses on the hedged item are recognised in the consolidated statement of profit or loss using the effective interest rate method at the date hedge accounting is discontinued. For cash flow hedges, the cumulative gain or loss recognised in equity remains in equity until the forecast transaction occurs, at which point it is recognised in the consolidated statement of profit or loss. However, if it is expected that the transaction will not be carried out, the cumulative gain or loss is recognised immediately in the consolidated statement of profit or loss.

The Group designates a new coverage ratio which includes the hedging instrument or the hedge item of a previous hedge relationship for which hedge accounting has been discontinued. In this case, there is no continuation, but a new hedge accounting exercise starts.

3.8. Inventories

Inventories, which consists mainly of real estate assets (land, property developments under construction and completed properties), are measured at the lower of their acquisition price or production cost, including any financial charges accrued during production, and net realisable value. Net realisable value is defined as the estimated selling price less the estimated costs needed to make the sale.

The production cost includes the necessary direct and indirect expenses for construction. The Group did not capitalise any financial expenses in 2023 or 2022.

Net realisable value is determined on the basis of valuations made by independent experts. These valuations are no more than two years old and may undergo subsequent adjustments in accordance with an internal valuation model.

In this respect, the Criteria Group has a corporate policy that guarantees the professional competence and the independence and objectivity of external valuation agencies, under which these agencies must comply with neutrality and credibility requirements so that use of their estimates does not undermine the reliability of their valuations.

The Group conducts detailed studies of the segmentation of its real estate assets, drawing up an individual action plan for each property segment. For real estate assets that fall within the special assets segment, the Company relies on the valuation obtained by the independent expert, while for other real estate assets held for sale the internal valuation model adjusts the valuations accordingly, based largely on the difference between the actual sale price and the valuation obtained by the independent expert for those real estate assets by the Group in the last 24 months, on a like-for-like basis, as well as other aspects such as marketing costs.

These internal valuation models were reviewed at 31 December 2023 to incorporate the information currently available. For properties for which no up-to-date appraisal is available in the current year because they are valued every two years, it has been verified that, from the results obtained by the rest of the real estate portfolio, updating the valuations would not give rise to any significant difference in the overall value of the portfolio.

The Group makes the appropriate valuation adjustments, which are recognised as an expense in the consolidated statement of profit or loss when the net realisable value of the inventories is lower than the acquisition cost (or production cost).

Write-downs of inventories or subsequent reversals of write-downs are recognised under *Cost of sales - Procurements - (Write-downs)/reversals of impairment of inventories* in the consolidated statement of profit or loss for the year in which the write-down or reversal occurs.

Prepayments made in connection with call options on properties are recognised as inventory prepayments to suppliers and it is assumed that expectations regarding the conditions enabling their exercise will be met.

When inventories are sold, the carrying amount of those inventories is derecognised from the consolidated balance sheet and an expense is recognised in the consolidated statement of profit or loss for the period in which the related revenue is recognised. The expense is recognised under *Cost of sales – Procurements* in the consolidated statement of profit or loss.

3.9. Non-current assets classified as held for sale and discontinued operations

Non-current assets and disposal groups held for sale

Assets recognised under this heading of the consolidated balance sheet reflect the carrying amount of individual assets or disposal groups, or assets that form part of a line of business that will be disposed of (discontinued operation) whose sale is highly probable in their present condition within one year from the date on which the asset is classified as held for sale. Assets that will be disposed of within a year but where disposal is delayed by events and circumstances beyond the Group's control may also be classified as held for sale, when there is sufficient evidence that the Company is still committed to selling them. The carrying amount of these assets will be recovered principally through a sale transaction.

These assets or disposal groups are not depreciated and are measured at the lower of their carrying amount or fair value less costs to sell. Any additional impairment is taken to the consolidated statement of profit or loss.

When an asset ceases to be classified as a non-current asset held for sale, the asset is measured at the lower of the carrying amount when the asset was classified as non-current and its recoverable amount at the date of the reclassification.

Discontinued operations

Discontinued operations are a component of the Group that either has been disposed of or is classified as held for sale, and that:

i) represents a separate major line of business or geographical area of operations;

ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

iii) is a subsidiary acquired exclusively with a view to resale.

When an operation fulfils the requirements to be considered discontinued, the Group presents as a single heading the profit or loss from the discontinued operation, including any loss that may derive from recognising the operation at the lower of its carrying amount and fair value less costs to sell, and the loss or gain on disposal of the asset. This is the case when the sale of the asset is highly probable, the asset is available for immediate sale in its present condition, and the sale is expected to be completed sale within 12 months from the date the asset is classified as held for sale.

3.10. Foreign currency transactions

The euro is the functional currency of all Criteria Group entities and the Group's presentation currency. Therefore, all balances and transactions denominated in currencies other than the euro are deemed to be denominated in foreign currency. The presentation currency is the currency in which the Criteria Group presents its financial statements.

All foreign currency transactions are recorded, on initial recognition, by applying the spot exchange rate between the functional currency and the foreign currency. Exchange differences arising on the translation of foreign currency balances and transactions to the functional currency (monetary items) are generally recognised in the consolidated statement of profit or loss under *Financial income – Exchange gains* and *financial expenses – Exchange losses*. However, exchange differences arising on changes in the value of non-monetary items are recognised in equity under *Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Foreign currency translation* in the consolidated balance sheet until they are realised, while exchange differences arising on financial instruments classified at fair value through profit or loss are recognised in the consolidated statement of profit or loss with no distinction made from other changes in fair value. In the specific case of changes in the value of equity instruments measured at fair value with changes in other comprehensive income are recognised in equity under Other comprehensive income – Items that will not be reclassified to profit or loss – Financial assets measured at fair value with changes in other comprehensive income, equity instruments.

The profit or loss and financial position of foreign entities, none of which operate in a hyperinflationary economy, which have a functional currency other than the presentation currency of the consolidated financial statements, are converted to the presentation currency as described below:

i) Assets and liabilities are converted at the year-end exchange rate.

ii) Income and expenses are converted at the average exchange rate for the period as an approximation of the exchange rate at the transaction date.

iii) Equity is converted at the historic exchange rate.

All exchange differences arising are recognised under *Equity - Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Foreign currency translation* in the consolidated balance sheet.

The exchange rates used to translate the foreign currency balances and transactions to euros are those published by the European Central Bank.

3.11. Income tax expense

Income tax expense or income is recognised during the year in the consolidated statement of profit or loss, except when it derives from a transaction, the gain or loss from which is recognised directly in equity. In that case, the income tax is also recognised with a balancing entry in the Group's equity.

Income tax expense or income is calculated as the sum of the current tax for the year resulting from applying the tax rate to the taxable profit for the year and any changes in deferred tax assets and liabilities recognised in the year in the consolidated statement of profit or loss, less any allowable tax deductions.

Temporary differences, tax loss carryforwards pending offset and unused tax deductions are recognised as deferred tax assets and/or deferred tax liabilities. The amounts are recognised at the tax rates that are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are only recognised when it is considered probable that the consolidated entities will obtain sufficient future taxable profits against which to offset them.

Deferred tax liabilities arising from temporary differences related to investments in subsidiaries or associates are not recognised when the Group is able to control the timing of the reversal of the temporary difference and, in addition, it is probable that the temporary difference will not reverse in the foreseeable future.

The deferred tax assets and liabilities recognised are reassessed at the end of each reporting period to determine whether they still exist, and appropriate adjustments are made on the new estimates. The Group assesses the recoverable amount of its recognised tax assets every six months to ensure recovery.

Tax assets that are expected to be recovered in the next 12 months are recognised in the consolidated balance sheet under *Current tax assets* , while amounts to be recovered in subsequent years are recognised under *Deferred tax assets.* Equally, tax liabilities in the consolidated balance sheet under *Current tax liabilities* comprise the tax payable over the next 12 months, while the heading *Deferred tax liabilities* shows the amounts to be settled in the future beyond 12 months.

3.12. Subsidies

Government grants awarded to Group companies are recognised at fair value when there is reasonable assurance that the grants will be received and the Group will comply with all the conditions attaching to them.

Government grants related to costs are deferred and recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants related to acquisitions of *Property, plant and equipment*, *Intangible assets* and *Investment property* are recognised in the consolidated balance sheet as a reduction in the gross value of the financed asset. Grants related to depreciable assets are recognised as income over the periods and in the proportions in which the depreciation expense on those assets is recognised, reducing the depreciation expense for the period.

Government grants related to acquisitions of *Investment property* for the development of state social housing activity are recognised on the liabilities side of the consolidated balance sheet under *Deferred income – Government grants* for the gross value of the financed asset.

3.13. Provisions

Provisions cover present obligations at the date of authorisation for issue of the consolidated financial statements arising from past events which could give rise to a loss that is considered likely to occur and which is certain as to its nature but uncertain as to its amount and/or timing.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Contingent liabilities are not recognised for accounting purposes, while disclosures thereon are made, as the case may be, in the notes to the consolidated financial statements.

Provisions, which are quantified based of the best information available on the consequences of the event giving rise to them and are re-estimated at the end of each reporting period, are used for specific expenditures for which the provision was originally recognised. Provisions are fully or partially reversed when the obligations cease to exist or are reduced.

3.14. Recognition of income and expenses

Income and expense are recognised by Criteria Group on an accrual basis, i.e. when the real flow of goods or services relating to the item arises, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Income from services rendered

IFRS 15 — Revenue from Contracts with Customers establishes a new model for recognising revenue from customer contracts, where revenues are recognised according to compliance with performance obligations with customers. The main principle is that an entity shall recognise revenues to depict income from the transfer of goods or services to customers in an amount that reflects consideration that the entity expects to be entitled in exchange for those goods and services.

Revenue from real estate sales is recognised when the significant risks and rewards of ownership of the contractually agreed goods have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of contractual completion of the transaction at the date of the consolidated balance sheet, provided the outcome of the transaction can be estimated reliably.

As a result, if the Group receives or has the right to receive a consideration without the transfer of goods or services having taken place, a liability is recognised for the delivery of the goods or the rendering of the services.

Dividend income

Dividends received from other companies that are not group companies or associates are recognised as income when the consolidated entities’ right to receive them arises, which is the date of the resolution of the relevant managing body of the investee. If the distributed dividends unequivocally come from profits generated prior to the acquisition date because amounts greater than the profits generated by the investee have been distributed since the acquisition date, they are not recognised as income and are deducted from the carrying amount of the investment.

The judgment as to whether profits have been generated by the investee shall be made solely on the basis of the profits recognised in the stand-alone statement of profit or loss since the date of acquisition, unless it is clear that the distribution out of those profits is to be regarded as a recovery of the investment.

3.15. Consolidated statement of comprehensive income

This statement presents the income and expense recognised as a result of the Group's activity in the period, with a distinction drawn between income and expense taken to profit or loss in the consolidated statement of profit or loss and other income and expense recognised directly in equity.

The statement of other comprehensive income comprises the following items:

i) The profit or loss for the year.

ii) Items that will not be reclassified to profit or loss: the net income or expense recognised definitively in equity.

iii) Items that may be reclassified to profit or loss: the net income or expense recognised temporarily in equity as *Accumulated other comprehensive income*.

iv) The tax accrued on the previous items.

v) The total recognised income and expense calculated as the sum of the above items.

3.16. Statement of changes in equity

This statement presents all changes in the Group's equity, including, where applicable, those due to accounting policy changes and error corrections. This statement presents a reconciliation between the carrying amount of each component of equity at the beginning and the end of the period, grouping movements by nature under the following headings:

i) Adjustments due to accounting policy changes and error adjustments: includes any changes in equity as a result of the retrospective restatement of financial statement balances on account of changes in accounting policies or for correction of errors. No adjustments were recognised for these items in either 2023 or 2022.

ii) Total comprehensive income: comprises an aggregate of all the aforementioned items recognised in the consolidated statement of comprehensive income and expense.

iii) Other changes in equity: includes the remaining items recognised in equity, such as capital increases or decreases, distribution of dividends, treasury share transactions, equity-based payments, transfers between equity items, and any other increase or decrease in equity, all while considering the portion that corresponds to non-controlling interests.

3.17. Consolidated statement of cash flows

The headings used in the consolidated statement of cash flow are as follows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments subject to a low risk of changes in value.

- Operating activities: the indirect method is used to present cash flows from operating activities, which are the principal revenue-producing activities, and other activities that are not investing or financing activities.

- Investing activities: the acquisition, sale or other disposal of non-current assets, such as investees, and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and liabilities do not form part of operating or investing activities.

4. Risk management

The Corporate Risk Management (CRM) Policy, approved by Criteria's Board of Directors, provides a framework for deploying the CRM model of the Criteria Group, including Criteria and the wholly-owned companies under its direct management. The main features of the model are as follows:

- **Control environment / Training and communication:** to foster a risk management and control culture, informing all employees of updates made to the CRM policies and procedures and offering regular training.
- **Setting of corporate targets:** based on the Group's mission and vision, these targets are the basis and starting point for risk identification and assessment and control activities.
- **Risk identification and assessment:** to detect risks that could prevent corporate targets from being achieved, and to assess them based on probability of occurrence and impact (economic, reputational and in relation to business continuity).
- **Control activities:** to ensure the efficiency of the guidelines set by Management in a risk control framework, associating controls to risks in order to reduce their probability of occurrence, and their impact should they occur.
- **Monitoring and reporting:** to control changes in risks for each area and/or business, monitoring the assessment of controls and assessing their effectiveness to report to the governing bodies.
- **Supervision:** there to ensure the efficiency of the CRM model by verifying the existence of controls to mitigate risks and check they function correctly.

Risk categories

As per the methodology set forth in the international standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the CRM model of the Criteria Group establishes the following four categories of risk which, were they to materialise, could hinder the Group in accomplishing its objectives:

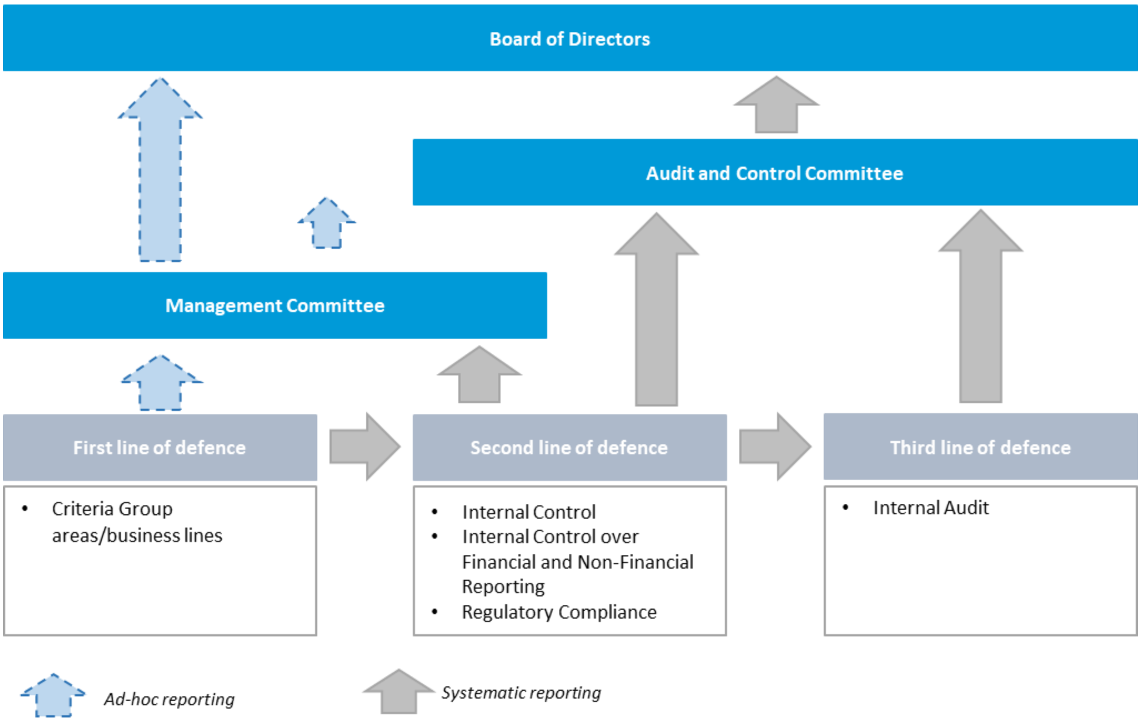
- **Strategic**: risks associated with achieving corporate targets.
- **Financial**: risks associated with the main financial variables. There are seven subcategories:
  - *Liquidity*: the risk of insufficient liquid assets to meet the contractual maturities of liabilities and business needs.
  - *Credit*: the possibility of potential losses arising from a counterparty failing to honour its payment obligations.
  - *Market*: the possibility that the value of a financial instrument may vary as a result of changes in the prices of shares, interest rates or foreign exchange rates.
  - *Impairment of the equity portfolio*: possible loss or impairment to the economic profitability of the Group's business activities.
  - *Impairment of real estate assets*: possible impairment of real estate assets.
  - *Impairment of other assets*: possible impairment of Group assets that are not holdings or real estate assets.
  - *Reliability of financial reporting*: the possibility that the integrity, reliability and quality of financial information may be affected.

- **Operational**: risk of loss arising from mistakes or inadequate management of internal processes, people, systems, the use of assets or operating infrastructure.

- **Legal/compliance**: risk relating to compliance with laws, regulation or market standards in the areas where the Group operates, in addition to compliance with internal policies.

Control environment

To work correctly, the CRM Model uses a methodological approach based on the three lines of defence model, in which different levels of activity are defined to ensure that risks are managed and monitored efficiently:



The **Board of Directors**, acting through the Audit and Control Committee, supervises the effectiveness of the Group's internal control and corporate risk management systems, including tax controls.

The **Audit and Control Committee** (ACC) also oversees internal audit services and the entire process of preparing and presenting Criteria's financial information prior to approval by the Board.

First line of defence. The Group's Areas/Businesses are responsible for:

a. Identifying, assessing, mitigating and controlling risks, following the approved internal policies and procedures.

b. Reporting to the second line of defence on the status of the risks for which they are responsible.

c. Maintaining effective internal control and consistently implementing risk control procedures.

Second line of defence. This comprises the following functions:

a. Internal Control

b. Internal Control over Financial and Non-Financial Reporting

c. Regulatory Compliance

a. *Internal Control*

The Internal Control function is responsible for:

- Defining the CRM model.
- Participating actively in the preparation of risk strategies and in key decisions about their management.
- Consistently monitoring the effectiveness and development of the controls and risks, reporting to the Management Committee and the Audit and Control Committee.
- Monitoring and ensuring the standardisation of the CRM Model, and keeping it updated.
- Implementing the corresponding improvements to the CRM model.

Internal Control reports the following information to the Management Committee and to the governing bodies:

- Six monthly: the risks (relevant, emerging and materialised) to which the areas/businesses are exposed, the effectiveness of the control activities there to mitigate them, and the action plans in place.
- Immediately: all risks that could pose a threat to the Group's existence or continuity.

b. *Internal Control over Financial and Non-Financial Reporting*

The Internal Control over Financial and Non-Financial Reporting function is mainly responsible for:

- Implementing and ensuring the existence of a culture of internal control over financial and non-financial reporting at all organisational levels that require this culture, and carrying out training actions at the affected areas as and when necessary.
- Checking that the financial and non-financial information drawn up by the Criteria Group includes all relevant transactions, events and other circumstances in accordance with applicable law.
- Advising on all matters relating to internal control over financial and non-financial reporting, while drawing up and/or fostering policies, internal regulations and codes and improving these if needed.
- Maintaining ongoing dialogue with Internal Audit on weaknesses and areas for improvement in the System of Internal Control over Financial Reporting (ICFR) and the System of Internal Control over Non-Financial Reporting (ICNFR).

Meanwhile, it reports the following information to the governing bodies through the ADGM of Finance, Resources and Human Resources:

- Certifying that key control over financial and non-financial reporting activities have been promptly implemented by those responsible, and providing follow-up reports on any weaknesses detected and the associated action plans.
- Relevant aspects arising from the continuous review of the ICFR and ICNFR.

c. Regulatory Compliance

As established by Criteria's CRM model, the objective of the Regulatory Compliance function is to supervise legal and/or compliance risks, defined as risks relating to compliance with applicable law, regulations and internal rules, and which could result in disciplinary, administrative or judicial sanctions or reputational damage.

Regulatory compliance risk is monitored by establishing controls at the second line of defence, which allow the Company to detect potential deficiencies in the procedures implemented at Criteria. When deficiencies are detected, it develops, together with the areas affected, proposals for improvement initiatives, which are monitored regularly until they are effectively implemented. Criteria also monitors compliance with the Company's rules of conduct, including the Code of Business Conduct and Ethics, the Internal Rules of Conduct on Matters relating to the Securities Market (IRCSM), the Sanctions and International Financial Countermeasures Policy, the Crime Prevention Policy, the Anti-corruption Policy, the Personal Data Protection Policy and the Information Security Policy.

Criteria's objective is to minimise the probability of these risks occurring and, if they do, to detect, report and address the weaknesses promptly.

Regulatory compliance risk is managed through the following structure:

- Audit and Control Committee: responsible for supervising the Internal Audit services in this realm and for overseeing the effectiveness of the Group's internal control.
- Management Committee: fosters a culture of regulatory compliance across the entire Criteria Group, and controls and monitors compliance risk and any measures put in place to mitigate this risk.
- Crime Prevention Committee: supervises the implementation of and compliance with the Criteria Group's Code of Ethics, Crime Prevention Policy and Anti-corruption Policy.
- Data Protection and Information Security Committee: oversees the coordination of and compliance with the Data Protection Policy and steers and resolves key matters contained in the policy.
- Monitoring Committee of the Internal Rules of Conduct on Matters related to the Securities Market: oversees compliance with the internal rules of conduct on matters related to the securities market (IRCSM) by all persons subject to the code.
- Sanctions and International Financial Countermeasures Committee: supervises the implementation of and full adherence to the Policy on International Sanctions and Financial Countermeasures at Group companies.
- Business and management areas: the ultimate exponent of the top-tier control of the Group's activity, establishing controls over these risks as experts in this area.
- Other advisers: comprising the internal and external experts who advise on specialist areas. These include Legal Advisory services, the Board Secretary's Office and external advisers, among others.

Regulatory compliance is not entrusted to a specific area or department but runs throughout the entire Group. All employees must therefore ensure compliance with prevailing law and regulations.

Criteria has an internal reporting system whereby its employees, and any third party that has dealings with the Criteria Group, may report, confidentially or anonymously, possible breaches of current legislation, the Code of Ethics and any other internal rules and regulations of the Criteria Group. In addition, Criteria's corporate intranet provides access to a whistleblower channel for queries regarding the interpretation or application of the Code of Ethics, the Crime Prevention Policy, the Anti-Corruption Policy, the Information Security Policy, the Policy on the System of Internal Control over Financial Reporting (ICFR) and the Policy on the System of Internal Control over Non-Financial Reporting (ICnFR).

Lastly, while Criteria is not considered a regulated entity for anti-money laundering and counter terrorist financing (AML/CFT) purposes, Caixa Capital Risc, SGEIC, S.A., Inmo Criteria Caixa, S.A.U. and Infinitum Resort, S.A.U. (Criteria Group companies), as well as ”la Caixa” Banking Foundation, all are, given their exposure to this risk. Accordingly, ”la Caixa” Banking Foundation Group has a general policy on this subject, which sets out the relevant rules and criteria so that all covered persons are able to comply with these obligations in line with commonly accepted international standards. The Group has also set up an internal control and communication body tasked with analysing, controlling and reporting, to the Executive Service of the Spanish Commission for the Prevention of Money Laundering and Monetary Offences (SEPBLAC), all information relating to transactions or events that could be connected with money laundering or the financing of terrorism.

Third line of defence – Internal audit

The Internal Audit function, reporting to the Audit and Internal Control department, is responsible for reporting to the Audit and Control Committee on the functioning of the Group's internal control system.

Pursuant to the principles of independence and objectivity, and applying a systematic and disciplined approach, Internal Audit performs assurance and consulting services that add value to the Group.

Its main duties include:

- Assessing the effectiveness and efficiency of the internal control systems established to mitigate the associated risks, with a special focus on:
  - compliance with prevailing external legislation and requirements of supervisors;
  - compliance with internal rules and regulations, and alignment with best sector practices and uses;
  - the reliability and integrity of financial, non-financial and management information, including the effectiveness of internal control over financial and non-financial reporting systems;
  - the economical and efficient use of resources by the Group.
- Adding value by proposing recommendations to address weaknesses detected in reviews conducted and monitoring their implementation by the appropriate centres.
- Reporting regular relevant information to Senior Management and the Audit and Control Committee on the conclusion of tasks carried out, weaknesses identified and recommendations made.

Results of the Corporate Risk Monitoring process

Currently, the CRM Model includes the continuous evaluation of 128 risks, 67 from the holding business and 61 from the real estate business, and their status is periodically reported to the Group's management and governing bodies, with only one of them having materialized in 2023, with no significant impact.

4.1. Financial risk management

Macroeconomic environment

The economic landscape in 2023 was dominated by two main macroeconomic trends. The first is that growth proved to be surprisingly resilient and the economy performed better than anticipated at the beginning of the year. It has withstood the impact of high interest rates, geopolitical uncertainty (war in Ukraine, tensions between the United States and China, the major instability in the Middle East, etc.), along with turbulence in the banking sector. The second was the sharp decline in global inflation, especially in the latter half of the year. The heavy monetary tightening processes undertaken by major central banks from around the world proved to be instrumental in steering inflation towards its long-term target (2%). However, the authorities are aware that this goal has not yet been achieved. Their focus for 2024 will therefore be on assessing how long they need to keep rates in the tightening zone to ensure convergence towards their targets. For the time being, the central banks are staying cautious and saying it is too early to start cutting interest rates. The consensus view among economists is that the Fed (Federal Reserve System) and the ECB (European Central Bank) will not be cutting their official rates until at least the summer.

In terms of growth figures, the latest forecasts suggest that global GDP looks to have expanded by around 2.8% by 2023, although this figure differs from region to region. Taken together, these figures suggest that the onset of the global slowdown has been delayed —though not reversed— thanks to the resilience shown by the labour markets, coupled with excess savings and the relative resilience of demand for services; all factors that have mitigated the impact of higher interest rates on household spending.

The following sections set out the policies implemented by the Group for the management of financial risks, in view of the current macroeconomic environment.

Liquidity risk

Liquidity risk relates to the possibility of a company being unable to honour its payment obligations because it cannot sell a financial instrument sufficiently quickly without incurring significant additional costs or not being able to obtain additional finance.

When managing its liquidity, Criteria considers its ability to generate sustained and significant cash flows from its businesses and investments and to realise its investments, which are typically listed on active and deep markets, while also maintaining an adequate long-term financing structure based on diversification of sources of financing and relying on both bilateral loans with banks and senior debt issues.

Criteria monitors liquidity risk by consistently monitoring the following management indicators, among others: net debt ratio (net debt over the estimated value of assets), liquidity available at certain terms, and the interest coverage ratio.

Debt is actively managed on a regular basis to make the debt structure more flexible, maintain comfortable liquidity levels, and extend maturities of both debt and credit facilities.

At 31 December 2023, 77.6% of the Group’s financing had long-term maturities. The total amount of fully available and undrawn credit facilities at 31 December 2023 was EUR 430,000 thousand, of which 59.3% mature in 2025, 23.3% in 2026 and 17.4% in 2027 (see Note 18).

The maturities of the Group’s financial assets and liabilities are presented in the relevant notes to the consolidated financial statements (see Notes 10 and 18).

At the date of authorisation for issue of these consolidated annual financial statements, Criteria had the following credit ratings from Fitch Ratings and Moody's:

Agency	Rating	Last reviewed on
Fitch Ratings	BBB+ (stable)	05/07/2023
Moody's	Baa2 (positive)	25/05/2023

Credit risk

Credit risk refers to the risk of incurring losses through breach of contractual payment obligations by a debtor or changes in the risk premium relating to the financial solvency of the debtor.

The main credit risk relates to the investments in associates, mainly listed associates, and is not the same as the risk related to the market value of their shares. The risk associated with this type of investment comes from the business performance of the investee, including the risk of insolvency, since the market price of the company's share is merely indicative. In general, this risk can be classified as a credit risk. Criteria's Investments area monitors the results generated by Criteria's stakes and holdings, carries out regular impairment tests (see Note 9) and analyses the corresponding returns for the Group.

Risk concentration according to credit quality of investments in associates and the main equity instruments at 31 December 2023 and 2022, respectively, are as follows:

31/12/2023	**Thousands of euros**		
	Investments accounted for using the equity method (Note 9) (*)	**Financial assets measured at fair value with changes in other comprehensive income (Note 10.1)**	**Financial assets measured at fair value with changes in profit or loss (Note 10.1)**
>A+	-	184,228	-
A+	-	196,072	-
A	-	261,909	-
A-	2,845,599	535,970	-
BBB+	11,335,232	273,737	-
BBB	3,215,288	666,859	-
BBB-	1,561,463	1,336,658	-
<BBB-	-	208,210	-
No rating	9,293	519,124	90,343
Balance at 31/12/2023	**18,966,875**	**4,182,767**	**90,343**

(*) Before impairment allowances

31/12/2022	Thousands of euros		
	Investments accounted for using the equity method (Note 9) (*)	Financial assets measured at fair value with changes in other comprehensive income (Note 10.1)	Financial assets measured at fair value with changes in profit or loss (Note 10.1)
>A+	-	119,967	-
A+	-	66,090	-
A	-	386,221	-
A-	2,905,744	374,400	-
BBB+	10,661,760	286,177	-
BBB	2,713,422	587,526	-
BBB-	1,252,387	1,089,241	-
<BBB-	-	282,081	-
No rating	10,703	454,668	78,506
Balance at 31/12/2022	**17,544,016**	**3,646,371**	**78,506**

(*) Before impairment allowances

Risk concentration according to credit rating of fixed income instruments at 31 December 2023 and 2022, respectively, is as follows:

31/12/2023	Thousands of euros	
	Debt instruments measured at fair value with changes in other comprehensive income (Note 10.2)	Debt instruments at amortised cost (Note 10.2)
>A+	69,404	-
A+	-	-
A	1,025	-
A-	18,214	-
BBB+	4,833	-
BBB	17,191	-
BBB-	3,987	-
<BBB-	3,086	-
No rating	3,055	-
Balance	**120,795**	**-**

31/12/2022	Thousands of euros	
	Debt instruments measured at fair value with changes in other comprehensive income (Note 10.2)	Debt instruments at amortised cost (Note 10.2)
>A+	42,736	-
A+	-	-
A	-	-
A-	11,969	998
BBB+	392	4,996
BBB	20,156	-
BBB-	3,517	10,993
<BBB-	-	6,990
No rating	2,929	-
Balance	**81,699**	**23,977**

In preparing the information on risk concentration for credit quality, the rating of Fitch Ratings has been used. In the absence of this rating, we have used the rating of Moody's and, in the absence of any of the above, the rating of Standard & Poor's.

The Group is also exposed to credit risk on its investment of surplus cash and on the balances held in current accounts. The Group has a policy of investing surplus cash in highly liquid financial products, either offered to or held at solvent entities.

Market risk

This refers to the risk that the value of a financial instrument may vary as a result of changes in the price of shares, interest rates or foreign exchange rates. These risks can cause equity to fall and occasion losses due to changes in the market prices of the medium- to long-term positions composing the investment portfolio, rather than the trading portfolio.

Price risk

At 31 December 2023, 99.3% of the market value of the Group's investments in equity instruments classified as associates, financial assets measured at fair value with changes in other comprehensive income and financial assets measured at fair value with changes in profit or loss corresponded to listed securities (31 December 2022: 99.3%). As a result, the Group is exposed to the market risk generally associated with listed companies. The listed securities are exposed to fluctuations in price and trading volume due to factors beyond the Group's control. Criteria relies on management indicators to constantly monitor price risk: daily changes in the gross and net market value of its assets.

In 2023, the international financial markets remained buoyant, supported by the upgraded growth forecasts for the main economies of the world as we moved through the year and the relative ease in getting a lid on inflation. This combination of factors was highly beneficial for listed equities: the main stock market indices in developed economies rallied and volatility remained low throughout the year. More precisely, the annual return of the US stock market (S&P 500) stood at 24%, with seven companies, all of them in the technology sector, performing particularly well. In Europe, the Eurostoxx index rose 16% in 2023. In terms of Eurozone countries, the Italian and Spanish (Ibex 35) stock markets outperformed by gaining 28% and 23%, respectively. The high weight of cyclical sectors in both markets, particularly banking, was an important support factor. Meanwhile, the situation in China was very different, with its stock market dipping by 11%.

In this regard, Criteria's gross asset value (GAV; as defined in the consolidated management report under section *8 – Alternative Performance Measures*) at 31 December 2023 was up 7.9% on 31 December 2022 to reach EUR 26,528 million (31 December 2022: EUR 24,585 million).

Interest rate risk

This relates mainly to changes in financial expenses on floating-rate debt. Therefore, the risk is mainly linked to the Group's indebtedness. As part of its ongoing efforts to manage interest rate risk, Criteria assesses potential fluctuations in financial expenses stemming from exposure of derivatives and debt instruments to changes in the structure of the market rate curve.

The market interest rate affects financial profit since certain financial liabilities are arranged at a floating rate (pegged to Euribor). Accordingly, there is considerable exposure to interest rate changes. The Group regularly monitors the impact of interest rate fluctuations.

In order to mitigate the risk of fluctuations in interest rates on floating rate borrowings, Criteria's management evaluates whether or not to arrange swaps depending on current and forecast interest rates.

At 31 December 2023, the Group held 34.7% of its financial liabilities at a fixed rate (63.7% at 31 December 2022).

The effect on earnings, based on the instruments indicated, at 31 December 2023 and 2022, is shown below (in thousands of euros):

Sensitivity analysis for the impact on profit/(loss) before tax

Change	31/12/2023	31/12/2022
-100 bp	20,578.6	1,832.2
-50 bp	10,287.8	(575.0)
+50 bp	(10,287.8)	(866.5)
+100 bp	(20,575.7)	(8,212.8)

Foreign currency risk

Most of the assets and liabilities recognised in the accompanying consolidated balance sheet are denominated in euros have the euro as the functional currency. The main assets on the accompanying consolidated balance sheet subject to exchange rate fluctuations are as follows:

			Thousands of euros [(1)]	
Heading of the consolidated balance sheet	**Asset**	**Currency**	**31/12/2023**	**31/12/2022**
Investments accounted for using the equity method (before impairment allowances) (Note 9)	GF Inbursa	MXN	1,561,463	1,252,387
	The Bank of East Asia	HKD	2,845,599	2,905,744
Financial assets measured at fair value with changes in other comprehensive income (Note 10)	Listed equity securities	USD	828,459	752,275
		GBP	89,474	91,029
		SEK	70,670	44,814
		CHF	61,667	35,724
		JPY	40,985	45,766
		DKK	34,085	26,935
		NOK	14,280	11,493
	Foreign government debt securities	USD	14,798	13,646
		NOK	5,210	4,622
		SEK	1,740	1,691
Non-current assets and liabilities and disposable groups held for sale and discontinued operations (Note 21)	Right-of-use assets	GBP	13,755	13,266
	Intangible assets	GBP	146,663	146,729
		CLP	37,319	41,591
	Cash and cash equivalents	GBP	11,743	14,716
Cash and cash equivalents (Note 14)	Deposits with agreed maturity and current accounts	NOK	12,498	12,103
		USD	10,310	5,681

(1) Equivalent value in euros at 31 December 2023 and 31 December 2022, based on the official exchange rate of the European Central Bank.

Management regularly assesses the advisability of arranging hedges to cover its foreign exchange risks.

The Group may also be indirectly exposed to foreign currency risk through the foreign currency investments made by investees due, in certain cases, to the major international presence of these companies. These risks are assessed and, if applicable, covered by the investee itself.

Risk of impairment

For Criteria, impairment of equity stakes is the main risk in its business model, which is natural in a company whose corporate purpose is to hold stakes. This impairment risk derives from Criteria's business activities suffering losses or a decline in earnings caused by adverse movements in market prices or investee insolvency made through equity instruments.

Criteria's Investment area monitors these stakes on an ongoing case-by-case basis to be able, at any time, to take the most appropriate decisions on the basis of observed and predicted market performance and of Criteria's strategy. Securities also undergo continuous monitoring in order to assess whether there is any objective evidence of impairment, as described in Notes 9 and 10.

Monitoring of the main investees is also performed by analysts responsible for monitoring changes in economic and financial data and for understanding and issuing alerts in the event of changes in regulations and business and fluctuations in competition in the countries and sectors in which the investees operate.

Further, to ensure that the recoverable amount of the portfolio of real estate assets supports their carrying amount, the Criteria Group relies on internal models for each of the asset segments of real estate assets defined to determine the adjustments to the main valuations given under appraisals regularly carried out by independent experts (see Notes 3.5 and 3.8).

Real estate assets are managed in order to recover the capital invested and to obtain an additional return, either by way of renting (investment property), real estate development or selling (inventories).

Lastly, Criteria, together with the Parent of the Tax Group, CaixaBank, periodically assesses the recoverability of the tax assets recognised in the balance sheet with the assistance of an independent expert (see Note 20).

Risk associated with the reliability of financial and non-financial reporting

This refers to the risk posed to the integrity, reliability and quality of both financial and non-financial information. As described above, the Group has adequate and effective internal control systems over financial and non-financial reporting.

5. Right-of-use assets

Changes in this consolidated balance sheet heading in 2023 and 2022 are as follows:

2023	Thousands of euros			
	31/12/2022	Additions and allowances	Derecognitions, applications and reversals	31/12/2023
Cost	**10,874**	7,897	(10,882)	**7,889**
Accumulated depreciation	**(4,068)**	(2,050)	4,748	**(1,370)**
Impairment allowances	-	-	-	-
Total	**6,806**	**5,847**	**(6,134)**	**6,519**

2022	Thousands of euros					
	31/12/2021	Additions and allowances	Derecognitions, applications and reversals	Transfers	Other	31/12/2022
Cost	**153,017**	41,281	(6,838)	(175,945)	(641)	**10,874**
Accumulated depreciation	**(37,502)**	(8,615)	6,368	35,464	217	**(4,068)**
Impairment allowances	**(2,682)**	-	-	2,626	56	-
Total	**112,833**	**32,666**	**(470)**	**(137,855)**	**(368)**	**6,806**

Lease assets and liabilities

At 31 December 2023 and 2022, the consolidated balance sheet showed the following amounts under lease agreements:

	Thousands of euros	
	31/12/2023	31/12/2022
Lease of office space	5,511	6,598
Car park contracts	33	91
Other rentals and leases	975	117
Total	**6,519**	**6,806**

The corresponding liability is recorded under *Other financial liabilities* in the consolidated balance sheet (see Note 18.2).

The following table shows the maturity of undiscounted lease liabilities:

	Thousands of euros	
	31/12/2023	31/12/2022
Less than 1 year	1,690	1,851
Between 1 and 3 years	3,119	2,818
Between 3 and 5 years	2,017	2,513
Beyond 5 years	-	-
Total cash flows from leases	**6,826**	**7,182**

Amounts recognised in consolidated profit or loss

In 2023 and 2022, the amounts recognised for leases in the Group's consolidated statement of profit or loss are as follows:

	Thousands of euros	
	2023	2022
Lease of office space	(1,797)	(2,190)
Car park contracts	(43)	(57)
Other rentals and leases	(210)	(100)
Total depreciation allowance	**(2,050)**	**(2,347)**

	Thousands of euros	
	2023	2022
Discount	**(84)**	**(92)**

	Thousands of euros	
	2023	2022
Current lease expense	(391)	(654)
Low-value lease expense	(473)	(509)
Total other operating expenses	**(864)**	**(1,163)**

Amounts recognised in the consolidated statement of cash flows

The total amount of cash outflows in connection with lease contracts amounted to EUR 3,553 thousand (31 December 2022: EUR 3,575 thousand) and related to lease payments within the normal course of business.

Sublease income

In 2023 and 2022, the Group did not recognise any income on the consolidated statement of profit of loss from the subletting of right-of-use assets or any gains or losses from sale and leaseback transactions.

6. Intangible assets

Changes in this consolidated balance sheet heading in 2023 and 2022 are as follows:

2023	Thousands of euros				
	31/12/2022	Additions and allowances	Derecognitions, applications and reversals	Transfers	31/12/2023
Goodwill	**42**	**(5)**	**-**	**-**	**37**
Other intangible assets	**29,978**	**2,595**	**(38)**	**(1)**	**32,534**
Research and development	743	343	-	-	1,086
Administrative concessions	1,323	-	-	-	1,323
Patents, licences, trademarks and similar	7	-	(2)	-	5
Computer software	27,905	2,252	(36)	(1)	30,120
Other intangible assets	-	-	-	-	-
Accumulated amortisation	**(15,953)**	**(5,411)**	**38**	**-**	**(21,326)**
Research and development	(229)	(189)	-	-	(418)
Administrative concessions	(268)	(26)	-	-	(294)
Patents, licences, trademarks and similar	(6)	-	2	-	(4)
Computer software	(15,450)	(5,196)	36	-	(20,610)
Other intangible assets	-	-	-	-	-
Impairment allowances	**-**	**-**	**-**	**-**	**-**
Total	**14,067**	**(2,821)**	**-**	**(1)**	**11,245**

2022	Thousands of euros					
	31/12/2021	Additions and allowances	Derecognitions, applications and reversals	Transfers	Other	31/12/2022
Goodwill	**46,441**	**349**	**-**	**(46,167)**	**(581)**	**42**
Other intangible assets	**1,750,672**	**16,810**	**(1,967)**	**(1,732,304)**	**(3,233)**	**29,978**
Research and development	476	371	-	(104)	-	743
Administrative concessions	1,588,179	7,465	(528)	(1,591,545)	(2,248)	1,323
Patents, licences, trademarks and similar	79	13	-	(85)	-	7
Computer software	58,972	6,238	(1,439)	(35,757)	(109)	27,905
Other intangible assets	102,966	2,723	-	(104,813)	(876)	-
Accumulated amortisation	**(751,581)**	**(42,667)**	**1,673**	**775,939**	**683**	**(15,953)**
Research and development	(109)	(156)	-	36	-	(229)
Administrative concessions	(694,227)	(34,357)	405	727,568	343	(268)
Patents, licences, trademarks and similar	(7)	(5)	-	6	-	(6)
Computer software	(35,939)	(5,488)	1,268	24,621	88	(15,450)
Other intangible assets	(21,299)	(2,661)	-	23,708	252	-
Impairment allowances	**(11,476)**	**-**	**-**	**11,366**	**110**	**-**
Total	**1,034,056**	**(25,508)**	**(294)**	**(991,166)**	**(3,021)**	**14,067**

Other information

At 31 December 2023 and 2022, fully amortised assets still in use amounted to EUR 10,168 thousand and EUR 7,293 thousand, respectively.

In 2023 and 2022, no financial expenses were capitalised under the heading *Net financial income/(expense)*.

The Group has insurance policies to cover the risks to which its intangible assets are subject. At the end of 2023 and 2022, assets were fully insured against these risks.

At 31 December 2023 and 2022, there were no intangible assets pledged as collateral.

7. Property, plant and equipment

Changes in this consolidated balance sheet heading in 2023 and 2022 are as follows:

2023	Thousands of euros					
	31/12/2022	**Additions and allowances**	**Derecognitions, applications and reversals**	**Transfers**	**Other**	**31/12/2023**
Costs	**82,264**	**1,087**	**(345)**	**(44,324)**	**94**	**38,776**
Land and buildings	58,926	-	-	(36,222)	-	22,704
Plant and other property and equipment	22,566	1,087	(345)	(7,236)	-	16,072
Fixed assets in course of construction and advances	772	-	-	(866)	94	-
Accumulated depreciation	**(14,942)**	**(1,753)**	**345**	**4,698**	**-**	**(11,652)**
Buildings	(4,267)	(30)	-	3,420	-	(877)
Plant and other property and equipment	(10,675)	(1,723)	345	1,278	-	(10,775)
Impairment allowances	**(10,756)**	**-**	**-**	**-**	**-**	**(10,756)**
Land and buildings	(9,178)	-	-	(456)	-	(9,634)
Plant and other property and equipment	(1,578)	-	-	456	-	(1,122)
Total	**56,566**	**(666)**	**-**	**(39,626)**	**94**	**16,368**

2022	Thousands of euros					
	31/12/2021	**Additions and allowances**	**Derecognitions, applications and reversals**	**Transfers**	**Other**	**31/12/2022**
Costs	**312,779**	**4,648**	**(4,330)**	**(230,327)**	**(506)**	**82,264**
Land and buildings	218,990	63	(119)	(159,808)	(200)	58,926
Plant and other property and equipment	88,225	2,131	(3,200)	(64,282)	(308)	22,566
Fixed assets in course of construction and advances	5,564	2,454	(1,011)	(6,237)	2	772
Accumulated depreciation	**(104,438)**	**(7,303)**	**3,176**	**93,371**	**252**	**(14,942)**
Buildings	(40,630)	(3,097)	37	39,346	77	(4,267)
Plant and other property and equipment	(63,808)	(4,206)	3,139	54,025	175	(10,675)
Impairment allowances	**(13,498)**	**-**	**39**	**2,703**	**-**	**(10,756)**
Land and buildings	(11,876)	-	-	2,698	-	(9,178)
Plant and other property and equipment	(1,622)	-	39	5	-	(1,578)
Total	**194,843**	**(2,655)**	**(1,115)**	**(134,253)**	**(254)**	**56,566**

Changes in the year

The "Transfers" heading mainly shows the reclassification of EUR 39,619 thousand from *Property, plant and equipment* to *Inventories* in connection with the residential real estate development at Infinitum Resort, a Criteria subsidiary (this project forms part of the larger real estate development of the "Infinitum" private resort). Incremental costs considered directly attributable to the development for the sale of the residential development, which Infinitum Resort would not have incurred in the absence of the residential development, have been allocated as an increase in the value of inventories. The investment made, equivalent to the recoverable value through independent operating cash flows of the assets related to the subsidiary's golf complex and beach club, the fair value of which amounted to EUR 10,762 thousand at 31 December 2023, continues to be classified as property, plant and equipment.

Other information

At 31 December 2023 and 2022, fully depreciated assets still in use amounted to EUR 13,096 thousand and EUR 11,590 thousand, respectively.

At 31 December 2023 and 2022, there were no commitments to construct items of property, plant and equipment.

The Group takes out insurance policies to cover the possible risks to which its items of property, plant and equipment are subject. At year-end 2023 and 2022, the assets were fully insured against these risks.

8. Investment property

Changes in this consolidated balance sheet heading in 2023 and 2022 are as follows:

2023	Thousands of euros					
	31/12/2022	Additions and allowances	Derecognitions, applications and reversals	Transfers	Other	31/12/2023
Costs	**2,081,026**	**54,468**	**(68,061)**	**(850)**	**242**	**2,066,825**
Land and buildings	2,060,254	51,160	(65,136)	(719)	1,538	2,047,097
Other investment property	20,772	3,308	(2,925)	(131)	(1,296)	19,728
Accumulated depreciation	**(195,310)**	**(16,205)**	**8,537**	**331**	**312**	**(202,335)**
Buildings	(183,609)	(14,846)	6,787	287	(2,137)	(193,518)
Other investment property	(11,701)	(1,359)	1,750	44	2,449	(8,817)
Impairment allowances	**(341,223)**	**(13,379)**	**40,335**	**(86)**	**-**	**(314,353)**
Land and buildings	(341,223)	(13,379)	40,335	(86)	-	(314,353)
Total	**1,544,493**	**24,884**	**(19,189)**	**(605)**	**554**	**1,550,137**

2022	Thousands of euros				
	31/12/2021	Additions and allowances	Derecognitions, applications and reversals	Transfers	31/12/2022
Costs	**1,784,154**	**342,017**	**(34,464)**	**(10,681)**	**2,081,026**
Land and buildings	1,763,922	340,520	(33,773)	(10,415)	2,060,254
Other investment property	20,232	1,497	(691)	(266)	20,772
Accumulated depreciation	**(184,290)**	**(15,524)**	**3,581**	**923**	**(195,310)**
Buildings	(173,460)	(14,139)	3,179	811	(183,609)
Other investment property	(10,830)	(1,385)	402	112	(11,701)
Impairment allowances	**(376,666)**	**(11,292)**	**40,344**	**6,391**	**(341,223)**
Land and buildings	(376,666)	(11,292)	40,344	6,391	(341,223)
Total	**1,223,198**	**315,201**	**9,461**	**(3,367)**	**1,544,493**

Changes in the year

Additions in 2023 related largely to the purchase of an office building in Madrid, which will be held for rental, and the refurbishment of several buildings in Barcelona and Madrid.

Meanwhile, disposals in 2023 related to the cost of land and sales of housing units. These resulted in pre-tax gains of EUR 9,346 thousand, recorded under *Impairment and gains/(losses) on disposal of non-current assets* (see Note 22.7). At 31 December 2022, they generated a pre-tax gain of EUR 4,322 thousand.

Transfers in 2023 included various properties from *Investment property* to *Inventories* amounting to EUR 605 thousand, net, as they had been classified as held for sale (see Note 12).

In 2023, the Group recognised impairment charges and reversals (charges to and reversals from impairment allowances) amounting to EUR 13,379 thousand and EUR 20,453 thousand, respectively. These items are recognised under *Impairment and gains/(losses) on disposal of non-current assets* in the accompanying consolidated statement of profit or loss (see Note 22.7). These movements relate to investment property where the recoverable amount —determined on the basis of valuations made by independent third-party experts and adjusted in accordance with the internal valuation model— is lower or higher, respectively, than the net book value. In 2022, the Group recognised an impairment allowance of EUR 11,292 thousand and reversal of impairment of EUR 28,306 thousand, respectively.

Other information

The net carrying amount of investment property generating rental income in 2023 and 2022 was EUR 1,124,237 thousand and EUR 1,127,216 thousand, respectively.

Income accrued from the rental of investment property is recognised under *Sales and services* in the consolidated statement of profit or loss (see Note 22.1) and amounted to EUR 50,897 thousand in 2023 (EUR 46,051 thousand in 2022). Meanwhile, expenses associated with the rental of investment property, as recorded in the accompanying consolidated statement of profit or loss, amounted to EUR 16,943 thousand (EUR 14,885 thousand in 2022).

The fair value of investment property, obtained from the Group's internal models as at 31 December 2023, amounts to EUR 1,699,295 thousand (31 December 2022: EUR 1,659,197 thousand). It is classified, based on the fair value hierarchy, as Level 2.

The Group takes out insurance policies to cover the possible risks to which its investment property is subject. At year-end 2023 and 2022, the assets were fully insured against these risks.

9. Investments accounted for using the equity method

The breakdown of assets of investments in associates (with the Group holding no stakes in joint ventures) at 31 December 2023 and 2022 is as follows:

Breakdown of investments in associates

Thousands of euros	31/12/2023	31/12/2022
Caixabank, S.A.	11,335,232	10,661,760
Naturgy Energy Group, S.A.	3,215,288	2,713,422
The Bank of East Asia, LTD (*)	2,845,599	2,905,744
Grupo Financiero Inbursa, SAB de CV (*)	1,561,463	1,252,387
Other companies	9,293	10,703
Subtotal	**18,966,875**	**17,544,016**
Less:		
Impairment allowances (*)	(1,766,755)	(1,539,339)
Total	**17,200,120**	**16,004,677**

(*) Equivalent value in euros of assets reported in foreign currency.

Goodwill (before impairment allowances) included within the assets of associates was as follows at 31 December 2023 and 2022:

Breakdown of goodwill

Thousands of euros	31/12/2023	31/12/2022
The Bank of East Asia, LTD (*)	729,413	757,050
Naturgy Energy Group, S.A.	636,940	636,940
Grupo Financiero Inbursa, SAB de CV (*)	285,095	255,939
Other	4,221	4,612
Total	**1,655,669**	**1,654,541**

(*) Equivalent value in euros of goodwill reported in foreign currency.

The following table shows changes in *Share of profit/(loss) of entities accounted for using the equity method* in 2023 and 2022:

Changes in investments – 2023

Thousands of euros	Underlying carrying amount	Goodwill	Impairment allowances	Total
Balance at 31/12/2022	**15,889,475**	**1,654,541**	**(1,539,339)**	**16,004,677**
Acquisitions and capital increases/Impairment allowances	246	1,773	(283,869)	(281,850)
Disposals and capital reductions/Reversal of impairment	(118,921)	-	-	(118,921)
Profit/(loss) for the period	2,285,355	-	-	2,285,355
Dividends declared	(978,090)	-	-	(978,090)
Exchange differences	42,552	1,519	56,186	100,257
Valuation adjustments – investees	514,167	-	-	514,167
Impact of IFRS 17 and IFRS 9 on the CaixaBank Group	(178,633)	-	-	(178,633)
Reserves, reclassifications and other (*)	(144,945)	(2,164)	267	(146,842)
Balance at 31/12/2023	**17,311,206**	**1,655,669**	**(1,766,755)**	**17,200,120**

(*) Includes mainly the change in reserves of investments accounted for using the equity method.

Changes in investments – 2022

Thousands of euros	Underlying carrying amount	Goodwill	Impairment allowances	Total
Balance at 31/12/2021	**14,652,450**	**1,583,975**	**(1,072,833)**	**15,163,592**
Acquisitions and capital increases/Impairment allowances	2,208	1,275	(400,000)	(396,517)
Disposals and capital reductions/Reversal of impairment	(181,102)	(318)	-	(181,420)
Profit/(loss) for the period	1,548,450	-	-	1,548,450
Dividends declared	(726,715)	-	-	(726,715)
Exchange differences	243,966	69,609	(66,668)	246,907
Valuation adjustments – investees	(141,279)	-	-	(141,279)
Reserves, reclassifications and other (*)	491,497	-	162	491,659
Balance at 31/12/2022	**15,889,475**	**1,654,541**	**(1,539,339)**	**16,004,677**

(*) Includes mainly the change in reserves of investments accounted for using the equity method.

The main changes in 2023 are as follows:

Caixabank, S.A.

CaixaBank began to apply IFRS 17 “Insurance contracts” and IFRS 9 “Financial instruments” on 1 January 2023 for assets and liabilities assigned to the insurance business. The impact of the first-time application on CaixaBank’s equity at that date was EUR (554,000) thousand. More precisely, its equity decreased by EUR 731,000 thousand and its accumulated other comprehensive income increased by EUR 177,000 thousand. All of these factors led to a reduction in the Criteria Group’s equity of EUR 178,633 thousand (see Note 15.3 and 15.5).

Meanwhile, Criteria sold 24,570,431 shares in CaixaBank directly to investors in 2023 (equivalent to 0.32% of its share capital) in exchange for EUR 99,819 thousand. These sales generated a consolidated gross loss of EUR 18,375 thousand (see Note 22.4).

Criteria’s stake in CaixaBank stood at 31.92% at 31 December 2023 (32.24% at 31 December 2022).

The Bank of East Asia, LTD

In 2023, Criteria’s stake fell by 0.04% as a result of the capital increases carried out by The Bank of East Asia, LTD within the framework of the scrip dividend programmes (in which Criteria opted to receive the dividends in cash).

Meanwhile, BEA has continued with the on-market share buy-back programme approved by its Board on 18 August 2022, for a total of HK$ 500 million, which has yet to be completed. As the shares acquired were cancelled, Criteria’s stake in BEA increased by 0.26%.

At 31 December 2023, Criteria’s stake in BEA was 19.19% (31 December 2022: 18.97%).

Share price

The share price of listed companies classified as associates and the percentage stake held at 31 December 2023 and 2022 are shown in the table below:

	31/12/2023		31/12/2022	
Thousands of euros	**Stake (%)**	**Share price**	**Stake (%)**	**Share price**
Caixabank, S.A.	31.92%	8,921,645	32.24%	8,882,568
Naturgy Energy Group, S.A.	26.71%	6,991,926	26.71%	6,295,323
The Bank of East Asia, LTD (*)	19.19%	567,941	18.97%	578,454
Grupo Financiero Inbursa, SAB de CV (*)	9.10%	1,514,332	9.10%	955,787
Share price		**17,995,844**		**16,712,132**

(*) Equivalent value in euros using the exchange rate for the market price published by the European Central Bank on the last day of the month.

Impairment of equity investments

For the purpose of assessing the recoverable amount of stakes in associates, the Group has a methodology in place for performing an assessment of potential indicators of impairment in the carrying amount of these investments, as described in Note 3.1.

At 31 December 2023, following this methodology and taking into account the current macroeconomic environment when making the estimates, the Criteria Group performed impairment tests to assess the recoverable amount of its investments and verify the accuracy of the values at which they are recognised.

Generally accepted valuation methods were used, largely based on estimates of the Group's share in future cash flows from the investee company, whether from its ordinary activities or its eventual disposal or derecognition. Criteria did not consider potential control premiums in any of the valuations.

The ranges of assumptions used are summarised below:

	Banking portfolio		Industrial portfolio	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
Valuation method	Dividend discount model	Dividend discount model	Discounted cash flow	Discounted cash flow
Forecast periods	5 years	5 years	5 years	5 years
Discount rate [1]	10.3% - 12.2%	9.5% - 11.6%	7.0%	6.4%
Growth rate [2]	1.7% - 3.2%	1.7% - 3.3%	1.5%	1.5%

[1] Calculated on the long-term outlook for the 10-year German bond, plus the risk premium for the country concerned, plus an additional risk premium.
[2] Growth rate used to calculate residual value beyond the forecast period. Determined on the basis of data for the latest forecast period and never exceeding nominal GDP growth estimated for the country or countries in which the investees operate.

Given the uncertainty inherent in these assumptions, sensitivity analyses are run to confirm whether the recoverable amount continues to exceed the carrying amount of the investee. In this regard and further to the baseline scenario included in the impairment tests, possible variations in the main hypotheses, including the various business strategies and statements of profit or loss of investees, have been considered to assess the resistance of the value of these investments to more adverse scenarios.

The following sensitivity analyses were carried out:

a) For banking portfolio: possible changes in the main assumptions of the model, including the discount rate (-1%, -0.5%, +0.5%, +1%); the growth rate (-1%, -0.5%, +0.5%, +1%); sustainable ROE; turnover; net interest margin; fees and commissions; cost-to-income ratio; and cost of risk.

b) For the industrial portfolio: possible changes in the main key assumptions of the model, including the discount rate (-0.2%, +0.3%); the growth rate (-0.2%, +0.3%), and the estimated long-term rate of return (-0.2%, +0.3%).

The analyses conducted with public information and the complete valuation exercise revealed the need to transfer a total of EUR 283,869 thousand to profit or loss in 2023 (EUR 400,000 thousand in 2022), as recognised under *Impairment of investments in associates* in the consolidated statement of profit or loss. Of this amount, EUR 280,000 thousand relates to the stake held by the Group in The Bank of East Asia. This impairment is the product of a prudent valuation exercise and stems also from the complex geopolitical situation in the region in which BEA operates, the failure of the Chinese and Hong Kong economy to fire up once again following the strict lock-downs imposed amid the pandemic and the prolonged weakening of the real estate sector.

The tables below show the changes in impairment allowances for investments in associates in 2023 and 2022:

Changes in impairment allowances for investments in associates

Thousands of euros	31/12/2023	31/12/2022
Balance at the start of the year	**1,539,339**	**1,072,833**
Plus:		
Allowances recognised in profit or loss	283,869	400,000
Exchange differences	-	66,668
Less:		
Exchange differences	(56,186)	-
Transfers and other	(267)	(162)
Closing balance	**1,766,755**	**1,539,339**

Financial information on companies accounted for using the equity method

Appendix II discloses the percentage of ownership, share capital, reserves, results, and interim dividends, other equity, dividends from the total investment, carrying amount of the direct investment, share price at 31 December 2023 and average share price for the last quarter of 2023 for each of the stakes in associates.

Condensed financial information on significant associates accounted for using the equity method, based on the latest information available at the date of authorisation for issue of these consolidated annual financial statements, is as follows:

(Figures in millions of euros or the corresponding local currency)	**CaixaBank**	**The Bank of East Asia (**)**	**GF Inbursa (**)**	**Naturgy Energy Group**
Nature of the company's activities	Note (1)	Note (2)	Note (3)	Note (4)
Country of incorporation and countries of operation	Spain and Portugal	Hong Kong, China	Mexico	In Spain and with significant activities also in Latin America
Economic and corporate stake at 31/12/2023	31.92%	19.19%	9.10%	26.71%
Dividends received (in cash) from the investee in 2023 (in thousands of euros)	557,821	31,829	-	388,440
Reconciliation of financial information related to fair value adjustments at the time of acquisition and adjustments due to changes in accounting policy			Adjustments for standardisation with IFRS	
Summarised financial information for:	**31/12/2023**	**31/12/2023 (***)**	**31/12/2023 (***) (****)**	**31/12/2023**
Current assets	-	-	-	8,629
Non-current assets (*)	607,167	860,361	691,238	29,264
Current liabilities	-	-	-	7,090
Non-current liabilities (*)	570,828	752,035	466,079	18,874
Ordinary income	14,231	20,746	91,937	22,617
Profit/(loss) from continuing operations	4,816	4,136	30,985	3,042
Profit/(loss) from discontinued operations (after tax)	2	-	-	-
Other comprehensive income	334	160	-	1,351
Total comprehensive income for the period	5,152	4,296	30,985	3,625
Attributable net profit	4,816	4,118	30,955	1,986
Exchange rate at 31/12/2023	-	8.63	18.72	-
Average exchange rate in 2023	-	8.47	19.18	-
Summarised financial information for:	**31/12/2022 (**)**	**31/12/2022 (***)**	**31/12/2022 (***) (****)**	**31/12/2022**
Current assets	-	-	-	12,022
Non-current assets (*)	598,850	882,825	593,156	28,368
Current liabilities	-	-	-	9,779
Non-current liabilities (*)	565,143	776,479	397,956	20,632
Ordinary income	11,093	17,954	66,154	33,965
Profit/(loss) from continuing operations	3,131	4,378	24,495	2,546
Profit/(loss) from discontinued operations (after tax)	2	-	-	(23)
Other comprehensive income	(1,098)	(3,830)	-	1,295
Total comprehensive income for the period	2,035	548	24,495	3,121
Attributable net profit	3,129	4,359	24,469	1,649
Exchange rate at 31/12/2022	-	8.32	20.86	-
Average exchange rate in 2022	-	8.25	21.19	-

(*) For banks it relates to total assets or liabilities, as applicable.
(**) Amounts restated
(***) Financial information in local currency (except for the dividend of The Bank of East Asia and of Grupo Financiero Inbursa which is expressed in euros).
(****) Financial reporting under local rules.

(1) CaixaBank, founded in 1904, is the leading bancassurance franchise in the Iberian Peninsula. The group has around 20 million customers, close to EUR 600 billion in assets, and has the largest distribution network in Spain, with a balanced presence throughout the country. It also operates also in Portugal through Banco BPI. Its business model takes a sector-specific approach, offers a broad range of high-quality products and guarantees proximity to customers and society. It is a European benchmark in innovation and digital leadership, as well as a sustainable and socially responsible banking model which promotes savings and protection solutions. Its brand enjoys prestige and widespread recognition with high social engagement and a people-centric corporate culture.

(2) Incorporated in 1918, The Bank of East Asia is a strong, well-positioned bank and a pioneer in providing innovative, high value-added financial services in Hong Kong, China and other markets around the world. It is present in the Greater Bay Area (Hong Kong, Macau and Chinese cities around Hong Kong Bay), the region with the highest growth and potential in China. BEA is Hong Kong's last major independent bank, with one of the largest branch networks of any foreign bank in Mainland China, and a wide range of corporate banking, personal banking and private banking products.

(3) GF Inbursa, founded in 1965, it is one of the leading financial services groups in Mexico and is financially strong. It delivers high levels of solvency and liquidity, well above minimum regulatory requirements and the industry average. It is a benchmark in corporate banking, insurance and securities custody, and is expanding in the retail segment. It has a complete and fully integrated financial services model through a strong sales force, with a quantum leap in digitisation.

(4) Naturgy is a Spanish multinational company from the energy sector. It is a pioneer in the integration of gas and electricity and which operates in the regulated and liberalised gas and electricity markets. It is present in over 20 countries, serving upwards of 16 million customers. It has an installed capacity of 16.2 gigawatts and a diverse mix of electricity generation assets. Its business model seeks to create value on the path to sustainable social development, guaranteeing the supply of competitive and safe energy with the utmost respect for the environment.

10. Non-current and current financial assets

The breakdown of this heading of the accompanying consolidated balance sheet is as follows at 31 December 2023 and 2022:

	31/12/2023		31/12/2022	
Thousands of euros	**Non-current**	**Current**	**Non-current**	**Current**
Financial assets measured at fair value with changes in other comprehensive income	**4,271,585**	**31,977**	**3,720,934**	**7,136**
Equity instruments (Note 10.1)	4,182,767	-	3,646,371	-
Debt instruments (Note 10.2)	88,818	31,977	74,563	7,136
Financial assets measured at fair value with changes in profit or loss	**91,703**	**774**	**78,506**	**2,475**
Equity instruments (Note 10.1)	90,343	-	78,506	-
Participating loans	1,360	774	-	2,475
Financial assets at amortised cost	**9,862**	**6,064**	**8,332**	**42,610**
Debt instruments (Note 10.2)	-	-	-	23,977
Loans and other credits (Note 10.3)	4,804	270	3,840	1,006
Term deposits	-	-	-	-
Dividends receivable	-	2,511	-	15,768
Other financial assets (Note 10.4)	5,058	3,283	4,492	1,859
Total	**4,373,150**	**38,815**	**3,807,772**	**52,221**

The maturities of the Group's *Non-current financial assets* at 31 December 2023 and 2022 are given below:

31/12/2023	Maturity (thousands of euros)			
Type of financial item	**Between 1 and 3 years**	**From 3 to 5 years**	**Beyond 5 years or with no specified maturity**	**Total**
Financial assets measured at fair value with changes in other comprehensive income	60,988	27,831	4,182,766	**4,271,585**
Financial assets measured at fair value with changes in profit or loss	1,360	-	90,343	**91,703**
Financial assets at amortised cost	5,109	2,445	2,308	**9,862**
Total	**67,457**	**30,276**	**4,275,417**	**4,373,150**

31/12/2022	Maturity (thousands of euros)			
Type of financial item	**Between 1 and 3 years**	**From 3 to 5 years**	**Beyond 5 years or with no specified maturity**	**Total**
Financial assets measured at fair value with changes in other comprehensive income	45,597	28,967	3,646,370	**3,720,934**
Financial assets measured at fair value with changes in profit or loss	-	-	78,506	**78,506**
Financial assets at amortised cost	697	5,236	2,399	**8,332**
Total	**46,294**	**34,203**	**3,727,275**	**3,807,772**

10.1. Equity instruments

Details of the changes in *Equity instruments* according to the nature of the transactions in 2023 and 2022 are as follows:

Thousands of euros	Financial assets measured at fair value with changes in other comprehensive income	Financial assets measured at fair value with changes in profit or loss
Balance at 31/12/2022	**3,646,371**	**78,506**
Acquisitions and capital increases	275,396	20,554
Sales	(180,262)	(6,181)
Fair value adjustments transferred to consolidated profit or loss (Note 22.4)	-	(2,550)
Fair value adjustments transferred to other comprehensive income (Note 15.5)	520,034	-
Amounts transferred to reserves (Note 15.5)	(33,714)	-
Dividends deducted from cost and others	(45,058)	14
Balance at 31/12/2023	**4,182,767**	**90,343**

Thousands of euros	Financial assets measured at fair value with changes in other comprehensive income	Financial assets measured at fair value with changes in profit or loss
Balance at 31/12/2021	**4,869,536**	**78,962**
Acquisitions and capital increases	640,834	23,783
Sales	(642,076)	(14,723)
Fair value adjustments transferred to consolidated profit or loss (Note 22.4)	-	(11,987)
Fair value adjustments transferred to other comprehensive income (Note 15.5)	(980,566)	-
Amounts transferred to reserves (Note 15.5)	(219,625)	-
Dividends deducted from cost and others	(21,732)	2,471
Balance at 31/12/2022	**3,646,371**	**78,506**

The main changes in 2023 were as follows:

Telefónica, S.A.

In 2023, the Group acquired 21,711,000 shares in Telefónica (0.38% of its share capital) on the market, in exchange for EUR 80,913 thousand.

Meanwhile, in April 2023 Telefónica carried out a capital reduction through the redemption of treasury shares, thus increasing the Group's stake by 0.01%.

At 31 December 2023, Criteria's stake in Telefónica was 2.55% (2.17% at 31 December 2022).

Other

In 2023, the Group carried out net divestments of equity instruments (listed Spanish and foreign equity instruments) for the amount of EUR (17,634) thousand and EUR (1,859) thousand, respectively. Further, the Group invested a net total of EUR 14,373 thousand in equity instruments at non-listed companies.

At 31 December 2023, key information on the main investments classified as *Financial assets measured at fair value with changes in Other comprehensive income – Equity instruments* is as follows:

Thousands of euros

Company name	Registered office	Stake (%)	Voting rights (%)	Equity	Latest published profit/(loss)
Cellnex Telecom, S.A. [(1)]	Calle Juan Esplandiú, 11–13, 28007 Madrid	4.36%	4.36%	15,146,793	(297,220)
Telefónica, S.A. [(1)]	Gran Vía, 28, 28013 Madrid	2.55%	2.55%	27,096,166	(891,632)

[(1)] Listed entity. Information on equity and latest published profit/(loss) is at 31/12/2023.

10.2. Debt instruments

Details of the changes in *Debt instruments* according to the nature of the transactions in 2023 and 2022 are as follows:

Financial assets measured at fair value with changes in other comprehensive income

	Thousands of euros			
	2023		2022	
	Non-current	Current	Non-current	Current
Balance at the start of the year	**74,563**	**7,136**	**-**	**-**
Additions	41,895	3,794	70,658	7,267
Disposals and redemptions	(1,000)	(8,416)	-	(2,180)
Discount/premium amortisation	1,125	482	-	-
Change in fair value	1,454	(238)	(2,293)	-
Transfers and other	(29,219)	29,219	6,198	2,049
Closing balance	**88,818**	**31,977**	**74,563**	**7,136**

Financial assets at amortised cost

	Thousands of euros			
	2023		2022	
	Non-current	Current	Non-current	Current
Balance at the start of the year	**-**	**23,977**	**11,198**	**4,041**
Additions	-	132,503	-	154,379
Disposals and redemptions	-	(157,000)	(5,000)	(132,499)
Discount/premium amortisation	-	520	-	105
Transfers and other	-	-	(6,198)	(2,049)
Closing balance	**-**	**-**	**-**	**23,977**

Gains or losses on disposals by the Group are recognised under *Impairment and gains/(losses) on disposal of financial instruments,* as part of *Net financial income/(expense)*.

The following tables show the maturities of non-current debt securities at 31 December 2023 and 31 December 2022:

31/12/2023	Thousands of euros			
	Between 1 and 3 years	From 3 to 5 years	Beyond 5 years or with no specified maturity	Total
Spanish government debt securities	10,345	-	-	10,345
Foreign government debt securities	40,803	18,054	-	58,857
Listed private equity securities – Spain	7,715	4,746	-	12,461
Listed private equity securities – foreign	2,125	5,030	-	7,155
Total	**60,988**	**27,830**	**-**	**88,818**

31/12/2022	Thousands of euros			
	Between 1 and 3 years	From 3 to 5 years	Beyond 5 years or with no specified maturity	Total
Spanish government debt securities	3,256	-	-	3,256
Foreign government debt securities	38,679	19,076	-	57,755
Listed private equity securities – Spain	922	5,060	-	5,982
Listed private equity securities – foreign	2,740	4,830	-	7,570
Total	**45,597**	**28,966**	**-**	**74,563**

As indicated in Note 3.6.3 to these consolidated financial statements, at year-end the Group reviews the need to recognise impairment losses on debt securities measured at amortised cost and at fair value through other comprehensive income. This analysis did not reveal the need to recognise any impairment.

10.3. Loans and other credits

The detail of this item is as follows:

	31/12/2023		31/12/2022	
Thousands of euros	**Non-current**	**Current**	**Non-current**	**Current**
Loans and other credits to third parties	4,804	338	3,840	1,074
Impairment of loans and other credits to third parties	-	(68)	-	(68)
Total	**4,804**	**270**	**3,840**	**1,006**

At the end of the year, the Group reviewed the need to make impairment allowances for assets measured at amortised cost. Loans and other receivables are subject to expected loss impairment, as required under IFRS 9. The Group conducted the analysis based on the general approach set out in the standard, except for trade receivables, for which the simplified approach is used (see Note 3.6.3).

As a result of the analysis, no impairment was recognised in 2023 and 2022 under *Impairment and gains/(losses) on disposal of financial instruments* in the accompanying consolidated statement of profit or loss.

10.4. Other financial assets

This heading of the accompanying consolidated balance sheet at 31 December 2023 and 2022 breaks down as follows:

	31/12/2023		31/12/2022	
Thousands of euros	**Non-current**	**Current**	**Non-current**	**Current**
Deposits pledged as collateral	-	50	-	50
Guaranteed posted	4,801	777	4,236	659
Other financial assets	257	2,456	256	1,150
Total	**5,058**	**3,283**	**4,492**	**1,859**

10.5. Fair value of financial assets

The fair value of the main financial assets classified as current and non-current in the accompanying consolidated balance sheet, in addition to their carrying amount, at 31 December 2023 and 2022, is shown below:

Financial assets

	31/12/2023		31/12/2022	
Thousands of euros	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets measured at fair value with changes in other comprehensive income	4,303,562	4,303,562	3,728,070	3,728,070
Financial assets measured at fair value with changes in profit or loss	92,477	92,477	80,981	80,981
Debt instruments at amortised cost	-	-	23,977	23,977
Loans and other credits	5,074	5,074	4,846	4,846
Total	**4,401,113**	**4,401,113**	**3,837,874**	**3,837,874**

Financial instruments held by the Group at 31 December 2023 and 2022 can be broken down as follows, by calculation method:

Fair value of financial assets

	31/12/2023			31/12/2022		
Thousands of euros	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value with changes in other comprehensive income	4,253,012	-	50,550	3,677,520	-	50,550
Financial assets measured at fair value with changes in profit or loss	-	-	92,477	-	-	80,981
Debt instruments at amortised cost	-	-	-	-	23,977	-
Loans and receivables	-	-	5,074	-	-	4,846
Total	**4,253,012**	**-**	**148,101**	**3,677,520**	**23,977**	**136,377**

The Group's process for determining fair value ensures that its instruments are measured appropriately (see Note 3.6.2).

There were no transfers or reclassifications among levels in 2023 or 2022.

The table below presents a breakdown of the share price of the main listed companies (Level 1) at 31 December 2023 and 2022, classified as *Financial assets measured at fair value with changes in other comprehensive income – Equity instruments* as it is considered that the Group does not exercise significant influence over them:

Share price of main listed investments

Thousands of euros	31/12/2023		31/12/2022	
Company	**Stake (%)**	**Share price**	**Stake (%)**	**Share price**
Cellnex Telecom, S.A.	4.36%	1,098,421	4.36%	952,417
Telefónica, S.A.	2.55%	519,224	2.17%	423,840
Other Spanish equity securities	-	514,446	-	389,027
Other foreign equity securities	-	2,000,126	-	1,830,537
Share price		**4,132,217**		**3,595,821**

Movements in Level 3 financial assets

In 2023 and 2022, movements in Level 3 equity instruments, both those measured at fair value with changes in other comprehensive income and those measured at fair value with changes in profit or loss, and in participating loans measured at fair value with changes in profit or loss, are as follows:

Level 3 movements

Thousands of euros	Financial assets measured at fair value with changes in other comprehensive income – Equity instruments	Financial assets measured at fair value with changes in profit or loss – Equity instruments	Financial assets measured at fair value with changes in profit or loss – Participating loans[1]
Balance at 31/12/2022	**50,550**	**78,506**	**2,475**
Acquisitions and capital increases	-	20,554	1,760
Sales, redemptions and capitalisations	-	(6,181)	(186)
Fair value adjustments transferred to consolidated profit or loss	-	(2,550)	-
Impairment and reversal of impairment	-	-	(939)
Transfers and other	-	14	(976)
Balance at 31/12/2023	**50,550**	**90,343**	**2,134**

[1] At 31 December 2023, there were no participating loans granted to associates (31 December 2022: EUR 1,067 thousand) (see Note 25).

Level 3 movements

Thousands of euros	Financial assets measured at fair value with changes in other comprehensive income – Equity instruments	Financial assets measured at fair value with changes in profit or loss – Equity instruments	Financial assets measured at fair value with changes in profit or loss – Participating loans[1]
Balance at 31/12/2021	**50,550**	**71,340**	**3,535**
Acquisitions and capital increases	-	23,783	1,941
Sales, redemptions and capitalisations	-	(5,001)	(555)
Fair value adjustments transferred to consolidated profit or loss	-	(14,086)	-
Impairment and reversal of impairment	-	-	(746)
Transfers and other	-	2,470	(1,700)
Balance at 31/12/2022	**50,550**	**78,506**	**2,475**

[1] At 31 December 2022, participating loans to associates amounted to EUR 1,067 thousand (EUR 691 thousand at 31 December 2021) (see Note 25).

11. Derivative financial instruments

The fair value of derivative financial instruments was as follows at 31 December 2023 and 2022:

	31/12/2023			
	Assets		Liabilities	
Thousands of euros	**Non-current**	**Current**	**Non-current**	**Current**
Options on equity securities	-	4	-	63
Interest rate swaps	1,901	-	-	-
Embedded derivative	-	-	857	-
Total derivative financial instruments arranged with third parties	**1,901**	**4**	**857**	**63**
Interest rate swaps	3,893	-	-	-
Total derivative financial instruments arranged with associates (Note 25)	**3,893**	**-**	**-**	**-**
Total	**5,794**	**4**	**857**	**63**

	31/12/2022			
	Assets		Liabilities	
Thousands of euros	**Non-current**	**Current**	**Non-current**	**Current**
Options on equity securities	23	-	-	133
Embedded derivative	-	-	1,788	-
Interest rate swaps	3,459	13,464	-	-
Exchange rate swaps	-	312	-	-
Total derivative financial instruments arranged with third parties	**3,482**	**13,776**	**1,788**	**133**
Options on equity securities	-	-	-	11
Interest rate swaps	3,460	-	-	-
Total derivative financial instruments arranged with associates (Note 25)	**3,460**	**-**	**-**	**11**
Total	**6,942**	**13,776**	**1,788**	**144**

Options on equity securities

In 2023 and 2022, the Group traded in options on listed shares by buying calls and selling *puts and calls.* Gains/(losses) and changes in the fair value of these options are recognised in the statement of profit or loss under *Changes in fair value of financial instruments* (see Note 22.4).

Interest rate swaps

The table below provides information on interest rate swap agreements at 31 December 2023 and 2022.

Thousands of euros		Classification	Notional amount	Average interest rate	Start	Maturity	Impact recognised in profit or loss (Note 22.8)	Fair value	
								Assets	Liabilities
2023	Floating-to-fixed interest rate swaps	Trading	100,000	1.10%	2021	2026	(16,579)	3,803	-
	Fixed-to-floating interest rate swaps	Trading	50,000	EUR6M+24bps	2025	2030	1,991	1,991	-
2022	Floating-to-fixed interest rate swaps	Trading	800,000	0.51%	2018-2022	2023-2026	35,445	20,383	-

In 2023, interest rate swaps with a total notional amount of EUR 700,000 thousand reached maturity.

Embedded derivative

This corresponds to the fair value at 31 December 2023 and 2022 of the embedded derivative relating to the issue of bonds exchangeable for shares of Cellnex Telecom, S.A., as recorded under *Non-current and current financial liabilities* (see Note 18.1). Changes in the fair value of this embedded derivative are recognised in the consolidated statement of profit or loss under *Gains/(losses) on financial transactions, with group companies and associates* (see Note 22.4).

Fair value of derivative financial instruments

Derivative financial instruments are recognised at fair value in the consolidated balance sheet and are classified as Level 2, based on the valuation method (see Note 3.7).

There were no transfers or reclassifications among levels in 2023 or 2022.

12. Inventories

The detail and movement in the balances of this heading of the accompanying consolidated balance sheet are as follow:

2023

	Thousands of euros					
	31/12/2022	**Additions and allowances**	**Derecognitions, applications and reversals**	**Transfers**	**Other**	**31/12/2023**
Land, lots and developments	**2,621,759**	25,311	(198,767)	40,489	1,193	**2,489,985**
Other inventories	**136**	49	(13)	-	-	**172**
Advance payments to suppliers	**13**	3	(1)	-	-	**15**
Impairment allowances	**(1,472,442)**	(43,785)	156,542	(257)	302	**(1,359,640)**
Total	**1,149,466**	**(18,422)**	**(42,239)**	**40,232**	**1,495**	**1,130,532**

2022

	Thousands of euros					
	31/12/2021	**Additions and allowances**	**Derecognitions, applications and reversals**	**Transfers**	**Other**	**31/12/2022**
Land, lots and developments	**2,908,044**	22,060	(323,474)	19,082	(3,953)	**2,621,759**
Other inventories	**1,628**	541	(449)	(1,585)	1	**136**
Advance payments to suppliers	**2,346**	180	(2,282)	(231)	-	**13**
Impairment allowances	**(1,603,609)**	(49,473)	187,458	(6,818)	-	**(1,472,442)**
Total	**1,308,409**	**(26,692)**	**(138,747)**	**10,448**	**(3,952)**	**1,149,466**

This heading of the consolidated balance sheet essentially includes land, real estate assets under construction and finished buildings, which the Group holds with the intention of selling them within the normal course of its business.

Changes in the year

Disposals in 2023 related to the disposal of land and finished buildings from the real estate business, with a net cost of EUR 77,919 thousand (EUR 168,405 thousand in 2022). These transactions yielded pre-tax profits of EUR 7,628 thousand (EUR 30,164 thousand in 2022).

Transfers in 2023 include the reclassification of EUR 39,619 thousand from *Property, plant and equipment* to *Inventories* in relation to the Infinitum Resort residential real estate development (see Note 7). They also include the transfer of various properties from *Investment property* to *Inventories* amounting to EUR 605 thousand, as such property was classified as held for sale (see Note 8).

In 2023, the Group recognised impairment charges and reversals (charges to and reversals from impairment allowances) amounting to EUR 43,785 thousand and EUR 35,694 thousand, respectively. These are recorded under *Cost of sales – Procurements* in the accompanying consolidated statement of profit or loss (see Note 22.2). These movements relate to inventories for which the recoverable amount —determined on the basis of valuations performed by independent third-party experts and adjusted using an internal valuation model— is lower or higher, respectively, than the net book value. In 2022, the Group recognised an impairment allowance of EUR 49,473 thousand and a reversal of impairment of EUR 32,389 thousand, respectively.

Other information

Real estate assets classified under *Inventories* are measured using internal models for calculating recoverable amounts, which rely on revised valuations as inputs. The valuation method for these assets is described in Note 3. The fair value, calculated using the Group's internal models at 31 December 2023, amounts to EUR 1,279,191 thousand (EUR 1,342,424 thousand in 2022).

The Group has taken out insurance policies to cover the risks to which its inventories are exposed. At the end of 2023 and 2022, assets were fully insured against these risks.

13. Trade and other receivables

Details of the balances under this heading of the accompanying consolidated balance sheet are as follows:

	Thousands of euros	
	31/12/2023	**31/12/2022**
Trade receivables for sales and services	3,178	9,942
Receivables from associates (Note 25)	16	13
Receivables from the Sole Shareholder (Note 25)	265	379
Tax assets (Note 20)	63,186	48,735
Other loans	32	183
Total	**66,677**	**59,252**

The heading *Trade receivables for sales and services* includes trade receivables from third parties in connection with the Group's real estate activity.

In 2023, a total of EUR 189 thousand was recognised as the net sum of impairment and reversal of impairment of trade receivables (see Note 22.6). In 2022, a net amount of EUR 830 thousand was recognised, comprising an expense of EUR 592 thousand under *Other operating expenses* and income of EUR 1,422 thousand under *Profit/(loss) from discontinued operations* in the accompanying consolidated statement of profit or loss.

14. Cash and cash equivalents

At 31 December 2023 and 2022, the balance of this heading of the consolidated balance sheet and the breakdown of the average interest rate were as follows:

	Thousands of euros			
Type of contract	**31/12/2023**	**Interest rate (average)**	**31/12/2022**	**Interest rate (average)**
Cash on hand	13	-	6	-
Current accounts	473,578	3.51%	226,481	1.47%
Deposits at less than 3 months	100,000	3.93%	202,079	1.96%
Total	**573,591**		**428,566**	

Interest accrued on cash and cash equivalents amounted to EUR 11,028 thousand in 2023 (EUR 947 thousand in 2022) and is recognised under *Financial income* (see Note 22.8).

The entire balance of *Cash and cash equivalents* matures within three months.

At 31 December 2023, there were pledged accounts amounting to EUR 3,638 thousand (31 December 2022: EUR 2,708 thousand), corresponding to the real estate activity and as security for the fulfilment of obligations under off-plan sales contracts.

15. Equity

This heading of the consolidated balance sheet at 31 December 2023 and 2022 breaks down as follows:

	Thousands of euros	
	31/12/2023	**31/12/2022**
Share capital	1,834,166	1,834,166
Share premium	819,519	1,219,519
Reserves	17,235,366	16,391,467
Other shareholder contributions	16,800	16,800
Profit/(loss) attributable to the Group	1,909,611	1,198,781
Total shareholders' equity	**21,815,462**	**20,660,733**
Valuation adjustments	(237,378)	(1,347,881)
Non-controlling interest	123,050	130,515
Total equity	**21,701,134**	**19,443,367**

The consolidated statement of changes in equity shows changes in 2023 and 2022, the most significant of which are described below.

15.1. Share capital

At 31 December 2023 and 2022, Criteria's share capital was represented by 45,854,145 ordinary shares with a par value of EUR 40 each, all fully subscribed for and paid up.

15.2. Share premium

The Sole Shareholder, at its meetings of 16 February, 27 April, 15 June, 21 September and 14 December 2023, resolved to distribute dividends in the amounts of EUR 60,000 thousand, EUR 80,000 thousand, EUR 70,000 thousand, EUR 110,000 thousand and EUR 80,000 thousand, respectively, all charged to the share premium. All the dividends were paid to "la Caixa" Banking Foundation in 2023.

In 2022, the Sole Shareholder resolved to distribute dividends charged to the share premium in the amounts of EUR 60,000 thousand, EUR 70,000 thousand, EUR 75,000 thousand, EUR 80,000 thousand and EUR 90,000 thousand at its meetings of 21 February, 28 April, 20 June, 22 September and 2 December 2022, respectively.

The Spanish Corporate Enterprises Act expressly allows the balance of the share premium account to be used to increase capital and does not establish any specific restriction on such use.

15.3. Reserves

The detail of *Reserves* at 31 December 2023 and 2022 is as follows:

2023	Thousands of euros			
	Legal reserve	**Parent reserves**	**Consolidation reserves**	**Total reserves**
Balance at 31/12/2022	**366,833**	**14,978,742**	**1,045,892**	**16,391,46**
Appropriation of prior year's profit (Note 15.4)	-	510,092	688,689	**1,198,781**
Gains/(losses) on the sale of equity instruments, net of tax	-	-	28,008	**28,008**
Changes in reserves of companies consolidated using the equity method	-	-	(145,175)	**(145,175)**
First-time application of IFRS 17 and IFRS 9 (Note 9)	-	-	(235,705)	**(235,705)**
Changes in reserves of fully-consolidated subsidiaries	-	-	(2,010)	**(2,010)**
Total at 31/12/2023	**366,833**	**15,488,834**	**1,379,699**	**17,235,36**

2022	Thousands of euros			
	Legal reserve	Parent reserves	Consolidation reserves	Total reserves
Balance at 31/12/2021	**366,833**	**14,577,721**	**(778,246)**	**14,166,308**
Appropriation of prior year's profit	-	401,021	1,295,748	**1,696,769**
Gains/(losses) on the sale of equity instruments, net of tax	-	-	216,016	**216,016**
Changes in reserves of companies consolidated using the equity method	-	-	311,441	**311,441**
Changes in reserves of fully-consolidated subsidiaries	-	-	933	**933**
Total at 31/12/2022	**366,833**	**14,978,742**	**1,045,892**	**16,391,467**

Legal reserve

According to the restated text of the Corporate Enterprises Act, companies must earmark an amount equal to 10% of profit for the year for the legal reserve until such reserve represents at least 20% of share capital. The legal reserve may not be used to offset losses unless it exceeds 20% of the capital and no other sufficient reserves are available for such purpose.

The legal reserve may be used to increase capital provided that the remaining reserve balance does not fall below 10% of the balance of share capital after the increase.

At the end of 2023 and 2022, the balance of this reserve had reached the legally required minimum.

15.4. Distribution of profit

The distribution of Criteria's profit for 2023, which the Board of Directors will propose for approval by the Sole Shareholder, is set out below, as is the distribution of 2022 profit, which was approved by the Sole Shareholder on 27 April 2023.

	Thousands of euros	
	2023	**2022**
Basis of appropriation:		
Profit/(loss) for the period	817,256	510,092
Appropriation:		
To voluntary reserves	817,256	510,092
Total	**817,256**	**510,092**

15.5. Valuation adjustments

Items that will not be reclassified to profit or loss for the year:

Financial assets measured at fair value with changes in Other comprehensive income – Equity instruments

This item in the accompanying consolidated statement of other comprehensive income shows the amount, net of the related tax effect, of the differences between the market value and acquisition cost (net gains/losses) of the equity instruments classified as *Financial assets measured at fair value with changes in other comprehensive income*, that should be recognised in equity. It also includes loss or gains arising from exchange differences on these equity instruments.

Share of other recognised income and expense of investments in associates

This heading of the consolidated statement of comprehensive income includes the valuation adjustments that will not be reclassified to profit or loss for the year in relation to associates accounted for using the equity method.

Items that may be reclassified to profit or loss for the year:

Foreign currency translation

This heading of the consolidated statement of other comprehensive income shows the net amount of exchange differences arising on non-monetary items whose fair value is adjusted in equity and the differences arising on the translation to euros of the balances in the functional currencies of the fully consolidated companies and companies accounted for using the equity method whose functional currency is not the euro.

Cash flow hedges

This heading of the accompanying consolidated statement of other comprehensive income shows the amount, net of tax, of the changes in value of financial derivatives designated as hedging instruments in cash flow hedges, in respect of the portion of these changes considered to be "effective hedges".

Financial assets measured at fair value with changes in other comprehensive income – Debt instruments

This item in the accompanying consolidated statement of other comprehensive income shows the amount, net of the related tax effect, of the differences between the market value and acquisition cost (net gains/losses) of the debt instruments classified as *Financial assets measured at fair value with changes in other comprehensive income*, that should be recognised in equity. It also includes loss or gains arising from exchange differences on these equity instruments.

Share of other recognised income and expense of investments in associates

This heading of the consolidated statement of comprehensive income includes valuation adjustments that may be reclassified to profit or loss for the year in relation to associates accounted for using the equity method.

The movement in the heading *Valuation adjustments* in 2023 and 2022 is as follows:

2023	Thousands of euros					
	Balance at 31/12/2022	Amounts transferred to profit or loss (after tax)	Amounts transferred to reserves (after tax)	Deferred tax assets/liabilities	Valuation gains/(losses) (before tax)	Balance at 31/12/2023
Items that will not be reclassified to profit or loss	**(620,410)**	**-**	**(28,008)**	**(54,292)**	**536,535**	**(166,175)**
Financial assets measured at fair value with changes in other comprehensive income – Equity instruments (Note 10.1)	(167,948)	-	(28,008)	(54,292)	520,034	269,786
Share of other recognised income and expense of investments in associates	(452,462)	-	-	-	16,501	(435,961)
Items that may be reclassified to profit or loss	**(727,471)**	**(2,973)**	**-**	**(252)**	**659,493**	**(71,203)**
Foreign currency translation	322,104	-	-	-	100,547	422,651
Cash flow hedges (Note 11)	(4,060)	(2,973)	-	113	2,991	(3,929)
Financial assets measured at fair value with changes in other comprehensive income – Debt instruments	(1,605)	-	-	(365)	1,217	(753)
Share of other recognised income and expense of investments in associates	(1,043,910)	-	-	-	554,738	(489,172)
Total	**(1,347,881)**	**(2,973)**	**(28,008)**	**(54,544)**	**1,196,028**	**(237,378)**

2022	Thousands of euros					
	Balance at 31/12/2021	Amounts transferred to profit or loss (after tax)	Amounts transferred to reserves (after tax)	Deferred tax assets/ liabilities	Valuation gains/(losses) (before tax)	Balance at 31/12/2022
Items that will not be reclassified to profit or loss	**431,631**	**-**	**(216,016)**	**109,442**	**(945,467)**	**(620,410)**
Financial assets measured at fair value with changes in Other comprehensive income – Equity instruments	919,192	-	(216,016)	109,442	(980,566)	(167,948)
Share of other recognised income and expense of investments in associates	(487,561)	-	-	-	35,099	(452,462)
Items that may be reclassified to profit or loss	**(793,719)**	**1,341**	**-**	**2,462**	**62,445**	**(727,471)**
Foreign currency translation	82,950	-	-	-	239,154	322,104
Cash flow hedges (Note 11)	(9,137)	1,341	-	1,774	1,962	(4,060)
Financial assets measured at fair value with changes in other comprehensive income – Debt instruments	-	-	-	688	(2,293)	(1,605)
Share of other recognised income and expense of investments in associates	(867,532)	-	-	-	(176,378)	(1,043,910)
Total	**(362,088)**	**1,341**	**(216,016)**	**111,904**	**(883,022)**	**(1,347,881)**

The valuation adjustments recorded in the equity of associates are due to the impact of the first-time adoption of IFRS 17 and IFRS 9 in respect of CaixaBank's insurance business, in the amount of EUR 177,000 thousand, of which EUR 57,072 thousand is attributable to the Criteria Group (see Note 9).

15.6. Non-controlling interests

These are the investments held by non-controlling shareholders in the equity and profit for the year of fully consolidated Group companies and companies accounted for using the equity method.

Changes in this consolidated balance sheet heading in 2023 and 2022 are as follows:

	Thousands of euros				
	Reserves of non-controlling interests	Profit/(loss) attributable to non-controlling interests	Interim dividends paid	Valuation adjustments	Total shareholders' equity attributable to non-controlling interests
Balance at 31/12/2022	**124,857**	**6,030**	**-**	**(372)**	**130,515**
Appropriation of prior year's profit to reserves of non-controlling interests	6,030	(6,030)	-	-	-
Other movements in reserves and valuation adjustments	(5,820)	-	-	209	(5,611)
Profit for the year attributable to non-controlling interests	-	(1,854)	-	-	(1,854)
Balance at 31/12/2023	**125,067**	**(1,854)**	**-**	**(163)**	**123,050**

	Thousands of euros				
	Reserves of non-controlling interests	Profit/(loss) attributable to non-controlling interests	Interim dividends paid	Valuation adjustments	Total shareholders' equity attributable to non-controlling interests
Balance at 31/12/2021	**136,962**	**1,075**	**-**	**(588)**	**137,449**
Appropriation of prior year's profit to reserves of non-controlling interests	1,075	(1,075)	-	-	-
Other movements in reserves and valuation adjustments	(13,180)	-	-	216	(12,964)
Profit for the year attributable to non-controlling interests	-	6,030	-	-	6,030
Balance at 31/12/2022	**124,857**	**6,030**	**-**	**(372)**	**130,515**

The following table shows the Criteria Group subsidiaries in which certain non-controlling interests held a stake of 10% or more of the investee's capital at year-end 2023 and 2022.

Subsidiaries with non-controlling shareholders with stakes equal to or greater than 10%

		Non-controlling interest	
Subsidiary	**Non-controlling shareholder**	**31/12/2023**	**31/12/2022**
Caixa Innvierte Industria, SCR RS S.A.	Innvierte Economía Sostenible SRC RS S.A.	39.14%	39.14%
Caixa Capital TIC II FCR RS	Fond ICO Global FCR	34.69%	34.69%
Caixa Innvierte Biomed II SCR RS	Innvierte Economía Sostenible SRC RS S.A.	42.85%	42.85%
Caixa Capital Micro II FCR RS	Fond ICO Global FCR	42.89%	42.89%
Caixa Innvierte Start FCR	Innvierte Economía Sostenible SRC RS S.A.	40.28%	40.28%

16. Deferred income

At 31 December 2023 and 2022, the balance of this heading in the accompanying consolidated balance sheet showed grants received by the corresponding regional governments for the development of subsidised housing for periods of 10 or 25 years, carried out by Inmo Criteria Arrendamiento III, S.L.

As per prevailing applicable rules, Inmo Criteria Arrendamiento III, S.L. may rely on financing to acquire building lots and build housing units for the Spanish state social housing scheme. The Group recognises such grants in the consolidated statement of profit or loss on a straight-line basis over the aforementioned mandatory rental periods. Grants relating to mortgage loan are recognised as and when received. In this regard, in 2023 the Group recognised grants for this item under *Financial income* in the consolidated statement of profit or loss for a total of EUR 1,332 thousand (EUR 2,346 thousand in 2022).

17. Current and non-current provisions

The balance of these headings of the consolidated balance sheet at 31 December 2023 and 2022 breaks down as follows:

	Thousands of euros			
	31/12/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Provisions for pending legal issues and tax litigation	320	-	296	-
Ongoing legal proceedings	859	-	1,105	-
Other provisions	20,065	-	20,332	-
Total	**21,244**	**-**	**21,733**	**-**

18. Non-current and current financial liabilities

The balance of these headings of the accompanying consolidated balance sheet at 31 December 2023 and 2022 breaks down as follows:

	Thousands of euros			
	31/12/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Interest-bearing loans and borrowings and bonds and other marketable debt securities	3,416,885	1,008,844	3,969,648	941,715
Other financial liabilities	37,847	10,581	13,731	24,284
Total	**3,454,732**	**1,019,425**	**3,983,379**	**965,999**

18.1. Interest-bearing loans and borrowings and bonds and other marketable debt securities

The detail of this balance sheet heading at 31 December 2023 and 31 December 2022 is as follows:

2023

	Thousands of euros		
Item	**Non-current**	**Current**	**Average interest rate**
Bonds and other marketable debt securities	840,418	600,368	1.29%
Debt with associates (Note 25)	10,060	1,152	2.37%
Interest-bearing loans and borrowings	2,566,407	407,324	3.40%
Total	**3,416,885**	**1,008,844**	

2022

	Thousands of euros		
Item	**Non-current**	**Current**	**Average interest rate**
Bonds and other marketable debt securities	1,387,164	735,349	1.35%
Debt with associates (Note 25)	10,944	1,304	1.24%
Interest-bearing loans and borrowings	2,571,540	205,062	1.41%
Total	**3,969,648**	**941,715**	

The following table shows the maturities of the Group's *Interest-bearing loans and borrowings and bonds and other marketable debt securities* at 31 December 2023 and 2022:

31/12/2023	Maturity (thousands of euros)			
Type of financial item	**Between 1 and 3 years**	**From 3 to 5 years**	**Beyond 5 years or with no specified maturity**	**Total**
Bonds and other marketable debt securities (nominal amount)	195,000	600,000	50,000	**845,000**
Debt with associates and interest-bearing loans and borrowings (nominal amount)	1,845,273	728,846	18,496	**2,592,615**
Premiums and borrowing costs	(2,962)	(3,560)	(69)	**(6,591)**
Subsidies associated with mortgage loans	(3,994)	(2,473)	(7,672)	**(14,139)**
Total	**2,033,317**	**1,322,813**	**60,755**	**3,416,885**

31/12/2022	Maturity (thousands of euros)			
Type of financial item	Between 1 and 3 years	From 3 to 5 years	Beyond 5 years or with no specified maturity	Total
Bonds and other marketable debt securities (nominal amount)	795,000	600,000	-	**1,395,000**
Debt with associates and interest-bearing loans and borrowings (nominal amount)	1,358,733	1,224,161	17,101	**2,599,995**
Premiums and borrowing costs	(5,451)	(4,461)	-	**(9,912)**
Subsidies associated with mortgage loans	(2,658)	(3,910)	(8,867)	**(15,435)**
Total	**2,145,624**	**1,815,790**	**8,234**	**3,969,648**

Bonds and other marketable debt securities

Details of this heading of the consolidated balance sheet are as follows:

Thousands of euros	31/12/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Senior bonds (nominal amount)	650,000	592,800	1,200,000	721,800
Exchangeable bonds (nominal amount)	195,000	-	195,000	-
Premiums and expenses	(4,582)	(298)	(7,836)	(231)
Interest payable	-	7,866	-	13,780
Total bonds and other marketable debt securities	**840,418**	**600,368**	**1,387,164**	**735,349**

The breakdown by issuance of the Criteria Group's *Bonds and other marketable debt securities* at 31 December 2023 and 31 December 2022 is as follows:

				Nominal amount (thousands of euros)	
Type of issue	ISIN	Coupon	Maturity	31/12/2023	31/12/2022
Senior bonds	ES0305045009	1.375%	April 2024	592,800 (1)	600,000
Senior bonds	ES0205045026	0.875%	October 2027	600,000	600,000
Senior bonds	XS2651647732	4.541%	July 2030	50,000	-
Exchangeable bonds (*)	X52356306642	0.000%	June 2025	195,000 (2)	195,000 (2)
Senior bonds	ES0205045018	1.500%	May 2023	-	721,800 (3)
				1,437,800	**2,116,800**

(1) Criteria's securities held in treasury include the nominal amount of EUR 7,200 thousand in senior bonds that have not been redeemed.

(2) Criteria's securities held in treasury include the nominal amount of EUR 5,000 thousand in exchangeable bonds that have not been redeemed.

(3) At 31 December 2022, Criteria's securities held in treasury included the nominal amount of EUR 28,200 thousand in senior bonds that had not been redeemed.

(*) The issuance qualifies as a hybrid financial liability, consisting of a financial liability carried at amortised cost and an embedded derivative carried at fair value (see Note 18.3).

All the issuances are aimed exclusively at Spanish and foreign qualified and/or institutional investors. The senior bond issues are listed on the AIAF Fixed Income Market and Euronext-Dublin and the exchangeable bond issue is listed on the Open Market of the Frankfurt Stock Exchange.

Senior bonds

On 10 May 2023, an issuance of senior unsecured bonds for a total nominal amount of EUR 750,000 thousand matured, of which Criteria had repurchased, up until the maturity date, a nominal amount of EUR 36,600 thousand. Criteria therefore retired the bonds at that date.

On 12 July 2023, Criteria launched a bond issue (private placement) for a nominal amount of EUR 50,000 thousand and at a term of seven years. The issuance pays a coupon of 4,541%.

Debt with associates

Details of this heading of the consolidated balance sheet are as follows:

Thousands of euros	**31/12/2023**		**31/12/2022**	
	Non-current	**Current**	**Non-current**	**Current**
Interest-bearing loans and borrowings (nominal amount)	13,001	1,325	14,252	1,444
Interest payable	-	233	-	260
Subsidies associated with mortgage loans	(2,941)	(406)	(3,308)	(400)
Total Interest-bearing loans and borrowings	**10,060**	**1,152**	**10,944**	**1,304**

Interest-bearing loans and borrowings

Details of this heading of the consolidated balance sheet are as follows:

Thousands of euros	**31/12/2023**		**31/12/2022**	
	Non-current	**Current**	**Non-current**	**Current**
Interest-bearing loans and borrowings (nominal amount)	2,579,614	401,184	2,585,743	202,896
Premiums and expenses	(2,009)	-	(2,076)	-
Interest payable	-	7,069	-	3,451
Subsidies associated with mortgage loans	(11,198)	(929)	(12,127)	(1,285)
Total Interest-bearing loans and borrowings	**2,566,407**	**407,324**	**2,571,540**	**205,062**

At 31 December 2023, the balance of this heading includes loans arranged by the Parent with 12 financial institutions for a total of EUR 2,960,000 thousand (31 December 2022: with 10 credit institutions for a total of EUR 2,765,000 thousand), as well as arrangement and agency fees totalling EUR 2,009 thousand (31 December 2022: EUR 2,076 thousand).

At 31 December 2023, this heading also showed a total of EUR 8,672 thousand in mortgage loans (EUR 10,227 thousand at 31 December 2022), with a nominal amount of EUR 20,799 thousand and the difference (net of tax) recognised under *Deferred income* because it is subsidised (see Note 16).

At 31 December 2023, Criteria had arranged committed and undrawn credit facilities with six credit institutions for a total amount of EUR 430,000 thousand (31 December 2022: EUR 550,000 thousand with a total of eight credit institutions) and maturing in 2025, 2026 and 2027.

18.2. Other financial liabilities

The breakdown of this balance sheet heading at 31 December 2023 and 31 December 2022 is as follows:

	Thousands of euros			
	31/12/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Payables to suppliers of fixed assets	22,000	-	-	-
Guarantees and deposits received	10,945	874	8,671	1,485
Finance lease liabilities (Note 5)	4,902	1,617	5,060	1,892
Deposits received as collateral	-	8,090	-	20,907
Total	**37,847**	**10,581**	**13,731**	**24,284**

At 31 December 2023, the balance of *Payables to suppliers of fixed assets* corresponds to the amount outstanding relating to the purchase of an office building in Madrid (see Note 8).

At 31 December 2023, a total of EUR 3,620 thousand of the guarantee deposits received related to CaixaBank (31 December 2022: EUR 3,160 thousand) (see Note 25).

18.3. Fair value of financial liabilities

The fair value of the main financial liabilities and their carrying amounts at 31 December 2023 and 2022 are as follows:

	31/12/2023		31/12/2022	
Thousands of euros	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Bonds and other marketable debt securities	1,432,920	1,339,864	2,108,733	2,007,317
Debt with associates and interest-bearing loans and borrowings, non-current and current	2,977,642	2,977,642	2,788,850	2,788,850
Total	**4,410,562**	**4,317,506**	**4,897,583**	**4,796,167**

Since most bank borrowings were referenced to floating interest rates at 31 December 2023, the Group believes that their fair value does not differ significantly from their carrying amount.

The fair value breakdown by methods used to calculate the fair value of the financial liabilities at 31 December 2023 and 2022 is shown in the following table (see Note 3.6):

	31/12/2023			31/12/2022		
Thousands of euros	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Bonds and other marketable debt securities	1,339,864	-	-	2,007,317	-	-
Debt with associates and interest-bearing loans and borrowings, non-current and current	-	-	2,977,642	-	-	2,788,850
Total	**1,339,864**	**-**	**2,977,642**	**2,007,317**	**-**	**2,788,850**

The Group's process for determining fair value ensures that its instruments are measured appropriately (see Note 3.6.2).

There were no transfers or reclassifications among levels in 2023 or 2022.

19. Trade and other payables

The breakdown of these balance sheet headings at 31 December 2023 and 31 December 2022 is as follows:

	Thousands of euros	
	31/12/2023	**31/12/2022**
Trade suppliers	21,793	51,693
Debt with associates (Note 25)	695	1,791
Payable to the sole shareholder (Note 25)	3	-
Accounts payable	14,192	17,756
Remuneration payable	2,693	2,884
Customer advances	10,276	4,446
Trade and other payables	**49,652**	**78,570**
Current tax liabilities	220	303
Other taxes payable	4,699	5,136
Current tax liabilities (Note 20)	**4,919**	**5,439**
Trade and other payables	**54,571**	**84,009**

In 2023, income of EUR 718 thousand in surplus provisions on trade operations was recognised under the heading *Other operating expenses* in the accompanying consolidated statement of profit or loss (EUR 1,094 thousand at 31 December 2022) (see Note 22.6).

20. Tax matters and income tax

Tax assets and liabilities

Details of the current and non-current tax assets/liabilities recognised in the consolidated balance sheet at 31 December 2023 and 31 December 2022 are as follows:

	Thousands of euros			
	31/12/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Deferred tax assets	921,642	-	953,292	-
Current tax assets	-	10,085	-	16,819
VAT refundable	-	606	-	52
Receivable for input VAT	-	36	-	38
Other taxes receivable	-	8,414	-	6,786
Tax withholdings and prepayments refundable	-	9,805	-	3,833
Balances receivable from tax group (Note 25)	-	34,240	-	21,207
Total tax receivables	**921,642**	**63,186**	**953,292**	**48,735**
Deferred tax liabilities	61,338	-	28,380	-
Current tax liabilities	-	220	-	303
VAT payable	-	956	-	1,353
Withholdings payable	-	1,051	-	1,192
Social security contributions payable	-	526	-	476
Output VAT payable	-	34	-	203
Other taxes payable	-	2,132	-	1,912
Total tax payables	**61,338**	**4,919**	**28,380**	**5,439**

The heading *Current tax assets* shows payments on account of income tax and accrued income tax rebates for 2023, of which EUR 7,937 thousand (EUR 10,640 thousand in 2022) is held with the head of the tax group, namely CaixaBank (see Note 25).

Balances receivable from tax group shows the debtor position deriving from the definitive settlement of 2022 corporate income tax for Criteria with the parent of the tax group, CaixaBank (see Note 25).

Tax consolidation

In accordance with prevailing legislation, Criteria files consolidated tax returns as a subsidiary belonging to tax group no. 20/1991, whose parent company is CaixaBank.

Furthermore, Criteria and some of these companies belong to the consolidated tax group for value added tax (VAT), whose parent company is CaixaBank.

Years open for review

On 3 May 2023, Criteria received notification of the commencement of general inspection proceedings in relation to the main taxes applicable to it for the years 2016 to 2020, inclusive. Subsequent years therefore remain open to tax inspection.

The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying consolidated financial statements.

The subsidiary companies that do not belong to the same tax group as the Parent are potentially open to inspection in relation to all the taxes they pay and for all the years that have not become statute-barred.

Reconciliation of accounting profit to taxable profit

The reconciliation of the income tax expense recognised in the consolidated statement of profit or loss for 2023 and 2022 to the corresponding profit/loss before tax for those years applying the prevailing rate in Spain is as follows:

Reconciliation of accounting profit to taxable profit

Thousands of euros	31/12/2023	31/12/2022
Profit/(loss) before tax (A)	**1,901,182**	**1,180,963**
Adjustments to profit/(loss)		
Exemption for dividends (Art. 21 of the Corporate Income Tax Law)	(4,527)	(41,850)
Share of profit/(loss) of entities accounted for using the equity method (Note 9)	(2,285,355)	(1,548,450)
Impairment of stakes in associates (Note 9)	283,869	400,000
Other	25,301	7,470
Taxable income/(tax loss)	**(79,530)**	**(1,867)**
Tax payable (taxable income * 30%)	**23,859**	**560**
Adjustments:		
Deductibility of financial expenses	(7,468)	369
Withholding tax on non-recoverable foreign dividends	(11,070)	(8,005)
Tax credits, rebates and other	(1,353)	1,116
Income tax (B)	**3,664**	**(4,087)**
Income tax for the year (revenue/(expense))	3,968	(5,960)
Tax rate (*)	(4.99%)	(319.26%)
Prior year income tax adjustments	(304)	1,873
Profit/(loss) for the period from continuing operations (A) + (B)	**1,904,846**	**1,176,876**

(*) The effective tax rate is calculated by dividing income tax for the year by taxable income.

Practically all of Criteria's income and expense is taxed at the general rate of 30%, as it is a subsidiary of a tax group of which a financial institution (Caixabank, S.A.) is parent. However, certain income shown on the consolidated statement of profit or loss is exempt from tax because it has already been taxed at source. This includes dividends from investees and the share of profits of entities accounted for using the equity method.

Deferred tax assets and liabilities

Pursuant to current tax legislation, in 2023 and 2022 there were certain temporary differences which must be taken into account when quantifying the corresponding income tax expense.

Details of the deferred tax assets recognised in the consolidated balance sheet at 31 December 2023 and 31 December 2022 are as follows:

Deferred tax assets

Thousands of euros	31/12/2022	Debits/(Credits) in profit or loss	Debits/(Credits) in equity	Restatements, transfers and other	31/12/2023
Pension plan contributions	985	115	-	-	1,100
Provision for properties	219,236	(4,402)	-	(4,584)	210,250
Unused tax credits	443,775	-	-	-	443,775
Tax loss carryforwards (*)	223,810	8,942	-	(15,315)	217,437
Valuation adjustments to equity instruments	53,002	-	(15,228)	-	37,774
Valuation adjustments to debt instruments	688	-	(365)	-	323
Other	11,796	(813)	-	-	10,983
Total	**953,292**	**3,842**	**(15,593)**	**(19,899)**	**921,642**

(*) Criteria recognised a deferred tax asset of EUR 5,633 thousand in 2023 by virtue of Additional Provision 19 of the Corporate Income Tax Law, which was introduced by Law 38/2022, of 27 December.

Thousands of euros	31/12/2021	Debits/(Credits) in profit or loss	Debits/(Credits) in equity	Restatements, transfers and other	Transferred to Non-current assets held for sale	31/12/2022
Pension plan contributions	874	111	-	-	-	985
Provision for properties	229,100	(9,779)	-	(85)	-	219,236
Unused tax credits	443,551	2	-	619	(397)	443,775
Tax loss carryforwards	234,333	(894)	-	8,719	(18,348)	223,810
Valuation adjustments to cash flow hedges	3,247	-	(1,783)	-	(1,464)	-
Valuation adjustments to equity instruments	1,632	-	48,969	2,401	-	53,002
Valuation adjustments to debt instruments	-	-	688	-	-	688
Other	64,701	(2,560)	-	-	(50,345)	11,796
Total	**977,438**	**(13,120)**	**47,874**	**11,654**	**(70,554)**	**953,292**

Estimated monetizable deferred tax assets in accordance with Royal Decree-Law 14/2013, of 29 November, amounted to EUR 183,107 thousand at 31 December 2023 (EUR 187,404 thousand at 31 December 2022).

Criteria does not have any significant deferred tax assets not recognised on the consolidated balance sheet.

Criteria, together with the Parent of the Tax Group, CaixaBank, periodically assesses the recoverability of the tax assets recognised in the balance sheet with the assistance of an independent expert. At 31 December 2023, Criteria estimates that deferred tax assets recognised as a result of tax loss carryforwards, tax credits and non-monetizable temporary differences will be recovered over a maximum period of 15 years (15 years in 2022).

The Parent of the Tax Group performs sensitivity analyses on the key assumptions for the projection of cash flows of the recoverability model without any significant variations in the estimated term in the base scenario.

The breakdown of deferred tax liabilities recognised in the consolidated balance sheet at 31 December 2023 and 31 December 2022 is as follows:

Deferred tax liabilities

Thousands of euros	31/12/2022	Debits/(Credits) in profit or loss	(Debits)/Credits in equity	31/12/2023
Valuation adjustments to equity instruments	16,900	-	33,358	50,258
Other	11,480	(400)	-	11,080
Total	**28,380**	**(400)**	**33,358**	**61,338**

Thousands of euros	31/12/2021	Debits/(Credits) in profit or loss	(Debits)/Credits in equity	Transferred to Non-current assets held for sale	31/12/2022
Valuation adjustments to equity instruments	80,982	-	(64,082)	-	16,900
Business combinations	58,498	-	-	(58,498)	-
Other	31,026	(782)	-	(18,764)	11,480
Total	**170,506**	**(782)**	**(64,082)**	**(77,262)**	**28,380**

Transactions operating under a special tax scheme

In 2023, the Group did not carry out any transactions under the special tax regime provided for in Title VII, Chapter VII of the Corporate Income Tax Act.

21. Non-current assets and liabilities and disposable groups held for sale and discontinued operations

As part of the process of divesting the car park business that the Group operates through its stake in Saba Infraestructuras, Criteria's directors believed that the requirements prescribed by IFRS 5 — Non-current assets held for sale and discontinued operations had been met as of June 2022 for classifying the business as a discontinued operation. However, as the sale process was still in progress at 31 December 2023, and with more than 12 months having already passed since the initial classification, this business remains classified as held for sale.

Accordingly, and based on IFRS 5, the assets and liabilities attaching to the car park management business run by the Saba Infraestructuras group were considered assets and liabilities forming disposal groups held for sale at 31 December 2023. In addition, all revenues and expenses for the year are shown as results from discontinued operations as they are considered a significant activity.

At 31 December 2023 and 31 December 2022, assets and liabilities classified as held-for-sale on the consolidated balance sheets were as follows:

Breakdown of held-for-sale assets and liabilities
(Thousands of euros)

ASSETS	31/12/2023	31/12/2022
Right-of-use assets	135,247	134,022
Intangible assets	907,352	958,203
Property, plant and equipment and investment property	122,933	125,586
Investments in associates and joint ventures	255	250
Non-current financial assets	17,720	19,963
Deferred tax assets	71,282	72,410
Total non-current assets	**1,254,789**	**1,310,434**
Inventories	1,271	1,123
Trade and other receivables	23,671	21,494
Current financial assets	7,398	5,675
Cash and cash equivalents	99,668	96,560
Total current assets	**132,008**	**124,852**
TOTAL ASSETS FROM DISCONTINUED OPERATIONS	**1,386,797**	**1,435,286**

LIABILITIES	31/12/2023	31/12/2022
Deferred income	11,105	11,507
Non-current provisions	133,972	134,392
Non-current financial liabilities	190,992	622,188
Deferred tax liabilities	76,319	73,629
Total non-current liabilities	**412,388**	**841,716**
Current provisions	29,031	26,260
Current financial liabilities	464,115	71,621
Trade and other payables	40,787	42,623
Other current liabilities	3,122	2,077
Total current liabilities	**537,055**	**142,581**
TOTAL LIABILITIES FROM DISCONTINUED OPERATIONS	**949,443**	**984,297**

Key financial figures relating to discontinued operations at 31 December 2023 and those relating to the same period of 2022 are as follows:

Financial figures relating to discontinued operations

(Thousands of euros)	31/12/2023	31/12/2022
Sales and services	278,709	256,276
Cost of sales	123	206
Share of profit/(loss) of entities accounted for using the method	5	4
Gains/(losses) on financial transactions, with group companies, associates and joint ventures	1,828	-
Other operating income	29,293	17,981
Personnel expenses	(81,333)	(75,752)
Other operating expenses	(87,008)	(72,347)
Depreciation and amortisation	(93,855)	(97,619)
Impairment and gains/(losses) on disposal of non-current assets	4,198	(508)
Impairment of financial assets	(2,214)	(624)
Other gains and losses	-	25
NET OPERATING INCOME/(EXPENSE)	**49,746**	**27,642**
Financial income	5,313	3,259
Financial expenses	(49,562)	(34,966)
Impairment and gains/(losses) on disposal of financial instruments	(2,987)	1,347
NET FINANCIAL INCOME/(EXPENSE)	**(47,236)**	**(30,360)**
PROFIT/(LOSS) BEFORE TAX	**2,510**	**(2,718)**
Income tax expense	401	2,246
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**2,911**	**(472)**
Profit/(loss) from discontinued operations	-	-
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	**2,911**	**(472)**
Attributable to minority interests [non-controlling interests]	**(997)**	**(614)**
Attributable to owners of the Parent	**3,908**	**142**

Cash flows from discontinued operations shown on the consolidated statement of cash flows are as follows:

Cash flows from/(used in) discontinued operations
(Thousands of euros)

	31/12/2023	31/12/2022 (*)
Net cash flow generated from operating activities	83,610	82,975
Net cash flow generated from investing activities	(20,444)	12,230
Net cash flow generated from financing activities	(60,058)	(62,345)
Effect on cash flows	**3,108**	**32,860**

(*) Includes the cash flows relating to the divestment process of the 14.12% stake in Sanifit Therapeutics, S.A.

Impairment test of the car park management CGU

As explained in Note 3.3, the Group runs an annual impairment analysis of the CGU of the car park management business. For the analysis as at 31 December 2023, the Group considered the following circumstances, among others:

i) The existence of changes in the legal, economic, technological or market environment that could have an adverse impact on the market in which this business operates.

ii) The trend in the main assumptions used in the valuation made at the end of the previous year.

No evidence of impairment was detected that would require the Group to re-estimate the recoverable amount of the car park management business.

At the end of the previous year, no additional impairment was recorded on the CGU of this business as a result of the full valuation exercise performed at that date.

Fair value

Fair value of financial assets

The fair value and carrying amounts of the main financial assets associated with the car park business recognised as discontinued operations were as follows at 31 December 2023 and 31 December 2022:

Financial assets	31/12/2023		31/12/2022	
Thousands of euros	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and other credits	15,939	15,939	15,786	15,786
Deposits	1,819	1,819	1,845	1,845
Derivative instruments	1,015	1,015	2,605	2,605

The following table provides a breakdown, by calculation method, of the fair value of the financial assets of the car park business recognised as discontinued operations at 31 December 2023 and 31 December 2022.

Fair value of assets	31/12/2023			31/12/2022		
Thousands of euros	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Loans and receivables	-	-	15,939	-	-	15,786
Current and non-current deposits	-	-	1,819	-	-	1,845
Derivative instruments	-	1,015	-	-	2,605	-
Total	**-**	**1,015**	**17,758**	**-**	**2,605**	**17,631**

Fair value of financial liabilities

The fair value and carrying amounts of the main financial liabilities associated with the car park business recognised as discontinued operations were as follows at 31 December 2023 and 31 December 2022:

Financial liabilities	31/12/2023		31/12/2022	
Thousands of euros	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Current and non-current bank borrowings	655,106	655,106	693,810	693,810
Derivative instruments	1,051	1,051	122	122

Since most bank borrowings were referenced to floating interest rates at 31 December 2023, the Group believes that their fair value does not differ significantly from their carrying amount.

The following table provides a breakdown, by calculation method, of the fair value of the financial liabilities of the car park business recognised as discontinued operations at 31 December 2023 and 31 December 2022.

Fair value of liabilities	31/12/2023			31/12/2022		
Thousands of euros	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Debt with associates and interest-bearing loans and borrowings, non-current and current	-	-	655,106	-	-	693,810
Derivative instruments	-	1,051	-	-	122	-
Total	**-**	**1,051**	**655,106**	**-**	**122**	**693,810**

22. Income and expenses

The main headings of the consolidated statement of profit or loss break down as follows:

22.1 Sales and services

The breakdown of this heading of the accompanying consolidated statement of profit or loss for 2023 and 2022 is as follows:

	Thousands of euros	
Revenue	**31/12/2023**	**31/12/2022**
Income from services rendered	91,911	204,449
Lease income (Note 8)	50,897	46,051
Total	**142,808**	**250,500**

At 31 December 2023, the heading *Income from sales and services* mainly showed EUR 85,547 thousand in proceeds from the sale of property inventories arising from the Group's real estate activity (EUR 198,569 thousand at 31 December 2022).

At year-end 2023 and 2022, all of the Group's operating leases are cancellable with prior notification, mostly of one month. Therefore, there are no minimum instalments payable under non-cancellable operating leases under the current leases.

In relation to the leases for offices, commercial premises and industrial buildings, the terms of the Group's leases with lessees include the following minimum lease payments, under the current leases, not including any charges for shared expenses, future rent increases indexed to the CPI or other future rent rises under the lease (in thousands of euros):

	Nominal amount	
Minimum lease payments receivable	**31/12/2023**	**31/12/2022**
Less than 1 year	16,737	11,261
Between 1 and 5 years	48,954	28,086
Beyond 5 years	26,017	14,048
Total	**91,708**	**53,395**

22.2 Cost of sales

The breakdown of this item in the consolidated statement of profit or loss for 2023 and 2022 is as follows:

	Thousands of euros	
Cost of sales	**31/12/2023**	**31/12/2022**
Change in inventories of finished products and work in progress (Note 12)	25,311	22,060
In-house work on non-current assets	652	-
Procurements:		
Consumption of goods and commodities	(104,346)	(191,046)
Work carried out by other companies	(168)	(111)
(Allowance)/reversal of impairment losses on inventories (Note 12)	(8,091)	(17,084)
Total	**(86,642)**	**(186,181)**

The consumption of commodities and the change in inventories of finished goods and work in progress largely relates to the net cost written off on the sale of inventories in 2023, amounting to EUR 77,919 thousand (31 December 2022: EUR 168,405 thousand).

22.3 Returns on financial instruments

The breakdown of this item in the accompanying consolidated statement of profit or loss for 2023 and 2022 is as follows:

	Thousands of euros	
Returns on financial instruments	**31/12/2023**	**31/12/2022**
Telefónica, S.A. (*)	-	11,477
Listed equity investments – foreign	64,716	83,012
Listed equity investments – Spain	12,397	4,766
Public debt and fixed income	3,460	431
Other	2,895	1,219
Total	**83,468**	**100,905**

(*) EUR 42,023 thousand recognised against the cost of the investment at 31 December 2023 (31 December 2022: EUR 18,229 thousand).

22.4 Gains/(losses) on financial transactions, with group companies and associates

The breakdown of this heading in the accompanying consolidated statement of profit or loss for 2023 and 2022 is as follows:

	Thousands of euros	
Item	**31/12/2023**	**31/12/2022**
Gains/(losses) on transactions with associates and group companies	(17,836)	2,324
Valuation adjustments on equity instruments at fair value (Note 10.1)	(2,628)	(11,987)
Gains/(losses) on disposal of equity instruments at fair value with changes in profit or loss	4,115	1,183
Value adjustments and gains/(losses) on share options	1,155	(130)
Embedded derivative	931	9,287
Total	**(14,263)**	**677**

Gains on transactions with associates and group companies include the consolidated gross impairment arising from the sale of CaixaBank shares, amounting to EUR (18,375) thousand (see Note 9).

22.5 Personnel expenses

The breakdown of this heading in the accompanying consolidated statement of profit or loss for 2023 and 2022 is as follows:

	Thousands of euros	
Item	**31/12/2023**	**31/12/2022**
Wages and salaries and termination benefits	(24,674)	(23,514)
Employer social security costs	(4,873)	(4,494)
Post-employment obligations and other long-term obligations	(639)	(500)
Other employee benefits	(2,238)	(2,138)
Total	**(32,424)**	**(30,646)**

In 2023 and 2022, the average workforce at the Group companies, by occupational category, was as follows:

	Average number of employees (*)	
Occupational category	**2023**	**2022**
Senior Management	5	5
Executives	20	21
Managers	55	34
Qualified technicians	184	168
Non-qualified technicians and administrative personnel	142	152
Total	**406**	**380**

(*) The average workforce of the Saba Infraestructuras group, classified as a discontinued activity, comprises 1,881 employees (31 December 2022: 1,790 employees).

The distribution of the workforce, by occupational category and gender, at 31 December 2023 and 2022, is as follows:

	Final number of employees (*)			
	2023		2022	
Occupational category	**Men**	**Women**	**Men**	**Women**
Senior Management	6	-	5	-
Executives	12	8	12	8
Managers	29	25	14	22
Qualified technicians	100	80	99	71
Non-qualified technicians and administrative personnel	57	70	71	81
Total	**204**	**183**	**201**	**182**

(*) The final workforce of the Saba Infraestructuras group, classified as a discontinued operation, comprises 687 women and 1,489 men (31 December 2022: 655 women and 1,362 men).

During 2023 and 2022, the average number of employees with a disability equal to or above 33%, by professional category, was as follows:

	Average number of employees (*)	
Occupational category	**2023**	**2022**
Senior Management	-	-
Directors	-	-
Managers	-	-
Qualified technicians	-	-
Non-qualified technicians and administrative personnel	3	3
Total	**3**	**3**

(*) The number of employees with a disability of 33% or more in the Saba Infraestructuras group, classified as a discontinued operation, is 62 (31 December 2022: 58 employees).

22.6 Other operating expenses

The breakdown of this heading in the accompanying consolidated statement of profit or loss for 2023 and 2022 is as follows:

	Thousands of euros	
	31/12/2023	**31/12/2022**
External services	(56,073)	(58,428)
Taxes other than income tax	(13,924)	(14,399)
Losses on, impairment of & changes in provisions for trade receivables (Notes 13 & 19)	907	502
Total	**(69,090)**	**(72,325)**

The breakdown of *External services* in the accompanying statement of profit or loss for 2023 and 2022 is as follows:

	Thousands of euros	
	31/12/2023	**31/12/2022**
Leases and fees (Note 5)	(864)	(1,163)
Repairs and maintenance	(15,748)	(15,365)
Independent professional services	(6,618)	(8,943)
Property-related expenses	(15,066)	(15,498)
Insurance	(1,231)	(1,192)
Advertising and publicity	(874)	(1,106)
Security and surveillance	(4,554)	(4,298)
Representation and travel expenses	(3,084)	(2,192)
Managing and control bodies	(9,637)	(9,204)
Other expenses	(6,708)	(7,124)
Rebillings to tenants	8,311	7,657
Total	**(56,073)**	**(58,428)**

Independent professional services shows the fees and expenses, excluding the related VAT, accrued by the auditor PricewaterhouseCoopers, S.L. and related companies, and to other auditors, as follows:

	Thousands of euros	
Fees accrued by the auditor	**2023**	**2022**
Group auditor (*)	**1,427**	**1,415**
Audit	1,193	1,172
Limited review	95	95
Audit-related services	136	145
Other services	3	3
Other auditors	**1,114**	**737**
Audit	124	76
Audit-related services	39	27
Other services	951	634
Total	**2,541**	**2,152**

(*) Including fees paid to the Group's auditor for the car park management business run by the Saba Infraestructuras group, classified under *Profit/(loss) from discontinued operations* in the consolidated statement of profit or loss.

Information on deferred payments to suppliers, in accordance with Law 18/2022, of 28 September

The entry into force of Law 18/2022, of 28 September, has modified Additional Provision Three of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, on measures to combat late payment in commercial transactions. More precisely, Additional Provision Three requires companies to disclose information on the periods for making payment to their suppliers in the notes to their annual financial statements. Pursuant to this disclosure obligation, on 4 February 2016 a new resolution issued by the Spanish Accounting and Audit Institute (ICAC) was published in the Official State Gazette (BOE), repealing and replacing the 29 December 2010 resolution.

In accordance with the resolution of 29 January 2016 and Article 9 of Law 18/2022 of 28 September, the information required in relation to payments made and pending payment at the consolidated balance sheet date is as follows:

	Days	
Average supplier payment period and ratios	**2023**	**2022**
Average payment period to suppliers	27	26
Ratio of transactions paid	26	26
Ratio of transactions outstanding	30	24

Payments made and outstanding at the consolidated reporting date	Thousands of euros	
	2023	2022
Total payments made	264,047	514,068
Total payments pending	34,729	41,092
Total payments in the year	**298,776**	**555,160**

Transparency requirements under Spanish Law 18/2022, of 28 September	2023	2022
Monetary volume of invoices paid in a period shorter than the maximum period for payment set out in the law on late payments (thousands of euros)	200,577	476,479
Number of invoices paid in a period shorter than the maximum period for payment set out in the law on late payments (units)	202,461	226,548
Monetary volume of invoices paid within the maximum period established by the law on late payment as a percentage of the total monetary volume of all payments to suppliers	75.96%	92.69%
Number of invoices paid within the maximum period established by the law on late payments as a percentage of the total number of invoices	96.24%	94.70%

22.7 Impairment and gains/(losses) on disposal of non-current assets

The breakdown of this heading of the accompanying consolidated statement of profit or loss for 2023 and 2022 is as follows:

	Thousands of euros	
	31/12/2023	31/12/2022
Investment property (Note 8)	7,074	17,014
Impairment or reversal of impairment losses	**7,074**	**17,014**
Intangible assets	30	-
Property, plant and equipment	138	(9)
Investment property (Note 8)	9,346	4,322
Net gains/(losses) on disposal of non-current assets	**9,514**	**4,313**
Total	**16,588**	**21,327**

22.8 Net financial income/(expense)

Financial income

The breakdown of financial income is as follows:

	Thousands of euros	
	31/12/2023 (*)	31/12/2022 (*)
Credit income	649	555
Interest income, credit institutions (Note 14)	11,028	947
Interest rate swaps	16,421	-
Exchange gains	5,742	2,378
Other financial income	2,752	3,017
Total	**36,592**	**6,897**

(*) At 31 December 2023, this includes EUR 1,299 thousand in financial income with associates (EUR 738 thousand at 31 December 2022) (see Note 25).

Financial expenses

The breakdown of financial expenses is as follows:

	Thousands of euros	
	31/12/2023 (*)	31/12/2022 (*)
Financial expenses of bonds issued	(21,709)	(33,099)
Financial expenses relating to loans with credit institutions	(115,291)	(33,892)
Exchange losses	(6,255)	(1,654)
Other financial expenses	(90)	(4,768)
Total	**(143,345)**	**(73,413)**

(*) At 31 December 2023, this includes EUR -466 thousand in financial expenses with associates (EUR -1,094 thousand at 31 December 2022) (see Note 25).

Change in fair value of financial instruments

The breakdown of the change in value of financial instruments is as follows:

	Thousands of euros	
	31/12/2023	31/12/2022
Interest rate swaps (Note 11)	(14,588)	35,445
Exchange rate swaps (Note 11)	-	312
Impairment losses on participating loans	(1,099)	(1,018)
Total	**(15,687)**	**34,739**

23. Segment information

Segment information is prepared on the basis of internal control, monitoring and management of the Criteria Group's activity and results, and developed in accordance with the various areas of business established with regard to the Group's structure and organisation. The Board of Directors is the highest operational decision-making body of each business.

The business segments are defined bearing in mind the inherent risks and management characteristics of each. For the purposes of business segment reporting of activities and income, the core business units on which accounting and management figures are available are taken as a reference. The same general principles are applied as those used in Group management information, and the measurement, valuation bases and accounting principles applied are essentially the same as those used to prepare the consolidated annual financial statements, with no asymmetric allocations.

The Criteria Group's business segments are therefore as follows:

Banking portfolio: includes the stake in the CaixaBank Group, as well as the international banking stakes in Grupo Financiero Inbursa (GFI) and The Bank of East Asia (BEA).

Portfolio of industrial and services companies: includes the activity and recurring results of the industrial and services investments. The most significant of these are the stakes in Naturgy Energy Group, Cellnex Telecom, Saba Infraestructuras, Telefónica, Aigües de Barcelona Empresa Metropolitana de Gestió del Cicle Integral de l'Aigua, various venture capital and private equity firms, and companies from various sectors and industries, including energy, communication infrastructure and services, technology, leisure (tourism), consumer goods, health, and materials.

Real estate business: relates essentially to the real estate activity that Criteria carries out both directly and indirectly through the following companies: (i) Inmo Criteria Caixa (responsible for managing the Group's real estate assets); (ii) Inmo Criteria Arrendamiento, Inmo Criteria Arrendamiento II, Inmo Criteria Patrimonio and Inmo Criteria Arrendamiento III (all engaged in the rental of real estate assets); and (iii) Infinitum Resort (including land to be developed in the province of Tarragona and the operation of a golf resort).

Corporate activities: comprises the remaining assets and liabilities, and related income, not allocated to the rest of the Group's businesses, including the net financial debt and income arising from decisions affecting the Group taken as a whole and which, because of their nature, are not allocable to any of the other businesses.

The performance of the Group by business segment in 2023 and 2022 is shown below:

Segment information for 2023

Item	Banking portfolio	Portfolio of industrial and services companies	Real estate business	Corporate activities	Adjustments and eliminations	Total Group
	Thousands of euros					
CONTINUING OPERATIONS						
Sales and services	-	226	142,119	1,433	(970)	**142,808**
Cost of sales	-	-	(86,642)	-	-	**(86,642)**
Share of profit/(loss) of entities accounted for using the equity method	1,756,010	529,345	-	-	-	**2,285,355**
Returns on financial instruments	-	80,008	-	3,460	-	**83,468**
Gains/(losses) on financial transactions, with group companies and associates	-	2,026	-	(16,289)	-	**(14,263)**
Other operating income	-	-	2,165	2	-	**2,167**
Personnel expenses	-	(1,972)	(14,986)	(15,466)	-	**(32,424)**
Other operating expenses	-	(1,561)	(44,191)	(24,309)	971	**(69,090)**
Depreciation and amortisation	-	(349)	(21,216)	(3,859)	-	**(25,424)**
Changes in provisions	-	-	114	262	-	**376**
Impairment and gains/(losses) on disposal of non-current assets	-	5	16,462	121	-	**16,588**
Impairment of stakes in associates	(280,000)	(3,869)	-	-	-	**(283,869)**
Other gains and losses	-	(2)	4,703	11	-	**4,712**
NET OPERATING INCOME/(EXPENSE)	**1,476,010**	**603,857**	**(1,472)**	**(54,634)**	**1**	**2,023,762**
Financial income	-	707	1,242	44,764	(10,121)	**36,592**
Financial expenses	-	(10)	-	(143,335)	-	**(143,345)**
Change in fair value of financial instruments	-	(1,098)	-	(14,589)	-	**(15,687)**
Impairment and profit and loss on disposal of financial instruments	-	-	-	(140)	-	**(140)**
NET FINANCIAL INCOME/(EXPENSE)	**-**	**(401)**	**1,242**	**(113,300)**	**(10,121)**	**(122,580)**
PROFIT/(LOSS) BEFORE TAX	**1,476,010**	**603,456**	**(230)**	**(167,934)**	**(10,120)**	**1,901,182**
Income tax expense	-	(259)	-	3,923	-	**3,664**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**1,476,010**	**603,197**	**(230)**	**(164,011)**	**(10,120)**	**1,904,846**
Profit/(loss) from discontinued operations	-	(7,209)	-	-	10,120	**2,911**
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	**1,476,010**	**595,988**	**(230)**	**(164,011)**	**-**	**1,907,757**
Attributable to non-controlling interests	-	(1,854)	-	-	-	**(1,854)**
Attributable to owners of the Parent	1,476,010	597,842	(230)	(164,011)	-	**1,909,611**

Segment information for 2022

Item	Banking portfolio	Portfolio of industrial and services companies	Real estate business	Corporate activities	Adjustments and eliminations	Total Group
	Thousands of euros					
CONTINUING OPERATIONS						
Sales and services	-	669	248,517	1,625	(311)	**250,500**
Cost of sales	-	-	(186,181)	-	-	**(186,181)**
Share of profit/(loss) of entities accounted for using the equity method	1,108,856	439,594	-	-	-	**1,548,450**
Returns on financial instruments	334	100,140	-	431	-	**100,905**
Gains/(losses) on financial transactions, with group companies and associates	-	(10,579)	-	11,256	-	**677**
Other operating income	-	-	1,906	-	-	**1,906**
Personnel expenses	-	(1,784)	(13,581)	(15,281)	-	**(30,646)**
Other operating expenses	-	(1,785)	(46,116)	(24,735)	311	**(72,325)**
Depreciation and amortisation	-	(374)	(22,316)	(2,859)	-	**(25,549)**
Changes in provisions	-	-	93	-	-	**93**
Impairment and gains/(losses) on disposal of non-current assets	-	-	21,328	(1)	-	**21,327**
Impairment of stakes in associates	(400,000)	-	-	-	-	**(400,000)**
Other gains and losses	-	(9)	3,335	121	-	**3,447**
NET OPERATING INCOME/(EXPENSE)	**709,190**	**525,872**	**6,985**	**(29,443)**	**-**	**1,212,604**
Financial income	-	575	2,280	8,662	(4,620)	**6,897**
Financial expenses	-	(15)	-	(73,398)	-	**(73,413)**
Change in fair value of financial instruments	-	(1,018)	-	35,757	-	**34,739**
Impairment and profit and loss on disposal of financial instruments	-	1,045	-	(909)	-	**136**
NET FINANCIAL INCOME/(EXPENSE)	**-**	**587**	**2,280**	**(29,888)**	**(4,620)**	**(31,641)**
PROFIT/(LOSS) BEFORE TAX	**709,190**	**526,459**	**9,265**	**(59,331)**	**(4,620)**	**1,180,963**
Income tax expense	-	(219)	-	(3,868)	-	**(4,087)**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**709,190**	**526,240**	**9,265**	**(63,199)**	**(4,620)**	**1,176,876**
Profit/(loss) from discontinued operations	-	23,315	-	-	4,620	**27,935**
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	**709,190**	**549,555**	**9,265**	**(63,199)**	**-**	**1,204,811**
Attributable to non-controlling interests	-	6,030	-	-	-	**6,030**
Attributable to owners of the Parent	709,190	543,525	9,265	(63,199)	-	**1,198,781**

The main investments and financial liabilities by business segment in 2023 and 2022 are shown below:

Segment information for 2023

	Thousands of euros				
	Banking portfolio	Portfolio of industrial and services companies	Real estate business	Corporate activities	Total Group
Total assets	**13,979,409**	**8,904,921**	**2,792,704**	**1,604,357**	**27,281,391**
Investments in:					
Right-of-use assets (Note 5)	-	752	1,341	5,804	**7,897**
Goodwill and other intangible assets (Note 6)	-	47	1,772	776	**2,595**
Property, plant and equipment (Note 7)	-	8	702	377	**1,087**
Investment property (Note 8)	-	-	54,468	-	**54,468**
Inventories (Note 12)	-	-	25,360	-	**25,360**
Associates (Note 9)	-	2,019	-	-	**2,019**
Funding and cash management:					
Cash and cash equivalents (Note 14)	-	15,446	-	558,145	**573,591**
Other cash equivalents	-	-	-	-	**-**
Current and non-current bank deposits (Note 10)	-	-	-	-	**-**
Non-current and current gross debt, of which: (Notes 11 and 18)	-	-	-	4,475,077	**4,475,077**
Nominal value of senior bonds (Note 18.1)	-	-	-	1,242,800	**1,242,800**
Nominal value of exchangeable bonds (Note 18.1)	-	-	-	195,000	**195,000**
Nominal value of current and non-current loans (Note 18.1)	-	-	-	2,995,124	**2,995,124**

Segment information for 2022

	Thousands of euros				
	Banking portfolio	Portfolio of industrial and services companies	Real estate business	Corporate activities	Total Group
Total assets	**13,280,819**	**7,915,769**	**2,845,805**	**1,490,789**	**25,533,182**
Investments in:					
Right-of-use assets (Note 5)	-	35,214	-	6,067	**41,281**
Goodwill and other intangible assets (Note 6)	-	11,406	3,119	2,285	**16,810**
Property, plant and equipment (Note 7)	-	1,915	2,444	289	**4,648**
Investment property (Note 8)	-	-	342,017	-	**342,017**
Inventories (Note 12)	-	476	22,125	-	**22,601**
Associates (Note 9)	-	3,483	-	-	**3,483**
Funding and cash management:					
Cash and cash equivalents (Note 14)	-	23,478	-	405,088	**428,566**
Other cash equivalents	-	-	-	23,977	**23,977**
Current and non-current bank deposits (Note 10)	-	-	-	-	**-**
Non-current and current gross debt, of which: (Notes 11 and 18)	-	-	-	4,951,310	**4,951,310**
Nominal value of senior bonds (Note 18.1)	-	-	-	1,921,800	**1,921,800**
Nominal value of exchangeable bonds (Note 18.1)	-	-	-	195,000	**195,000**
Nominal value of current and non-current loans (Note 18.1)	-	-	-	2,804,335	**2,804,335**

The income of the Criteria Group in 2023 and 2022 by geographical area is as follows:

	Thousands of euros	
Breakdown of income by geographical area (*)	**Criteria Group**	
	31/12/2023	**31/12/2022**
Spain	2,139,543	1,597,732
European Union:		
Eurozone	48,609	63,271
Non-Eurozone	4,363	4,552
Other countries	265,856	234,977
Total	**2,458,371**	**1,900,532**

(*) Corresponding to the following headings of the Criteria Group's consolidated statement of profit or loss:

1. Sales and services
2. Share of profit/(loss) of entities accounted for using the equity method
3. Returns on financial instruments
4. Gains/(losses) on financial transactions, with group companies, associates

24. Contingencies and commitments

Contingent risks at 31 December 2023 and 2022 are as follows:

	Thousands of euros	
	31/12/2023	31/12/2022
Financial guarantees received	8,358	7,936
Financial guarantees granted	80,893	84,092
Other guarantees given	22	22

At 31 December 2023, the Group had guarantees vis-à-vis third parties provided by financial entities amounting to EUR 80,893 thousand (2022: EUR 84,092 thousand), of which:

- EUR 48,035 thousand relate to the Saba Infraestructuras group in its capacity as bidder or concessionaire of public parking services, in the form of collateral for concession, rental and management contracts (2022: EUR 52,545 thousand).

- EUR 32,858 thousand are assigned as collateral for the real estate business, in connection with urban planning activities such as land development and zoning work, as well as deposits paid into court and delivered to the tax authorities on deposit (2022: EUR 31,547 thousand). Of this, EUR 7,977 thousand relates to guarantees for the fulfilment of obligations related to off-plan sales contracts (2022: EUR 4,564 thousand).

With regard to collateral associated with the real estate business, Criteria is the holder of multi-company risk facilities, under which it is jointly and severally liable. Criteria, Inmo Criteria Caixa (a wholly-owned investee of Criteria) and its subsidiaries have drawn down a total of EUR 37,105 thousand in collateral, mainly to secure the amounts received on account of the sale of properties (31 December 2022: EUR 31,343 thousand).

25. Information on related parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all (executive and non-executive) members of the Board of Directors and Senior Management[1]. Given their posts, each member of key management personnel is treated as a *related party*. Therefore, Criteria must disclose, among other transactions, the information provided in this Note.

Close relatives of *key management personnel*, as well as companies at which key management personnel or their close relatives exercise control or joint control, are also considered related parties to Criteria.

Criteria also has service level agreements with related parties. These agreements form part of the ordinary course of its business and are carried out under normal market conditions. Furthermore, transfer prices are adequately underpinned and, accordingly, the Group's directors do not expect any impact on its financial position or performance in the future.

The most significant balances at 31 December 2023 and 2022 between the Criteria Group and the Sole Shareholder, and the Criteria Group and its associates, are detailed below. Details are also provided of the amounts recognised in the consolidated statement of profit or loss from transactions carried out. All balances and transactions between related parties form part of the ordinary course of business and are carried out under normal market conditions.

[1] Senior management who are not considered expatriates.

Thousands of euros	2023 With the Sole Shareholder, "la Caixa" Banking Foundation	2023 Associates	2022 With the Sole Shareholder, "la Caixa" Banking Foundation	2022 Associates
ASSETS				
Non-current financial assets	**1**	**207**	-	**19**
Financial assets at amortised cost (Note 10)	*1*	*207*	-	*19*
Derivative financial instruments	**-**	**3,893**	**-**	**3,460**
Derivative financial instruments (Note 11)	-	*3,893*	-	*3,460*
Trade and other receivables	**265**	**42,193**	**379**	**31,860**
Trade receivables (Note 13)	*265*	*16*	*379*	*13*
Tax assets (Note 20)	-	*42,177*	-	*31,847*
Current financial assets	**-**	**2**	**-**	**1,081**
Financial assets at amortised cost	-	*2*	-	*14*
Financial assets measured at fair value with changes in profit or loss – Participating loans (Note 10.5)	-	-	-	*1,067*
Cash and cash equivalents (Note 14)	**-**	**68,140**	**-**	**49,093**
Total	**266**	**114,435**	**379**	**85,513**
LIABILITIES				
Bonds and non-current debt	**103**	**10,160**	-	**10,944**
Interest-bearing loans and borrowings and bonds and other marketable debt securities (Note 18.1)	-	*10,060*	-	*10,944*
Other financial liabilities	*103*	*100*	-	-
Bonds and current debt	**-**	**4,772**	**-**	**4,464**
Interest-bearing loans and borrowings and bonds and other marketable debt securities (Note 18.1)	-	*1,152*	-	*1,304*
Other financial liabilities (Note 18.2)	-	*3,620*	-	*3,160*
Suppliers and other payables (Note 19)	**3**	**695**	**-**	**1,791**
Total	**106**	**15,627**	**-**	**17,199**
STATEMENT OF PROFIT OR LOSS				
Sales and services	2,226	1,106	1,601	612
Other operating expenses	149	(1,944)	(3)	(5,130)
Other gains and losses	-	205	-	-
Financial income (Note 22.8)	-	1,299	-	738
Financial expenses (Note 22.8)	-	(466)	-	(1,094)
Total	**2,375**	**200**	**1,598**	**(4,874)**

Transactions with "la Caixa" Banking Foundation, the Sole Shareholder

- Lease to "la Caixa" Banking Foundation of Criteria Caixa, S.A.U.'s offices at Plaza Weyler 3, Palma (Mallorca).
- Dividends distributed to "la Caixa" Banking Foundation for a total of EUR 400,000 thousand, charged to share premium (see Note 15).
- Services contract arranged by Criteria in relation to the supervision and control of corporate security projects.
- Contract for the provision of IT services by Criteria to "la Caixa" Banking Foundation.

Most significant transactions carried out with Criteria Group companies

Transactions between Group companies form part of the normal course of business and are carried out at arm's length. The most significant transactions between Group companies in 2023, other than or further to those covered in the different notes to the consolidated financial statements, were as follows:

- Lease to Inmo Criteria Patrimonio, S.L.U. of part of the offices of Criteria Caixa, S.A.U. at Paseo de la Castellana 51, Madrid.

- Service agreement extended by Criteria to Caixa Capital Risc, SGEIC, S.A., for the analysis and monitoring of investment, human resources and IT services projects.

- Contract for the re-invoicing of IT services between Criteria and Inmo Criteria Caixa, SAU.

- Service agreement extended by Inmo Criteria Caixa, S.A.U. to Criteria, including comprehensive management of the real estate portfolio and the sale and rental of Criteria's real estate assets.

- Contract for the provision of certain services signed by Clever Wave, S.A. in favour of Criteria and related to the accompaniment, defence and protection of specific individuals.

- Credit facility agreements between Criteria and its subsidiaries subject to a cap of EUR 767,186 thousand, of which EUR 746,686 thousand had been drawn at 31 December 2023 (EUR 731,686 thousand had been drawn at 31 December 2022).

- On 15 June 2023, Inmo Criteria Patrimonio, S.L.U. carried out a fully subscribed and paid-up capital increase by netting two loans granted by Inmo Criteria Caixa, S.A.U. and amounting to EUR 102,150 thousand, with a share premium of EUR 238,350 thousand.

- On 18 November 2022, Inmo Criteria Caixa, S.A.U. completed a capital increase fully subscribed by Criteria through the non-monetary contribution of its entire stake in Infinitum Resort, S.A.U. (formerly Mediterránea Beach & Golf Community, S.A.U.).

Transactions with Criteria Group associates

- Lease to CaixaBank of the offices located at Avenida Diagonal 621, Barcelona, by Criteria Caixa, S.A.U., Caixa Capital Risc, SGEIC, S.A. and Inmo Criteria Caixa, S.A.U.

- Criteria has a securities deposit agreement with CaixaBank, The Bank of East Asia and Grupo Financiero Inbursa.

- At 31 December 2023 and 2022, the Group had arranged floating-to-fixed interest rate swaps with CaixaBank for a notional amount of EUR 50,000 thousand, maturing in 2026 (see Note 11).

- At 31 December 2023, the Group had arranged fixed-to-floating interest rate swaps with CaixaBank for a notional amount of EUR 50,000 thousand, maturing in 2030 (see Note 11).

- Framework agreement for the rendering by CaixaBank of certain services to Criteria, including tax services under the terms of an engagement document.

- Agreement for CaixaBank Tech, S.L.U. to provide Criteria Caixa with certain IT management services.

There were also certain post-employment obligations with Criteria's Chief Executive Officer and Senior Management at 31 December 2023, amounting to EUR 8,446 thousand and EUR 1,631 thousand, respectively.

Description of the relationship between ”la Caixa” Banking Foundation, Criteria and CaixaBank

The basic principles governing the actions of ”la Caixa” Banking Foundation as an indirect shareholder of CaixaBank are set out in the Protocol for managing the financial investment in CaixaBank (the “**Management Protocol**”), the current version of which is published on Criteria’s website (www.criteriacaixa.com).

Following the approval of the merger by absorption of Bankia, S.A. into CaixaBank and the resulting new shareholder structure of CaixaBank, the Board of Trustees of ”la Caixa” Banking Foundation amended the Management Protocol to reflect the easing of some of CaixaBank’s prudential deconsolidation requirements in respect of Criteria. On 28 April 2022, the Board of Trustees of ”la Caixa” Banking Foundation approved a new amendment to the Management Protocol in order to bring it in line with the new legal regime on related-party transactions, especially as regards the system for approving and disclosing related-party transactions carried out by CaixaBank, or by its Group companies, with ”la Caixa” Banking Foundation Group companies, maintaining in all cases the levels of transparency, control and supervision set out in the Protocol previously in force.

Moreover, ”la Caixa” Banking Foundation and Criteria, on one side, and CaixaBank, on the other, signed an Internal Relations Protocol on 28 October 2021, which can also be found on Criteria’s website (www.criteriacaixa.com).

Remuneration of directors

The following table shows fees paid for attending meetings of the management bodies and other remuneration received by the members of the Board of Directors of Criteria in 2023 and 2022, respectively:

	Thousands of euros			
	2023		2022	
Board remuneration	**Criteria**	**Criteria Group**	**Criteria**	**Criteria Group**
Total non-variable remuneration	5,331	1,094	5,010	1,046
Total variable remuneration	80	-	80	-
Total remuneration in kind	242	-	62	-
Total	**5,653**	**1,094**	**5,152**	**1,046**
Headcount at the end of the year	**15**		**15**	
Men	*12*		12	
Women	*3*		3	

Remuneration received in 2023 and 2022 by the directors of Criteria in connection with their duties as representatives of the Entity on the boards of listed companies and other companies in which the Entity has a significant presence or representation and that are consolidated companies (excluding Group companies) amounted to EUR 718 thousand and EUR 723 thousand, respectively, recognised in the companies’ respective statements of profit or loss.

The expense for civil liability insurance premiums on account of Directors and executives totalled EUR 305 thousand and EUR 335 thousand in 2023 and 2022, respectively.

Criteria paid no contributions to pension plans for directors in either 2023 or 2022, except for the Chief Executive Officer, for whom it paid a total of EUR 73 thousand and EUR 73 thousand, respectively, in post-employment contributions.

Criteria Caixa, S.A.U. has no pension obligations with former or current members of the Board of Directors in their capacity as such, nor any other obligations or commitments with them beyond those disclosed above.

No agreements are in place establishing termination benefits in the event of the unilateral termination by the Company of the members of Criteria’s governing bodies, except for the Chief Executive Officer.

At the meeting of the Board of Directors held on 25 January 2024, it was resolved to replace the Chief Executive Officer, who stood down on 31 January 2024, and a new Chief Executive Officer was appointed effective 16 February 2024.

In 2023 and 2022, the Parent's directors did not perform any transactions other than in the normal course of business or other than at arm's length with Criteria Caixa, S.A.U. or with Group companies.

Remuneration of Senior Management

Criteria's Senior Management comprised six people at 31 December 2023 (31 December 2022: five people).

Details of remuneration received by Senior Management in 2023 and 2022 are as follows:

	Thousands of euros	
Remuneration of Senior Management	**2023**	**2022**
Salaries (*)	2,150	1,986
Post-employment benefits	256	241
Other long-term benefits	13	12
Other	38	27
Total	**2,457**	**2,266**

(*) Includes total fixed remuneration and total variable remuneration received by Senior Management.

The remuneration paid in 2023 and 2022 to Senior Management at Criteria in connection with their activities as representatives of the Parent on the boards of subsidiaries and other companies in which the Parent has a significant presence or representation amounted to EUR 535 thousand and EUR 515 thousand, respectively, and is recognised on the statements of profit or loss of those companies.

There are agreements in effect with members of Senior Management regarding termination benefits for early termination or rescission of contracts.

Other disclosures concerning the Board of Directors

Conflicts of interest

Article 229 of the Corporate Enterprises Act establishes, among other duties applicable to directors, the duty to report to the Board of Directors any situation of conflict of interest, direct or indirect, incurred in by each of the Directors or related parties in respect of the Company.

All the directors have confirmed that they encountered no conflict of interests in 2023.

Competition prohibition

Pursuant to article 229.1 f) of the Corporate Enterprises Act in force, Board members may not carry out, for their own account or the account of others, activities that actually or potentially constitute effective competition with those carried out by the Company or which, in any other way, permanently conflict with the Company's interests. Article 230 of the Corporate Enterprises Act stipulates that the Company may lift this prohibition if the Company is not expected to incur damages or it is expected that it will be indemnified for an amount equal to the benefits expected to be obtained from the exemption. Express and separate approval of the exemption must be obtained from shareholders at the Annual General Meeting. In this regard, none of the Board members have notified the Company of any circumstance requiring such an exemption to be considered and, if applicable, granted.

26. Notes to the consolidated statement of cash flows

At 31 December 2023, cash and cash equivalents were up EUR 145,025 thousand with respect to 31 December 2022.

Cash flows from operating activities

The most significant disclosures concerning operating activities in 2023 and 2022 are as follows:

		Thousands of euros	
Adjustments to profit/(loss)	**Note**	**31/12/2023**	**31/12/2022**
Depreciation, amortisation, impairment and gains/(losses) on disposal of non-current assets	(5, 6, 7, 8 and 22.7)	6,786	4,222
Impairment losses (+) / reversals (-) on stakes in associates	(9)	283,869	400,000
Net gains/(losses) on financial transactions and with group companies and associates	(9 and 22.4)	14,263	(677)
Impairment and profit and loss on disposal of financial instruments		140	(136)
Share of profit/(loss) of entities accounted for using the equity method	(9)	(2,285,355)	(1,548,450)
Returns on financial instruments	(22.3)	(83,468)	(100,905)
Financial income	(22.8)	(36,592)	(6,897)
Financial expenses	(22.8)	143,261	73,412
Change in the fair value of financial instruments		15,687	(34,739)
Other		(377)	(91)
Total		**(1,941,786)**	**(1,214,261)**

	Thousands of euros	
Change in working capital	**31/12/2023**	**31/12/2022**
Public administrations	(8,668)	(2,531)
Other current assets	5,838	(6,954)
Other current liabilities	(17,925)	33,870
Inventories	60,661	168,110
Total	**39,906**	**192,495**

27. Information on the environment and corporate social responsibility

Given the business activities of the Parent and its subsidiaries, they do not have any environmental expenses, assets, provisions or contingencies that might be considered material with respect to the assets, financial position or results of the Group. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

Criteria is committed to environmental protection; a commitment that is embodied in an environmental management system under ISO 14001 that is fully integrated within its business and extends to all its projects.

The Criteria Group's Statement of Non-financial Information for 2023, which forms an integral part of the 2023 Management Report, includes information on the organisation's environmental, social, human rights, anti-corruption and anti-bribery policies.

Appendix I – Criteria Group subsidiaries

Thousands of euros

Company name and line of business	Registered office	Interest (%) Direct	Interest (%) Total	Share capital	Reserves and interim dividend	Profit/(loss)	Other equity	Total equity	Dividend accrued in the year from the direct holding	Impairment on the direct holding	Net carrying amount of the direct holding
Caixa Assistance, SA Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	60	(51)	-	-	9	-	-	12
Caixa Capital Micro II, FCR Venture capital fund	Av. Diagonal, 621-629 08028 Barcelona	34.72	56.80	894	1,656	461	-	3,011	-	-	1,009
Caixa Capital Risc, SGECR, SA Venture capital management company	Av. Diagonal, 621-629 08028 Barcelona	99.99	100.00	1,000	2,184	(809)	-	2,375	-	(1,780)	2,400
Caixa Capital TIC II, FCR Venture capital fund	Av. Diagonal, 621-629 08028 Barcelona	-	54.54	9,692	(315)	1,644	-	11,021	-	-	-
Caixa Innvierte BioMed II, FCR Venture capital fund	Av. Diagonal, 621-629 08028 Barcelona	-	45.29	25,477	(7,229)	(3,034)	-	15,214	-	-	-
Caixa Innvierte Industria, SCR, SA Venture capital company	Av. Diagonal, 621-629 08028 Barcelona	-	46.57	1,303	5,369	(32)	-	6,640	-	-	-
Caixa Innvierte Start, FCR Venture capital fund	Av. Diagonal, 621-629 08028 Barcelona	-	41.71	10,723	(7,689)	(1,696)	-	1,338	-	-	-
Caixa Podium I, SA Non-financial entity	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	60	262	65		387	-	-	-
Clever Wave S.A. Security firm	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	60	190	(7)	300	543	-	-	500
Club Caixa I, SA Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	60	(51)	-	-	9	-	-	12
Criteria Industrial Ventures, SICC, S.A. Investment in companies from the industrial sector	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	3,500	1,108	(4,320)	8,580	8,868	-	-	-
Criteria Venture Capital SICC, S.A. Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	28,325	65,399	(5,800)	6,000	93,924	-	(13,253)	93,924
Criteria Bio Ventures SICC, S.A. Closed-Ended Collective Investment Schemes	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	744	2,132	1,502	6,200	10,578	-	-	-

Thousands of euros

Company name and line of business	Registered office	Interest (%) Direct	Interest (%) Total	Share capital	Reserves and interim dividend	Profit/(loss)	Other equity	Total equity	Dividend accrued in the year from the direct holding	Impairment on the direct holding	Net carrying amount of the direct holding
Criteria Venture Tech SICC, S.A. Closed-Ended Collective Investment Schemes	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	1,244	3,484	(200)	12,500	17,028	-	-	-
Els Arbres de la Tardor, SL Acquisition of land and urban development	C/. Constitució, Salita Parc D Parròquia d'Escaldes-Engordany Andorra	-	100.00	73,106	111,483	(566)	499	184,522	-	-	-
Green Smoke S.L. Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	3	(1)	-	-	2	-	-	3
GrupCaixa, S.A.U. Investment management	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	60	(17)	-	-	43	-	-	43
Infinitum Resort, S.A.U. Total or partial exploitation of areas within the Vilaseca and Salou Recreational and Tourist Centre	c/ Camí del racó, s/n 43481 La Pineda (Vila-Seca) Tarragona	-	100.00	115,204	179,984	(4,729)	-	290,459	-	-	-
Inmo Criteria Arrendamiento, S.L.U. Operation, management and administration of housing held for rental	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	26,838	(129,161)	2,234	393,065	292,976	-	-	-
Inmo Criteria Arrendamiento II, S.L.U. Operation, management and administration of housing held for rental	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	3	(56,369)	3,899	148,955	96,488	-	-	-
Inmo Criteria Arrendamiento III, S.L.U. Management of state-sponsored housing	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	190,379	46,701	1,650	16,800	255,530	-	-	-
Inmo Criteria Caixa, S.A.U. Housing development, including state-sponsored housing	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	628,905	820,417	(3,326)	16,800	1,462,796	-	-	1,427,916
Inmo Criteria Patrimonio, S.L. Development, construction, restoration and maintenance of real estate assets and their operation under leases and rentals	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	143,067	320,777	172	-	464,016	-	-	-

Thousands of euros

Company name and line of business	Registered office	Interest (%) Direct	Interest (%) Total	Share capital	Reserves and interim dividend	Profit/(loss)	Other equity	Total equity	Dividend accrued in the year from the direct holding	Impairment on the direct holding	Net carrying amount of the direct holding
Infinitum Travel Experiences, S.A.U. Travel agency	c/ Camí del racó, s/n 43481 La Pineda (Vila-Seca) Tarragona	-	100.00	60	52	(71)	-	41	-	-	-
Proyecto Luciernaga S.A. Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	60	(1)	-	-	59	-	-	60
Saba Infraestructuras, S.A. Construction and operation of transport, mobility, parking, logistics and communications	Av. del Parc Logístic, 22-26 08040 Barcelona	99.52	99.52	73,904	157,729	692	92,704	325,029	-	-	283,529

Note: the information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Appendix II – Criteria investments in associates

Thousands of euros
Except items of equity of Grupo Financiero Inbursa and The Bank of East Asia in millions of local currency (Mexican peso and Hong Kong dollar, respectively)

Company name and line of business	Registered office	Interest (%) Direct	Interest (%) Total	Share capital	Reserves and interim dividend	Profit/(loss)	Other equity	Total equity	Dividends accrued in the year from the total holding	Carrying amount of the direct holding	Share price 31/12/2023	Average share price last quarter 2023
Caixabank, S.A. (C) Banking	C/. Pintor Sorolla, 2-4 46002 Valencia	31.92	31.92	7,502,132	25,887,934	4,816,073	(1,866,822)	36,339,317	557,821	9,842,776	3.73	3.87
Grupo Financiero Inbursa, SAB de CV (C) (G) Banking	Paseo de las Palmas, 736 11000 Lomas de Chapultepec	9.10	9.10	27,156	167,878	30,955	(830)	225,159	-	1,098,827	2.49	2.12
Mealfood Europe, S.L. Process of breeding, rearing and marketing of tenebrio molitor mealworm and by-products for use as feed and for industrial feed production	Carretera nacional 620 (km 244) 37120 Doñinos de Salamanca	-	30.70	26	9,718	-585	-	9,159	-	-	-	-
Mobile Lean, S.L. Lean Manufacturing digitalisation system in the industrial realm	C/. Duque de la Victoria 5, piso 5 47001 Valladolid	-	31.89	199	1,947	(987)	33	1,192	-	-	-	-
Naturgy Energy Group, S.A. (C) Gas and electricity business	Avda. de América, 38 28028 Madrid Madrid	26.71	26.71	969,614	8,171,000	1,986,000	802,000	11,928,614	388,440	3,884,996	27.00	26.80
Qualityfry, S.L. Manufacture and distribution of smokeless automatic fryers that do not produce odours or mix flavours.	Calle Albasanz, 12 28037 Madrid Madrid	-	22.64	237	851	337	-	1,425	-	-	-	-
Summus Render S.L. Outsourcing of technological infrastructure, focused on supercomputing	Calle Sor Elena Bouzas , 8 - 4 46117 Betera Valencia	-	20.58	60	578	(638)	-	0	-	-	-	-
Tecalum, SL Design and manufacture of aluminium products	Crta. De Sales 2 17853 Tortellà	-	28.08	4,612	1,265	1,019	-	6,896	-	-	-	-
The Bank of East Asia, LTD (C) Banking	10, des Voeux rd. Hong Kong China	19.19	19.19	41,915	51,940	4,118	10,353	108,326	31,828	870,499	1.12	1.14
Zelula Biopharma SL Development of immunotherapies targeting the tumour microenvironment for remodelling immune responses and promoting anti-tumour activity	Paseo de Mikeletegi (BIC Guipuzcoa. pq. Científico y Tecnológico), 83 20009 Donostia/San Sebastián, Gipuzkoa	-	35.29	4,636	597,042	(74,708)	8,773	535,744	-	-	-	-

(C) Listed companies. Latest publicly-available data at the date of preparation of the notes to these financial statements.
(G) Data published as per Mexican GAAP.
Note: the information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Criteria Group Management Report

2023

1. INFORMATION ON THE CRITERIA GROUP

1.1. Group structure

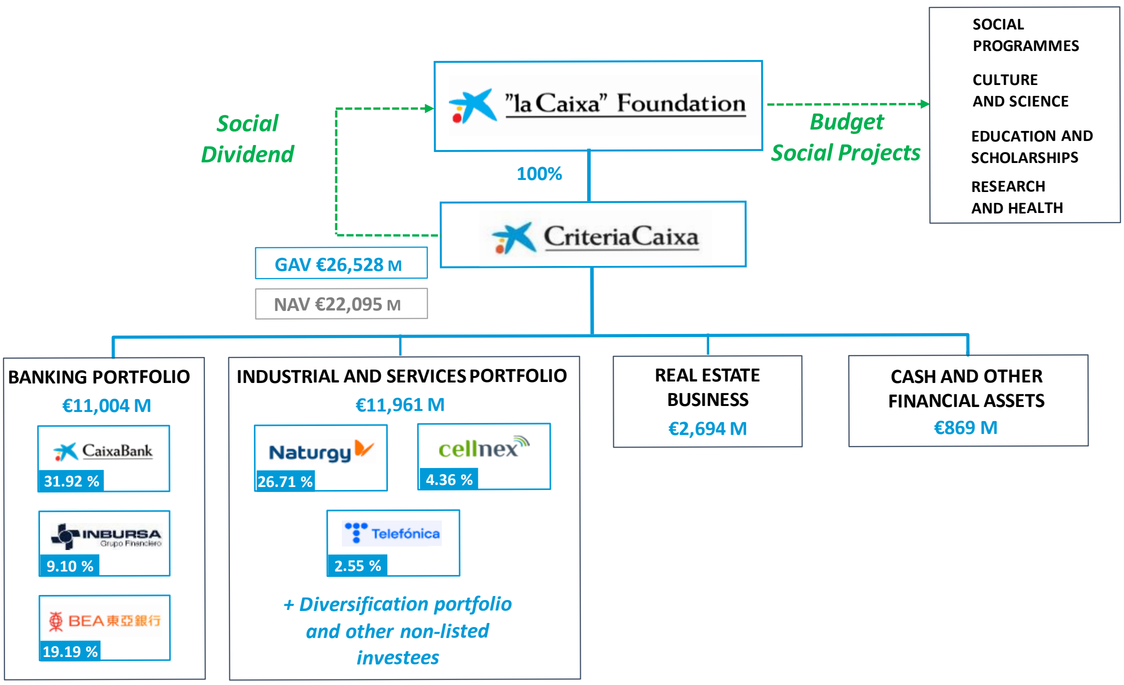
Criteria Caixa, S.A.U. ("Criteria" or the "Company") is a non-listed investment holding company that manages the assets of its sole shareholder, Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa" Foundation, or the Foundation), one of the largest foundations worldwide in terms of social investment.

The "la Caixa" Foundation Group operates in two key areas:

- **Welfare Projects**, which the Foundation carries out directly and which seeks to generate opportunities for underprivileged communities on the path to building a fairer society that is genuinely invested in the present and future lives of people.
- **Asset management**, carried out through Criteria, whose mission is to manage the business assets that the Foundation has amassed over a life spanning 120 years, with the dual objective of:
  - ✓ Providing the Foundation with all the funding (**Social Dividend**) it needs to pursue its social endeavours.
  - ✓ Preserving and growing the Foundation's assets through sound and prudent management to ensure the perpetuity of its social action.

  Asset management is carried out within a framework of policies governing investment, financing and prudent risk management. Under these policies, Criteria manages an asset portfolio that combines significant stakes in strategic sectors, with a portfolio of diversified investments in both companies and real estate assets. This investment portfolio includes companies with a sound shareholder remuneration policy with the aim of generating recurring income, as well as companies focused on growth and which generate returns for their shareholders by growing the value of the company.

At 31 December 2023, the Group's structure, Gross Asset Value (GAV) and Net Asset Value (NAV), both managed by Criteria, were as follows:

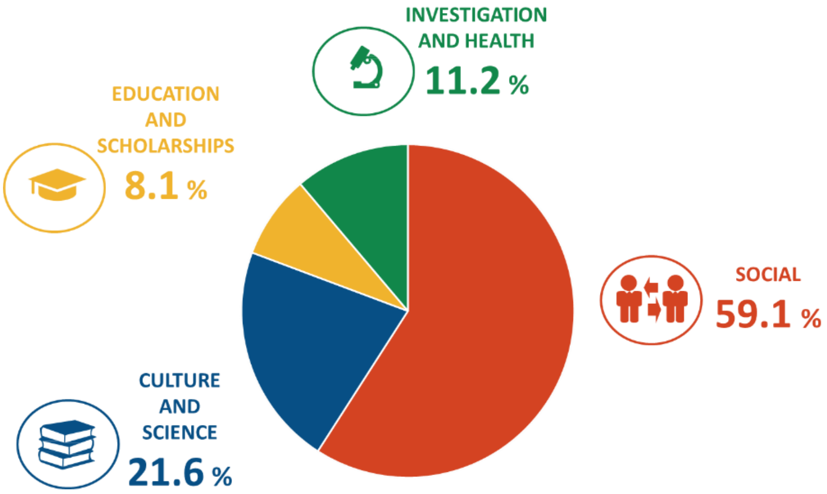


1.2. ”la Caixa” Foundation, our reason for being

Since its inception (it was founded as a savings bank in 1904), ”la Caixa” Banking Foundation has exemplified a **strong commitment to society and to furthering the public interest**. Its mission is to build a better and fairer society, giving opportunities to those most in need and embracing the **values** of **trust, excellence and social commitment**.

The Foundation **focuses** on programmes that offer the greatest potential to transform society, including initiatives to combat **child poverty** and **social exclusion**, improve the **job prospects** of people at risk of social exclusion and help to raise the **living standards** of the **most vulnerable** segments of society. It also targets other worthy causes to **bring about progress and equal opportunities** such as biomedical research and innovation, quality training, culture and education. ”la Caixa” Foundation’s social commitment to building a better society has Spain and Portugal as its main territories of action.

In **2023**, the Foundation made a total **social investment of EUR 537 million**. The distribution of this budget into each of its four core areas of activity is as follows:



For financial year 2024, the Foundation has approved a **budget** of **EUR 600 million**, thus maintaining its commitment to social and human development, especially for the most vulnerable people.

The main objectives of each of these areas of activity are presented below:

Social programmes and calls for proposals **Driving social transformation** through programmes to help improve the quality of life of the most vulnerable and promote social cohesion and peaceful civic coexistence.	**Culture and science** **Improving society** through culture and science as drivers of personal growth and social cohesion.
Research and health **Supporting health research** and innovation and scientific talent to build a better and healthier world based on knowledge.	**Education and scholarships** **Creating opportunities for a better world by** fostering excellence in education as a driver of progress and social welfare and promoting quality education by accompanying and empowering teachers as agents of change.

”la Caixa” Foundation joined the United Nations Global Compact in 2005 and is firmly committed to the **Sustainable Development Goals (SDGs)**. It strongly supports its principles of conduct and action in relation to human rights, labour, the environment and anti-corruption, which are integrated into its day-to-day operations.

The main SDGs to which the Foundation contributes through its programmes and initiatives are described below:

The ***CaixaProinfancia*** programme aims to break the cycle of child poverty that is passed on from parents to children, offering children opportunities for the future.
Moreover, **Fundación de la Esperanza** is the Foundation’s direct social action entity, tasked with combating poverty and social marginalisation in the Ciutat Vella district of Barcelona. **EspaiCaixa Francesc d’Assís** offers comprehensive care to vulnerable children and their families in the city of Manresa.

Research and Health, by supporting outstanding scientific research. The Foundation stages the largest call for applications in Spain and Portugal to champion transformative projects in biomedicine and health.
The ***CaixaImpulse*** programme seeks to accelerate laboratory projects for the benefit of society and train scientific entrepreneurs through innovation calls, which ultimately promote the transfer of research results and generate value in society through the creation of new solutions, treatments, products and companies.
CaixaResearch Institute is the first major transversal and interdisciplinary research centre specialising in immunology in Spain. In 2023, ”la Caixa” Foundation began construction of this research centre in Barcelona, which will study the processes whereby the immune system interacts with the most prevalent diseases, such as oncological, infectious and neurological diseases, while also exploring contributing environmental factors.
Social Observatory, generating science-based knowledge on social issues with the aim of stimulating critical thinking and enriching public debate.
The Foundation complements the work of public authorities in palliative care and support for people in the advanced stages of illnesses through its **Comprehensive care for advanced illnesses** programme, which is endorsed by the World Health Organization (WHO).
Through its **Elderly People** programme, the Foundation works to provide a better quality of life for people aged over 60 by promoting active healthy ageing programmes and preventing isolation.
In the field of **International Cooperation**, the Foundation promotes projects together with more than **800** entities all over the world with a common objective: to transform the lives of thousands of people. Promoting global health programmes, in particular, to combat pneumonia and malaria; helping to prevent and treat malnutrition.

”la Caixa” Scholarships programme: fosters research talent and excellence at leading research centres and universities in Spain and abroad.
EduCaixa offers programmes, activities and educational resources with three main objectives: to develop the skills of its learners; to foster the professional development of educators; and to generate and transfer knowledge through assessment.
The Foundation promotes digital education in vulnerable communities in Latin America, Africa and Asia through the **ProFuturo Foundation**.

5 GENDER EQUALITY

"la Caixa" Foundation works towards equality from within schools to break down stereotypes and **increase the number of women pursuing careers in science and technology**.
The Action Plan initiated in 2022 for gender mainstreaming in the Foundation's programmes continued to be implemented in 2023.

8 DECENT WORK AND ECONOMIC GROWTH

The Foundation runs the ***Incorpora***, ***Empleo Joven*** and ***Más Empleo*** programmes (the latter two co-financed by the **European Social Fund**) to help people at risk of social exclusion gain access to employment, thus helping to build a more socially responsible territory.
Our ***Reincorpora*** programme offers people who have been deprived of their liberty the opportunity to build a different future and become full members of society, improving their skills and reinforcing the values that will help them in their integration into social life and work.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

"la Caixa" Foundation is constantly working to bring culture and knowledge closer to society as a whole. Through the 10 centres of **CaixaForum**, the **CosmoCaixa** centre and its **travelling exhibitions**, the Foundation reaches out to over seven million visitors a year.
In 2023, the Foundation's Board of Trustees approved the construction of a new CaixaForum centre in Malaga.

10 REDUCED INEQUALITIES

Fighting social inequality through programmes such as ***Art for Change***, which uses art as a tool for social improvement.
Social Calls, collaborating with non-profit organisations to champion initiatives aimed at people in vulnerable situations, promoting equal opportunities and social transformation.

13 CLIMATE ACTION

The Foundation leads awareness campaigns on **climate change**, its consequences and strategies to mitigate it, through various exhibitions and conferences.

To learn more about the activities of "la Caixa" Foundation, please visit its website (www.fundacionlacaixa.org).

1.3. Investment policy and financial policy

The **main principles of Criteria's investment** policy are as follows:

- **Long-term investing in leading companies** and in sectors flagged as showing greater growth potential, moderate risk and attractive returns.

- Prioritising **liquid assets** to ensure a **regular flow of income**.

- Supporting businesses that make up the **Strategic Portfolio** of equity investments, through **active management of the investees** as a relevant shareholder and, when we sit on their governing bodies, by helping to shape their strategy.

- Managing a portfolio of non-controlling interests in listed equities, known as the **Diversification Portfolio**, with the ultimate of long-term value creation through active management of the investees. These stakes are acquired on the basis of their liquidity and diversification, both in terms of the economic sectors in which the investees operate and the geographies in which they are located (OECD countries, mainly in Europe and North America). The portfolio also includes, albeit to a lesser extent, investments in non-listed equities with the objective of long-term value creation.

- Focus on transforming the **real estate** portfolio, enhancing the long-term vision and improving its quality. This mainly involves the purchase and/or development of office space for subsequent rental, as well as high value-added residential assets for subsequent sale and/or rental. Financial prudence on a global scale: suitable balance between investment and disinvestment.

- Criteria invests in companies that are highly committed on matters of **sustainability and transparency and in contributing to society**. In line with our Code of Ethics, Criteria does not invest directly in sectors such as arms, tobacco, high-proof alcoholic beverages or betting and gaming, among others.

For more information on how we approach and manage sustainability, please see the CriteriaCaixa Group's Non-Financial Statement, which is part of this Management Report.

Meanwhile, the key features of Criteria's **Financial Policy** are as follows:

- Maintaining adequate levels of financial discipline to enable Criteria to have an **investment grade** credit rating.

- Moderate **debt levels that are sustainable in the long run.** In 2023, the Company had a long-term target Net LTV ratio of < 20%.

- Diversification of funding sources to mitigate refinancing risk.

- Availability of **committed credit facilities**, obtaining **additional liquidity** as and when needed.

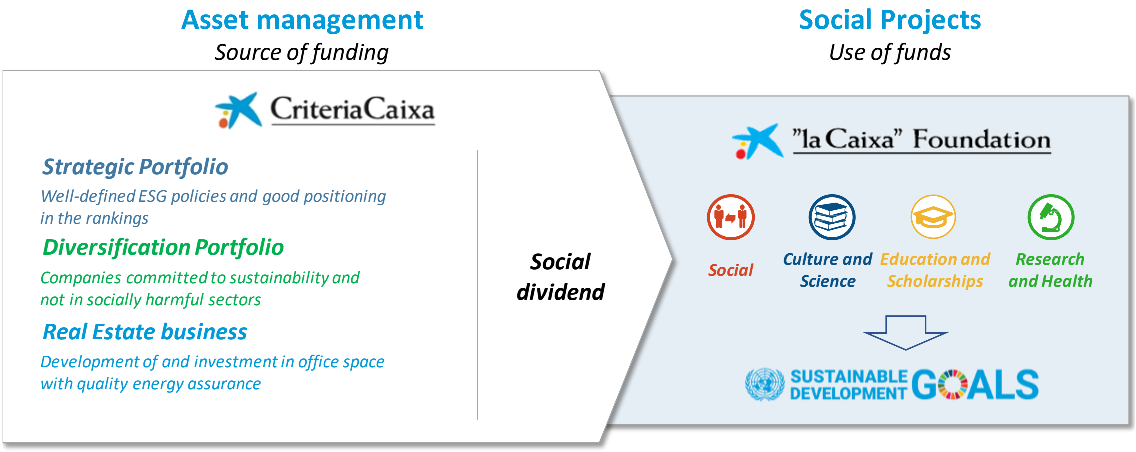
For more information on the **risk policy**, see Note 4 to the accompanying consolidated financial statements.

This investment philosophy, combined with a prudent financial and risk policy, is what enables Criteria to continue honouring its mission with ”la Caixa” Foundation.

Environmental, social and governance (ESG) aspects

As the company responsible for managing the business assets of ”la Caixa” Foundation, Criteria is governed by the same principles of conduct as its sole shareholder, which are aligned with the principles enshrined in the UN Global Compact.

The Criteria Group’s commitment to ESG is transversal and encompasses the processes of investing and managing stakes and interests to raise funds and then allocating those funds (in the form of the **Social** Dividend delivered to the Foundation so that it can carry out its social projects), being the last a trait unique to Criteria:



Raising funds: Criteria considers ESG aspects when managing its investees

Criteria monitors not only financial aspects, but also those relating to ESG performance. Criteria’s main investees have well-defined ESG policies and strategies in place, enabling them to climb the main tables and rankings and earn high ratings across all three dimensions (environmental, social and governance). CaixaBank and Naturgy, both benchmarks in their respective sectors, are notable examples.

When it comes to real estate business, subsidiary company Inmo Criteria Caixa manages the Group’s real estate assets on one premise: striking a suitable balance between protecting the value of the assets and ensuring social and environmental sensitivity. To succeed, it follows a set of principles that go beyond real estate and financial criteria to include also potential social and environmental impacts. To give an example, when it comes to new investments in tertiary sector assets, the aim is to ensure that they all have top-tier energy certification (BREEAM, LEED or equivalent). In the social realm, when it comes to the management of housing units, Inmo Criteria Caixa treads very carefully and acts with great sensitivity if it is determined that the families living in them qualify as vulnerable.

Use of funds: ”la Caixa” Foundation, 120 years of strong social commitment

As we have seen in the previous sections, ”la Caixa” Foundation is an institution that pursues eminently social objectives and which allocates over EUR 500 million each year to promote and support projects and activities in the social, educational, outreach, cultural and scientific spheres. The Foundation is largely financed by the social dividend it receives from Criteria, through which Criteria plays a role in the social endeavours of ”la Caixa” Foundation (see section 1.2 above).

2. BUSINESS PERFORMANCE AND RESULTS

2.1. Current economic climate and outlook for 2024

Last year witnessed two key macroeconomic trends:

- **First:** economic growth proved to be surprisingly resilient and performed better than expected at the beginning of the year. Although the pace of the growth was hardly stellar, it was able to withstand the impact of high interest rates, geopolitical uncertainty (war in Ukraine, tensions between the United States and China, major instability in the Middle East, etc.), along with turbulence in the banking sector.
- **Second:** the sharp decline in global inflation, especially in the second half of the year. Without doubt the vigorous monetary tightening processes undertaken by the main central banks from around the world proved to be instrumental in steering inflation towards its long-term target (2%).

According to the latest forecasts, **global GDP** looks set to have grown by around 2.8% in 2023. However, this figure masks significant regional differences. Notably, growth among developed countries is expected to be around 1.5%, underpinned mainly by the strength of the United States (2.5%), but dragged down by the poor performance of the Eurozone (0.5%). In Europe, the only positive exception looks to have been Spain, with GDP growth of close to 2.5%. Meanwhile, the bloc of emerging economies looks to have grown by 3.7%, driven by China (5.2%) and India (6.1%) and, to a lesser extent, by Brazil and Mexico. Taken together, these figures suggest that the onset of the global slowdown has been delayed —though not reversed— thanks to the resilience shown by the labour markets, coupled with excess savings and the relative resilience of demand for services; all factors that have mitigated the impact of higher interest rates on household spending.

Looking ahead to 2024, **inflation** will remain the key variable if the global economy is to make a soft landing. Fortunately, recent figures suggest that inflation has peaked and will continue to retreat. In other words, the successive official rate hikes at the hands of central banks are having the desired effect through two basic channels: containing demand and anchoring inflation expectations. Moreover, given that core inflation and wage increases are also relenting, it is assumed that both the US Federal Reserve (Fed) and the European Central Bank (ECB) have put monetary policy on pause. However, the authorities are aware that there is still work to be done in the battle to control inflation. Their focus will therefore be on assessing how long they need to keep rates in the tightening zone to ensure convergence towards their targets. For the time being, the central banks are staying cautious and saying it is too early to start cutting interest rates. The broad consensus among economists is that neither the Fed nor the ECB will begin to cut official rates until at least the summer.

However, leading indicators show that activity is slowing in most parts of the world, with some countries even verging into recession territory (e.g. Germany). There are also signs that the labour markets are starting to cool. Moreover, in countries whose credit markets are indexed to short-term rates, there has been an increase in business bankruptcies, a higher default rate among lower income households and the younger population, and a significant standstill in real estate activity. On the positive side, inflation continues to fall at a faster pace than expected; a situation that relieves pressure on real incomes and may help to anchor household and business confidence (especially in Europe).

In this difficult context, the **world economy** is set to slow to 2.7% growth in 2024. By countries, the United States will grow by around 0.9% and China by 4.6%. Turning to the Eurozone, growth will remain sluggish (0.8%), mainly due to a weak German economy (0.3%). Spain, meanwhile, is expected to outperform the regional average, with its GDP likely to growth by a still meagre 1.2%.

Unfortunately, geopolitical tensions and electoral processes in a number of key countries —notably the United States in November, India in April/May, the United Kingdom in the second half of the year and Mexico in June— increase the downside risks in what is already a complex global outlook.

Meanwhile, the **international financial markets** remained buoyant, supported by the upgraded growth forecasts for the main economies of the world as we moved through the year and the progress made in bringing down inflation. This combination of factors proved to be highly beneficial for listed equities: the main stock market indices in developed economies rallied strongly and volatility remained very low throughout the year. Thus, the annual return of the US stock market (S&P 500 index) was 24%, while the main US technology sector index (Nasdaq) outperformed by posting a 43% gain. It should be noted, however, that these remarkable figures have been concentrated among a small handful of companies. Indeed, seven companies were responsible for about half of the return reported by the S&P 500 for the whole of the year (about 12 percentage points), all of them in the technology sector. In Europe, the broad trend has also been positive: the European stock market conglomerate rose by 16% in 2023. By Eurozone country, the Italian and Spanish stock markets outperformed by gaining 28% and 23%, respectively. The high weight of cyclical sectors in both markets, particularly banking, was an important support factor. On the flip side of the coin we find China, whose stock market was the standout disappointment in 2023, shedding 11%.

Just as the main macroeconomic indicators were unexpectedly positive, the corporate earnings of both US and Eurozone listed companies proved to be more resilient than most analysts were expecting at the beginning of 2023. For US companies, annual corporate earnings growth was virtually flat compared to 2022, while in the Eurozone, corporate earnings grew by an impressive 10% during the year. The surprisingly robust earnings momentum has been a major support factor for prices and has given the stock market rally a solid underpinning, especially in European markets. This can be seen in the valuation ratios of stock market indices, whose expansion in the case of the European and Spanish stock markets was negligible, but somewhat more noticeable in the US market.

Without doubt the sharp decline in long-term interest rates towards the end of the year gave stock prices a boost. Looking ahead to the rest of 2024, sovereign debt markets are likely to continue to support the international stock markets. In other words, the most likely scenario is that risk-free interest rates will trend downwards from their current level, as major central banks end the monetary tightening cycle and begin to gently lower their policy rates. However, for this to happen, and as we mentioned earlier, inflation must continue to converge towards the 2% target without interruption.

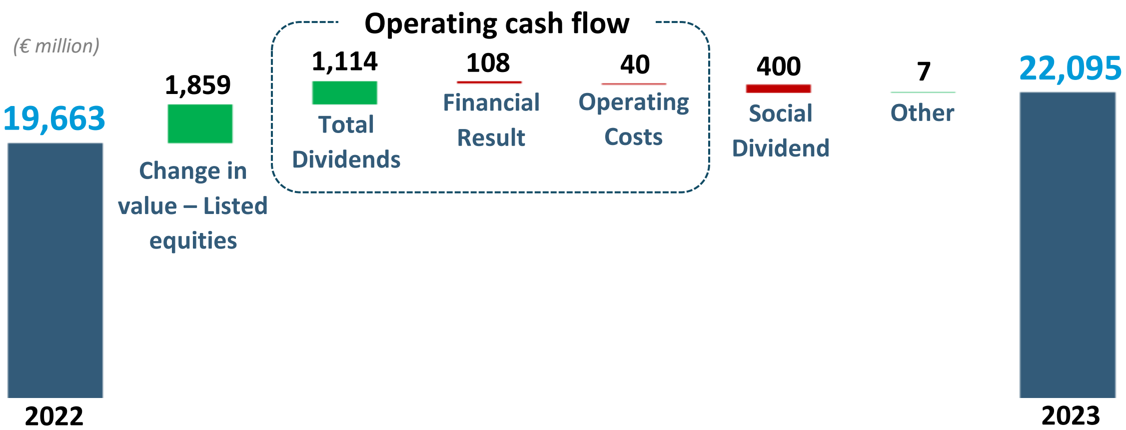
So far, it is fair to say that we have witnessed a near perfect disinflation process, with little to no impact on economic activity and employment. However, there is a distinct possibility that this paradigm may change in the coming quarters. First, because it will be this year that the cumulative contractionary effects of the sharp and hurried monetary tightening process of 2022–2023 will peak. Second, because the extra effort needed to break through the inflation barrier of rates at around 3% or 3.5%, and to bring them back to levels closer to 2% on a sustained basis, may be substantially higher than what the market is currently expecting. The last few miles of a marathon provide a useful analogy: it is precisely then that more effort and perseverance are needed to make it to the finish line. Lastly, we should not forget the multiple sources of geopolitical risk, the eventual outcome of which could well exacerbate an already fragile global environment.

2.2. Net Asset Value

Criteria's Gross Asset Value (GAV), Cash and equivalents, Gross Debt, Net Debt, Net Asset Value (NAV) and leverage ratios (LTV), as described in section *8 – Alternative Performance Measures* of this Management Report, are as follows:

€ million	2023	2022	Change
(A) GAV	**26,528**	**24,585**	**7.9%**
of which:			
(A.1) listed assets (equities and fixed income)	22,248	20,389	9.1%
(A.2) cash and cash equivalents	558	439	27.2%
(A.3) % of listed assets plus cash and cash equivalents to GAV [(A.1 + A.2) / A]	86.0%	84.7%	1.3 pp
(B) Gross debt	**-4,433**	**-4,922**	**-9.9%**
(C) Net debt [B - A.2]	-3,875	-4,483	-13.6%
NAV [A + B]	**22,095**	**19,663**	**12.4%**
Gross leverage ratio (Gross LTV) [-B / A]	**16.7%**	**20.0%**	**-3.3 pp**
Net leverage ratio (Net LTV) [-C / (A - A.2)]	**14.9%**	**18.6%**	**-3.7 pp**

The following table breaks down the main components behind the change in NAV in 2023:



In 2023, NAV improved by 12.4% to reach an all-time high of EUR 22,095 million, mainly due to:

- Strong performance of both the **strategic portfolio** (+EUR 1,544 million) and the **diversification portfolio** (+EUR 315 million). Notably, the share prices of Naturgy (+11.1%), Grupo Financiero Inbursa (+42.2%), Cellnex (+15.3%) and CaixaBank (+1.5%) all improved, between them making a positive change in value of EUR 1,540 million.

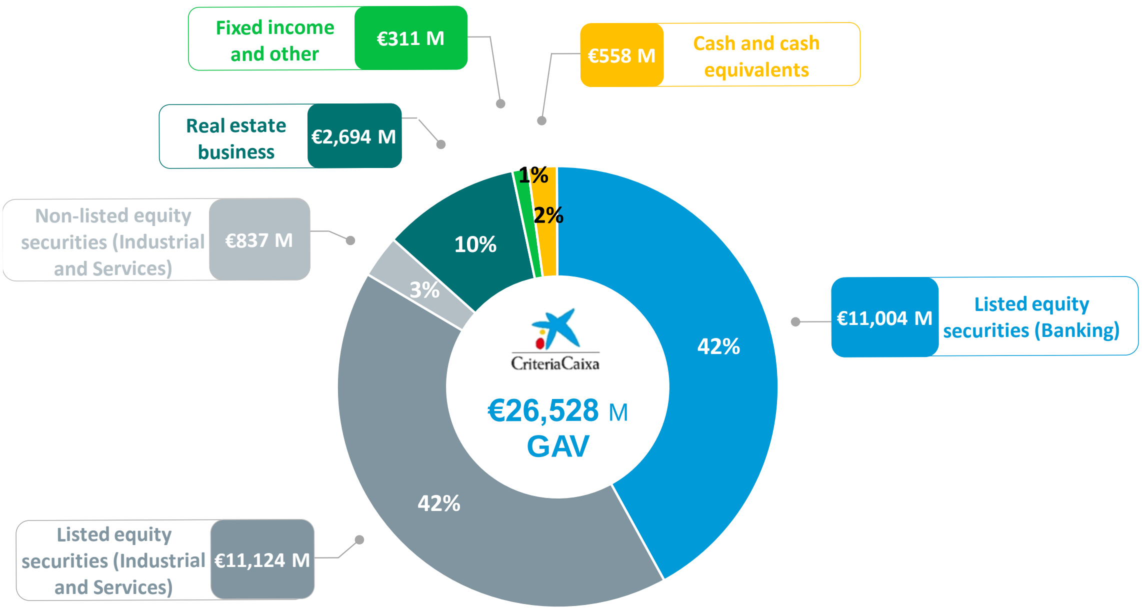
- Strong **operating cash flow** generation (EUR 966 million in 2023 vs EUR 725 million in 2022), comfortably permitting a payout of EUR 400 million as the **Social Dividend**.

Dividend income received by Criteria from its investees during the year (EUR 1,114 million) was also at record highs, exceeding those recorded in the same period of 2022 by +33.6%. The composition of **Total Dividends** (as defined in section *8. Alternative Performance Measures*) in 2023 and 2022 is as follows:

€ million	**2023**	**2022**
CaixaBank	558	354
Naturgy	388	311
Telefónica	42	30
The Bank of East Asia	32	62
Diversification Portfolio	94	77
TOTAL DIVIDENDS	**1,114**	**834**

GROSS ASSET VALUE

GAV amounted to EUR 26,528 million at 31 December 2023. Notably, listed financial assets plus cash and cash equivalents account for 86% of GAV, making it highly liquid.



Below is a breakdown of the main components of GAV at the end of 2023 and 2022:

€ million	Financial stake	2023	Financial stake	2022
LISTED AND UNLISTED EQUITIES		**22,965**		**21,147**
BANKING PORTFOLIO		**11,004**		**10,417**
CaixaBank	31.92%	8,922	32.24%	8,883
Grupo Financiero Inbursa	9.10%	1,514	9.10%	956
The Bank of East Asia	19.19%	568	18.97%	578
PORTFOLIO OF INDUSTRIAL AND SERVICES COMPANIES		**11,961**		**10,730**
Naturgy	26.71%	6,992	26.71%	6,295
Cellnex	4.36%	1,098	4.36%	952
Telefónica	2.55%	519	2.17%	424
Diversification Portfolio	-	2,515	-	2,221
Non-listed equity securities		837		838
REAL ESTATE BUSINESS		**2,694**		**2,740**
FIXED INCOME AND OTHER		**311**		**259**
Listed fixed income		120		81
Other		191		178
CASH AND EQUIVALENTS		**558**		**439**
GAV		**26,528**		**24,585**

Listed Equities Portfolio

At 31 December 2023, the market value of the Listed Equities Portfolio was EUR 22,128 million, of which EUR 11,004 million related to the banking sector and EUR 11,124 million to the industrial and services sector.

For management purposes, Criteria segments this portfolio into:

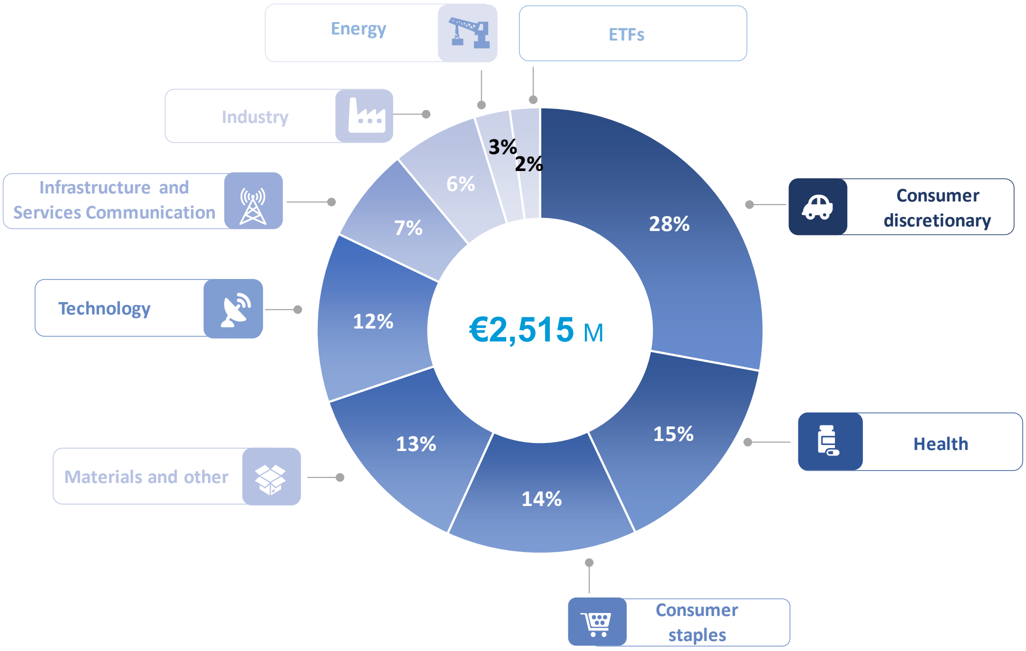
- **Strategic Portfolio:** mainly comprising significant stakes in blue chip companies, where Criteria can actively manage them as a core shareholder and, if it sits on their governing bodies, influence their strategy by voting at them. The banking portfolio includes CaixaBank, Grupo Financiero Inbursa (GFI) and The Bank of East Asia (BEA), while ownership interests in industrial and service companies include the likes of Naturgy, Cellnex and Telefónica.

  The market value of this portfolio at 31 December 2023 came to EUR 19,613 million. During the year, it commanded a return of 14,3% (including dividends), thanks to the strong performance of the share prices of Naturgy (+11.1%), Grupo Financiero Inbursa (+42.2%), Cellnex (+15.3%) and CaixaBank (+1.5%). In 2023, investments were made in Telefónica for a total of EUR 81 million and divestments took place at CaixaBank for EUR 100 million.

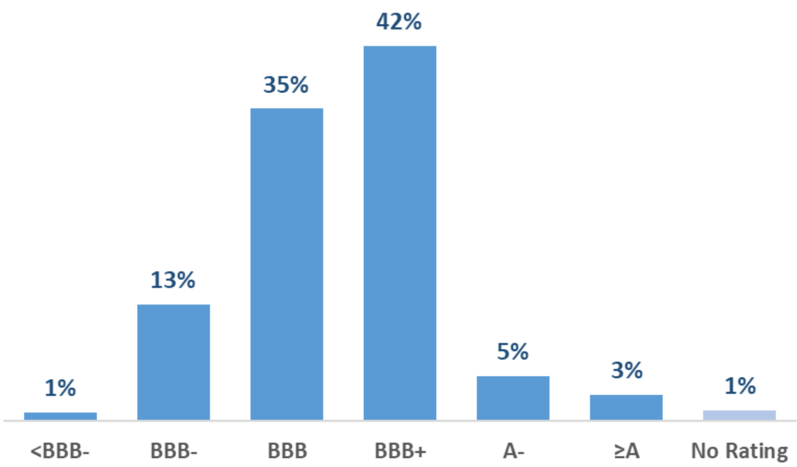
- **Diversification portfolio:** with the aim of achieving greater portfolio diversification, Criteria has been adding new companies, regions and economic sectors to its portfolio in recent years, prioritising investments in listed companies from OECD countries (mainly from Europe and the United States) with a decent dividend yield and/or growth potential, but without any presence on their governance bodies, thus ensuring the generation of liquidity while allowing for more flexible management of the portfolio.

The management strategy for this portfolio in 2023 focused on capturing value through the company rotation (investments and divestments totalling EUR 194 million and EUR 213 million, respectively, generating gross capital gains on divestments of EUR 58 million). Its market value at 31 December 2023 was EUR 2,515 million with a 17,2% return (including dividends). This portfolio includes around 78 companies operating in different sectors of the economy, with headquarters in 13 countries (mainly 33% United States, 22% Germany, 20% Spain, 5% France, 5% Portugal, 4% United Kingdom, and 3% Sweden). The vast majority of the stakes included in this portfolio are large listed companies that are leaders in their respective industries, with some 64% of them being [1]large cap (companies with a stock market capitalisation exceeding EUR 10 billion).

The distribution of this portfolio by sector is as follows:



A further highlight is the good credit rating of the investees that make up the Portfolio of Listed Equities, as shown below:[2]



[1] Based on market capitalisation figures at 31 December 2023.

[2] The chart shows the distribution of the portfolio, based on the market value of each of the investees weighted according to the credit ratings granted by Fitch (figures as at 31 December 2023). In the absence of a Fitch rating, Moody's or Standard & Poor's ratings are used and reconverted to Fitch's scale.

Portfolio of Non-Listed Equities

At 31 December 2023, this portfolio was worth EUR 837 million. It includes a 99.5% stake in Saba Infraestructuras, a 15% stake in Aigües de Barcelona and all the Private Equity activity managed by the Group through management company Caixa Capital Risc and investment company Criteria Venture Capital, both wholly owned by Criteria.

As part of the process of divesting the car park business that the Group operates through its stake in Saba Infraestructuras, Criteria's directors believed that the relevant requirements prescribed by IFRS 5 — Non-current assets held for sale and discontinued operations had been met as of June 2022. As the sale process had yet to be completed as at 31 December 2023, this business remains classified as held for sale (Note 21 to the accompanying consolidated financial statements).

Real estate business

The real estate business is run by Inmo Criteria Caixa (www.inmocaixa.com), a wholly-owned subsidiary of Criteria, which has an experienced team of professionals and proprietary information systems designed to provide end-to-end support for the entire real estate management process.

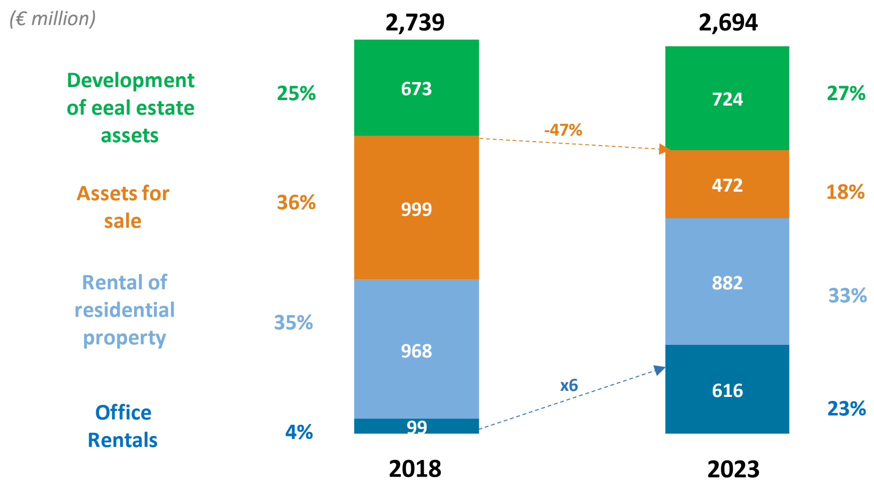
At 31 December 2023, the Group's portfolio of real estate assets was worth EUR 2,694 million (net carrying amount), segmented by asset class and defined management strategy:

- Enhance the portfolio of **real estate rental assets** by increasing the weight of tertiary assets (office space).
- Develop **strategic land assets** through projects to unlock real estate value.
- **Sell** low-value real estate to commercialise in order to finance the lines of action described above.

At year-end 2023, Criteria Caixa reviewed its strategic plan and plotted out new strategic lines of action for the 2023–2026 horizon. This new plan looks to continue with the real estate portfolio transformation process initiated in 2018 while also developing new business models. The central pillars are as follows:

- Strengthening the long-term vision and improving asset quality (location, communication, transport, sustainability, services for well-being and user satisfaction, etc.).
- Picking up the pace with the portfolio rotation process to improve overall portfolio performance.
- Placing the customer at the centre of our management with the aim of increasing their level of satisfaction as a user of higher quality assets.

The following diagram shows the **segmentation** of this portfolio at 31 December 2023, compared with 31 December 2018, the year in which the most recent medium and long-term general strategic lines were defined (when all of the Group's real estate assets were effectively in-housed).



In 2023, the net carrying amount of the real estate portfolio dropped by EUR 46 million. The main factors were sales (at cost) of EUR 115 million, investments of EUR 90 million and write-downs and value adjustments of EUR 19 million:

- Investments in the year mainly relate to the development of new residential and office developments and to the acquisition/construction of office buildings. Notably, in mid-2023 the Company began operating www.visionarybuilding.es in Madrid (built by Criteria Caixa) and also acquired the Cedro building, located in the business district of Alcobendas. Both buildings have the main sustainability certifications.
- Of total real estate sales, 59% related to the sale of assets from the Active Divestment portfolio, while the remaining 41% related to the sale of new buildings (including the Infinitum Resort project).

Assets to develop

This portfolio features two distinct asset classes:

- **Strategic land** under management for future developments and generation of real estate value. The most noteworthy items are as follows:
    - Infinitum Resort (www.infinitumliving.com), located on the Costa Daurada (Tarragona). Current land uses allow for the development of up to 2,300 housing units and around 250,000 square metres of hotel-commercial use. At year-end 2023, 138 of the 150 homes of marketing phase one had already been sold and the construction and marketing of phase two (a further 119 homes) was under way.
    - Development of land in Encamp (Andorra), with total urban building rights of 455,000 square metres for a variety of uses.
    - Land for future developments, both residential and office, distributed across nine different locations in Spain and under different phases of urban development.
- **Development of new building work:** land for new residential and office development. As of 31 December 2023, a total of five residential developments comprising a total of 417 homes were under construction and/or in the process of being marketed.

Rental Assets

This portfolio features two distinct asset classes:

- **Residential:** portfolio consisting mainly of 82 custom buildings which are marketed both through the free rental market and through subsidised housing.
- **Offices:** portfolio comprising 10 special or custom buildings, predominantly located in prime locations in Madrid and Barcelona.

Assets for sale

This portfolio features two distinct asset classes:

- **Assets to commercialise:** portfolio comprising around 4,600 assets (6,400 assets at 31 December 2022), mostly housing units, with a low unit value and located across all of Spain, which are held for sale based on the expected value of the property.
- **Special land held for sale:** land under management to enable its future commercialisation, with a total of 113 zones of action (124 zones at 31 December 2022).

Lastly, and looking at the Group's portfolio of real estate assets in its entirety, the main provinces are Madrid (28%), Barcelona (20%) and Tarragona (13%).

Fixed Income Portfolio and others

At year-end 2023, this portfolio included the following items:

- Listed fixed income portfolio with a market value of EUR 120 million and an investment grade credit rating:
  - European and US sovereign bonds with a market value of EUR 98 million and an average remaining life of 1.7 years.
  - European corporate bonds with a market value of EUR 22 million and an average remaining life of 1.7 years.
- A loan of EUR 157 million granted to Saba Infraestructuras, arranged at arm's length and maturing in June 2024.
- Corporate income tax rebate from the tax authorities for 2022, amounting to EUR 34 million (payment received in January 2024).

Cash and cash equivalents

Criteria manages excess liquidity on the basis of the two key premises enshrined in its financial policy:

- fund availability/liquidity, and
- counterparty credit quality.

At 31 December 2023, cash and cash equivalents totalled EUR 558 million. This balance mainly comprises current accounts and bank deposits held at financial institutions with investment grade credit ratings, as well as other very short-term financial assets (shorter than three months).

GROSS DEBT

In 2023, Criteria continued to reduce its debt (EUR -489 million). It also continued to actively manage its liabilities with the aim of achieving greater flexibility, maintaining comfortable liquidity levels and extending the maturities of both debt and credit facilities.

Key actions carried out during the year included:

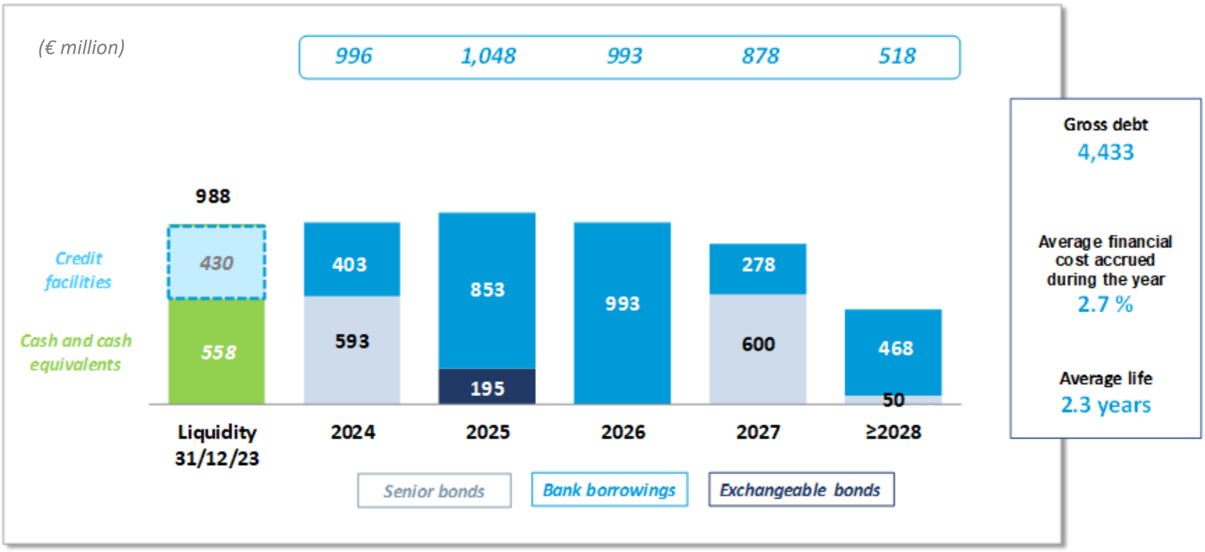
- In May, **redemption** at maturity of a **senior bond** worth EUR 713 million, net of repurchases of treasury shares.
- Maturity of bilateral loan in the amount of EUR 200 million and early repayment of a bilateral loan totalling EUR 100 million.
- Obtaining **new financing** through various **bilateral loans** for a total notional amount of EUR 495 million and largely maturing in 2028.
- Securing new financing through the issuance of a bond (private placement) worth EUR 50 million and maturing in 2030.
- **Extending** the **maturity of bilateral undrawn credit facilities** totalling EUR 405 million.

As a result, as at 31 December 2023, the Criteria Group's gross debt had fallen to EUR 4,433 million (EUR 4,922 million at 31 December 2022), of which EUR 2,995 million related to bilateral loan agreements in place with 12 financial institutions. Of the total gross debt, 78% matures in the long term.

Fully committed credit facilities amount to EUR 430 million, arranged with six financial institutions and maturing in 2025, 2026 and 2027.

The Criteria Group ended the year with **Liquidity**, defined as Cash and cash equivalents plus committed and undrawn credit facilities totalling EUR 988 million.

The debt maturity profile at year-end 2023 is shown below:



LTV and ICR

In 2023, the net LTV ratio improved significantly by 3.7 p.p. to reach 14.9%. This was largely due to the good performance of the market value of the listed equity portfolio, the reduction in gross debt, and the strong generation of operating cash flow, the last one being due to an improvement in the dividends received.

Criteria maintains comfortable interest coverage levels of 9.3x (Total ICR, defined in section *8. Alternative Performance Measures*), thanks to a sharp increase in dividends received in 2023 (+33.6%), which offset an increase in the amount of financial expenses amid the current monetary policy environment of high interest rates.

2.3. Credit ratings

The credit ratings assigned to Criteria by the main rating agencies at the date of authorisation for issue of this consolidated Management Report are as follows:

Agency	Rating	Last reviewed on
Fitch	BBB+ (stable)	05.07.2023
Moody’s	Baa2 (positive)	25.05.2023

2.4. Business results

When drawing up the consolidated statement of profit or loss for management purposes, the most relevant aspects are:

- Portfolio results: presented as per the percentage attributable to Criteria of the earnings of Group companies and associates, irrespective of their method of accounting consolidation prescribed by IFRS, as well as dividends received from other equity instruments.
- Real estate business: includes all earnings relating to the real estate business of Criteria and its wholly-owned real estate companies, before net financial income/(expense) and corporate income tax, which are presented under the relevant headings.
- Operating costs: relate to expenses directly attributable to Criteria.
- Net financial income/(expense), Other gains/(losses), and Income tax: includes all such concepts incurred by Criteria and its wholly-owned real estate companies.

A reconciliation between this consolidated statement of profit or loss for management purposes and the statement of profit or loss drawn up in accordance with Note 23 — Segment Information in the accompanying consolidated financial statements is included at the end of section *8 — Alternative Performance Measures* of this Management Report:

Millions of euros (€M)	2023	2022	Chg (%)
Banking Portfolio	**1.756**	**1.109**	**58%**
CaixaBank	1.509	904	67%
The Bank of East Asia	93	98	-5%
Grupo Financiero Inbursa	154	107	44%
Portfolio of Industrial and Services Companies	**608**	**549**	**11%**
Naturgy	530	440	20%
Dividends and other	78	109	-28%
Fixed income yields	**3**	**-**	**-**
Real estate business	**(1)**	**9**	**-**
Operating Costs	**(40)**	**(39)**	**3%**
Operating profit	**2.326**	**1.628**	**43%**
Net financial income/(expense)	**(108)**	**(70)**	**54%**
Other gains/(losses)	**(31)**	**47**	**-**
Profit/(loss) before tax	**2.187**	**1.605**	**36%**
Corporate income tax	**3**	**(6)**	**-**
Recurring net profit	**2.190**	**1.599**	**37%**
Non-recurring net profit	**(280)**	**(400)**	**-30%**
Net profit/(loss), Criteria Group	**1.910**	**1.199**	**59%**

Banking portfolio results

Earnings from the banking portfolio, comprising share of profit at CaixaBank, The Bank of East Asia and Grupo Financiero Inbursa, came to EUR 1,756 million in 2023, up EUR 647 million (+58%) year on year.

CaixaBank

CaixaBank offers an omni-channel and multi-product distribution platform that provides end-to-end service and is constantly evolving to anticipate the needs and preferences of its customers. With a customer base of 20.1 million and almost 4,200 branches, CaixaBank has consolidated its position as the leading bancassurance franchise in the Iberian Peninsula, with a market share of 23% for loans in Spain, 25% for deposits and 29% for long-term savings products. CaixaBank continues to strengthen its leadership in digital banking, with a base of 11.5 million digital customers in Spain as of December 2023.

In 2023, CaixaBank earned several awards, including “Best Bank in Spain and Western Europe” and “Leading Bank in Supporting Society in Western Europe” from specialist magazine *Global Finance*, as well as “"Best Bank in Spain” and “Best Digital Bank in Western Europe” from *Euromoney*.

On the environment front, the Dow Jones Sustainability Index included CaixaBank, for the twelfth year running, among the world’s most sustainable listed banks. It was also recognised among the world’s leading companies (A List) in the fight against climate change by the *Carbon Disclosure Project*. In 2023, a total of EUR 27,230 million in sustainable finance was mobilised, up 15% on the previous year. This brings the cumulative figure since the start of its strategic plan to EUR 50,813 million, equivalent to 79% of the target for the 2022–2024 period.

In terms of responsible management and social commitment, it should be noted that CaixaBank, through its MicroBank subsidiary, ended 2023 having formalised 144,473 loans and other forms of lending with a social impact worth EUR 1,383 million, up 44% and 36% respectively in annual terms. CaixaBank has been included among the top three companies in the world in the Bloomberg Gender Equality Index, which singles out those enterprises most committed to gender equality. At CaixaBank, 43% of management positions are held by women, reaching the target set for 2024. As part of its commitment to financial inclusion, it has mobile branches serving 783 rural towns and villages and is the only financial institution with branches in 483 towns in Spain.

In terms of activity, customer funds were up 3.1% in 2023 to reach EUR 630,330 million, following an increase in assets under management (mutual funds, portfolios, pension funds, etc.) and insurance contracts, while customer deposits remained stable. Meanwhile, gross lending was down 2.0% to EUR 354,098 million, as new production only partially offset the structural deleveraging in mortgages and public sector lending.

CaixaBank’s balance sheet remained strong in 2023, with a stable NPL ratio of 2.7% and a high NPL coverage ratio of 73%. CaixaBank also maintains high levels of liquidity and solvency:

- CET1 capital adequacy ratio of 12.4% (with the transitional IFRS 9 adjustment), well clear of the regulatory requirements for 2024 (8.58%).
- Total liquid assets of EUR 160,204 million, bringing the Liquidity Coverage Ratio (LCR) at year-end to 215%, well above the minimum requirement of 100%.

CaixaBank's net profit for 2023 amounted to EUR 4,816 million, up 53.9% on the tally for the previous year. Core revenues (net interest income, net fee income and insurance business) amounted to EUR 15,137 million, up 31.6% in the year, well above recurring expenses, which were up 5.2%, and loan-loss provisions (impairment losses on financial assets), which rose 11.7%, within the management team's forecasts.

CaixaBank's net profit attributable to Criteria in 2023 amounted to EUR 1,509 million (up 67% on the recurring net profit attributable to Criteria in 2022), considering the ordinary amortisation of the intangible assets identified following the 2017 process of allocating the fair value of CaixaBank's assets and liabilities (Purchase Price Allocation – PPA), following Criteria's loss of control over CaixaBank.

In 2023, CaixaBank paid out a dividend of 0.2306 euros/share charged to 2022 earnings, equivalent to a payout of 55%. This payment generated income of roughly EUR 558 million for Criteria. Moreover, between September 2023 and January 2024, CaixaBank implemented a share buyback programme for a total of EUR 500 million.

The Bank of East Asia

Last year witnessed the reopening of the Chinese economy, which had spent three years in a strict lockdown amid the pandemic. This situation has led to lower than expected economic growth in China and Hong Kong and a downgrading of their long-term potential growth. Moreover, the steps taken by the Chinese government to support the country's real estate sector and boost domestic consumption have fallen short of the mark. The continued and prolonged fall in sales, investment, new construction and prices is prolonging the weakening of the real estate sector.

Despite this, BEA has shown considerable resilience, with a strong capital position (CET1 ratio of 17.3%), a good brand reputation, and a significant presence in China's fastest growing and most promising region, namely the Greater Bay Area (the geographic area encompassing Hong Kong, Macau and Chinese cities in and around Hong Kong Bay). BEA is Hong Kong's last major independent bank. In late 2023, BEA renewed its brand identity (logo and image), under the motto "*Live Every Moment*", symbolising the culture of change and reflecting the sustainable, digital and customer-centric bank it has become.

BEA's net profit for 2023 amounted to HKD 4,118 million (6% lower than in 2022). Earnings for 2023 were impacted by a contraction in business volume and continuing write-downs on its commercial real estate exposure in China, despite net interest income benefitting strongly from rising interest rates and efforts to contain expenses.

BEA's net profit attributable to Criteria in 2023 amounted to EUR 93 million (EUR 98 million in 2022), which was also affected by the negative performance of the HKD, which depreciated by 3% against the euro.

In 2023, BEA distributed two dividends, for which Criteria received EUR 32 million in cash:

- March: HKD 0.17/share as a second dividend payable in 2022 (payout of 60%): 100% of the capital gain from the sale of non-life insurance and 40% of the profit).
- October: HKD 0.36/share as the first dividend payable in 2023 (payout of 41%).

The HKD 500 million share buyback plan initiated in 2022 was almost complete as of 31 December 2023. The bank has acquired 1.92% of its stock for a total invested amount of HKD 496 million (average price of HKD 9.60/share). The bank has redeemed 51 million shares, thus increasing Criteria's stake to 19.19% at the end of 2023.

Grupo Financiero Inbursa

GFI focused on its commercial strategy in 2023 by committing heavily to business growth by leveraging its strong balance sheet, the positive momentum shown by the Mexican economy, and its enormous potential due to its proximity to the United States, in a process known as "nearshoring". Inbursa is a leading financial institution in terms of efficiency, capital adequacy and liquidity in Mexico.

On 1 August 2023, GFI announced an agreement reached with BNP Paribas to buy 80% of Cetelem Mexico, which has an auto loan portfolio worth approximately MXN 50,000 million and some 227,000 customers. The deal represents a significant quantitative leap forward for Inbursa, making it the leader in this segment. The deal is slated for completion in the first half of 2024.

Net profit at GFI came to MXN 30,953 million in 2023, up 26% on 2022, following a strong and sustained increase in business volume, both in loans and deposits, consistently good credit quality, and improved efficiency, by investing in process automation, digital platforms and talent. This has boosted operating profit by 38%.

Meanwhile, GFI is continuing to execute a share buyback plan, which, at 31 December 2023, had amassed 8.47%, for a total invested amount of MXN 15,140 million (average price of MXN 26.80/share).

GFI will not pay a dividend in 2023. In parallel, it has resumed the process of spinning off its private equity division (Sinca/Promotora Inbursa). They expect to complete the spin-off in 2024, depending on when regulatory clearance is granted.

GFI’s net profit attributable to Criteria in 2023 amounted to EUR 154 million (EUR 107 million in 2022). When calculating the earnings attributable to Criteria, certain adjustments are made under IFRS, although these were not material in either 2023 or 2022. GFI’s earnings attributable to Criteria benefited from the positive performance of the Mexican peso, which appreciated by 10% against the euro.

Results of the Industrial and Services Portfolio

Earnings from the industrial and services portfolios amounted to EUR 608 million, up EUR 59 million (+11%) on the same period a year earlier. This portfolio includes the attributable earnings from the stakes held in Naturgy, as well as dividends from the rest of the portfolio, among other items.

Naturgy

Reported net income amounted to EUR 1,986 million, up 20% on 2022, in a year that witnessed a sharp drop in energy prices.

Consolidated EBITDA stood at EUR 5,475 million, up 11% on 2022, driven mainly by the strong performance of international activities.

Naturgy’s net earnings attributable to Criteria in 2023 amounted to EUR 530 million (up 20% on the EUR 440 million reported in 2022).

Investment at the company totalled EUR 2,944 million in 2023, up 53% on 2022, with most of this amount earmarked for renewable energies and power grids.

Naturgy once again showcased its commitment to the energy transition by commissioning 1 gigawatt (GW) of renewable capacity in 2023, bringing its total renewable energy installed capacity to 6.5 GW at year-end 2023.

The Board of Directors will propose to the Annual General Meeting the payment of a final dividend of EUR 0.40 per share, which, added to the dividend payments already made, totals EUR 1.40 per share for financial year 2023, representing a payout of 68%. The total dividend amounted to EUR 1.20 per share in 2022. In this regard, the payments made by Naturgy during financial year 2023 generated roughly EUR 388 million in income for Criteria.

Net debt amounted to EUR 12,090 million at 31 December 2023, on a par with the level reported in 2022, despite heavier levels of investment and an increase in the dividend, thus reflecting the company's strong cash generation capacity in the period.

The company is also making progress towards its ESG KPIs and is on track to meet its 2025 ESG targets.

Dividends and other

This heading includes the following items:

- **Dividends from the diversification equity portfolio**: in 2023, dividends from this portfolio amounted to EUR 77 million (2022: EUR 89 million).

- **Telefónica dividends**: in 2023, the company distributed dividends totalling 0.30 euros/share. Criteria received EUR 42 million in cash, which was recorded against the accounting cost of the stake and is not shown in the accompanying consolidated statement of profit or loss, as the amounts distributed exceeded the profits generated by the investee (on an individual basis) since its acquisition. In 2022, the company paid out dividends totalling 0.298 euros/share. Criteria received EUR 29 million, of which EUR 18 million was in cash (booked against the accounting cost of the investment and not reflected in the accompanying statement of profit or loss) and EUR 11 million in shares, as recognised in the accompanying statement of profit or loss.

- **Cellnex dividends**: in 2023 the company paid out dividends totalling 0.057 euros/share (0.053 euros/share in 2022). Criteria received EUR 1.8 million in cash (EUR 1.6 million in 2022), which was booked against the accounting cost of the investment and is not shown in the accompanying consolidated statement of profit or loss for management purposes.

- **Attribution of earnings from Saba Infraestructuras and the activity of Caixa Capital Risc** in 2023, amounting to EUR 4 million in profits and EUR 3 million in losses, respectively (losses of EUR 1 million and profits of EUR 10 million in 2022, respectively).

Real estate business

The breakdown of the main items in the consolidated statement of profit or loss for the real estate business is as follows:

(€ million)	2023	2022
Sales	135	222
Cost of sales and marketing	(120)	(194)
Net sales margin	**15**	**28**
	11%	*13%*
Rental activity and other	52	47
Operating expenses	(39)	(37)
Operating profit	**28**	**38**
Depreciation, amortisation, impairment and other	(20)	(20)
Profit/(loss) from the real estate business	**8**	**18**
Infinitum Resort	**(9)**	**(9)**
Real estate business	**(1)**	**9**

Real estate sales in 2023 amounted to EUR 135 million, down 39% on the previous year, mainly due to the lower number of homes sold in new-build developments as a result of the Covid-19 pandemic, which delayed the start of our projects, and, to a lesser extent, a drop in sales of assets to commercialise due to the rising interest rates.

Rental and other income contributed EUR 52 million (EUR 47 million in 2022), thanks to an increase in leased space in the office segment (inclusion of www.visionarybuilding.es in Madrid and the Cedro building in Alcobendas).

Operating expenses remained at around EUR 39 million, up slightly due to a combination of:

- (+) higher volume of m2 under management, following recent investments in office buildings.
- (-) expenses associated with the maintenance and management of the active divestment portfolio, due to a reduction in the volume of this portfolio following the sales made.

Meanwhile, Infinitum Resort on the Costa Dorada (which operates golf courses, Beach Club and restaurants) ended the year with the same level of losses as the previous year.

Net financial income/(expense)

Net financial income/(expense) worsened by EUR 38 million to EUR -108 million, despite the Group's active efforts to reduce indebtedness (reduction of average gross debt by EUR 511 million).

The main factor behind this change in net financial income/(expense) is the rapid and exponential increase in interest rates over the course of 2023, as a result of the ECB's monetary policy to combat inflation. This factor increased the average annual cost of debt by 130 bp to 2.7%. Financial expenses amounted to EUR 120 million at the end of 2023.

This impact was partially offset by an increase in financial income —mainly from deposits and current accounts— amid the new interest rate environment. Financial income stood at EUR 12 million at the end of 2023.

Other gains/(losses)

At year-end 2023, this heading largely included:

- Proceeds from the sale of 24,570 thousand CaixaBank shares representing 0.33% of the share capital, totalling EUR 100 million. These have generated a consolidated gross capital loss of EUR 18 million (Notes 9 and 22.4 to the accompanying consolidated financial statements).
- Negative change in the market value of the outstanding interest rate swaps (EUR -15 million) and positive change in the fair value of the embedded derivative in connection with the issue of bonds exchangeable for Cellnex shares (EUR 1 million) (Notes 11 and 22.4 to the accompanying consolidated financial statements).

In 2022, the heading "Other gains/(losses)" mainly showed the positive change in the market value of the interest rate swap contracts in effect (EUR 35 million) and in the fair value of the embedded derivative corresponding to the issue of bonds exchangeable for Cellnex shares (EUR 9 million) (Notes 11 and 22.4 to the accompanying consolidated financial statements).

Non-recurring net profit

At 31 December 2023, Criteria conducted impairment tests to assess the recoverable amount of its investments. From the analyses conducted, Criteria has confirmed the need to recognise impairment of EUR 280 million on its stake in BEA (2022: EUR 400 million), which may be reversed in the future (Note 9 to the accompanying consolidated financial statements).

This impairment is the product of a prudent valuation exercise and stems also from the complex geopolitical situation in the region in which BEA operates, the failure of the Chinese and Hong Kong economy to fire up once again following the strict lock-downs imposed amid the pandemic and the prolonged weakening of the real estate sector.

3. RISK MANAGEMENT

Financial risks (liquidity, credit, impairment of shareholdings, impairment of real estate assets, impairment of other assets, market risk and risk relating to the reliability of the financial information) are discussed in Note 4 to the accompanying consolidated financial statements.

4. OTHER INFORMATION

4.1. Research and development activities

Criteria did not engage directly in any research and development activities.

However, through its wholly-owned companies Caixa Capital Risc and Criteria Venture Capital, it manages 11 investment funds and undertakings in private equity companies, with 75 portfolio companies and a net carrying amount of EUR 97 million invested at 31 December 2023, in which:

- Criteria invests in innovative Spanish enterprises with high growth potential during start-up and ramp-up, supporting them throughout the different stages of their development.
- It focuses on emerging sectors: life sciences, technology and digital assets.

It is also heavily committed to supporting entrepreneurs and fledgling businesses across the entire Iberian Peninsula, through its partnership with "la Caixa" Foundation and its Welfare Projects on the CaixaImpulse programme.

4.2. Treasury share transactions

At 31 December 2023, "la Caixa" Foundation owned 100% of the shares in Criteria. No transactions were carried out with treasury shares in the period.

4.3. Information on average payments periods to suppliers

The entry into force of Law 18/2022, of 28 September, has modified Additional Provision Three of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, on measures to combat late payment in commercial transactions. More precisely, Additional Provision Three requires companies to disclose information on the periods for making payment to their suppliers in the notes to their annual financial statements. Pursuant to this disclosure obligation, on 4 February 2016 a new resolution issued by the Spanish Accounting and Audit Institute (ICAC) was published in the Official State Gazette (BOE), repealing and replacing the 29 December 2010 resolution.

In accordance with the resolution of 29 January 2016 and Article 9 of Law 18/2022 of 28 September, the information required in relation to payments made and pending payment at the consolidated balance sheet date is as follows:

	Days	
Average supplier payment period and ratios	**2023**	**2022**
Average payment period to suppliers	27	26
Ratio of transactions paid	26	26
Ratio of transactions outstanding	30	24

	Thousands of euros	
Payments made and outstanding at the consolidated reporting date	**2023**	**2022**
Total payments made	264,047	514,068
Total payments pending	34,729	41,092
Total payments in the year	**298,776**	**555,160**

New transparency requirements under Spanish Law 18/2022, of 28 September	**2023**	**2022**
Monetary volume of invoices paid in a period shorter than the maximum period for payment set out in the law on late payments (thousands of euros)	200,577	476,479
Number of invoices paid in a period shorter than the maximum period for payment set out in the law on late payments (units)	202,461	226,548
Monetary volume of invoices paid within the maximum period established by the law on late payment as a percentage of the total monetary volume of all payments to suppliers	75.96%	92.69%
Number of invoices paid within the maximum period established by the law on late payments as a percentage of the total number of invoices	94.24%	94.70%

4.4. Criteria information channels

Criteria has the following information channels in place:

- Corporate website (www.criteriacaixa.com), which provides information mainly on the Company's investment portfolio, issuing activity, governance bodies and yearly and half-yearly financial information. A total of 11,282 single-user visits were recorded in 2023.
- Two email boxes: one intended for institutional investors and analysts (investor.relations@criteria.com) and the other for general information (info@criteria.com). The company also provides a contact form for queries relating to the Real Estate Business Portfolio.

5. FORESEEABLE PERFORMANCE OF THE CRITERIA GROUP IN 2024

The following section outlines the outlook of our main investees and the real estate business, both key factors shaping the Group's profitability.

CaixaBank

CaixaBank's Strategic Plan for 2022–2024 sets out the following strategic priorities:

- Business growth, developing the best value proposition for its customers.
- Continuing to build an efficient service model that caters to customer preferences.
- Becoming a benchmark for sustainability in Europe.

All this while seeking to grow in business volume and revenues, contain recurring costs and make further improvements in credit quality.

Initially, the Plan envisaged a target return on Tangible Equity (ROTE) of 12% in 2024 and a shareholder return for the 2022–2024 period of around EUR 9,000 million. However, following the strong performance of the business, CaixaBank expects to achieve a ROTE of more than 15% in 2024 as it aims to keep net interest income in line with the EUR 10,113 million reported in 2023 and increase fee and insurance income (excluding insurance investees) by low single digits. In tandem, the bank expects recurring expenses to grow below 5% by 2023 and the cost of risk to be around 0.30%, with an NPL ratio of roughly 3%.

The improvement in expected profit for 2024 has also enabled CaixaBank to upgrade its shareholder return target for the 2022–2024 period to around EUR 12,000 million, of which approximately EUR 4,000 million has already been paid through the share buyback programmes implemented in 2022 and 2023 and the dividend charged to 2022 profits.

CaixaBank has announced that its Board of Directors will propose the following at the upcoming General Shareholders' Meeting:

- The retirement of the shares repurchased in 2023.
- Pay-out of a dividend amounting to 0.3919 euros/share against 2023 earnings, for a total payment of almost EUR 2,900 million (payout of 60%). If this dividend payout is ultimately approved, Criteria expects to receive roughly EUR 930 million, gross (based on the number of shares held at 31 December 2023). CaixaBank has also announced its intention to pay the dividend charged to 2024 earnings in two instalments: an interim dividend in November 2024 and a final dividend in April 2025.

CaixaBank has also announced its intention, subject to obtaining the relevant regulatory clearance, to launch a new share buyback during the first half of 2024, with the aim of bringing the CET1 ratio to 12% by the end of 2024.

Naturgy

Naturgy expects the volatile energy outlook and intense regulatory pressure to pose further significant challenges for the company and the sector in general. In this respect, the company has announced that it will be focusing on:

- Managing its sales and margins as energy prices continue to fall sharply.
- Being proactive in managing regulatory matters to increase visibility and mitigate risks.
- Accelerating its transformation process, with an investment plan of around EUR 3 billion, mainly targeting growth in renewable energies.
- Maintaining a strong balance sheet. Notably, Naturgy has pledged to pay a total dividend of EUR 1.4 per share in 2024, provided it maintains its "BBB" credit rating.

Real Estate business

Turning to real estate business, the main challenge facing the subsidiary company Inmo Criteria Caixa in 2024 is to make further progress towards its new 2023–2026 Strategic Plan, the main pillars of which are described in section 2.2 above.

Inmo Criteria Caixa aims to position itself as a leading real estate company in the sector by achieving recurring market profitability and unlocking the value of its values, capacity for innovation, sustainability and ability to adapt to change. Therefore, its main task is to continuously analyse the Spanish real estate market in search of investment opportunities that can generate value within its field of activity.

Following the successful marketing of phase one of Infinitum Resort (92% of the 150 units sold), Inmo Criteria Caixa remains firmly committed to this project, having successfully launched phase two of marketing with 119 homes, more than half of which had already been reserved at the end of 2023.

Meanwhile, in the realm of corporate responsibility, it will continue to manage social housing under the programmes ”la Caixa” Foundation’s that have run their course, showing particularly sensitivity to the needs and circumstances of vulnerable families.

Financial position

Criteria expects to exceed 2023 dividend income, thanks to:

- The significant improvement in the dividend announced by CaixaBank (+70% vs the dividend per share distributed in 2023). Criteria expects to receive around EUR 930 million, gross (based on the number of shares held at 31 December 2023).

- Change in CaixaBank's 2024 dividend settlement policy, which will involve the payment of an interim dividend in November.

- The dividend announced by Naturgy of EUR 1.4 per share. Criteria expects to receive around EUR 360 million, gross (based on the number of shares held at 31 December 2023).

Net financial income/(expense) will continue to be affected by the high interest rate environment within the Eurozone, with interest rates expected to drop in the latter half of the year, as the market believes that the central banks have reached the terminal rate in their fight against inflation.

Strong generation of operating cash will allow Criteria to raise the **Social Dividend** to the Foundation (EUR 430 million planned for 2024), which has announced a record budget for 2024 of EUR 600 million.

With this strong business performance and in view of the robust financial position at the end of 2023 (liquidity of EUR 988 million), Criteria is heading into 2024 with a comfortable liquidity position and financial flexibility, thus allowing it to honour its debt maturities as they fall due, including the April 2024 bond amounting to 600 million (EUR 7 million held in treasury).

Where possible, Criteria will continue to monitor the various funding alternatives in a bid to further improve its debt structure and maintain Investment Grade ratings by both Rating Agencies.

Meanwhile, Criteria will continue to actively manage the investment portfolio, seeking investment and/or divestment opportunities that will allow it to continue to generate value in the long run as well as preserving its own shareholder "la Caixa" Foundation's business assets.

6. EVENTS AFTER THE REPORTING PERIOD

On 18 January 2024, the Constitutional Court issued a ruling annulling certain tax measures of Royal Decree-Law 3/2016 and limiting its effects to the past. The parent company of the tax group to which Criteria belongs has made an initial assessment of the ruling, both for previous years and in 2023. As a result, no significant impacts are expected for Criteria.

7. NON-FINANCIAL STATEMENT

The statement of non-financial information is attached to this consolidated management report as an integral part thereof. The information included in that statement has been drawn up in accordance with article 49 of the Code of Commerce and with the standards of the Global Reporting Initiative (GRI).

8. ALTERNATIVE PERFORMANCE MEASURES

The Group draws up its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), while the parent company, Criteria Caixa, S.A.U., does so in accordance with the Spanish General Chart of Accounts (*Plan General de Contabilidad*). In addition to the financial information contained in its separate and consolidated financial statements, the Group uses certain Alternative Performance Measures (APMs), as defined in the Guidelines on Alternative Performance Measures released by the European Securities and Markets Authority (ESMA) (ESMA/2015/1057 Guidelines). These APMs are not defined under IFRS or the Spanish General Chart of Accounts and have not been audited. They should therefore be treated as additional disclosures and in no event do they replace the financial information prepared under the accounting standards just mentioned.

The Group believes that APMs provide a better understanding and assessment of its performance over time. The way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable.

The Group uses the following APMs to help describe its business activities and performance: “Gross asset value” (GAV), “Gross debt”, “Cash and cash equivalents”, “Net debt”, “Net asset value” (NAV), “Loan to Value ratio” (LTV) and “Interest coverage ratio” (ICR). The Group relies on these measures to plan, budget, report (internally and externally) and review its performance.

The following section provides a set of definitions and calculations for these APMs and reconciles them with the separate and/or consolidated financial statements of Criteria.

8.1. Gross Asset Value (GAV)

Definition: the Group defines GAV as the sum of: i) the market value of the Portfolio of Listed Equities and Listed Fixed Income Securities; ii) the net carrying amount of the Non-listed Equities Portfolio, which comprises the carrying amount in the financial statements of investments in Group companies, associates and non-listed equity instruments, as well as other non-listed assets akin to fixed income (except for Saba Infraestructuras, the valuation of which is explained below); iii) the carrying amount shown in the consolidated financial statements of the real estate assets owned by Criteria and its wholly-owned real estate investees; and iv) cash and cash equivalents, as defined in section 8.3 below.

Purpose: GAV is an appropriate metric for determining the total value of Criteria’s assets. It is a standard reporting metric used by investment holding companies to compare the values of their portfolios (peer analysis).

GAV breaks down as follows at 31 December 2023 and 2022:

	2023			2022		
	€/share	Stake held	€ million	€/share	Stake held	€ million
CaixaBank	3.73	31.92%	8,922	3.67	32.24%	8,883
Grupo Financiero Inbursa	2.49	9.10%	1,514	1.57	9.10%	956
The Bank of East Asia	1.12	19.19%	568	1.14	18.97%	578
EQUITIES (BANKING)			**11,004**			**10,417**
Naturgy	27.00	26.71%	6,992	24.31	26.71%	6,295
Cellnex	35.66	4.36%	1,098	30.92	4.36%	952
Telefónica	3.53	2.55%	519	3.39	2.17%	424
Diversification Portfolio	-	-	2,515	-	-	2,221
EQUITIES (INDUSTRIAL AND SERVICES)			**11,124**			**9,892**
LISTED EQUITY SECURITIES			**22,128**			**20,309**
Saba Infraestructuras			689			689
Venture capital activity			97			98
Aguas de Barcelona			51			51
NON-LISTED EQUITY SECURITIES			**837**			**838**
REAL ESTATE ASSETS			**2,694**			**2,740**
FIXED INCOME AND OTHER			**311**			**259**
CASH AND EQUIVALENTS			**558**			**439**
GAV TOTAL			**26,528**			**24,585**

The following are explanatory notes relating to certain items shown in the above table:

Diversification Portfolio:
The investees classified under these headings in the listed equities portfolio are recognised under "Non-current financial assets" (Note 10.5 to the accompanying consolidated financial statements).

Non-listed equity securities:
Saba Infraestructuras: market value as per the transaction completed in July 2018, after deducting the dividends paid out subsequent to the transaction against share premium (Note 5 to the 2019 consolidated financial statements). As a result of the new post-COVID-19 market conditions, the price was adjusted by in 2020 to EUR 689 million. At the end of both years, Criteria ran an impairment analysis of the car park management CGU, but did not detect any evidence of impairment that would require the Group to re-estimate the recoverable amount of the car park management business.

Venture capital activity: includes the net carrying amount of Criteria's direct stake in the following companies: Caixa Capital Risc, SGECR, S.A., Caixa Capital Micro II FCR and Criteria Venture Capital SICC, S.A. (retrieved from Appendix 1 to the accompanying consolidated financial statements and the 2022 consolidated financial statements).

Aigües de Barcelona: net carrying amount included in Financial assets at fair value with changes in other comprehensive income – Equity instruments (Note 10.5 "Fair value of Level 3 financial assets" of the accompanying consolidated financial statements).

Real Estate business:

The composition of this APM, based on the headings in Notes 8 and 12 to the accompanying consolidated financial statements, is as follows:

€ million	**2023**	**2022**
Intangible assets, administrative concessions (*)	1	1
Property, plant and equipment, land and buildings (**)	12	46
Investment property	1,550	1,544
Inventories	1,131	1,149
Real Estate business	**2,694**	**2,740**

* Included under "Intangible assets" in the accompanying consolidated balance sheet and 2022 consolidated balance sheet

** Included under "Property, plant and equipment" in the accompanying consolidated balance sheet and 2022 consolidated balance sheet

Fixed income and other:

The composition of this APM, based on the headings of Notes 10.2 and 20 of the accompanying consolidated financial statements and Note 7.4 to the 2023 separate financial statements, is as follows:

€ million	**2023**	**2022**
Loan to Saba Infraestructuras maturing in 2024	157	157
Fixed income portfolio comprising sovereign bonds	98	67
Fixed income portfolio comprising corporate bonds	22	14
Corporate income tax receivable	34	21
Fixed income and Other	**311**	**259**

Cash and cash equivalents: see section 8.3.

8.2. Gross debt

Definition: the Group defines "Gross debt" as the nominal value of the amount drawn under bank loans, bonds and other debt instruments with third parties, excluding premiums, fees and interest accruing at the companies included within the corporate activities segment, in accordance with Note 23 – Segment information in the accompanying consolidated financial statements.

Purpose: gross debt is a good metric for determining the total gross drawn indebtedness of a holding company and its group and is a good metric for managing financial resources and commitments directly attributable to and managed by Criteria.

The composition of this APM, based on the headings in Notes 18.1 and 23 to the accompanying consolidated financial statements, is as follows:

€ million	**2023**	**2022**
Nominal value of senior and exchangeable bonds	1,438	2,117
Nominal value of current and non-current loans	2,995	2,805
Gross debt	**4,433**	**4,922**

8.3. Cash and cash equivalents

Definition: the Group defines "Cash and cash equivalents" as the sum of all cash held in local currency and in foreign currency, including cash and other cash equivalents, long-term deposits and other debt instruments maturing within three months at the companies included in the corporate activities segments as per Note 23 — Segment information to the accompanying consolidated financial statements, deducting any Social Dividend announced but not yet paid to "la Caixa" Foundation and adding any dividends announced by its investees once they have passed the ex-dividend date.

Purpose: "Cash and cash equivalents" is a standard metric for determining liquidity available in the short term.

The composition of this APM, based on the headings in Note 23 to the accompanying consolidated financial statements, is as follows:

€ million	**2023**	**2022**
Cash and cash equivalents	557	404
Other cash equivalents	-	24
Dividends announced, collection pending, ex-dividend	1	11
Cash and cash equivalents	**558**	**439**

8.4. Net debt

Definition: the Group defines "Net debt" as the difference between "Gross debt" and "Cash and cash equivalents", where both APMs have been previously defined and reconciled.

Purpose: net debt is a good metric for determining the total indebtedness of a holding company and is a good metric for managing financial resources and commitments directly attributable to and managed by Criteria.

The breakdown of "Net debt" at 31 December 2023 and 2022 is as follows:

€ million	**2023**	**2022**
A) Gross debt	4,433	4,922
B) Cash and cash equivalents	558	439
Total net debt [A - B]	**3,875**	**4,483**

8.5. Net asset value (NAV)

Definition: the Group defines "NAV" as the difference between "GAV" and "Gross debt", where both APMs have been previously defined and reconciled.

Purpose: NAV is a good metric for determining the market value of the total equity appearing on the financial statements. It is a standard reporting metric used by investment holding companies to compare the values of their portfolios (peer analysis). It is also used to determine whether the management has created value.

The breakdown of NAV at 31 December 2023 and 2022 is as follows:

€ million	**2023**	**2022**
A) Gross Asset Value (GAV)	26,528	24,585
B) Gross debt	4,433	4,922
Total net asset value (NAV) [A - B]	**22,095**	**19,663**

8.6. Leverage ratio (LTV)

Definition: the Group relies on two different leverage ratios: net and gross. The "Net loan to value ratio" (Net LTV) is defined as "Net debt" divided by ["GAV" less "Cash and cash equivalents"] (expressed as %). Meanwhile, the "Gross loan to value ratio" (Gross LTV) is defined as "Gross debt" divided by "GAV" (expressed as %). The APMs "GAV", "Gross debt" and "Cash and cash equivalents" have been previously defined and reconciled.

Purpose: both the "Net LTV ratio" and the "Gross LTV ratio" are standard metrics for determining the indebtedness of an investment holding company. They are therefore useful to credit analysts, rating agencies and peer analysts, among others. The gross leverage ratio does not change in response to significant inflows of cash, such as following a divestment.

The breakdown of the “Gross LTV ratio” at 31 December 2023 and 2022 is as follows:

€ million	**2023**	**2022**
A) Gross debt	4,433	4,922
B) Gross asset value (GAV)	26,528	24,585
Gross leverage ratio (Gross LTV) [A/B]	**16.7%**	**20.0%**

The breakdown of the “Net LTV ratio” at 31 December 2023 and 2022 is as follows:

€ million	**2023**	**2022**
A) Net debt	3,875	4,483
B) [Gross asset value (GAV) - Cash and cash equivalents]	25,970	24,146
Net leverage ratio (Net LTV) [A/B]	**14.9%**	**18.6%**

8.7 Interest coverage ratio (ICR)

Definition: the Group tracks two interest coverage ratios: the total coverage ratio (Total ICR) and the cash coverage ratio (Cash ICR).

The numerator of the Cash ICR is the sum of all dividends received in cash, as shown in the statement of cash flows attached to the accompanying separate financial statements. In the case of the Total ICR, the numerator also includes dividends received in shares.

The denominator of both ratios is the financial expenses for management purposes relating to the interest on financial liabilities and bonds accounted for at the companies included in the corporate activities segments, as described in Note 23 — Segment information of the accompanying consolidated financial statements, less translation differences on corporate activities (see the accounting reconciliation table found at the end of this APM).

The breakdown of the “Total interest coverage ratio” at 31 December 2023 and 2022 is as follows:

€ million	**2023**	**2022**
A) Total dividends	1,114	834
B) Financial expenses	(120)	(72)
Total interest coverage ratio (Total ICR) [A/-B]	**9.3x**	**11.6x**

The breakdown of the "Cash interest coverage ratio" at 31 December 2023 and 2022 is as follows:

€ million	**2023**	**2022**
A) Cash dividends	1,114	813
B) Financial expenses	(120)	(72)
Cash interest coverage ratio (Cash ICR) [A/-B]	**9.3x**	**11.3x**

The following table provides a reconciliation of the dividends included in the ICR:

	2023	**2022**
Net dividends received in cash[1]	**1,114**	**813**
Dividends received in shares and recognised in the separate statement of profit or loss for management purposes	-	11
Dividends received in shares of other companies and recognised in the separate statement of profit or loss for management purposes	-	10
Total dividends	**1,114**	**834**

[1] See the heading "Dividends received" of the statement of cash flows attached to the 2023 separate financial statements

The breakdown of consolidated net financial income/(expense) for management purposes at 31 December 2023 and 2022, and its reconciliation with the corporate activities segment according to Note 23 – Segment Information of the accompanying financial statements, is as follows:

€ million	**2023**	**2022**
Financial income	44	9
Exchange gains*	(6)	(2)
Interest rate swaps**	(16)	-
Adjustments and eliminations	(10)	(5)
A) Financial income for management purposes	**12**	**2**
Financial expenses	(143)	(73)
Exchange losses*	6	2
Interest rate swaps**	16	-
Adjustments and eliminations	1	(1)
B) Financial expenses for management purposes	**(120)**	**(72)**
Net financial income/(expense) for management purposes (A+B)	**(108)**	**(70)**

(*) Recognised under the heading "Other gains/(losses)" in the consolidated statement of profit or loss for management purposes.

(**) For management purposes, financial income arising from interest rate swaps is considered as a lower financial expense.

For information purposes, a reconciliation between the consolidated statement of profit or loss for management purposes and the profit attributable to owners of the parent, according to Note 23 — Segment information to the accompanying consolidated financial statements for 2023 and 2022 is provided below:

	Segment information (Note 23)	2023 statement of profit or loss for management purposes	Reclassif. (*)	Consolidated profit/(loss) – 2023 (Note 23)
Banking portfolio	Banking and financial services portfolio	1,756	(280)	1,476
Industrial and services companies portfolio	Industrial portfolio and other	608	(10)	598
Fixed income yields	Corporate activities	3	-	3
Real Estate business	Real Estate business	(1)	1	-
Operating costs	Corporate activities	(40)	(1)	(41)
NET OPERATING INCOME/(EXPENSE)		**2,326**	**(290)**	**2,036**
Net financial income/(expense)	Corporate activities	(108)	10	(98)
Other gains/(losses)	Corporate activities	(31)	-	(31)
PROFIT/(LOSS) BEFORE TAX		**2,187**	**(280)**	**1,907**
Income tax expense	Corporate activities	3	-	3
RECURRING NET PROFIT		**2,190**	**(280)**	**1,910**
Non-recurring net profit	Banking and financial services portfolio	280	280	-
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**1,910**	-	**1,910**

(*) Relates to consolidation adjustments and eliminations and to the reclassification of non-recurring items to the portfolio to which they refer.

	Segment information (Note 23)	2022 statement of profit or loss for management purposes	Reclassif. (*)	Consolidated profit/(loss) – 2022 (Note 23)
Banking portfolio	Banking and financial services portfolio	1,109	(400)	709
Industrial and services companies portfolio	Industrial portfolio and other	549	(5)	544
Fixed income yields	Corporate activities	-	-	-
Real Estate business	Real Estate business	9	-	9
Operating costs	Corporate activities	(39)	-	(39)
NET OPERATING INCOME/(EXPENSE)		**1,628**	**(405)**	**1,223**
Net financial income/(expense)	Corporate activities	(70)	5	(65)
Other gains/(losses)	Corporate activities	47	-	47
PROFIT/(LOSS) BEFORE TAX		**1,605**	**(400)**	**1,205**
Income tax expense	Corporate activities	(6)	-	(6)
RECURRING NET PROFIT		**1,599**	**(400)**	**1,199**
Non-recurring net profit	Banking and financial services portfolio	(400)	400	-
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**1,199**	**-**	**1,199**

(*) Relates to consolidation adjustments and eliminations and to the reclassification of non-recurring items to the portfolio to which they refer.

Non-Financial Information Statement of the Criteria Caixa Group

2023

Criteria Caixa, S.A.
and subsidiaries

Independent verification report,
Consolidated Non-Financial Information Statement
31 December 2023

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the sole shareholder of Criteria Caixa, S.A. (Unipersonal Company):

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the accompanying Consolidated Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2023 of Criteria Caixa, S.A. (Parent company) and subsidiaries (hereinafter Criteria Group or the Group) which forms part of the Criteria Group's consolidated management report.

The content of the NFIS includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in table included in the section '9 Contents under Law 11/2018 and GRI standards' included in the accompanying NFIS.

Responsibility of the directors of the Parent company

The preparation of the NFIS included in Criteria Group's consolidated management report and the content thereof, are the responsibility of the directors of Criteria Caixa, S.A. The NFIS has been drawn up in accordance with the provisions of current mercantile legislation and following the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* ('GRI Standards') selected as per the details provided for each matter in the table included in the section '9 Contents under Law 11/2018 and GRI standards' of the aforementioned NFIS.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the NFIS to be free of material misstatement due to fraud or error.

The directors of Criteria Caixa, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

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Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent verification report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements 3000 Revised, 'Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and in the Guidelines for verification engagements of the Non-Financial Information Statement issued by the Spanish Institute of Auditors ('*Instituto de Censores Jurados de Cuentas de España*').

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of Criteria Group that were involved in the preparation of the NFIS, the review of the processes for compiling and validating the information presented in the NFIS, and applying certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the Criteria Group personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.

- Analysis of the scope, relevance and integrity of the content of the NFIS for the year 2023, based on the materiality analysis carried out by Criteria Group and described in section '1 About this report', taking into account the content required by current mercantile legislation.

- Analysis of the procedures used to compile and validate the information presented in the NFIS for the year 2023.

- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the NFIS for the year 2023.

- Verification, by means of sample testing, of the information relating to the content of the NFIS for the year 2023 and that it was adequately compiled using data provided by the sources of the information.

- Obtaining a management representation letter from the directors and management of the Parent company.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Criteria Caixa, S.A. and subsidiaries, for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and following the criteria of GRI selected as per the details provided for each matter in the table included in the section '9 Contents under Law 11/2018 and GRI standards' of the aforementioned NFIS.

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments, as well as the Delegated Acts promulgated in accordance with the provisions of the aforementioned Regulation, establish the obligation to disclose information on the manner and extent to which the company's activities are associated with eligible economic activities in relation to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution and protection and restoration of biodiversity and ecosystems (the rest of the environmental objectives), and with respect to certain new activities included in the objectives of mitigation and adaptation to climate change, for the first time for the 2023 financial year, in addition to the information referring to eligible and aligned activities already required in the 2022 financial year in relation to the objectives of climate change mitigation and climate change adaptation. Consequently, comparative information on eligibility in relation to the rest of the environmental objectives indicated above or on new activities included in the objectives of climate change mitigation and climate change adaptation, has not been included in the accompanying NFIS. Furthermore, to the extent that the information relating to the 2022 financial year was not required with the same level of detail as in the 2023 financial year, the information disclosed in the accompanying NFIS is not strictly comparable either. In addition, it should be noted that Criteria Caixa, S.A.'s directors have incorporated information on the criteria that, in their opinion, allow for improved compliance with the aforementioned obligations and which have been defined in section '4.4 EU Green Taxonomy' of the accompanying NFIS. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Juan Ignacio Marull Guasch

8 March 2024

Contents

1 About this report

This report sets out the non-financial information in relation to 2023 for Criteria Caixa S.A.U. and its group of directly or indirectly 100% owned companies, such as Inmo Criteria Caixa, Caixa Capital Risc (including the funds it manages) and Criteria Venture Capital, hereinafter "the Group" or the "Criteria Group".

In addition, it was considered appropriate to report separately on the non-financial information of the group of companies headed by Saba Infraestructuras, S.A., a company 99.52% owned by Criteria, in section 10 — Saba Group Non-Financial Statement of this report, given the distinct nature of the it's car park business, and the range and volume of its non-financial metrics compared to those of the rest of the Group's activities.

In order to make the data easier to understand, it was also deemed appropriate to segment the information according to the activities carried out by the various Criteria Group companies. Thus, the information contained in this report is segmented into the following activities:

- **Investee management activity**: this is the Group's core business and is carried out by Criteria and Caixa Capital Risc.

- **Real estate activity:** carried out by Inmo Criteria Caixa and which mainly includes:

    - **Real estate management**, including the development, sale and rental of the Group's real estate assets.
    - **Leisure management** performed mainly by Infinitum Resort S.A.U. (hereinafter "Infinitum"), a subsidiary of Inmo Criteria Caixa, consisting of the management of three golf courses and a Beach Club located in the province of Tarragona.

This document is a response to the non-financial information and diversity requirements of Law 11/2018, of 28 December, and to the information requested by the EU Green Taxonomy Regulation (EU) 2020/852.

As a result, this report discloses information relating to the environment, society, employees, human rights and the fight against corruption and bribery at the Criteria Group. It describes the policies implemented and actions undertaken in each of the aforementioned areas, along with the risks resulting from them.

As shown in Appendix I – Table of contents of Spanish Law 11/2018 and GRI standards, this report has been drawn up using the selected GRI Standards as a reference, for those requirements considered material. The principles of comparability, reliability, materiality and relevance prescribed by Spanish Law 11/2018 on non-financial Information have also been applied:

- ***Principle of comparability:*** "The reporting organisation must select, compile and report information consistently. The reported information shall be presented in a manner that enables stakeholders to analyse changes in the organisation's performance over time, and that could support the analyses relating to other organisations".
- ***Reliability principle:*** "The reporting organisation shall gather, record, compile, analyse and report information and processes used to prepare the report, so that they can be subject to examination and establish the quality and materiality of the information".

Materiality and relevance principle: "The report must address matters that reflect the reporting organisation's significant economic, environmental and social impacts and that may substantially influence the assessments and decisions of stakeholders."

According to the principle of **materiality and relevance,** the Criteria Group annually reviews the materiality analysis to determine which aspects of the Group impact corporate governance, environmental and social aspects, including impacts on human rights, to be presented and prioritised in the Non-Financial Statement.

The criteria to define the material aspects are subject to two dimensions, relevance and potential impact.

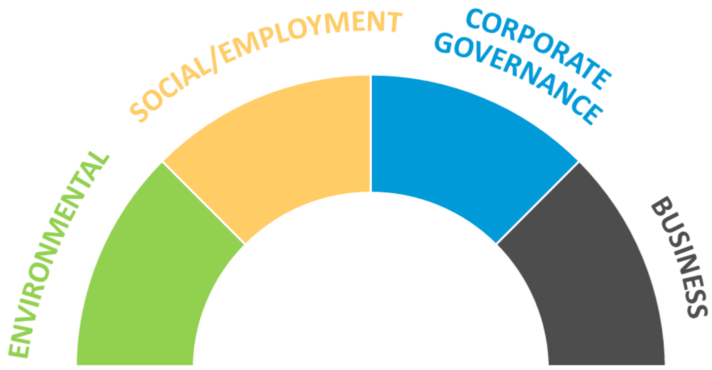
- **Relevance:** to determine the key aspects, the needs and expectations of the different stakeholders are taken into account (”la Caixa” Foundation, [hereinafter, ”la Caixa” Foundation or the Foundation] Group employees and institutional investors in Criteria's debt), performing an internal and external analysis.

    - **Internal analysis:** internal information is taken into account, such as the Group's mission, policies and procedures, and the interests and expectations that internal stakeholders have openly expressed to the organisation in response to surveys, among others.

    - **External analysis:** external information is taken into account, such as the content of current laws that regulate non-financial information, key issues identified by international reporting standards such as the Global Reporting Initiative (GRI) Standards or those referred to by the Sustainability Accounting Standards Board (SASB), and sustainability reports published by competitors, among others.

- **Potential impact:** measured according to the operational or reputational impact that the key aspects identified may have.

The material aspects identified fall into four broad areas:



ENVIRONMENTAL

- **Environmental management**

  Policies, management systems and/or certifications implemented at the organisational level in environmental matters.

- **Efficient use of resources**

  Suitable management of the consumption and supply of water, materials and energy in relation to the activities undertaken by the Criteria Group.

- **Environmental strategy**

  Measures to prevent, reduce or offset carbon emissions —both own and among investees— that seriously impact the environment, with due regard to any form of atmospheric pollution specific to an activity.

- **Climate risks and opportunities**

  Management of climate-related risks and opportunities.

- **Circular economy**

  Commitment to prevention, recycling, reuse and other forms of waste recovery and elimination.

- **Protection of biodiversity**

  Measures in place to conserve or restore biodiversity.

SOCIAL AND EMPLOYMENT

- **Work-life balance**

  Fostering measures to ensure a suitable work-life balance for employees.

- **Equality, diversity and inclusion**

  Measures put in place throughout the organisation to foster diversity, ensure equal opportunities and inclusion and guarantee fair and equitable remuneration for all employees.

- **Attracting, developing and retaining talent**

  Programmes to help develop the capabilities of employees through ongoing training tailored to individual needs.

- **Employee health and safety**

  Ensuring suitable working conditions so as to guarantee the health and safety of all employees.

- **Human rights**

  Measures defined and implemented to guarantee respect for the human rights of all the organisation’s employees and of those persons who have some form of employment relationship with it.

- **Social Projects**

  Contribution to the sustainable development of the community in which it operates through the Welfare Project programmes supported by ”la Caixa” Foundation.

- **Customer/investor relations**

  Communication channels set up to ensure transparent and fluid communication with customers in relation to the activities performed by the Inmo Criteria Caixa integrating Infinitum, and Criteria’s institutional shareholders.

- **Customer health and safety**

  Commitment to ensuring the health of its customers (Inmo Criteria Caixa, integrating Infinitum).

- **Personal data protection**

  Ensuring maximum protection when it comes to the privacy of employees, customers and suppliers.

CORPORATE GOVERNANCE

- **Transparency, ethics and integrity**

  Policies to ensure that Criteria operates in a transparent and ethical manner and with integrity, including the fight against corruption, money laundering and bribery.

- **Risk management**

  Due diligence procedures communicated to staff to ensure sound risk management, including criminal, environmental, social and governance risks.

- **Regulatory compliance/regulations**

  Policies and procedures to ensure strict compliance with applicable law and regulations, including continuous monitoring of any change that may occur in relation to such matters.

BUSINESS

- **Long-term sustainability of the business**

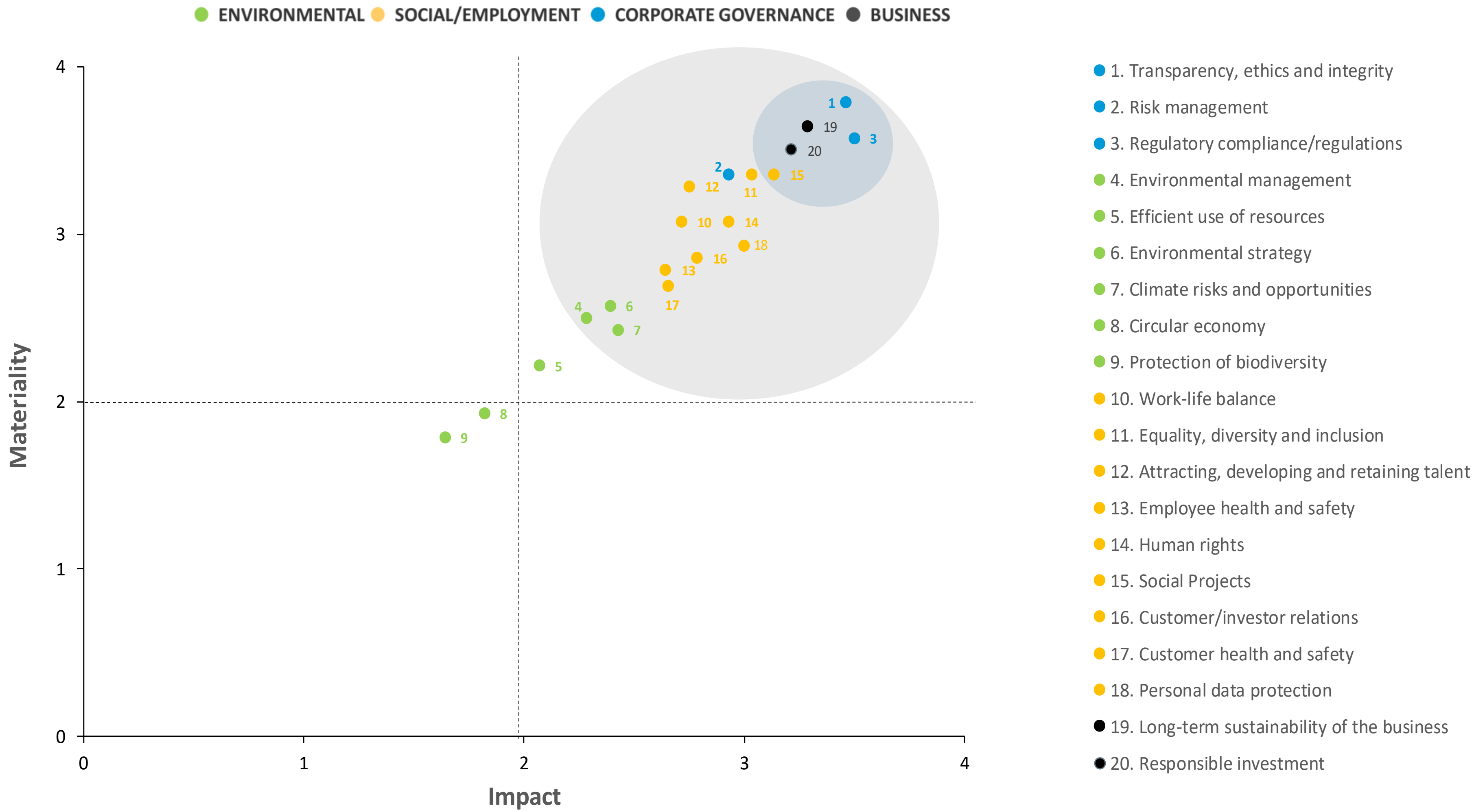
  Measures to ensure business profitability and continuity in the long run.

- **Responsible investment**

  Measures or practices aimed at promoting sustainability in investment decisions and the management of investees.

Once the material topics have been identified and reviewed, they are weighted and the materiality matrix is drawn up.

The resulting materiality matrix for the 2023 financial year, after weighing the relevance and impact of each topic on a scale from 0 (zero weight) to 4 (maximum weight), is as follows:



Below, this report includes all the significant topics of the Criteria Group's non-financial information for financial year 2023, based on Law 11/2018 of 28 December, and it forms an integral part of the management report of the Criteria Group's 2023 financial statements.

2 Executive Summary for 2023

The materiality analysis conducted for the 2023 financial year revealed the **five most material topics for the company**:

- Regulatory compliance/regulations (3)
- Transparency, ethics and integrity (1)
- Long-term sustainability of the business (19)
- Responsible investment (20)
- Social projects (15)

These topics **were also among the most relevant in 2022,** and refer to corporate governance, business management and the social realm.

The most significant aspects of each of the company's main material areas are reflected below. The main milestones in the environmental and social/labour areas are also highlighted, and these are further detailed in sections 4 and 5, respectively, of this document.

2.1 Regulatory compliance and Transparency, Ethics and Integrity

The Criteria Group's actions are governed by scrupulous respect at all times for the prevailing legislation and the Group's internal regulations. This commitment is reflected in the establishment of the highest standards of professional conduct and the implementation of adequate regulatory compliance control systems, reaffirming the corporate culture of professional excellence, integrity, rigour in internal control, transparency and good corporate governance.

Below, details are provided of the key pillars and the instruments made available to this end:

- Individual commitment to comply with the **Code of Ethics**, which sets out the way in which the Criteria Group's activities should be undertaken and the values it specifically seeks to uphold.
- Implementation of a **crime prevention model**, which determines the procedures to manage criminal risks and addresses the internal controls to detect and mitigate such risks, as well as the procedures to respond to information or signs that a crime has been committed.
- Subjection of certain individuals to the **internal rules of conduct in the securities market** to ensure that the Group companies operating in the securities market behave diligently and transparently in all their actions in the interests of the integrity of the market and respect for the legitimate interests of investors.
- **Anti-money laundering and counter terrorist financing**, establishing the criteria by which the Group's various affected parties are governed to ensure compliance with legislation and international standards in this area.
- **Personal data protection**, preventing breaches of the rights and freedoms of data subjects.
- Implementation of an **internal information system**, making it possible for information on possible irregularities to be made known and managed in the most appropriate and timely manner.

- Creation of different **committees or other internal bodies** responsible for supervising and monitoring compliance with the obligations and commitments assumed in the area of regulatory compliance, reporting periodically to CriteriaCaixa's Audit and Control Committee.
- **Regular training and awareness-raising** amongst Criteria Group employees, executives and directors on the importance of understanding and complying with the regulatory framework applicable to the Group.

2.2 Long-term sustainability of the business

For the Criteria Group, the long-term sustainability of its business is of paramount importance so that it can continue to provide funding to ”la Caixa” Foundation to ensure the preservation of its assets, which have been generated over its 120-year history, and the perpetuity of its social endeavours.

To achieve this dual objective, the Criteria Group applies:

- **A long-term approach to investment,** targeting leading companies with good transparency and sustainability policies and sectors flagged as being more appealing, due to their growth, moderate level of risk and attractive returns.

- A **prudent funding policy** aimed at maintaining **moderate and sustainable long-term** debt levels compatible with an **investment grade credit rating**.

This investment philosophy, combined with a prudent financial and risk policy, is what enables the Criteria Group to continue honouring its mission with ”la Caixa” Foundation. For further information regarding our **Investment Policy and Financial Policy**, refer to section **1.3 Investment Policy and Financial Policy** of the **management report** to the consolidated annual financial statements for the 2023 financial year.

2.3 Responsible investment

Criteria believes that the creation of long-term value for its shareholder must be pursued within the framework of the system's sustainability, in line with an efficient economy at the service of society. Accordingly, it is governed by the same principles of action as its sole shareholder, which in turn are aligned with the principles of the United Nations Global Compact:

- **Compliance with laws and regulations**, implementing, at all times, upright and honest professional conduct in the exercise of its activities.

- **Integrity and transparency**, undertaking activities with integrity, honesty and transparency, promoting that the social entities, partners and suppliers with which the institution interacts, as well as the companies in which it invests, comply with the same conduct standards.
- **Social and environmental responsibility**, with a view to achieving a more socially, environmentally and economically sustainable world through the undertaking of sustainable and responsible investment.
- **Respect** for people, their dignity and fundamental values.
- **Professionalism and teamwork**, fostering respect and promoting diversity, placing value on the skills and contributions made by each person.

To succeed, the Criteria Group cherry picks its investments to meet its financial return requirements and takes into consideration the sustainability of the investments themselves. This is set out in the **Sustainable and Responsible Investment Policy ("SRI Policy"),** approved by Criteria's Board of Directors, which documents and entrenches the current investment analysis and monitoring process.

Regarding the **investment screening process**, an analysis is carried out that takes into account the following:

- Exclusion/limitation of activities: Criteria applies sector exclusion and/or limitation policies in all its investments in relation to controversial industries and does not invest directly in the following sectors:

- Screening based on risk profile, standards and controversy analysis: in all its investments, Criteria applies a policy of exclusion and/or limitation in relation to assets that present serious environmental, social or governance controversies and/or do not comply with international conventions, internationally recognised frameworks and current legislation.

- Analysis and appraisal of financial and sustainability issues: Criteria performs a valuation analysis of the potential investment in relation to both its financial performance and a variety of environmental, social and governance criteria. As part of this assessment, Criteria uses information supplied by the company itself and by external suppliers, incorporating this into its own assessment and valuation methodology based on market references and the main international reference frameworks and standards.

When it comes to **monitoring investments**, during the portfolio holding phase Criteria regularly monitors the investee to ensure that the aspects analysed during the investment phase —both financial and sustainability— are still present and that no significant new risks have arisen. At this stage, Criteria applies, insofar as possible:

- Active management: Criteria is involved in shaping and developing the global strategies of the companies in which it invests, based on active dialogue by sitting on their governing bodies in many cases.
- Voting rights: Criteria votes at its investees to encourage them to comply with the principles governing their activities.

In turn, the real estate business is managed on the premise of maintaining **the balance between its asset value and social and environmental sensitivity**. To succeed in this task:

- for new investments in tertiary sector assets, Inmo Criteria Caixa works to ensure that they all have, or can aspire to obtain, energy certification (BREEAM, LEED or equivalent);
- for new residential developments,_an "A" energy rating is ensured and additional PASSIVHOUSE or BREEAM seals may be obtained if considered appropriate;
- in social areas, a high level of sensitivity is demonstrated in cases involving families in a situation of proven vulnerability.

2.4 Social projects

The Criteria Group's commitment to sustainable development is mainly through its sole shareholder, "la Caixa" Foundation, whose mission is to build a better and fairer society, creating more opportunities for those who need them most.

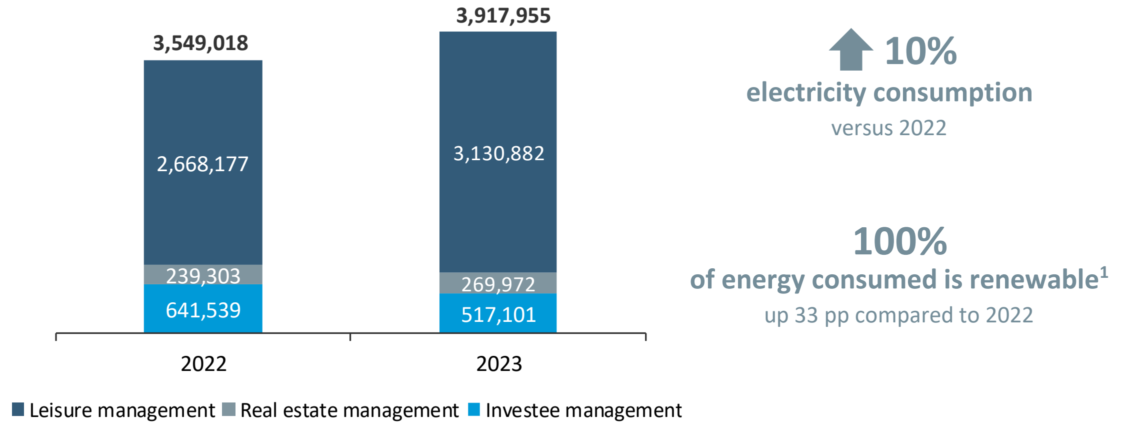
Year after year, the Criteria Group distributes the necessary financial resources in the form of a **social dividend** so that the Foundation can execute the Welfare Projects budget and thus fulfil its mission.

Specifically in 2023, the Foundation made a **social investment of EUR 537 million** (for more information, see section **1.2 "la Caixa" Foundation, our reason for being,** of the **management report** accompanying the 2023 consolidated financial statements), of which **EUR 400 million** came from the **social dividend** distributed by the Criteria Group to "la Caixa" Foundation.

2.5 Environmental area

The most significant environmental aspects for the 2022 financial year 2023 and their performance compared to 2022 are detailed below. Further information is provided in **section 4 Information on environmental issues in** this report.

Electricity consumption (KWh)



[1]With the exception of the consumption by one of the Inmo Criteria Caixa offices reported for the first time in 2023 and for which, during the first 6 months of the year, there is no information about the origin of energy (accounts for 0.6% of the Group's total electricity consumption).

Electricity consumption by the Criteria Group increased by 10% year-on-year, mainly on account of the following:

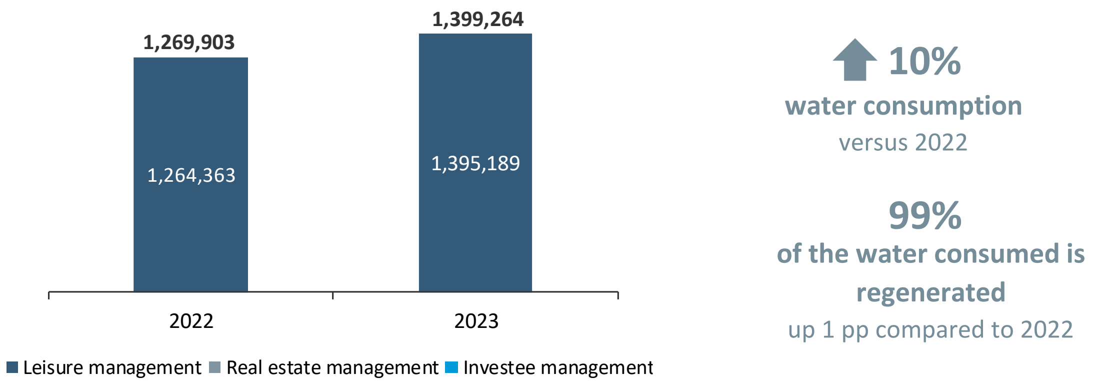
- Leisure management:
  - longer opening season of both the beach club and the clubhouses and an increase in the use of cooling equipment given the higher temperatures that lasted for longer than in 2022;
  - increase in the frequency of irrigation of golf courses due to the increase in temperatures and the lack of rainfall in 2023. This has led to longer operating times for the osmosis water production plant;
  - increased operation of Infinitum's LED street lighting.

- Real estate management has reported consumption data for one of its offices that were not reported in the previous year (83,186 kWh).

Despite this, the improvement of systems and management in the buildings where shareholding management and property management operate has led to a reduction in electricity consumption compared to the previous year.

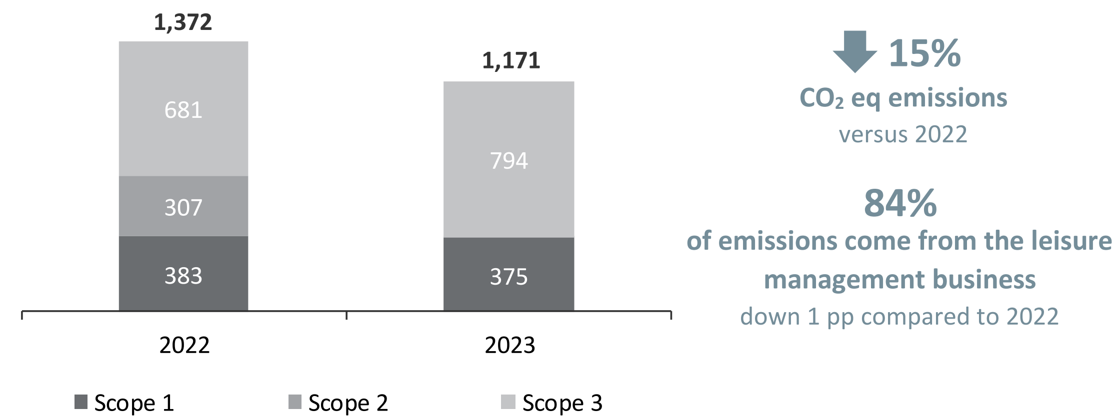
It is worth noting that **100% of the energy consumed is already coming from renewable sources** in 2023 (67% in 2022, since Infinitum started consuming this type of energy in June 2022).

Water consumption (m^3)



Water consumption in m^3 increased by 10% year on year due to the increase in the use of the irrigation system in Infinitum given the high temperatures and lack of rainfall during 2023.

CO_2 equivalent emissions (tonnes)



CO_2 equivalent emissions were down 15% compared to the previous year, largely due to the fact that Infinitum's electricity consumption has been 100% renewable since June 2022.

Green Taxonomy

With regard to the EU **Green Taxonomy**, new eligible activities have been identified for 2023 that can contribute to three of the six environmental objectives covered by the Taxonomy, in which the Criteria Group has eligible activities.

OBJECTIVES		ELIGIBLE ACTIVITIES FOR CRITERIA
Climate change mitigation	CCM	7.1. Construction of new buildings 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (CCM) 7.7 Acquisition and ownership of buildings
Transition to a circular economy	CE	3.1. Construction of new buildings* 2.2. Production of alternative water resources for purposes other than human consumption*
Protection and restoration of biodiversity and ecosystems	BIO	1.1. Conservation, including the restoration of habitats, ecosystems and species*

** New eligible activities in 2023*

The table below shows the percentage of eligible activities as a percentage of the Criteria Group's total turnover, CapEx and Taxonomy OpEx.

	Turnover		CapEx		Taxonomy OpEx	
	€m	%	€m	%	€m	%
TOTAL CRITERIA GROUP ACTIVITIES recognised in its consolidated annual financial statements	**2,546,357**		**431,271**		**56,073**	
Not Taxonomy-applicable	**0**	**0%**	**365,221**	**84.7%**	**49,860**	**88.9%**
TOTAL CRITERIA GROUP ACTIVITIES considered for the purposes of the EU Green Taxonomy	**2,546,357**	**100%**	**66,050**	**100%**	**6,213**	**100%**
Of which, TOTAL ELIGIBLE ACTIVITIES	**169,585**	**6.7%**	**58,754**	**89.0%**	**3,701**	**59.6%**
7.1 / 3.1 Construction of new buildings	25,276	1.0%	42	0.1%	780	12.6%
7.7 Acquisition and ownership of buildings	144,309	5.7%	58,668	88.8%	2,903	46.7%
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (CCM)			44	0.1%		
2.2. Production of alternative water resources for purposes other than human consumption					14	0.2%
1.1. Conservation, including the restoration of habitats, ecosystems and species					4	0.1%

[1]Of the total turnover considered for the purposes of the EU Green Taxonomy, a total of EUR 2,354,560 thousand is attributed to financial activities for which, according to the Criteria Group's classification as a non-financial entity under the EU Green Taxonomy, neither eligibility nor alignment is reported.

The figures shown under *"Total Criteria Group activities recognised in its consolidated financial statements"* for 2023 comprise:

- Turnover: is explained in section 3 of Note 4.4 EU Green Taxonomy of this report.
- CapEx: includes investments in right-of-use assets, goodwill and other intangible assets, investment property, inventories, associates (as per Note 23 of the Criteria Group's consolidated financial statements for 2023), purchases of equity instruments (as per Note 10 of the Criteria Group's consolidated financial statements for 2023) and investments in non-current debt instruments (as per Note 10.2 of the Criteria Group's consolidated financial statements for 2023).
- OpEx: external services according to Note 22.6 to the Criteria Group's consolidated financial statements for 2023.

With regard to the figures that appear in *"Total Criteria Group activities considered for EU Green Taxonomy purposes"*, the related concepts are described in sections 3, 4 and 5 of **Note 4.4 EU Green Taxonomy** of this report.

In relation to the potential alignment of eligible activities carried out by the Criteria Group, it is concluded that:

- With respect to the requirements of (i) substantial contribution to climate change mitigation and (ii) no significant harm to other environmental objectives, only partial compliance has been assured.

- With respect to requirement of (iii) minimum social safeguards, full compliance is assured.

Therefore, although progress has been made in meeting some of the requirements with respect to financial year 2022, it has not yet been possible to ensure full compliance with all the technical screening requirements and therefore the percentage of Taxonomy-aligned turnover, CapEx and Taxonomy OpEx is 0%.

Further details can be consulted in section **4.4 EU Green Taxonomy** of this report.

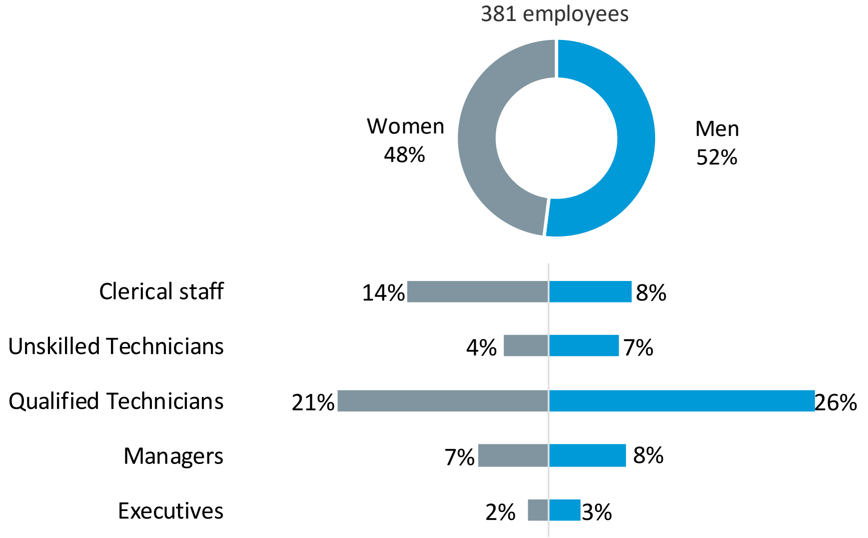
2.6 Social/labour

The most important social and labour matters in 2023 and their performance versus 2022 are set out below. Further information can be found in section **5 Information on corporate matters and employees** of this report.

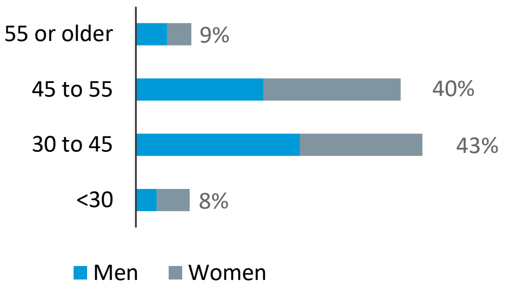
At year-end 2023, the workforce consisted of 381 employees (excluding six members of senior management), with an average of 415 (excluding five members of senior management) employees over the course of the year.

- Qualified technicians account for 47% of the workforce
- 43% of workers are aged between 30 and 45
- 95% of employees are on open-ended contracts

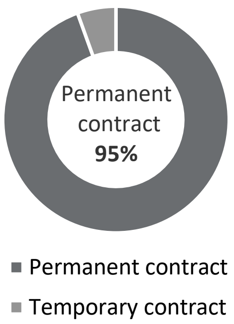
Breakdown by gender and employee category



Distribution by age and gender



Distribution by contract type



Pay gap

The **pay gap** at the Criteria Group in 2023 by activity was as follows. The results are shown for each of the Group's activities, not on a consolidated basis, given the diversity of sectors in which each of them operates.

Activity	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff
Investee management	5.9%	-27.9%	12.2%	-	1.2%
Real estate management	-28.6%	12.9%	9.9%	34.8%	10.2%
Leisure management	-7.7%	-0.8%	3.2%	1.6%	-8.9%

3 Business Model

3.1 Introduction

The Criteria Group's business model is described in detail in section **1. Information on the CriteriaCaixa Group** of the **management report** accompanying the 2023 consolidated financial statements.

The Criteria Group is a non-listed investment holding company that manages the assets of its sole shareholder, Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa" Foundation, or the Foundation), one of the largest foundations worldwide in terms of social investment.

"la Caixa" Foundation operates in two key areas:

- **Welfare Projects**, which the Foundation carries out directly and which seeks to generate opportunities for underprivileged communities on the path to building a fairer society that is genuinely invested in the present and future lives of people.
- **Asset management**, carried out through Criteria, whose mission is to manage the business assets that the Foundation has amassed over a life spanning 120 years, with the dual objective of:
  - Providing the Foundation with all the funding (through the distribution of the **dividend**) it needs to pursue its social endeavours.
  - Preserving and growing the Foundation's assets through sound and prudent management to ensure the perpetuity of its social action.

  Asset management is carried out within a framework of policies governing investment, financing and prudent risk management. Under these policies, Criteria manages an asset portfolio that combines significant stakes in strategic sectors, with a portfolio of diversified investments in both companies and real estate assets. This investment portfolio includes companies with a sound shareholder remuneration policy with the aim of generating recurring income, as well as companies focused on growth and which generate returns for their shareholders by growing the value of the company.

Specifically, and as described in section **2.4. Responsible Investment** of this report, the Sustainable and Responsible Investment Policy envisages the analysis of environmental, social and governance (ESG) aspects for both new investment decisions and when monitoring existing investments.

In 2023, the Criteria Group posted a consolidated attributable net profit of EUR 1,910 million and paid out a total of EUR 400 million in dividends to "la Caixa" Foundation.

3.2 ESG characteristics of the equity portfolio

At 31 December, the market value of the Criteria Group's listed equity portfolio amounted to EUR 22,128 million, 83.4% of the gross asset value (GAV).

As explained in section **2.2. Net asset value** of the **management report** attached to the 2023 consolidated financial statements, the Criteria Group's listed equity portfolio consists of:

- Strategic equity portfolio (89% of the portfolio): mainly comprising significant investments in top-tier companies, which Criteria can actively manage as a relevant shareholder.

- Diversification portfolio (11% of the portfolio): consisting of minority holdings without representation on governing bodies in listed companies in OECD countries (mainly Europe and the United States), with an adequate dividend yield and/or growth potential.

The attached table shows the weighted average of the ESG ratings by the main rating agencies for each of the portfolios:

	Rating		Commentary
	Strategic portfolio	**Diversification portfolio**	
ESG Risk Score	**19.1 low**	**19.8 low**	Exposure of companies to material ESG risks specific to their industry and not managed by the company. Risk level: negligible (0-10), low (10-20), medium (20-30), high (30-40), and severe (40+)
% of GAV of the rated portfolio	*100.0%*	*89.8%*	
ESG Performance Score	**75.5 out of 100**	**56.9 out of 100**	Performance of the companies on various issues with respect to ESG criteria specific to their industry. The score ranges from 0, the worst possible score for the industry in question, to 100, the best possible score.
% of GAV of the rated portfolio	*100.0%*	*97.0%*	

Source: Internal calculations based on data obtained from Bloomberg.

Section **2.4. Responsible investment** of this report provides information on the Criteria Group's investment analysis process.

Further details of the main investees in the strategic portfolio are provided below, showing both the commitment and good performance of these investees as regards ESG aspects:

1. **CaixaBank (40.3% of the listed equity portfolio):**

CaixaBank's socially responsible banking model is structured around three ambitions:

Driving the sustainable transition of companies and society	**Leading the positive social impact and promoting financial inclusion**	**Promoting a responsible culture by being a benchmark in governance**

To this end, it has a **Strategic Plan for the 2022-2024 period** setting out several objectives, including but not limited to the following:

Global:

- EUR 64,000 million mobilised in sustainable finance.

Environmental:

- Advancing the decarbonisation of the portfolio to reach net zero emissions by 2050.
- Reducing financed emissions by 2030.

Social:

- 413,300 beneficiaries of MicroBank, the CaixaBank Group's social bank

Good governance:

- 43% women in management positions

CaixaBank also maintains **key sustainability commitments**, which include but are not limited to the following:

- Founding member of the Net-Zero Banking Alliance.
- Signatory of the UNEP Finance Initiative Principles for Responsible Banking.
- Signatory of the Equator Principles (social and environmental impacts in the financing of large projects).
- Signatory to the Principles for Responsible Investment (PRI).
- Member of the Spanish Network of the United Nations Global Compact.Compliance with the Partnership for Carbon Accounting Financials (PCAF) in July 2021.

2023 highlights:

The table below shows the recent trend in the company's main ESG indicators:

	2023	2022
CO_2 emissions (thousands tCO_2eq)[1]	--	--
Scope 1	8.5	9.6
Scope 2 (location-based method)	29.4	42.7
Scope 3 *(ex category 15)*	221.7	202.3
% women out of total employees	56%	56%
Pay gap[2]	1.10%	1.10%
Women on the Board (%)	40%	40%
Independent directors (%)	60%	60%

Source: Data provided by CaixaBank

[1] The Operational Carbon Footprint data reflected in the 2021 Non-Financial Information Report included the sum of the historical calculation perimeters of CaixaBank and Bankia, which were not the same. These data have been recalculated with respect to the publication of the 2021 Consolidated Management Report in order to unify this scope and to be able to compare emissions in 2021, 2022 and 2023, as well as the achievement of the targets set.

[2] *The gender pay gap is calculated by comparing salaries between employees with the same seniority in the company, who perform the same function or position, and who are at the same level.*

Also worth noting in 2023 are the following milestones:

- Boosting the financing of sustainable activities by mobilising EUR 27,230 million, up by **15% year on year.** This brings the cumulative figure since the start of its strategic plan in 2022 to EUR 50,813 million, equivalent to **79% of the target** for 2024.
- Issuance of a fifth social bond worth EUR 1,000 million.
- First place in sustainable finance in Europe, the Middle East and Africa (EMEA), with more than USD 18,700 million in the year, according to Refinitiv's ranking.
- After joining the Net Zero Banking Alliance as a founding member in 2021, CaixaBank pledged in 2023 to stop financing thermal coal-related companies by 2030.
- CaixaBank Asset Management and BPI Gestão de Ativos, and the group's insurance company, VidaCaixa, have obtained the highest rating under the United Nations' Principles for Responsible Investment (PRI).

For more information, visit: https://www.caixabank.com/es/sostenibilidad/banca-sostenible/nuestro-modelo.html

The main rating agencies, as well as the main sustainability indexes, have recognised the Company's good performance in ESG aspects:

- Good ESG ratings by the main rating agencies:
  - Sustainable Fitch: 2 (on a scale of 5-1, with 1 being the best).
  - Dow Jones Sustainability Index (since 2012): 82 out of 100. It ranks as the thirteenth most outstanding entity worldwide.
  - MSCI: "A" ("Average" category), the same as in 2022
  - Sustainalytics: 16.1 (exposure from 0–100, "low risk"). In 2022: 17.5
  - Moody's ESG Solutions: 67 out of 100 ("advanced level")
  - CDP: "A" ("Leadership" category) in 2022.
  - ISS ESG Quality Score: 1.

- FTSE4Good: 4.2 out of 5 (5 being the best)
- ISS ESG Quality Score: 1. Top rating in all categories, including governance.

2. **Naturgy (31.6% of the listed equities portfolio):**

Naturgy considers that to create value and build trust, it is essential to behave responsibly and with integrity towards its stakeholders, and to promote the Company’s sustainability and long-term vision.

Naturgy has put ESG at the centre of its 2021–2025 Strategic Plan, establishing clear objectives in all three dimensions, the most significant being:

- **Environment:** achieve carbon neutrality (zero net emissions) by 2050, including Scope 1, 2 and 3; with Investment in renewables of over EUR 7,400 million planned in order to achieve this objective between 2021 and 2025.
- **Social:** have women account for more than 40% of executive and managerial positions in Spain.
- **Governance:** establish ESG objectives as part of the executive team’s incentives, increasing the variable remuneration linked to ESG up to 20% by 2025. Objective achieved in 2023.

In addition to the objectives set in its 2021–2025 Strategic Plan, Naturgy:

- is a member of the Spanish Network of the United Nations Global Compact;
- has agreements signed with various government bodies throughout Spain, in particular with autonomous communities, which allow the protection of vulnerable customers;
- undertakes social programmes through the Naturgy Foundation (created in 1992) to alleviate energy vulnerability and promotes technical, training and information activities on understanding the planet’s environmental challenges and encouraging society to take action in relation to them.

2023 highlights:

The table below shows the recent trend in the company's main ESG indicators:

	2023	**2022**
CO_2 emissions (thousands tCO_2 eq)	**114,587**	**125,188**
Scope 1	12,463	14,742
Scope 2 (location-based method)	398	364
Scope 3	101,726	110,083
% women out of total employees	34%	33%
% women in managerial positions as % of total employees	26%	26%
Pay gap[1]	n/d	n/d
Women on the Board (%)	25%	25%
Independent directors (%)	25%	25%

Source: Data provided by Naturgy

[1] *This indicator is presented broken down by country in Naturgy's Sustainability Report and Statement of Non-Financial Information. The company considers that providing an overall ratio would not be representative.*

For more information, visit: https://www.naturgy.com/sostenibilidad/

The main rating agencies, as well as the main sustainability indexes, have recognised the Company's good performance in ESG aspects in 2023:

- Amongst the ESG ratings:
    - MSCI: AAA ("Leader" category) highest rating.
    - Ecovadis: gold medal for social, environmental and governance performance.
    - Sustainalytics: 21.9 (exposure from 0–100, "medium risk"). 19.2 in 2022
    - CDP Climate: "A-" ("Leadership" category)
    - CDP Water: "A-" ("Leadership" category)
    - ISS ESG Quality Score: in the top 10% of the sector.
- FTSE4Good: included since 2001 and classified as one of the most sustainable companies in the utilities sector.
- Euronext Vigeo Europe 120: recognised as one of the 120 most sustainable companies in the Eurozone.

3.3 Risks

The main risks to which the Group is exposed and their management are included in Note **4. Risk management** of the 2023 consolidated financial statements, which are attached to this Statement of Non-Financial Information.

4 Environmental information

4.1 Company policy

The Criteria Group is committed to respecting the natural environment.

Criteria (the parent company), in its capacity as a long-term investor and from where it carries out most of the Group's investee management activity, considers it important to contribute, as far as possible, to the transition towards an emission-free economy that mitigates the effects of climate change. In this regard, the risks and opportunities presented by climate change are taken into account and integrated into the investment process.

Likewise, Criteria has an integrated environmental management system at its offices that is ISO 14001:2015 certified.

The Criteria Group's commitment to the environment is explained in Article 5.3 of its Code of Ethics (available at: www.criteriacaixa.com) and is based on the following principles:

- In relation to social and environmental responsibility, the importance of its duties towards the community is assumed at a corporate level. The Criteria Group aspires to serve as an example, both in the communities in which it operates and in the global community. This commitment is demonstrated by the contribution that the Criteria Group makes to "la Caixa" Foundation's results through the numerous major initiatives and activities of its Welfare Projects.

- The Criteria Group also encourages its employees, managers and directors to take part in community activities, providing such activities do not interfere with the performance of their ordinary duties or enter into conflict with any of the Criteria Group's businesses.

- Global sustainability is also an important objective of the Group's activity, and everyone at the Criteria Group is encouraged to play an active part in caring for the planet both by collaborating with the Criteria Group's initiatives and by being environmentally conscious in their own homes.

- At Criteria, investment and divestment projects are subjected to a feasibility analysis from the strategic, legal/tax, economic-financial and corporate responsibility viewpoints, in order to achieve better returns on investments in the long term, incorporating social and environmental aspects into investment decisions, as well as avoiding direct investments in companies whose main business may, directly or indirectly, create serious addictions or imbalances in people or in their family environment.

Similarly, the Criteria Group's environmental policy establishes the following main lines of action:

- Complying with environmental law and regulations applicable to its activities, while also fulfilling other pledges undertaken voluntarily by the Criteria Group.

- Applying, as closely as possible, environmental principles and best practices in all its actions.

- Employee training and awareness raising, making them part of the Group's environmental policy and campaigns.

- Ensuring a sustainable use of resources and working to mitigate climate change.
- Establishing, monitoring and promoting the on-going improvement of the environmental management system, so as to enhance the Group's environmental performance, and calling on its subsidiaries to follow suit.
- Preventing polluting activities by gradually implementing suitable improvement measures and by addressing all aspects needed to protect the environment.
- Posting its Environmental Policy on the corporate website to make suppliers of goods and services aware of the need to comply with good environmental practices when performing any kind of work at the Criteria Group's work centre.

For more information, visit:
https://www.criteriacaixa.com/wpcontent/uploads/2022/07/POL_01_30_Politica_Medioambiental_CAST-1.pdf

In relation to the Criteria Group's governing bodies, the Board of Directors is the highest decision-making body in relation to this matter.

The Group's **real estate activity** is geared towards initiatives that champion sustainable management and ensure adequate levels of environmental protection. It includes a set of management principles that not only take into account real estate and financial criteria, but also the potential social and environmental impact.

For this reason, it regularly carries out exhaustive studies and comparisons to ensure the use of materials and facilities with sustainability criteria; aspects that are conveyed along the entire value chain and, in particular, to construction suppliers.

In its real estate developments, it aims to secure rank "A" energy certification by building separate sanitation networks and water flows to allow for energy savings and by relying on renewable energies, among other actions.

When making new investments in tertiary sector assets, it ensures that existing buildings and future projects alike have, or can aspire to obtain additional energy certification/seal (BREAM, LEED or equivalent).

As regards the **leisure management** business run by Infinitum, involving the management of the Infinitum golf club golf courses and of the beach club, this includes an integrated environmental management system which has been awarded ISO 14001:2015 standard certification as well as the Audubon International Gold Signature Sanctuary certificate, which focuses on the ecological design, habitat restoration and sustainable development of the golf courses it manages. This certification recognises the Criteria Group's commitment to responsible water management, a state-of-the-art waste management system and the protection of elements of geological, hydrological and wildlife interest. Only Infinitum and one other company in Europe have been granted this certification. Further, as a result of its unique approach to the integration of human action and natural landscapes, Infinitum obtained the GEO Certificate of Sustainability for its golf courses.

As a result of all this, the Criteria Group is aware of the environmental impact of its activities. It therefore focuses hard on environmental protection and aims to be as efficient as possible in the use of the resources it needs.

4.2 Main environmental risks

In relation to risk management, the Criteria Group has identified and assessed the main risks, which notably include environmental risks. The impact of these risks varies according to the activity of each particular Criteria Group company. Each one of them is aware of its activity and the environmental impacts it generates, and attempts to minimise them as far as possible.

To this end, in 2023 the Criteria Group launched an analysis of climate change risks and opportunities with a view to assessing these aspects, estimating the financial impact of climate-related risks and complying with current regulations.

The main environmental impacts identified are described below:

Table 1: Main environmental impacts by activity

	Activities		
		Real estate	
Main environmental impacts	**Investee management**	**Real estate management**	**Management leisure**
Greenhouse gas emissions from energy consumption due to travel	✓	✓	✓
Greenhouse gas emissions from electricity consumption at workplaces	*100% renewable energy*	*100% renewable energy* [1]	*100% renewable energy*
Waste generation[2]	✓	✓	✓
Activities in areas that include a protected natural space	-	-	✓[3]

[1] *Except for consumption at one Inmocaixa's offices reported for the first time in 2023 and for which, during the first 6 months of the year, there is no information on the origin of the energy.*

[2] *Mainly municipal solid, construction waste (debris, bricks and wood), cardboard, paper and organic waste.*

[3] *See section 4.3.5 — Protection of biodiversity*

At year-end 2023, the Group had no environmental expenses, claims, fines, provisions or contingencies that could be material with respect to its equity, financial position and results.

4.3 Environmental management and performance

Climate change is one of the great challenges facing society, something that has been recognised by the large majority of nations, through their signing of the Paris Agreement, which aims to prevent the increase in the global average temperature of the planet from exceeding 2ºC with respect to pre-industrial levels and seeks to promote additional efforts to try and keep average global warming below 1.5ºC.

To achieve this goal, a swift change in the world's development model is needed in the coming decades. Therefore, through its activities and based on the environmental policies and procedures implemented by its companies, the Criteria Group strives to reduce both direct and indirect CO_2 emissions.

It is important to make clear that, when it comes to the management of both investees and real estate business, the utilities and waste for the offices they occupy are managed jointly and centrally by the building owner. Thus, a proportion of the total utilities consumed and waste generated by the entire building is allocated to each of the companies occupying the building according to the surface area they use.

At the reporting date, some consumption for December for the investee management and real estate activities had to be estimated, as the information was not yet available, although no significant differences are expected once the final consumption figures are available.

4.3.1 Energy efficiency consumption and measures

The energy consumed by the various Group companies depends on the type of activity that they carry out, although the main source is electricity.

Below we present the main energy resources used by the Group to carry out its activities in 2023 and the comparison with 2022.

In absolute terms, direct energy consumption during the 2023 financial year has increased by 8%, compared to the previous year. There are several reasons for this change:

- in real estate management, consumption data were obtained and reported for one of it's offices that were not reported in the previous year (83,186 kWh).
- in leisure management, the opening season of both the beach club and the golf clubhouses has been extended.
- the frequency of irrigation on the golf courses has been increased due to weather conditions, such as droughts and longer periods of heat.
- LED street lighting has been rolled out around Infinitum.
- consumption data for 5 additional Infinitum meters (accounting for 2% of the total) has been reported.

Highlights in the period included the reduction in electricity consumption in relation to the investee management and real-estate management segments with respect to 2022, largely due to improved systems and management of the building's timetable.

As part of its drive to achieving greater energy efficiency and, consequently, preventing, reducing or offsetting carbon emissions that affect the environment, the Criteria Group promotes actions focused on energy savings, which vary according to each company's economic activities.

Investee management and real estate activity:

All direct electricity consumption by the holding business and the real-estate business (in its offices) was 100% from renewable sources[1]. The aim is also to make this consumption efficient. Measures taken to promote efficient consumption include:

- LED lighting in most rooms.
- Promotion of working habits, such as keeping air conditioning at reasonable settings.
- Environmental training/awareness activities for employees through the use of "knowledge pills" on the intranet, to make employees aware of these issues both in the workplace and at home.
- Automation of office lights to optimise consumption: automatic switch-off between 20:00 and 06:00 (activation of lights through presence sensors) and switch-off during the whole weekend.
- Lights switched off to coincide with the global initiative Earth Hour, promoted by the World Wildlife Foundation, in which member organisations simultaneously turn the lights off for one hour around the world.
- Use of environmentally-friendly cleaning products in workplaces for both investee management and real-estate management.
- For real-estate management, use of coffee machines that use ground coffee beans to reduce waste.

Leisure management: implements a series of measures focused on energy efficiency to reduce energy consumption and, in turn, direct and indirect carbon emissions. Measures taken to promote efficient consumption include:

- Regular review of the electricity grid and specific actions, including replacement of equipment, to improve energy efficiency.
- Regulation of maximum and minimum building temperatures.
- Use of solar panels to feed the transformer station with the highest consumption.
- Review of the closing and opening hours of facilities according to needs. Golf activity is directly related to sunlight.
- Change of a large number of the Resort's street lights, in secondary roads, with the consequent improvement in light pollution.
- A change has been implemented in the water treatment systems at all of the Beach Club swimming pools to increase savings on chemical products and water consumption.
- Environmental training/awareness actions on waste and environmental aspects and objectives.
- Start of development of a Sustainability Plan, focusing, at this initial stage, on the strategy for sustainable mobility within the Resort.

[1] *Except for consumption at one Inmocaixa's offices reported for the first time in 2023 and for which, during the first six months of the year, there is no information on the origin of the energy.*

Table 2: Direct consumption by energy source and activity in 2023 and 2022

a) 2023

kWh	Activities: Investee management	Real estate: Real estate management	Real estate: Management leisure	Total	Change in 2023 vs. 2022
Electricity (100% renewable sources)	517,101	247,436	3,130,882	3,895,419	65%
Other electricity[1]	--	22,536	--	22,536	(98%)
Natural gas	--	5,964	525,952	531,916	2%
Propane gas	--	--	350	350	n/a
Petrol[2]	85,766	10,092	297,968	393,826	25%
Diesel[2]	54,745	14,292	593,466	662,503	(2%)
Total	**657,612**	**300,320**	**4,548,618**	**5,506,550**	9%
% of total	**12%**	**5%**	**83%**	**100%**	**--**
m^2 of operation	*3,859*	*1,694*	*971,600*	*977,153*	--
Intensity factor (KWh/m^2)	**162.0**	**177.3**	**4.7**	**5.6**	**9%**

[1] *Electricity consumption at the offices located in the building at Diagonal 682 dedicated to real estate activity has been included.*

[2] *The consumption of petrol and diesel was: 42,313 litres (33,801 litres in 2022) of petrol have been converted to KWh applying conversion factor 9,307 and 62,286 litres (64,000 litres in 2022) of diesel have been converted to KWh applying conversion factor 10,637. Source of conversion factors: U.S. Energy Information Administration (EIA)*

b) 2022

kWh	Activities: Investee management	Real estate: Real estate management	Real estate: Management leisure	Total
Electricity (100% renewable sources)	641,539	239,303	1,483,098	2,363,939
Other electricity	--	--	1,185,079	1,185,079
Natural gas	--	5,543	516,621	522,164
Propane gas	--	--	--	--
Petrol	46,862	7,172	260,624	314,657
Diesel	51,880	11,120	616,377	679,378
Total	**740,280**	**263,137**	**4,061,800**	**5,065,217**
% of total	**15%**	**5%**	**80%**	**100%**
m2 of operation	*3,859*	*1,694*	*971,600*	*977,153*
Intensity factor (KWh/m2)	**191.9**	**155.3**	**4.2**	**5.2**

4.3.2 Water consumption

Within the Criteria Group, most of the direct water consumption (99.7%) takes place Infinitum's leisure management. Therefore, this section will focus on that segment.

The remaining 0.3% mainly corresponds to water consumption in offices and workplaces by the management of investees and real estate.

The use of water as part of Infinitum's leisure management is mainly for:

- Non-reclaimed water (from the water distribution grid): used only for recreational use in swimming pools, shower areas, club houses, restaurants and bars.
- Reclaimed water (from wastewater treatment plants): used to irrigate golf courses, access roads to club houses and gardens around the beach club. Reclaimed water is subject to a process of osmosis and mixing to achieve the required quality conditions.

In 2023, the Criteria Group's total water consumption increased by 10%. As regards reclaimed water, this increase was mainly due to the fact that in 2022, one of the golf courses was closed for 4 months for the replacement of the turf. In 2023, the 45 holes were open throughout the year and there was greater demand on account of the increase in high temperatures and the lack of rain. In terms of non-reclaimed water consumption, 14% savings were achieved when compared to 2022 as a result of increased awareness about water consumption across the Group.

Table 3: Water consumption by activity in 2023 and 2022

a) 2023

	Activities				
		Real estate			
Cubic metres (m^3)	Investee management	Real estate management	Management leisure	Total	Change in 2023 vs. 2022
Non-reclaimed water	2,841	1,234	14,005	18,080	(14%)
Reclaimed water	--	--	1,381,184	1,381,184	11%
Total	**2,841**	**1,234**	**1,395,189**	**1,399,264**	10%
% of total	**0.2%**	**0.1%**	**99.7%**	**100%**	**--**
m2 of operation	*3,859*	*1,694*	*971,600*	*977,153*	--
Intensity factor m3/m2	**0.7**	**0.7**	**1.4**	**1.4**	**10%**

b) 2022

	Activities			
		Real estate		
	Investee management	Real estate management	Management leisure	Total
Non-reclaimed water	4,162	1,378	15,561	21,101
Reclaimed water	--	--	1,248,802	1,248,802
Total	**4,162**	**1,378**	**1,264,363**	**1,269,903**
% of total	**0.3%**	**0.1%**	**99.6%**	**100%**
m2 of operation	*3,859*	*1,694*	*971,600*	*977,153*
Intensity factor m3/m2	**1.1**	**0.8**	**1.3**	**1.3**

4.3.3 Circular economy, and waste prevention and management

The different companies in the Group seek to make responsible use of resources by minimising waste and, as far as possible, selecting waste management that prioritises recycling or reuse.

As mentioned above, the waste management of the investee management and property management activities, as far as their office activity is concerned, does not depend directly on them, but is managed jointly and centrally by the owner and manager of the maintenance of the entire building.

Waste generated is of various kinds depending on the activity carried out.

Non-hazardous waste:

Management of investees and real estate:

In 2023, as regards the **consumption of plastic**, despite having increased by 25% year on year, in 2023, the measures implemented in 2019 to eliminate the use of plastic water bottles continued to be pursued.

What's more, the **real estate business** completed two construction projects. **Table 5** shows the waste generated by each development, by waste type.

Leisure management:

In 2023, there was a notable reduction of 96% in the category of **other waste** with respect to the previous year. This category includes industrial waste, such as construction site waste, vegetable oils and polluting packaging. In 2022, work was carried out on the golf courses whereas this was not the case this year. Meanwhile, the 82% rise in **organic waste** over the previous year was due to an increase accommodation and food service activities in 2023.

Table 4: Non-hazardous waste by activity

a) 2023

Waste (kg)	Type of treatment	Activities: Investee management	Real estate: Real estate management	Real estate: Leisure management	Total	Change in 2023 vs. 2022
Municipal solid	recycling	--	--	16,738	16,738	-23%
Cardboard	recycling	829	311	6,774	7,914	-1%
Organic	recycling	1,010	379	25,010	26,398	78%
Industrial glass	recycling	--	--	3,533	3,533	115%
Plastics	recycling	204	178	5,737	6,119	7%
Mixed waste (coffee capsules and cooking oils)[2]	recycling	99	37	--	137	n/a
Other	recycling	6,050	2,269	6,425	14,744	-91%

[2] In 2023, we started to count coffee capsule waste and its equivalent CO_2 emissions in calculating the carbon footprint.

b) 2022

Waste (kg)	Type of treatment	Activities: Investee management	Real estate: Real estate management	Real estate: Leisure management	Total
Municipal solid	recycling	--	--	21,780	21,780
Cardboard[1]	recycling	1,478	516	6,040	8,034
Organic	recycling	813	284	13,770	14,867
Glass	recycling	--	--	1,640	1,640
Plastics	recycling	224	81	5,400	5,705
Other	recycling / landfill	7,248	2,529	151,950	161,728

[1] In the 2022 Statement of Non-Financial Information, waste paper and cardboard generated during the year was included under this heading. In 2023, only cardboard waste for investee management and real-estate management has been included, with paper consumption indicated in subsequent tables. At present, leisure management does not break down paper and cardboard waste separately, meaning that, in this case, both data are reported.

Table 5: Typology of construction material waste by completed development

Methodological note: given the diversity of the development and construction work carried out, as well as the land on which they are built, a calculation of the differences in waste is not shown, as they are not considered comparable.

a) 2023

Waste (t)	Montilivi demolition	Torre Amaltea
Earth	--	10,721
Concrete mixes and bricks	1,015	644
Debris and mixed const. waste	9	30

b) 2022

Waste	Bonanova development	Tres Cantos development	Infinitum development
Soil (t/m³)	1,440	16,402	46,097
Concrete mixes and bricks (t)	915	2,737	10,003
Debris and mixed const. waste (t)	32	0	1,655

Note: Following GRI recommendations, the type of waste generated was reported in tonnes (t), except for the soil waste of the Bonanova and Tres Cantos developments, which was reported in cubic metres (m3).

Paper consumption:

As a result of the improved management of paper consumption, the **investee management activity** reduced its total consumption by 27% year on year. Although **real-estate management** saw an increase in its consumption of 33% on account of an increase in leisure management staff, it should be noted that most of this consumption comes from recycled paper.

Table 6: Paper consumption by type and activity

a) 2023

Waste (kg)	Activities: Investee management	Activities: Real estate: Real estate management	Activities: Real estate: Leisure management	Total	Change 2023 vs 2022
Bleached paper	1,013	--	450	1,463	(20%)
Brown recycled paper	243	1,130	--	1,373	37%

b) 2022

Waste (kg)	Activities: Investee management	Activities: Real estate: Real estate management	Activities: Real estate: Leisure management	Total
Bleached paper	1,553	13	258	1,823
Brown recycled paper	165	838	--	1,003

Hazardous waste:

The following table lists the different types of hazardous waste, the treatment applied, and the activity which generated it.

The electronic waste from the leisure management activity corresponds to a change of offices which has led to the cleaning and replacement of old equipment.

The reduction in battery waste achieved in the year was due to the replacement in 2022 of the starting batteries for the standby gensets (turbines) in the building, which happen to have the same waste code as the batteries.

Table 7: Hazardous waste and treatment by activity

a) 2023

Waste (kg)	Type of treatment	Activities: Investee management	Real estate: Real estate management	Real estate: Leisure management	Total	Change in 2023 vs. 2022
Toner[1]	recycling	79	30	22	131	1%
Electronic equipment	recycling	--	--	4,360	4,360	n/a
Batteries	recycling	6	2	--	8	-98%

[1] *Printer cartridge waste is expressed in units and not in kilos*

b) 2022

Waste (kg)	Type of treatment	Activities: Investee management	Real estate: Real estate management	Real estate: Leisure management	Total
Toner[1]	recycling	96	34	--	130
Electronic equipment	recycling	--	--	--	--
Batteries	recycling	285	99	--	385

[1] *Printer cartridge waste is expressed in units and not in kilos*

4.3.4 Carbon footprint

The carbon footprint generated by the activity of the Group in 2023 and 2022 is presented below.

Table 8: Calculation of the carbon footprint:

Following the instructions and recommendations set out in the guide on how to calculate the carbon footprint released by the Ministry for Ecological Transition, the following aspects were considered for these purposes in 2023:

- Scope 1 emissions: include only those resulting from the fleet of vehicles in the company's name and, with respect to leisure management, direct consumption of fossil fuels (diesel, petrol and natural gas) as well as emissions from refrigeration equipment.

Scope 2 emissions: include electricity consumption that does not come from 100% renewable sources. For 2023, only the electricity consumption in the first half of the year of one of the offices of the real estate management business. The rest of the electricity consumption comes from 100% renewable energy sources.

- Scope 3 emissions: mainly include emissions from business travel, as well as from various types of waste and water consumed.

The calculator provided by the Catalan Office for Climate Change (Oficina Catalana del Canvi Climátic – https://canviclimatic.gencat.cat/ca/actua/calculadora_demissions/) was used to convert to tonnes of CO_2 for all activities.

Investee management and real estate activity: as shown in section **4.3.1. Energy consumption and energy efficiency measures** of this report, the energy consumed from these activities derives from power sources that have been 100% renewable since June 2023. Therefore, and as reflected in the carbon footprint calculation shown, the emissions generated are from company car journeys, residual diesel consumption by the generators that service the building, as well as indirect emissions from waste, work-related travel and water consumption.

The measures put in place to minimise the impact in a business as usual situation are:

- Promoting the use of public transport by employees by enabling them to arrange the Transport Pass.
- Individual computers and rooms equipped with audio and video conference systems to allow for remote meetings and minimise travel.
- As far as possible, rail travel is prioritised over air travel.
- Cooling towers replaced with adiabatic air coolers to mitigate pollution risks and reduce the climate impact of greenhouse gases.
- Mature waste management system, as indicated by Criteria's ISO 14001:2015 certification (earned in 2011 and renewed ever since).

In addition to these measures already in place, real estate management develops newly constructed buildings with high energy efficiency ratings and featuring state-of-the-art material.

Leisure management: as discussed in section **4.3.1. Energy consumption** of this report, efforts are being made to make energy consumption at Infinitum as efficient as possible to reduce direct and indirect carbon emissions. Notably, its electricity consumption no longer generates scope 2 emissions as it comes from 100% renewable sources.

a) 2023

Activity (t CO_2eq)	Scope 1 emissions	Scope 2 emissions	Scope 3 emissions	Total	Change in 2023 vs. 2022
Investee management	27	--	104	131	(12%)
Real estate management	5	2	44	52	(5%)
Leisure management	342	--	647	988	(15%)
Total	**375**	**2**	**793**	**1,170**	**(15%)**
Change 2023–2022	*(2%)*	*(99%)*	*n/a*	*(15%)*	*n/a*

b) 2022

Activity (t CO_2eq)	Issuances Scope 1	Issuances Scope 2	Scope 3 emissions	Total
Investee management	24	--	124	148
Real estate management	5	--	50	545
Leisure management	355	307	507	1,169
Total	**384**	**307**	**681**	**1,371**

4.3.5 Protection of biodiversity

The Criteria Group conducts part of its leisure business in an area that includes a space of natural interest spanning a total of 16.9 hectares. To minimise human intervention in this space of natural interest and to make it sufficiently self-managing and self-regulating, in 2016, the Group drew up a management plan that pursues the following objectives:

- Establish the guidelines to ensure that the objectives defined for this space are met, thus guaranteeing protection of the plant and animal species that inhabit the area, along with the different ecosystems, natural resources and natural landscape.
- Define a set of regulations on permitted uses to protect the space from any kind of activity that might threaten or harm its natural value and worth, while allowing it to be used by the public.
- Describe and appraise the actions needed to ensure the proper functioning of the space and of the control systems in place.
- Devise an investment and funding plan to accomplish the objectives of the Management Plan, while also drawing up a schedule to perform the different actions. In this regard, the Action Plan finalised in 2016 has already been executed and, at present, the Company sets maintenance activities and small regular and periodic investments to comply with the general guidelines established by the Agreement.
- Establish the remit and responsibilities of each of the parties involved.

4.4 EU Green Taxonomy

4.4.1 Introduction

Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (hereinafter, the "**Taxonomy Regulation**" or the "**EU Green Taxonomy**"[2]) establishes certain disclosure requirements with respect to environmentally sustainable economic activities for those companies subject to articles 19 or 29 of Directive 2013/34/EU, which include the **Criteria Group**.

[2] Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment was implemented by Delegated Regulation 2021/2139 of 4 June 2021 and Delegated Regulation 2021/2178 of 6 July 2021, and amended by Delegated Regulation (EU) 2022/1214 of 9 March 2022. Overall, we shall refer to this regulatory package as the "EU Green Taxonomy".

In accordance with the definition established by European law, and considering its corporate purpose and activities, the Criteria Group is considered a “non-financial company” and is therefore obliged to disclose the information established in Article 8 of the Taxonomy Regulation and Annex I of Delegated Regulation (EU) 2021/2178 of 6 July 2021 (hereinafter, the “**Article 8 Delegated Act**”).

In relation to the last two years, the Criteria Group was required to disclose information on the manner and extent to which the company’s activities are associated with economic activities considered environmentally sustainable, though only for the two objectives of the “climate” taxonomy (climate change mitigation and adaptation objectives). This information related to its total turnover, its investments in fixed assets, its operating expenses and the qualitative information set out in Annex I, section 1.2 of the Delegated Act of Article 8.

In relation to 2023, and following the publication of the two new Commission Delegated Regulations (2023/2485 and 2023/2486), the Criteria Group, in addition to disclosing the information it has been reporting for the past two years for the “climate” taxonomy, must also disclose the proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities for the other four remaining objectives ((i) sustainable use and protection of water and marine resources, (ii) transition to a circular economy, (iii) pollution prevention and control, and (iv) protection and restoration of biodiversity and ecosystems), which refer to the “environmental” taxonomy.

In particular, it must disclose the following information in accordance with Annex I of the Delegated Act of Article 8 and further specified in Commission Delegated Regulation (EU) 2021/2178:

- The extent to which its turnover from products or services relating to economic activities considered environmentally sustainable is Taxonomy-eligible and aligned (alignment only for the climate change mitigation and climate change adaptation objectives).
- The extent to which its capital expenditure (CapEx) and operating expenditure (OpEx) relating to assets or processes associated with economic activities considered environmentally sustainable are Taxonomy-eligible and aligned (alignment only for the climate change mitigation and climate change adaptation objectives).
- Qualitative information (methodology and justification) accompanying and describing the key performance indicators

4.4.2 Description of Criteria’s activities

Note 1 – Corporate information of **the 2023 consolidated Financial Statements** (which are accompanied by the consolidated management report and this Non-Financial Statement) provides more information on the activities carried of the Criteria Group.

Moreover, **Note 23 – Segment information** of the **2023** consolidated financial statements defines the various business segments established by the Group according to their structure and organisation, which are as follows:

- Banking portfolio
- Portfolio of industrial and services companies
- Property business
- Corporate activities

This classification is the one used as reference for the construction of the indicators required by the EU Green Taxonomy.

4.4.3 Key performance indicators related to the EU Green Taxonomy

1. Eligibility analysis

(a) Eligible activities

The activities carried out by the Criteria Group have been analysed in order to identify its eligible activities according to the EU Green Taxonomy (activities included in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139, and Annexes I to IV of Commission Delegated Regulation (EU) 2023/2486.

According to this analysis, its eligible activities are as follows:

OBJECTIVES		ELIGIBLE ACTIVITIES FOR CRITERIA
Climate change mitigation	CCM	**7.1. Construction of new buildings,** due to Criteria's activity relating to the construction and development of buildings. **7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (CCM)*,** for the installation of charging stations in the Group's different locations. **7.7. Acquisition and ownership of buildings,** due to Criteria's activities related to the operation of owned buildings.
Climate change adaptation	CCA	
Sustainable use and protection of water and marine resources	WTR	
Transition to a circular economy	CE	**3.1. Construction of new buildings*** **2.2. Production of alternative water resources for purposes other than human consumption*,** by the reclaimed water production plant owned by Infinitum.
Pollution prevention and control	PPC	
Protection and restoration of biodiversity and ecosystems	BIO	**1.1. Conservation, including the restoration of habitats, ecosystems and species***, due to the maintenance tasks carried out in the Natura 2000 Network area (Sèquia Major) owned by Infinitum.

* *New eligible activities in 2023*

(b) Key performance indicators of eligibility

The proportion of eligible economic activities according to the taxonomy (see details in the tables at the end of the section) during the 2023 financial year is as follows:

	Turnover		CapEx		Taxonomy OpEx	
	€m	%	€m	%	€m	%
TOTAL CRITERIA GROUP ACTIVITIES considered for the purposes of the EU Green Taxonomy	**2,546,357**	**100%**	**66,050**	**100%**	**6,213**	**100%**
Of which, TOTAL ELIGIBLE ACTIVITIES	**169,585**	**6.7%**	**58,754**	**89.0%**	**3,701**	**59.6%**
7.1 / 3.1 Construction of new buildings	25,276	1.0%	42	0.1%	780	12.6%
7.7 Acquisition and ownership of buildings	144,309	5.7%	58,668	88.8%	2,903	46.7%
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (CCM)			44	0.1%		
2.2. Production of alternative water resources for purposes other than human consumption					14	0.2%
1.1. Conservation, including the restoration of habitats, ecosystems and species					4	0.1%

[1]Of the total turnover considered for the purposes of the EU Green Taxonomy, a total of EUR 2,354,560 thousand is attributed to financial activities for which, according to the Criteria Group's classification as a non-financial entity under the EU Green Taxonomy, neither eligibility nor alignment is reported.

The following sections provide more information on the items included in each of the eligibility KPIs and the calculation methodology used.

2. Alignment KPIs

In relation to the three eligible activities that may be Taxonomy-aligned carried out by the Criteria Group and the three aspects to be analysed of (i) substantial contribution to climate change mitigation, (ii) no significant harm to other environmental objectives and (iii) minimum social safeguards, it is concluded that:

- With respect to the requirements of (i) substantial contribution to climate change mitigation and (ii) no significant harm to other environmental objectives, only partial compliance has been assured.
  For activities classed under group 7 (building) of the climate change mitigation objective, the technical selection criteria have been assessed in the form of energy performance certificates, as well as through BREEAM and LEED certificates.

- With respect to requirement of (iii) minimum social safeguards, full compliance is assured. As regards minimum social safeguards, it has been assessed following the recommendations indicated in the Minimum Safeguards Report, published by the European Sustainable Finance Platform in October 2022.

Therefore, the percentage of turnover, CapEx and OpEx associated with taxonomy-aligned economic activities is 0%.

It is worth noting that, although not all technical requirements (i) and (ii) are met, the real-estate business is managed based on the premise of maintaining **the balance between its asset value and social and environmental sensitivity**. To succeed in this task:

- for new investments in tertiary sector assets, Criteria works to ensure that they all have, or can aspire to obtain, energy certification (BREEAM, LEED or equivalent)
- for new residential developments,_an "A" energy rating is ensured and additional PASSIVHOUSE or BREEAM seals may be obtained if considered appropriate
- in social areas, a high level of sensitivity is demonstrated in cases involving families in a situation of proven vulnerability

3. Methodology for calculating the turnover indicator

For the turnover indicator, as indicated in the Article 8 Delegated Act, the extracted figures have been calculated by including revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.

In the case of the Criteria Group, as it is categorised as a holding company under IAS, profit from entities accounted for using the equity method, dividend income and income from the sale of investments in Group companies and associates are all recognised as ordinary income. These items are included in the statement of profit or loss as part of operating income, and not in net financial income/(expense) as would be the case in any other non-holding company. With this in mind, as part of the calculation of turnover, consideration is given to the following items, which form part of operating profit (the correlation with Note of the **consolidated Financial Statements for 2023 is provided in brackets):**

- Sales and services (Note 22.1).
- Share of profit/(loss) of entities accounted for using the equity method (Note 9).
- Returns on financial instruments (Note 22.3).
- Gains/(losses) on financial transactions, with group companies, associates and joint ventures (Note 22.4).
- Income from the sale of investment property, which is recognised in net profit under "Impairment and gains/(losses) on disposal of non-current assets" (Note 22.7).

4. Methodology for calculating the indicator of investment in capital expenditure (hereinafter "CapEx")

For the CapEx indicator, the figures extracted correspond to additions to tangible and intangible assets during the year under review, before depreciation, amortisation and possible revaluations, including those resulting from revaluations and impairments, for the relevant year, excluding changes in fair value. They also include additions to tangible and intangible assets resulting from business combinations.

CapEx covers costs accounted for under:

- IAS 16 — Property, plant and equipment, paragraph 73(e)(i) and (iii);
- IAS 38 — Intangible Assets, paragraph 118(e)(i);
- IAS 40 — Investment Property, paragraph 76(a) and (b) (under the fair value model);
- IAS 40 — Investment Property, paragraph 79(d)(i) and (ii) (under the cost model);
- IAS 41 — Agriculture, paragraph 50(b) and (e);
- IFRS 16 — Leases, paragraph 53(h).

In line with the foregoing, the asset additions considered by the Criteria Group are as follows (correlation with Note of the **consolidated financial statements for 2023** provided in brackets):

- Right-of-use assets (Note 5).
- Goodwill and other intangible assets (Note 6).
- Property, plant and equipment (Note 7).
- Investment property (Note 8).

It should be noted that, in the CapEx:

- Additions to "inventories" have not been included, as they are not accounted for in accordance with any of the IAS listed above.
- An allocation criterion has been applied for the allocation of structural costs.

5. Methodology for calculating the eligibility indicator for operating expenses (OpEx)

For the OpEx indicator, the figures extracted only include the following items: non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets (hereinafter, "taxonomy OpEx").

In the case of the Criteria Group, operating expense items that form part of the calculation of the taxonomy OpEx KPI (eligible) are as follows (correlation with Note 22.6 of the **consolidated Financial Statements for 2023)**:

- Research and development expenditure for the year
- Leases
- Repairs and maintenance
- Office cleaning
- Cleaning of buildings
- Income from seizures (reduces expenditure)
- Rebilling to tenants (reduces expenditure)

It should be noted that lease expense has been adjusted on a consolidated basis in accordance with IFRS 16.

6. Contextual information

Under the Article 8 Delegated Act, non-financial undertakings must explain the figures for each key performance indicator and the reasons for any changes in those figures in the reporting period.

(a) Eligibility KPIs

The following percentages were reported during the 2022 financial year with respect to the eligibility indicators:

- Turnover (eligible) KPI: 10.8%. The percentage of turnover from year to year will vary according to the developments constructed (activity 7.1.) and the buildings operated (activity 7.7.) at any given time.
- CapEx (eligible) KPI: 81.4%. The difference compared with this year is due to the fact that two assets (which are part of activity 7.7.) were acquired in 2022 for a considerable amount, accounting for most of the CapEx in 2022.
- Taxonomy OpEx (eligible) KPI: 15.65%

(b) Alignment KPIs

For both 2023 and 2022, the percentage of alignment of key performance indicators was 0%, although it should be noted that in 2023 progress was made in relation to full compliance with the requirement (iii) minimum social safeguards.

7. Absence of double recognition

Criteria has prevented double counting in the allocation of the numerator of the KPIs for the following reasons:

(a) The assets associated with activities 7.1 (construction of buildings) and 7.7 (acquisition and ownership of buildings) are clearly differentiated in their computer systems by cost centre.

(b) For costs that relate to both activities (essentially, in the case of structural CapEx costs), a reasonable distribution approach has been applied.

Below are tables with data on KPIs, which have been prepared on the basis of the templates in Appendix II of the Article 8 Delegated Act.

Table 1: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure for 2023

Financial year 2023		2023		Substantial contribution criteria						Do no significant harm criteria.									
Economic activities	Codes	Turnover (thousands of euros)	Proportion of turnover, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, 2022	Enabling activity category	Transitional activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	%	%	%	%	%	%	%	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**N/A**		
Of which: enabling		0	%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	**N/A**	F	
Of which: transitional		0	%	%						Y	Y	Y	Y	Y	Y	Y	**N/A**		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities).																			
		€	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1 / CE 3.1	25,277	1.0%	EL	N/EL	N/EL	N/EL	EL	N/EL								**4.90%**		
Installation, maintenance and repair of charging stations for electric vehicles at buildings (and in parking spaces adjacent to the buildings)	CCM 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**N/A**		
Acquisition and ownership of buildings	CCM 7.7.	144,309	5.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**5.9%**		
Production of alternative water resources for purposes other than human consumption	CE 2.2.	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								**N/A**		
Conservation, including the restoration of habitats, ecosystems and species	BIO 1.1	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								**N/A**		
Turnover from taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)		**169,585**	6.7%	**6.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**10.8%**		
A. Turnover from Taxonomy non-eligible activities (A.1+A.2)		**169,585**	6.7%	**6.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**10.8%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover from Taxonomy non-eligible activities (B)		2,376,772	**93.3%**																
TOTAL		**2,546,357**	**100%**																

Table 2: Proportion of Taxonomy-aligned turnover/total turnover by objective and proportion of Taxonomy-eligible turnover/total eligible by objective (sub-index c Template Annex II Delegated Regulation 2023/2486)

	Proportion of turnover/total turnover that is	
	Taxonomy-aligned by objective	Taxonomy-eligible
CCM	0.0%	**6.7%**
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	**0.0%**
PPC	0.0%	0.0%
BIO	0.0%	**0.0%**

Table 3: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure for 2023

Financial year 2023	2023			Substantial contribution criteria						Do no significant harm criteria.									
Economic activities	Codes	CapEx (thousands of euros)	Proportion of CapEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, 2022	Enabling activity category	Transitional activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	%	%	%	%	%	%	%	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	%		
Of which: enabling		0	%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	F	
Of which: transitional		0	%	%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities).																			
		€	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1 / CE 3.1	42	0.1%	EL	N/EL	N/EL	N/EL	EL	N/EL								**0.0%**		
Installation, maintenance and repair of charging stations for electric vehicles at buildings (and in parking spaces adjacent to the buildings)	CCM 7.4	44	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**N/A**		
Acquisition and ownership of buildings	CCM 7.7.	58,668	88.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**81.4%**		
Production of alternative water resources for purposes other than human consumption	CE 2.2.	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								**N/A**		
Conservation, including the restoration of habitats, ecosystems and species	BIO 1.1	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								**N/A**		
Taxonomy-eligible but not environmentally sustainable CapEx activities (Taxonomy non-aligned activities) (A.2)		58,754	89.0%	**89.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**81.4%**		
A. CapEx from Taxonomy-eligible activities (A.1+A.2)		58,754	89.0%	**89.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**81.4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx Taxonomy-ineligible activities (B)		7,296	**11.0%**																
TOTAL		**66,050**	**100%**																

Table 4: Proportion of CapEx/total CapEx that is Taxonomy-aligned by objective and proportion of CapEx/total CapEx that is Taxonomy-eligible by objective (sub-index c Template Annex II of Commission Delegated Regulation 2023/2486)

	Proportion of CapEx/total CapEx that is	
	Taxonomy-aligned by objective	Taxonomy-eligible
CCM	0%	**89%**
CCA	0%	0%
WTR	0%	0%
CE	0%	**0%**
PPC	0%	0%
BIO	0%	**0%**

Table 5: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure for 2023

Financial year 2023		2023		Substantial contribution criteria						Do no significant harm criteria.									
Economic activities	Codes	OpEx (thousands of euros)	Proportion of OpEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, 2022	Enabling activity category	Transitional activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	%	%	%	%	%	%	%	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	%		
Of which: enabling		0	%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	F	
Of which: transitional		0	%	%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities).																			
		€	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1 / CE 3.1	780	12.6%	EL	N/EL	N/EL	N/EL	EL	N/EL								**0.7%**		
Installation, maintenance and repair of charging stations for electric vehicles at buildings	CCM 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**N/A**		
Acquisition and ownership of buildings	CCM 7.7.	2,903	46.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**15.0%**		
Production of alternative water resources for purposes other than human consumption	CE 2.2.	14	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								**N/A**		
Conservation, including the restoration of habitats, ecosystems and species	BIO 1.1	4	0.1%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								**N/A**		
Taxonomy-eligible but not environmentally sustainable OpEx activities (Taxonomy non-aligned activities).		**3,701**	59.6%	59.3%	0.0%	0.0%	0.0%	0.2%	0.1%								**15.7%**		
A. OpEx from Taxonomy-eligible activities (A.1+A.2)		**3,701**	59.6%	59.3%	0.0%	0.0%	0.0%	0.2%	0.1%								**15.7%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Taxonomy-ineligible OpEx activities (B)		2,512	**40.4%**																
TOTAL		**6,213**	**100%**																

Table 6: Proportion of OpEx/total OpEx that is Taxonomy-aligned by objective and proportion of OpEx/total OpEx that is Taxonomy-eligible by objective (sub-index c Template Annex II of Commission Delegated Regulation 2023/2486)

	Proportion of OpEx/total OpEx	
	Taxonomy-aligned by objective	Taxonomy-eligible
CCM	0.0%	**59.3%**
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	**0.2%**
PPC	0.0%	0.0%
BIO	0.0%	**0.1%**

Template 1. Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

The company is reports Taxonomy information as a non-financial institution, so even though it has financial exposures to nuclear energy and fossil gas related companies, it does not include these exposures in its KPIs, as these KPIs are calculated pursuant to the disclosure requirements that apply to non-financial institutions, as indicated in Appendix I of Delegated Regulation 2021/2178: "KEY PERFORMANCE INDICATORS OF NON-FINANCIAL COMPANIES".

5 Information on corporate matters and employees

5.1 Group company policies and procedures

Criteria Group companies have defined and implemented an all-embracing people management model, which seeks to develop professional skills and improve satisfaction among employees.

As set out in the **human resources policy** of Criteria, to which the Group companies have adhered, the Group's management and leadership principles describe our management style and culture, particularly in terms of human relations. The Criteria Group believes its employees are its most valuable asset and so it provides sufficient resources to develop the skills and professional knowledge required to respond to the needs of the Group's businesses, effectively manage the challenges relating to each work role and give every employee greater job satisfaction.

This policy establishes as its guiding principles: respect and trust in labour relations; equal opportunities; open communication; proactivity and professional excellence.

In addition, the **Labour relations, equality and work-life balance policy**, together with the **Diversity and inclusion policy**, and the **Prevention of harassment protocol,** extend and specify the organisation's commitments and procedures, key elements of which include:

- **Career development:** promoting stable and quality jobs, with occupational content that ensures the continuous improvement of employee skills and aptitudes.
- **Equal opportunities:** ensuring effective equality among women and men within the Group in relation to access to employment, training, promotion prospects and wage and working conditions, promoting gender diversity as an expression of social and cultural reality.
- **Diversity and employment inclusion:** rejecting and prohibiting of all forms of discrimination, harassment and inappropriate treatment based on gender, race, colour, nationality, creed, religion, political opinion, affiliation, age, sexual orientation, status, disability, incapacity and other situations that are protected by law with regard to employees, managers and directors, as well as customers, potential customers and suppliers. In addition, Group companies have a protocol for the prevention of gender-based harassment and other discriminatory behaviour.
- **Work-life balance:** achieving a favourable environment that supports a good work-life balance for employees. Work-life balance measures have been implemented to encourage respect for personal and family life, such as:

    - Flexible working hours: depending on their specific duties, a system whereby employees can establish their own working hours within a particular timeframe, allowing more flexible starting and finishing times.
    - Paid and unpaid leave: certain leave may be extended to deal with those personal matters that may arise during working hours.

When it comes to occupational risk prevention, the Occupational Risk Prevention Policy of Criteria, Caixa Capital Risc and Inmo Criteria Caixa states that one of the main objectives is to raise the levels of safety, health and well-being of all employees and staff working at the Group beyond the level of minimum legal compliance and the improvements set out in the Management System. Criteria is ISO 45001-2018 certified; this international standard certifies companies for their occupational health and safety management.

In 2023, the protocols and extraordinary measures for the prevention and surveillance of respiratory infectious diseases in the workplace were kept in place, always prioritising the safety and health of all employees. This protocol is the evolution of the protocol for the prevention, detection and control of SARS-Cov-2 infection, which was broadened to include other respiratory infectious diseases such as influenza, following the recommendations of the health authorities and in line with the surveillance and control systems of public agencies.

The Criteria Group also has an internship programme which, by combining practical and paid experience in the workplace with academic training, enables students to develop social and professional skills for their future incorporation into the labour market. In 2023, the Criteria Group hired a total of 14 students, two of whom recently joined Criteria and Caixa Capital Risc.

Meanwhile, InmoCaixa took on four interns in 2023. Infinitum has an agreement running with a horticulture and gardening academy to incorporate students who carry out paid curricular and non-curricular internships, with two interns in 2023.

5.2 Risks identified

The main risks identified in relation to employees relate to health and safety. The various Group companies have an external protection service available to implement and manage occupational risk prevention measures.

The main risks by activity and the actions taken to mitigate them are detailed below:

	Activities			
		Real estate		
	Investee management	Real estate management	Leisure management	Mitigation
Ergonomic risk	✓	✓	✓	Ergonomics training Ergonomic chairs Physiotherapy service[1]
Risk of lack of professional skills and expertise	✓	✓	✓	Implementation of specific training programmes based on identified needs
Service provision risk	--	✓	✓	Application of protocols Specific training Investment in machinery with high safety standards

[1]*For Criteria and Caixa Capital Risc employees*

Aside from these risks, employees were exposed to the further risk of contracting COVID-19 during the health crisis.

The Group monitors health and safety indicators on a regular basis, further details on which can be seen in the following section.

5.3 Employees management and performance

The following sections disclose the key indicators relating to information on social matters and employees.

5.3.1 Employment

In this section, the Criteria Group discloses information on indicators relating to the composition of its team of people and existing types of contract, as well as indicators on equality and non-discrimination.

Preference for hiring women and men on a full-time, permanent basis

For the Criteria Group, it is essential to maintain a diverse workforce and offer job stability and security. At year-end 2023, 95% (96% in 2022) of the Group's workforce held permanent contracts, and there were no significant differences between men and women.

All employees have their workplace in Spain, except for two, who are based in Mexico and Hong Kong, respectively.

All data relating to the workforce, both at year-end and average for the year, are expressed on an average basis according to the time during which services were rendered, i.e., full-time equivalent headcount (hereinafter "workforce").

In relation to the total workforce, we can observe that:

- The data at year-end 2023, 381 (378 in 2022), shows no significant change year on year.
- The average data for 2023, 400 (375 in 2022) has increased mainly due to leisure management activities:
  - More seasonal work during 2023
  - Increase in the workforce in 2022, which therefore ran 100% for the year in 2023.

Table 9: Employees by type of employee contract, type of working day and gender

a) Year-end 2023:

Type of contract	Men	Women	Total	Change in 2023 vs. 2022
Permanent	**190**	**171**	**361**	**-1%**
Full-time	189	166	355	0%
Part-time	1	5	6	-28%
Temporary	**8**	**12**	**20**	**50%**
Full-time	8	12	20	50%
Part-time	0	0	0	-
Total	**198**	**183**	**381**	**1%**
% of total	**52%**	**48%**	**100%**	**n/a**

b) Year-end 2022:

Type of contract	Men	Women	Total
Permanent	**192**	**172**	**364**
Full-time	190	166	356
Part-time	2	6	8
Temporary	**4**	**10**	**14**
Full-time	4	10	14
Part-time	0	0	0
TOTAL	**196**	**182**	**378**
% of total	**52%**	**48%**	**100%**

c) Average[3] in 2023:

Type of contract	Men	Women	Total	Change in 2023 vs. 2022
Permanent	**190**	**171**	**361**	**0%**
Full-time	189	166	355	1%
Part-time	1	5	6	-29%
Temporary	**21**	**18**	**39**	**180%**
Full-time	20	18	39	168%
Part-time	0	0	0	321%
Total	**211**	**189**	**400**	**7%**
% of total	**53%**	**47%**	**100%**	**n/a**

[3] *Average calculated on the basis of the effective hours of the contract in the reported period over those which that same contract would have in an annual period, or, if temporary and with a duration of less than one year, until its completion.*

d) Average in 2022:

Type of contract	Men	Women	Total
Permanent	**191**	**170**	**361**
Full-time	188	165	353
Part-time	3	5	8
Temporary	**6**	**8**	**14**
Full-time	6	8	14
Part-time	0	0	0
Total	**197**	**178**	**375**
% of total	**52%**	**48%**	**100%**

Table 10: Employees by type of employment contract, type of working day and age

In absolute terms, temporary employees are concentrated in the 30-45 age range, with a total of 10 employees at year-end (7 in 2022); equivalent to 6% of the employees in this age group (4% in 2022). In relative terms, temporary employment is concentrated in employees under 30 years of age, representing 16% of jobs in this age group at the end of 2023 (8% in 2022). When looking at the average workforce, temporary employment is concentrated among employees under 30, in both absolute and relative terms.

a) Year-end 2023:

Type of contract	<30	30 to 45	45 to 55	55 or older	Total
Permanent	**26**	**155**	**147**	**32**	**360**
Full-time	26	151	145	32	354
Part-time	0	4	2	0	6
Temporary	**5**	**10**	**6**	**0**	**21**
Full-time	5	10	6	0	21
Part-time	0	0	0	0	0
Total	**31**	**165**	**153**	**32**	**381**
% with permanent contracts	**84%**	**94%**	**96%**	**100%**	**94%**

b) Year-end 2022:

Type of contract	<30	30 to 45	45 to 55	55 or older	Total
Permanent	**32**	**177**	**131**	**24**	**364**
Full-time	31	172	129	24	356
Part-time	1	5	2	0	8
Temporary	**3**	**7**	**4**	**0**	**14**
Full-time	3	7	4	0	14
Part-time	0	0	0	0	0
TOTAL	**35**	**184**	**135**	**24**	**378**
% with permanent contracts	**91%**	**96%**	**97%**	**100%**	**96%**

c) Average in 2023:

Type of contract	<30	30 to 45	45 to 55	55 or older	Total
Permanent	**26**	**159**	**144**	**32**	**360**
Full-time	26	155	142	32	354
Part-time	0	4	2	0	6
Temporary	**17**	**11**	**11**	**0**	**40**
Full-time	17	11	11	0	40
Part-time	0	0	0	0	0
Total	**43**	**170**	**155**	**32**	**400**
% permanent contract	**60%**	**93%**	**93%**	**99%**	**90%**

d) Average in 2022:

Type of contract	<30	30 to 45	45 to 55	55 or older	Total
Permanent	**32**	**176**	**128**	**25**	**361**
Full-time	31	171	127	24	353
Part-time	1	5	1	1	8
Temporary	**3**	**6**	**4**	**1**	**14**
Full-time	3	6	4	1	14
Part-time	0	0	0	0	0
Total	**35**	**182**	**132**	**26**	**375**
% with permanent contracts	**91%**	**97%**	**97%**	**96%**	**96%**

Table 11: Employees by type of employment contract, type of working day and employee category

If we look at the types of contract by professional category, at year-end 2023, a high percentage of directors, managers and qualified technicians were on permanent contracts, with temporary contracts being concentrated in the categories of unqualified technicians and administrative staff, with 84% and 87% respectively on permanent contracts (95% and 92% respectively in 2022).

a) Year-end 2023:

Type of contract	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Permanent	**20**	**52**	**179**	**36**	**74**	**360**
Full-time	20	51	179	34	71	354
Part-time	0	1	0	2	3	6
Temporary	**0**	**2**	**1**	**7**	**11**	**21**
Full-time	0	2	1	7	11	21
Part-time	0	0	0	0	0	0
Total	**20**	**54**	**180**	**43**	**85**	**381**
% with permanent contracts	**100%**	**96%**	**99%**	**84%**	**87%**	**94%**

b) Year-end 2022:

Type of contract	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Permanent	**20**	**36**	**168**	**27**	**112**	**364**
Full-time	20	36	167	27	106	356
Part-time	0	0	1	0	6	8
Temporary	**0**	**0**	**2**	**2**	**10**	**14**
Full-time	0	0	2	2	10	14
Part-time	0	0	0	0	0	0
Total	**20**	**36**	**170**	**29**	**122**	**378**
% with permanent contracts	**100%**	**100%**	**99%**	**95%**	**92%**	**96%**

c) Average in 2023:

Type of contract	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Permanent	**20**	**52**	**179**	**33**	**76**	**361**
Full-time	20	51	179	30	73	355
Part-time	0	1	0	2	3	6
Temporary	**0**	**3**	**3**	**10**	**23**	**40**
Full-time	0	3	3	10	23	40
Part-time	0	0	0	0	0	0
Total	**20**	**55**	**183**	**43**	**100**	**400**
% with permanent contracts	**100%**	**94%**	**98%**	**76%**	**77%**	**90%**

d) Average in 2022:

Type of contract	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Permanent	**21**	**34**	**165**	**30**	**111**	**361**
Full-time	20	34	164	30	105	353
Part-time	1	0	1	0	6	8
Temporary	**0**	**0**	**2**	**2**	**10**	**14**
Full-time	0	0	2	2	10	14
Part-time	0	0	0	0	0	0
Total	**21**	**34**	**167**	**32**	**121**	**375**
% with permanent contracts	**100%**	**100%**	**99%**	**94%**	**92%**	**96%**

Table 12: Breakdown of employees at year-end by age and gender

With regard to the breakdown by age and gender of the workforce at year-end 2023, no significant differences were observed, nor were any observed with respect to 2022.

a) 2023:

Gender	<30	30 to 45	45 to 55	55 or older	Total
Men	3%	25%	19%	5%	52%
Women	5%	19%	21%	4%	48%
Total	**8%**	**43%**	**40%**	**8%**	**100%**

b) 2022:

Gender	<30	30 to 45	45 to 55	55 or older	Total
Men	5%	27%	17%	3%	52%
Women	5%	22%	18%	3%	48%
Total	**9%**	**49%**	**35%**	**6%**	**100%**

Table 13: Breakdown of employees at year-end by gender and employee category

a) 2023:

Gender	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Men	3%	8%	26%	7%	8%	52%
Women	2%	6%	21%	4%	14%	48%
Total	**5%**	**14%**	**47%**	**11%**	**22%**	**100%**

b) 2022:

Gender	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Men	3%	4%	26%	5%	14%	52%
Women	2%	6%	19%	3%	18%	48%
Total	**5%**	**10%**	**45%**	**8%**	**32%**	**100%**

Finally, and to conclude the employment section, it should be noted that during 2023 there have been 9 dismissals (16 dismissals in 2022) at the organisation which, together with a total of 17 resignations (40 in 2022) and an average of around 400 employees (378 in 2022), representing a turnover of 6.5% (14.8% in 2022). Below is a breakdown of dismissals by gender, age, and occupational category.

Table 14: Dismissals at the organisation by gender, age and professional category

a) 2023:

Type of contract	<30	30 to 45	45 to 55	55 or older	Total
Executives	**0**	**0**	**1**	**0**	**1**
Men	0	0	1	0	1
Women	0	0	0	0	0
Managers	**0**	**1**	**0**	**0**	**1**
Men	0	1	0	0	1
Women	0	0	0	0	0
Qualified Technicians	**0**	**3**	**0**	**0**	**3**
Men	0	2	0	0	2
Women	0	1	0	0	1
Unskilled Technicians	**0**	**1**	**1**	**0**	**2**
Men	0	0	1	0	1
Women	0	1	0	0	1
Clerical staff	**1**	**1**	**0**	**0**	**2**
Men	1	1	0	0	2
Women	0	0	0	0	0
Total	**1**	**6**	**2**	**0**	**9**

b) 2022:

Type of contract	<30	30 to 45	45 to 55	55 or older	Total
Executives	**0**	**0**	**0**	**0**	**0**
Men	0	0	0	0	0
Women	0	0	0	0	0
Managers	**0**	**0**	**1**	**0**	**1**
Men	0	0	1	0	1
Women	0	0	0	0	0
Qualified Technicians	**1**	**1**	**2**	**0**	**4**
Men	1	1	1	0	3
Women	0	0	1	0	1
Unskilled Technicians	**0**	**3**	**1**	**0**	**4**
Men	0	2	0	0	2
Women	0	1	1	0	2
Clerical staff	**1**	**5**	**1**	**0**	**7**
Men	1	4	1	0	6
Women	0	1	0	0	1
Total	**2**	**9**	**5**	**0**	**16**

5.3.2 Average remuneration

The organisation takes into account the following general aspects when setting remuneration:

- Job evaluation.
- The level of responsibility of the position.
- Market practice, which is partly dependent on the activity carried out by the Group company to which the employee belongs.
- Work experience.
- Job performance.

The gross annual salary is paid on a pro-rata basis in 12 payments, except in the case of Infinitum[4]. For certain job positions, the Criteria Group pays variable annual remuneration tied to the attainment of a set of individual targets and to the results obtained individually and by the wider team.

A flexible remuneration plan is offered[5] which allows employees to voluntarily receive part of their gross remuneration by arranging and receiving certain in-kind products and/or services. This effectively lets them increase their net remuneration because these products and services often come with significant personal income tax benefits.

The following tables give a breakdown by gender of the total average remuneration of the Group's employees on a full-time equivalent basis. The information is also broken down by age group and professional category.

Table 15: Average annual remuneration by gender and age at year-end (euros)

a) 2023:

Gender	<30	30 to 45	45 to 55	55 or older	Total
Men	32,952	48,208	68,075	131,170	62,180
Women	24,575	45,269	57,834	106,799	53,233
Total	**27,818**	**46,941**	**62,755**	**120,508**	**57,870**

b) 2022:

Gender	<30	30 to 45	From 45 to 55	55 or older	Total
Men	25,454	46,419	70,259	146,535	58,913
Women	23,762	45,539	58,726	99,772	51,701
Total	**24,608**	**46,021**	**64,279**	**125,102**	**55,449**

The average remuneration of women at the Group increased by 3% while the average remuneration of men increased by 5.5%.

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[4] *Excludes Infinitum where, depending on the type of contract, payment may be made in 12, 14 or 15 instalments.*

[5] *Excludes Infinitum.*

Table 16: Average annual remuneration at year-end by gender and occupational category (euros)

a) 2023:

Gender	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Men	187,374	89,341	62,467	25,466	19,548	62,180
Women	162,334	79,583	52,970	23,710	35,103	53,233
Total	**177,358**	**84,824**	**58,246**	**24,748**	**29,315**	**57,870**

b) 2022

Gender	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Men	182,036	133,463	60,840	31,096	18,706	58,913
Women	151,557	86,667	53,159	33,069	31,014	51,701
Total	**169,844**	**104,865**	**57,632**	**31,886**	**25,599**	**55,449**

Remuneration of the Board of Directors:

Each member of the Board of Directors receives exactly the same remuneration, in their capacity as such, though without prejudice to any further remuneration they may receive: (i) due to seats held on the various Board of Directors' committees; and (ii) due to the time they dedicate to the Company and whether or not they are directors.

The breakdown by gender of the remuneration received from the Criteria Group by the members of CriteriaCaixa's Board of Directors for 2023 and 2022, is shown below:

Table 17: Remuneration of the Board of Directors by gender (thousands of euros)

a) 2023

Gender	Average employees	Total remuneration (thousands of euros)
Men	12.00	5,089
Women	3.00	322
Total	**15.00**	**5,411**

b) 2022

Gender	Average employees	Total remuneration (thousands of euros)
Men	12.00	4,800
Women	3.00	290
Total	**15.00**	**5,090**

Senior management remuneration:

The remuneration of Senior Management, comprising six men, included both a fixed and a variable component in 2023. For further information, see section **25 Information on related parties** under the "Remuneration of Senior Management" heading in the consolidated financial statements of the Criteria Group for 2023.

5.3.3 Pay gap

This section shows the pay gap within the organisation. The gap is calculated as the difference between the average hourly pay of men and women, over the average hourly pay of men, reflecting how much less (if the gap is positive) or how much more (if the gap is negative) women earn with respect to men.

The results are shown for each of the Group's activities, not on a consolidated basis, given the diversity of sectors in which each of them operates.

Table 18: Pay gap by professional category

a) 2023:

Activity	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff
Investee management	5.9%	-27.9%	12.2%	-	1.2%
Real estate management	-28.6%	12.9%	9.9%	34.8%	10.2%
Leisure management	-7.7%	-0.8%	3.2%	1.6%	-8.9%

b) 2022:

Activity	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff
Investee management	7.2%	-26.4%	11.3%	-	3.0%
Real estate management	-25.8%	17.4%	8.8%	13.1%	25.1%
Leisure management	2.2%	-34.0%	-3.5%	4.5%	0.8%

5.3.4 Remuneration for same employment or company average

This section shows the ratio of the lowest wage within the organisation (starting wage), which is what is earned at the real estate business and more precisely the leisure business, to the minimum wage in force in Spain during 2023.

Table 19: Ratio of initial wage within the organisation to the minimum wage

a) 2023:

Country	Initial wage	Local minimum wage	Ratio (starting wage/minimum wage)
Spain	15,622	15,120	1.03

b) 2022:

Country	Initial wage	Local minimum wage	Ratio (starting wage/minimum wage)
Spain	15,021	14,000	1.07

5.3.5 Employees with functional diversity

The Group is fully compliant with the requirements of the General Law on Disabilities, whether by hiring disabled people directly and/or by dealing with special employment centres (Centros Especiales de Trabajo – CETs). It also makes donations to foundations working to improve the job prospects and labour-market inclusiveness for disabled people. A list of the measures taken by activity and company is given below.

Table 20: Average number of employees with functional diversity or equivalent by activity at 31/12

a) 2023:

Activity	Company	Average employees at 31/12/2023	Number of functionally diverse employees required by law	Measure applied	Average employees with functional diversity or equivalent at 31/12/2023
Investee management	Criteria [1]	103	2	Recruitment through a special employment centre for the provision of services	3
	Caixa Capital Risc	21	-	N/A	-
Real estate management	InmoCaixa	135	3	Direct recruitment	1
				Donations	2
	Infinitum	129	2	Direct recruitment	2
Group total		**388**	**7**		**8**

[1] *Including 6 members of senior management and CEO*

b) 2022:

Activity	Company	Average employees at 31/12/2022	Number of functionally diverse employees required by law	Measure applied	Average employees with functional diversity or equivalent at 31/12/2022
Investee management	Criteria [1]	103	2	Recruitment through a special employment centre for the provision of services	3
	Caixa Capital Risc	20	-	N/A	-
Real estate management	InmoCaixa	135	3	Direct recruitment Donations	1 2
	Infinitum	126	2	Direct recruitment	2
	Group total	**384**	**7**		**8**

[1] *Including 5 members of senior management and CEO*

Although ”la Caixa” Foundation (the Criteria Group’s sole shareholder) is not included within the scope of consolidation reported in this Non-Financial Statement, it is worth highlighting the resources made available by the Foundation each year to integrate disabled people into society, both directly and indirectly. These resources come from the dividends distributed by Criteria to enable ”la Caixa” Foundation to carry out its Welfare Projects. Thus, in 2023, ”la Caixa” Foundation contributed a total of EUR 10.5 million (EUR 10.3 million in 2022) to social projects and initiatives in the area of disability.

5.4 Work organisation

5.4.1 Working time and work-life balance:

The organisation is ultimately seeking to create a propitious working environment that will provide a healthy work-life balance for Criteria Group employees, in accordance with Law 39/1999 of 5 November, on ensuring a work-life balance for workers. In particular, it focuses on achieving effective equality between women and men, all while complying with applicable legislation and observing best practices in order to achieve a suitable work-life balance.

The working hours of the Group’s employees depend on the type of activity they perform and comply with the criteria set out in the respective collective bargaining agreements, with the rest periods established by law.

In addition, in order to make a work-life balance a reality for their employees, the different Group companies design, propose and implement actions, based on the activity they carry out, which allow for compatibility. Some of these actions are:

1. **Flexible remuneration, employee wellness and benefits programmes** to improve the lives of workers through the following initiatives:

	Activities		
		Real estate	
Initiatives	Investee management	Real estate management	Management leisure
Flexible pay[1]	✓	✓	--
Luncheon vouchers	✓	✓	--
Improvement in the temporary disability allowance	✓	✓	✓
Loans and advances with special terms and conditions for employees	✓	✓	✓
Medical insurance	✓	✓	✓
Life and accident insurance	✓	✓	✓

[1] Childcare, health insurance for employees' family members, transport.

2. **Emotional wellness and work-life balance initiatives to allow for a healthier balance** between work, personal and/or family life. The initiatives to have been implemented are shown below:

	Activities		
		Real estate	
Initiatives	Investee management	Real estate management	Management leisure[1]
Flexible working hours	✓	✓	✓
Condensed working hours[2]	✓	✓	✓
Remote connection	✓	✓	✓
Extension of paid and unpaid leave.	✓	✓	✓

[1] At Infinitum, most of the teams work condensed working hours throughout the year (no break for lunch), depending on the organisation and opening needs of the facilities.
[2] In July and August

- **Flexible working hours:** a system whereby employees can establish their own working hours within a particular timeframe, allowing more flexible starting and finishing times.
- **Condensed working hours:** seven-hour days in July and August and six-hour days on the eve of three public holidays.

- **Remote connection:** a laptop and a mobile phone with connectivity are available for those who require them to carry out their duties, respecting the right to the digital disconnection of employees.
- **Paid and unpaid leave:** the Group may grant leave so that employees can tend to certain personal needs that may arise while at work. This includes leave to take care of sick family members, for maternity/paternity, marriage, breast/bottle feeding and to provide a better work-life balance.

5.4.2 Number of hours of absenteeism

High levels of absenteeism can be a sign of serious people-management problems in an organisation. For the Criteria Group, absenteeism refers to absences that are justified using supporting documents. Thanks to employment flexibility and work-life balance measures implemented, the current level of absenteeism is **3.9%** (2.2% in 2022), that is, a total of 26,962 hours of absenteeism in 2023 (14,235 hours of absenteeism in 2022). This increase can be attributed to long-term absence or leave in both the real-estate management and leisure management businesses.

5.4.3 Measures to improve the work-life balance and to promote shared responsibility of parenting duties.

During 2023, a total of 31 employees (22 in 2022) were entitled to parental leave, which they all took in full.

Table 21: Parental leave entitlement and percentage taken and returns by gender

a) 2023:

Item	Men	Women	Total
Maternity-paternity leave	23	8	31
Maternity-paternity leave actually taken	23	8	31
Days worked	712	510	1,222

b) 2022:

Item	Men	Women	Total
Maternity-paternity leave	17	5	22
Maternity-paternity leave actually taken	17	5	22
Days worked	843	360	1,203

Likewise, within the organisation, some companies extend their leave of absence in the case of paternity/maternity during the first years of the child’s life.

5.5 Health and safety

5.5.1 Health and safety conditions in the workplace

The Criteria Group is aware of how important working conditions are for the health and safety of its employees. It therefore channels significant efforts, within the framework of its responsibilities, into promoting and rolling out initiatives aimed at its ongoing improvement, in order to raise the levels of health, safety and well-being of employees and other personnel who work for the Group.

The various Group companies have an occupational health and safety management system suited to the activities that they carry out.

As part of this management system, the various Group companies drew up an occupational risk prevention policy, which stipulates:

- Guidelines to ensure the health and safety of workers in all work-related aspects.
- Courses of action and rules to entrench a preventive culture within the Company and to adopt any measures that may prove necessary, in compliance with Article 16 of the Spanish Law 31/1995 on Occupational Risk Prevention Law.
- Actions to prevent, eliminate or minimise any risks to which company employees and other interested parties may be exposed.
- The deployment, maintenance and continuous improvement of its occupational health and safety management system (OHS), implemented on the basis of ISO 45001.
- Compliance with the OHS policy in place.
- Criteria's OHS certification from an external organisation.

  Meanwhile, the Criteria Group carries out the following actions and activities to implement the foregoing principles and commitments:

  - Making preventive action an integral part of all conduct and decisions across all hierarchical levels, based on a correct planning and implementation of the Occupational Risk Prevention Plan.
  - Ensuring the proper control and quality of the health surveillance system for all company employees and collaborators.
  - Training, providing useful information and engaging all company employees and collaborators.
  - Encouraging queries from employees and getting them actively involved in managing occupational risk prevention by promoting actions that are not purely responsive (i.e. not limited to correcting any risk situations that may be detected).
  - Ensuring that all employees and personnel who work for the Company comply with the rules and measures in place.
  - Ensuring that adequate resources are available to meet the OHS targets by complying with applicable law and regulations on occupational risk prevention.

The Group companies also designed and implemented an Occupational Risk Prevention Plan, as an integral part of its Occupational Health and Safety Management System. This plan sets out the organisational structure, responsibilities, duties, practices, procedures, processes and resources needed to manage occupational risk prevention at each Criteria Group company. The system undergoes regular reviews and, where appropriate, external audits.

One of the most highly valued aspects in this regard are the measures of the "healthy company +" programme in place for the Criteria, Caixa Capital Risc and Inmo Criteria Caixa workforce (consultations with physiotherapists, sports activities, etc.), as an integral health management project.

In 2023, new activities such as mindfulness, Yogalates and group sports activities were promoted to encourage levels of participation and engagement among Criteria Group employees.

The Group has an External Prevention Service for the provision of health activities that the company is unable to undertake through its own resources. This includes the preparation of the annual preventive action plan, the preparation of the annual prevention report and the carrying out of specific medical examinations, etc.

Meanwhile, to improve communication and reporting among the parties involved, the Group has appointed an intermediary with the prevention services, whose main functions are to:

- Act as the Company's permanent contact person with the prevention services so that they can receive information and pass it on to the Management's representative.
- Organise health checks for workers according to the existing risks, and establish an effective system to deal with emergencies.
- Carry out regular monitoring of corrective measures and preventive actions.
- Keep a log of all accidents and incidents at the Criteria Group and compile accident rate statistics with the support of the accidents mutual insurance company.
- Participate in the preparation of the preventive programmes as well as in the planning of the measures included in them.

In relation to training, all employees involved in the prevention of occupational risks must possess sufficient professional expertise obtained through appropriate training and/or work experience. This must be the case not only when they are hired or engaged, but also whenever their functions or responsibilities change, when new technologies are introduced or when changes are made to their work teams. When appropriate, the heads of the various activities detect the training needs of the personnel in their charge. They then instruct the designated trainer to provide the employee with the specific training required.

The development and awareness of a preventive culture in the organisation is carried out through training activities related to aspects of health and safety, which totalled 689 hours in 2023.

At year-end 2023, a new Psychosocial Risks survey was launched for Criteria and Caixa Capital Risc, with the aim of creating a new lifelong improvement action plan focused on employee health and well-being.

5.5.2 Occupational accidents (frequency and severity)

The following table shows the frequency rate and severity rate of all accidents that have occurred within the organisation in 2023 and 2022, broken down by gender. It also includes the total number of occupational diseases and deaths.

Table 22: Occupational accidents and diseases

a) 2023:

	Men	Women	Total
Total number of occupational accidents[1]	**5**	**0**	**5**
Frequency rate (*)	*11.2*	*0.0*	*6.0*
Number of days absence on leave	**72**	**0**	**72**
Severity rate (**)	*0.2*	*0.0*	*0.1*
Deaths in occupational accidents	**0**	**0**	**0**
Occupational illnesses	*0.0*	*0.0*	*0.0*

[1] This includes an accident on the way to and from work in the calculation for men with a 20-days absence due to sick leave
(*) Calculation used = (number of workplace accidents involving medical leave excluding en-route accidents x 1,000,000) / number of actual hours worked by the employees
(**) Calculation used = (number of sick leave days lost excluding en-route accidents x 1,000) / number of actual hours worked by employees

b) 2022:

	Men	Women	Total
Total number of occupational accidents[1]	**8**	**4**	**12**
Frequency rate (*)	*20.8*	*9.97*	*15.7*
Number of days absence on leave	**44**	**90**	**134**
Severity rate (**)	*0.1*	*0.1*	*0.1*
Deaths in occupational accidents	**0**	**0**	**0**
Occupational illnesses	*0.0*	*0.0*	*0.0*

[1] This includes 2 accidents on the way to and from work, one for men (with a 2.7-day absence for sick leave) and one for women (with a 60-day absence for sick leave).
(*) Calculation used = (number of workplace accidents involving medical leave excluding en-route accidents x 1,000,000) / number of actual hours worked by the employees
(**) Calculation used = (number of sick leave days lost excluding en-route accidents x 1,000) / number of actual hours worked by employees

5.5.3 Labour relations

The structures established to ensure good employee relations within the organisation are a key management area, since they guarantee that all the incidents affecting employees are logged and managed. Currently, 100% job positions, except senior management positions, are covered by a collective bargaining agreement.

The investment and real estate management activities, except Infinitum, do not have workers' representatives and, consequently, do not have Prevention Officers or Health and Safety Committees. All incidents relating to employees are reported to and managed by the **health and safety liaison officer**.

The Infinitum business has a Works Council and therefore prevention officers. It also has a Health and Safety Committee that meets regularly throughout the year. The Committee is made up of workers from different areas (two appointed by the company, two by the Committee and one company representative). The external prevention service attends these meetings as a guest.

The minimum advance notice periods ahead of operational changes are those stipulated by law or those agreed upon by collective agreement in each of the countries in which the Group operates. In Spain, the notice period for substantial operational changes is 15 days.

5.5.4 Training

The organisation is firmly committed to people and seeks to develop their talent over the course of their career. The Human Resources departments at each subsidiary are tasked with offering and coordinating a catalogue of training activities that effectively respond to strategic, organisational and individual needs.

The annual training plan includes actions focused on improving business development, providing technical knowledge, as well as fostering improvements in the competency and digital skills of the entire human team.

Some of the programmes to have been delivered in 2023 have been in the realms of:

- Digital transformation.
- Sustainability, training focused on raising employee awareness of ESG criteria, which have become hugely important in recent years.
- Cybersecurity, with the aim of preventing and guarding against threats, attacks and cybercrime against our company and personal interests.
- Personal skills: training in negotiation, oral and written communication, and teamwork.
- International financial sanctions

The organisation uses electronic platforms to provide certain training courses.

Below is a breakdown of the total number of training hours taught to Criteria Group employees during the year.

Table 23: Training hours per employee by professional category

a) 2023:

Gender	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Men	181	1,403	3,291	346	345	5,566
Women	194	610	3,747	38	824	5,413
Total	**375**	**2,013**	**7,038**	**384**	**1,169**	**10,979**

b) 2022:

Gender	Executives	Managers	Qualified Technicians	Unskilled Technicians	Clerical staff	Total
Men	304	393	3,043	181	276	4,197
Women	385	520	4,670	693	622	6,890
Total	**689**	**913**	**7,713**	**874**	**898**	**11,087**

A breakdown of training hours by type of training is provided, which shows that 90% of hours were devoted to technical training, skills and languages in 2023 (98% in 2022).

Table 24: Training hours by training type

a) 2023:

	Techniques and skills	Languages	Other training	Total
Hours	7,701	2,250	1,028	10,979
% of total	***70%***	***20%***	***9%***	***100%***

b) 2022:

	Techniques and skills	Languages	Other training	Total
Hours	8,641	2,172	274	11,087
% of total	***78%***	***20%***	***2%***	***100%***

When an employee joins the organisation, they are given an onboarding schedule to help them gradually integrate into the organisation. It is implemented in the form of a **Guide or Welcome Manual**.

The onboarding schedule includes online courses and personalised support sessions, which incorporate training on occupational health and safety.

5.5.5 Accessibility

The Criteria Group makes sure that disabled people are able to access its central offices and all the different work centres. It also complies with all applicable law and regulations governing accessibility to buildings and service centres at all the assets managed by the real estate and leisure management activity. To ensure this is the case, it undertakes any construction or reform work to adapt spaces.

5.5.6 Equality

The Criteria Group guarantees diversity, equal opportunities and the inclusion of all workers, in line with the principles of its Code of Ethics. To accomplish those objectives, the Group embraces and fosters the following fundamental principles:

- Respect for diversity, advocating non-discrimination among its employees on the grounds of race, origin, colour, age, gender, marital status, ideology, political views, nationality, religion, sexual orientation, or any other personal, physical or social circumstance.
- Championing the principle of equal opportunities. This principle, which is one of the cornerstones of professional development, calls on the Company to practise and demonstrate equal treatment among all employees and in doing so to aid with the personal and professional development of the entire human team at the Criteria Group. Here, the Group focuses on the following aspects:
  - Determining the knowledge and skills needed to perform the work in question by assessing objectives and performance.
  - Not establishing salary or contractual differences due to personal, physical or social circumstances, such as gender, race, marital status and ideology.
  - Recruitment and selection of the best professionals through a selection process based on the merit and abilities of the candidates.
  - Ensuring that each employee receives training in the knowledge and skills required to perform their job.
  - Supporting workers with different capabilities by helping them effectively perform their work.
  - Fostering transparent communication while encouraging employees to innovate and granting them the autonomy they need and deserve when going about their work.
  - Establishing measures to ensure that recruitment and internal promotion processes do not favour or discriminate against employees with family or personal ties, preventing them from holding positions that report directly —hierarchically or functionally— to the employees with whom they have such family or personal ties.
- Ensuring effective equality among women and men within the Group in relation to employability, training, prospects for promotion and wage and working conditions, viewing gender diversity as an expression of society and culture we now live in. Notably, this involves:
  - Strengthening the Criteria Group's commitment to effectively achieving equal opportunities between women and men, both within the organisation and in society in general, while also raising awareness of this need in two areas.

  - Ensuring the professional development of women within the Criteria Group by removing any obstacles that may hinder or limit them in their career.
  - Helping ensure the existence of working conditions that are gender sensitive, allowing the women and men who work at the Criteria Group to achieve a work-life balance, while eliminating any kind of gender-based discrimination.
- The organisation has a Harassment Prevention Protocol in place, which was revised and updated in 2023 and which aims to establish the necessary measures to prevent, avoid and eradicate any harassment and/or violence in the workplace. This policy sets out the actions necessary for the investigation, verification and sanction of any such conduct, providing employees with the appropriate procedure to present the information they consider necessary.

The Criteria Group is, therefore, fully committed to providing support and assistance to any person within the organisation who may be suffering from any kind of harassment. An internal reporting system is in place that provides details of the main communication channels available to Criteria Group employees, governed by the Internal Information System Policy and the Procedure for managing complaints and internal investigations. If a complaint is received, the Criteria Group's Crime Prevention Committee handles the report in line with the regulations in force.

5.6 Employee involvement in company management

The Criteria Group makes different mechanisms available to workers to encourage their involvement in the management of the company, in terms of information, consultation and participation.

Investee management:

The Human Resources department holds regular meetings with the heads of those areas in which employee participation is encouraged and it also gathers each team's needs. In addition, all workers have the generic Human Resources mailbox at their disposal to send in suggestions. In addition, all workers can request and propose training that suits their development needs through a channel on the corporate intranet.

Real estate management:

Employees have at their disposal all the corporate information available on the Employee Portal. They may also share proposals and ideas, suggest improvements and make queries via the suggestions box also available on this portal, or via the generic Human Resources mailbox. The human resources department holds regular meetings with the management of the areas and their managers to ascertain the needs of each team. Likewise, confidential surveys are also carried out as a way of detecting strengths and weaknesses in different areas.

Leisure management:

Organisational structures have been created which, through recurring meetings, facilitate employee participation in the company's management in the various different departments. A meeting is held weekly with the participation of Management and heads of departments, for which the minutes are drawn up and shared with the rest of the teams.

Unilaterally, employees can approach, in person, their own line managers and the Company's Management in general, with any questions, problems or suggestions they may have, in addition to having other communication channels, such as a physical mailbox, telephone and email.

Through the Communication Channel platform, the Company sends information of a diverse nature, regarding its operation, policies and procedures, as well as information that may be useful on a personal level, in the form of "knowledge pills".

There is also a specific email address for the Works Council, to which all members have access, and through which they can communicate directly with line managers and Management in general.

6 Disclosures on respect for human rights

6.1 Internal regulations

The Criteria Group is firmly committed to defending human rights. Notably, it has approved and developed various policies and reference documents to guide the conduct of all people and steer all activities within the organisation so as to protect and ensure respect for human rights.

The organisation has based these documents on international rules and principles, including the Universal Declaration of Human Rights adopted by the United Nations in 1948 and associated instruments, in particular, the Convention for the Protection of Human Rights and Fundamental Freedoms (1950); the International Covenant on Civil and Political Rights (1966); the International Covenant on Economic, Social and Cultural Rights (1966); and the International Labour Organisation's Tripartite Declaration of Principles concerning Multinational Enterprises and the Social Policy.

Some of these documents, which are applied up by the various companies belonging to the Criteria Group, are listed below:

- Code of Ethics
- Anti-corruption policy
- Environmental policy
- Crime prevention policy
- Diversity and inclusion policy
- Anti-harassment policy
- Policy on labour relations, equality and work-life balance
- Human resources policy
- Occupational risk prevention policy
- Occupational health and safety policy
- Internal information system policy
- Procedure for managing complaints and internal investigations
- Due diligence process covering human rights

The Criteria Group promotes a climate of absolute respect for the dignity of all persons who work within or in the scope of the organisation, including shareholders, directors, employees, suppliers, customers and competitors. To succeed in this task, the Group promotes:

- A working atmosphere free from harassment, intimidation and improper or offensive conduct, including sexual proposals or suggestions, offensive jokes and conversations, graphic material and other actions that may offend personal dignity.

- Consideration of opposing views in a positive light, encouraging the full development of employee potential, in accordance with the principles of merit, capability and professional conduct.
- Respect for diversity in all areas, whether relating to employment, training or promotion.
- A philosophy of attracting and retaining the most talented individuals to continue competing successfully in the sector, regardless of origin or status.
- Constant rejection of all forms of discrimination, harassment and inappropriate treatment based on gender, race, colour, nationality, creed, religion, political views, affiliation, age, sexual orientation, marital status, disability, incapacity and any other circumstance protected by law with regard to employees, managers and directors, as well as customers, potential customers and suppliers.
- Respect for the necessary balance between the demands of the professional and personal lives of the individuals who make up the Criteria Group.
- Respect for equal opportunities between employees of different genders.

The Criteria Group carries out regular communication and training activities, related to the principles and guidelines of the Code of Ethics, and courses on the prevention of occupational risks, among others.

6.2 Risks identified

The Criteria Group has identified no significant risk of any human rights breach occurring in relation to the activities carried out directly by the companies of the Criteria Group. Following the periodic review to identify potential risk events, it received no complaints regarding human rights breaches (no complaints in relation to human rights breaches were received in 2022).

In particular, in 2023, the Human Rights Due Diligence Process was approved with a view to reflecting a firm commitment to respecting human rights, establishing a process to identify potential human rights impacts and implementing the necessary controls to prevent, mitigate or remedy the risk of occurrence and the negative consequences on human rights that this could cause in the course of its activity or have contributed to causing.

7 Information relating to the fight against corruption, money laundering and bribery

7.1 Internal regulations

To help prevent corruption and bribery within the organisation, the Criteria Group has set up a regulatory compliance and crime prevention system, which is mainly there to define procedures for preventing, detecting and responding to any criminal conduct attributable to legal persons operating in Spain. All this is achieved through internal actions and controls throughout the Group so as to lower the risk of any such criminal activity materialising.

The key features of this system are as follows:

- Code of Ethics, which enshrines the principles governing the activities of all Criteria Group companies and the specific values it aims to uphold in order to fulfil its mission. This ethical behaviour is ultimately what the Company expects to see from all persons who work for it.
- Anti-corruption policy, which complements the Criteria Group's crime prevention policy and some of the standards of conduct and values set out in the Code of Ethics.
- Group Crime Prevention Committee: vested with independent powers of action and control to supervise the functioning of and compliance with the crime prevention model in place.
- Criminal risk report, which identifies those company activities susceptible to criminal endeavours.
- Matrix of specific controls to mitigate the criminal risks to which the Criteria Group companies are exposed.
- Control channels for compliance with anti-corruption, anti-money laundering and anti-bribery regulations, which allow for periodic testing of the correct functioning and effectiveness of the prevention model.
- Communication channels, enabling people to anonymously, report risks and breaches to the body tasked with supervising the operation of and adherence to the crime prevention model.
- Disciplinary system setting out the rules and criteria for sanctioning Criteria Group directors, executives and employees, in response to any breach of the crime prevention model.

It should be noted that in 2023 the Criteria Group updated its crime prevention model in order to adapt it to: (i) any relevant change in the companies of the Group or in their business activities; (ii) changes in prevailing legislation in this regard; and (iii) any weaknesses detected since the last update of the crime prevention model.

Likewise, in 2023, an internal information system was put in place to replace the previous channel for queries and complaints, the main purpose of which is to ensure awareness and the sound management, in the best way possible, of any information received regarding possible breaches of prevailing legislation, the Code of Ethics or other internal rules.

In addition, the General anti-money laundering and counter terrorist financing Policy (hereinafter "AML/CTF") approved by the Board of Trustees of "la Caixa" Foundation is applicable to those Criteria Group companies considered as covered persons under Law 10/2010, on AML/CTF. This policy aims to establish the criteria by which these companies must be governed in order to comply with AML/CTF requirements, in line with commonly accepted international standards, and its objectives are the following:

- Establish a general framework containing the standards needed to develop the rules and procedures for each Group employee and company subject to the policy.
- Instil and promote a culture of compliance across the organisation, ensuring that all employees, agents, managers and members of the governing bodies know and respect the relevant policies and procedures, focusing resources on prevention through suitable knowledge of the customer, refusing to carry out any transaction that appears suspicious, and detecting and communicating suspicious transactions through the continuous monitoring of the business relationship.
- Establish an express policy governing the admission of customers so as to ensure that the services offered by the Group cannot be used by unauthorised persons or entities and to correctly apply all procedures relating to identification and knowledge of customers.
- Ensure the confidentiality of all AML/CTF activities, both with respect to customers and to the identities of employees and managers in their communications.
- Establish in writing and apply suitable policies and procedures to ensure high ethical standards in the recruitment of employees, directors and agents.
- Guarantee full cooperation with the authorities.
- Create value for the community in which the Criteria Group operates by making an active contribution to public security by helping prevent, detect and report suspicious transactions.

To achieve this, each covered person in the Criteria Group is represented in the Internal Control Body of "la Caixa" Foundation Group, which has been attributed deliberative and decision-making functions, and is responsible for the application of AML/CTF procedures.

7.2 Risks identified

Having now completed the process of defining and implementing the crime prevention model, the Criteria Group has identified the relevant risk behaviours based on the activities carried out by each Group company.

The Criteria Group ensures that these risk behaviours are properly monitored and that the Group's Internal Audit function carries out specific tasks to assess this monitoring.

In 2023, no complaints were received in relation to corruption, money laundering or bribery, although two suspicious transactions were reported to the AML/CTF supervisory authorities.

8 Information on society

8.1 Company commitments to sustainable development

The Criteria Group's commitment to sustainable development is mainly through its sole shareholder, ”la Caixa” Foundation, whose mission is to build a better and fairer society, creating more opportunities for those who need them most.

Year after year, the Criteria Group distributes the necessary financial resources in the form of a dividend so that the Foundation can execute the Welfare Projects budget and thus fulfil its mission.

Specifically, in 2023 the Criteria Group distributed a total of EUR 400 million to ”la Caixa” Foundation (EUR 375 million in 2022), to finance most of the Welfare Projects budget.

Welfare Projects focus on four areas: social; culture and science; education and scholarships; research and health. For more information on the activities carried out by the Foundation see section **1.2 ”la Caixa” Foundation, our reason for being** of the management report accompanying the 2023 consolidated financial statements.

To foster local economic development, and in addition to all the programmes carried out by ”la Caixa” Foundation, the Criteria Group is committed to purchasing from local suppliers, i.e. those located in Spain.

In 2023, the volume of purchases from the Group's suppliers was over EUR 181 million (EUR 432 million in 2022), and 99% (99% in 2022) was from Spanish suppliers.

Table 25: Total volume of purchases and weight of Spanish suppliers

a) **2023:**

	Activities			
		Real estate		
(€ M)	Investee management	Real estate management	Leisure management	Total
Total volume of purchases in 2023	26	133	21	**181**
% from Spanish suppliers	*92.2%*	*99.8%*	*95.8%*	***99.0%***

b) **2022:**

	Activities			
		Real estate		
(€ M)	Investee management	Real estate management	Leisure management	Total
Total volume of purchases in 2022	22	385	25	**432**
% from Spanish suppliers	*92.7%*	*99.8%*	*98.2%*	***99.3%***

[1] *In 2022, the building at Castellana 51 (Madrid) was purchased for EUR 238 million.*

The Criteria Group also works with associations and other local community organisations in order to contribute (in addition to the aforementioned programmes of ”la Caixa” Welfare Projects) to areas such as economic and social progress, support for the business fabric, freedom and transparency in communications and responsible advertising. Moreover, the Criteria Group is firmly committed to supporting business schools and the continuous updating of its employees’ skills, as well as to achieving professional excellence. The Criteria Group also participates and cooperates closely in forums linked to its activities in sectors such as real estate, venture capital, sports and tourism. In the financial year 2023, the amount of these contributions and sponsorship actions amounted to approximately EUR 139 thousand.

8.2 Subcontracting and suppliers

To encourage a responsible value chain, the procurement policy or, in its absence, purchasing procedures, of the various Criteria Group companies stipulate that the environmental and social performance of suppliers must be taken into account in the supplier selection process. No supplier audits were carried out in 2023 or in 2022.

8.3 Consumers

Before looking at this heading in greater depth, it must be highlighted that the Criteria Group’s main activity, investee management, does not have any customers, as all management is carried out for the sole shareholder, ”la Caixa” Foundation.

8.3.1 Measures to improve customer health and safety:

Turning to the physical security of customers, Criteria Group companies have set up protection measures at swimming pools, along with fire extinguishers and fire alarms at service provision and real estate centres, among other initiatives, all in strict compliance with the current laws and regulations.

The Criteria Group considers data protection to be an overriding priority to comply with the EU General Data Protection Regulation (GDPR), along with other rules and regulations on data protection effective in the countries in which the Group operates. The Group also strives to ensure compliance with applicable data protection law at all companies that it controls. Each Group company has therefore set up a **Personal Data Protection Policy**, which sets out the guidelines to be followed in relation to personal data protection and describes the key elements – human and organisational, technological and documentary – that the Criteria Group companies and all external companies that provide services to the Criteria Group must honour and observe, no matter their location or the functions entrusted to them. All this ultimately helps prevent any possible breaches or violations of the rights and freedom of data subjects. The Group has the following structures in place for these purposes:

- Data Protection Officer: duties assigned under the GDPR.
- Data Protection and Information Security Committee: monitors and updates the data protection and information security model and oversees the way it is applied, with decision-making authority and powers of control.
- Data Protection Controller: duties assigned under the GDPR.
- Security Officer: coordinates all Criteria Group efforts in relation to information security.

Moreover, in order to ensure compliance with the GDPR among Criteria Group companies, Internal Audit conducts a biennial review of the measures put in place in relation to personal data protection. This review involves an analysis of the following areas:

- Data governance: review of Criteria Group companies' procedures, policies and controls relating to data governance from a privacy perspective.
- Security and privacy measures: review of the security measures that Criteria Group companies have in place to protect the personal data they hold, both for automated and non-automated processing.

8.3.2 Systems for lodging and resolving claims and grievances

Criteria Group companies have the following information channels available:

Investee management activity:

- Corporate website (www.criteriacaixa.com), which provides information mainly on the Company's investment portfolio, issuing activity, governance bodies and yearly and half-yearly financial information.
- Two email boxes: one intended for institutional investors and analysts (investor.relations@criteria.com) and the other for general information (info@criteria.com). The company also provides a form for queries relating to the real estate portfolio.

Given the nature of the investee management activity, and as there are no customers, no complaints have been received in relation to it.

Real estate management:

- Contact form for general questions, available at (https://www.inmocaixa.com).
- Complaint form available on the website and/or customer portal, for reporting incidents regarding assets held under lease and made available for sale.
- Web form to request additional information about real estate developments under construction.

During 2023, a total of 63 claims were received (58 in 2022), mainly for damages and the refund of deposits, of which 43 remained open and were in the process of being resolved at the end of the year. 32% of complaints were resolved by year-end 2023 (43% in 2022).

Leisure management:

- General mailbox: info@infinitumliving.com

To facilitate greater data collection and use methods compatible with the company's prevention guidelines, in 2021 the process of customer satisfaction surveys was automated. In 2023, resident satisfaction surveys were added using the same methodology. Two mystery shopper exercises were carried out with an external company, yielding satisfactory results.

In addition, in 2023 the Criteria Group implemented an internal reporting system to report any irregularities in compliance with prevailing legislation, the Code of Ethics and other applicable internal regulations, the principles of which are set out in the Policy on the internal reporting system and are as follows: anonymity, security and confidentiality; speed in the handling and investigation of complaints; objectivity and impartiality; prohibition on reprisals; and respect for honour and the presumption of innocence, among others. In 2023, only one communication was received, which was duly followed up on in accordance with the whistleblowing and internal investigation procedure.

8.4 Tax information

All companies belonging to the Criteria Group aid social and economic progress and hence make the different contributions. All Group companies are fully committed to paying their taxes to the Public Administrations.

The following table shows profits earned, income taxes paid and government subsidies received by the Criteria Group. It is important to point out here, that practically all of the Criteria Group's income and expense is taxed at the general rate of 30%, as it is a subsidiary of a tax group of which a financial institution (CaixaBank, S.A.) is parent. However, certain income shown on the consolidated statement of profit or loss is exempt from tax for the Group because it has already been taxed at source. These include dividends accrued from investees (EUR 83 million in 2023 and EUR 101 million in 2022) and share of profits of entities accounted for using the equity method (EUR 2,285 million in 2023 and EUR 1,548 million in 2022). See Note 20 of the Criteria Group's consolidated annual financial statements.

a) Profits obtained

Reconciliation of accounting profit to taxable profit

Thousands of euros	31/12/2023	31/12/2022
Profit/(loss) before tax (A)	**1,901,182**	**1,180,963**
Adjustments to profit/(loss)		
Exemption for dividends (Art. 21 of the Corporate Income Tax Law)	(4,527)	(41,850)
Share of profit/(loss) of entities accounted for using the equity method (Note 9)	(2,285,355)	(1,548,450)
Impairment of stakes in associates (Note 9)	283,869	400,000
Other	25,301	7,470
Taxable income/(tax loss)	**(79,530)**	**(1,867)**
Tax payable (taxable income * 30%)	**23,859**	**560**
Adjustments:		
Deductibility of financial expenses	(7,468)	369
Withholding tax on non-recoverable foreign dividends	(11,070)	(8,005)
Tax credits, rebates and other	(1,353)	1,116
Income tax (B)	**3,664**	**(4,087)**
Income tax for the year (revenue/(expense))	3,968	(5,960)
Tax rate (*)	(4.99%)	(319.26%)
Prior year income tax adjustments	(304)	1,873
Profit/(loss) for the period from continuing operations (A) + (B)	**1,904,846**	**1,176,876**

(*) The effective tax rate is calculated by dividing income tax for the year by taxable income.

b) Income tax paid

	€ million	
	2023	**2022**
Income tax paid/collected	21.8	43.1

b) Subsidies

	€ million	
	2023	**2022**
Subsidies	1.3	2.3

9 Contents under Law 11/2018 and GRI standards

Contents of Law 11/2018, on non-financial information and diversity		GRI Standard	Reference Chapter
BUSINESS MODEL			
Description of the Group's business model	Brief description of the Group's business model, which should include its business environment, organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that might affect its future performance.	GRI 2-1 GRI 2-2 GRI 2-6 GRI 3-3	3. Business Model
ENVIRONMENTAL INFORMATION			
Policies	Policies applied by the Group, including due diligence procedures implemented to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control those aspects, as well as the measures that have been adopted.	GRI 3-3 GRI 2-23 GRI 2-24	4.1. Company policy
Principal risks	Principal risks related to those matters linked to the Group's activities, including, where relevant and proportionate, its business relationships, products or services that are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the procedures used to detect and assess them in accordance with applicable domestic, European or international frameworks for each area. It must include a breakdown of all impacts to have been detected, particularly in relation to the principal short-, medium- and long-term risks.	GRI 3-3	4.2. Main environmental risks
General	1) Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, the health and safety, and the environmental assessment or certification procedures; 2) Resources dedicated to preventing environmental risks; 3) The application of the precautionary principle, the amount of provisions and guarantees for environmental risks. (e.g. dedicated to the environmental responsibility law)	GRI 3-3 GRI 207-2 GRI 2-23 GRI 207-2 GRI 2-23	4.1. Company policy 4.2. Main environmental risks
Pollution	Measures to prevent, reduce or offset carbon emissions that seriously impact the environment, with due regard to any form of atmospheric pollution specific to an activity, including noise and light pollution.	GRI 3-3 GRI 302-4 GRI 305-5 GRI 3-3 GRI 302-4 GRI 3-3 GRI 305-5	4.3. Environmental management and performance 4.3.4. Carbon footprint
Circular economy and waste prevention and management	Measures to prevent, recycle and reuse, and other forms of waste recovery and elimination. Actions to combat food waste	GRI 3-3 GRI 302-4 GRI 305-5 GRI 301-2 GRI 301-3 GRI 301-2 GRI 301-3	4.3.3. Circular economy and waste prevention and management
Sustainable use of resources	Water consumption and supply with respect for local limitations and constraints	GRI 303-5	4.3.2. Water consumption
	Consumption of commodities and measures adopted to use them more efficiently	GRI 3-3 GRI 301-1 GRI 301-2 GRI 301-3	
	Energy: Consumption, both direct and indirect, measures adopted to improve energy efficiency, use of renewable energies	GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4	4.3.3. Circular economy and waste prevention and management

Climate change	Greenhouse gas emissions	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	4.3.4. Carbon footprint
	Measures adopted to adapt to the consequences of climate change	GRI 305-5 GRI 3-3	4.3. Environmental management and performance (introduction)
	Medium- and long-term reduction targets assumed voluntarily to reduce GHG emissions and resources dedicated to that purpose	GRI 3-3	4.3. Environmental management and performance (introduction) 4.3.4. Carbon footprint
Protection of biodiversity	Measures in place to conserve or restore biodiversity	GRI 3-3 GRI 304-3	4.3.5. Protection of biodiversity
	Impacts caused by activities or operations in protected areas	GRI 304-1	4.3.5. Protection of biodiversity
DISCLOSURES ON MATTERS RELATING TO EMPLOYEES			
Policies	Policies applied by the Group, including due diligence procedures implemented to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control those aspects, as well as the measures that have been adopted.	GRI 3-3 GRI 2-23 GRI 2-24	5.1. Group company policies and procedures
Principal risks	Principal risks related to those matters linked to the Group's activities, including, where relevant and proportionate, its business relationships, products or services that are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the procedures used to detect and assess them in accordance with applicable domestic, European or international frameworks for each area. It must include a breakdown of all impacts to have been detected, particularly in relation to the principal short-, medium- and long-term risks.	GRI 3-3	5.2. Risks identified
Employment	Total number and distribution of employees by gender, age, country and professional category	GRI 3-3 GRI 2-7 GRI 2-8	5.1. Group company policies and procedures 5.2. Risks identified 5.3.1. Employment
	Annual average number of permanent, temporary and part-time contracts by gender, age and professional category	GRI 2-7 GRI 2-8	5.3.1. Employment
	Number of dismissals by gender, age and professional category	GRI 401-1	5.3.1. Employment
	Average remuneration and changes broken down by gender, age and professional category, or equivalent value	GRI 202-1 GRI 2-19 GRI 2-20	5.3.2. Average remuneration
	Pay gap	GRI 405-2	5.3.3. Pay gap
	Remuneration for same employment or company average	GRI 202-1 GRI 2-19 GRI 2-20	5.3.4. Remuneration for same jobs or company average
	Average remuneration of directors and executives, including variable remuneration, attendance fees and allowances, termination and severance pay, payments into long-term retirement and savings plans and any other amount or item received, broken down by gender	GRI 3-3 GRI 2-19 GRI 2-20	5.3.2. Average remuneration
	Implementation of work disconnection measures	GRI 3-3	5.4.1. Working time and work-life balance
	Employees with disabilities	GRI 405-1b	5.3.5. Employees with functional diversity
Work organisation	Scheduling of working hours	GRI 3-3	5.4.1. Working time and work-life balance
	Number of hours of absenteeism	GRI 403-2	5.4.2. Number of hours of absenteeism

	Measures to improve the work-life balance and to promote shared responsibility of parenting duties.	GRI 3-3	5.4.3. Measures to improve the work-life balance and to promote shared responsibility of parenting duties
Health and safety	Health and safety conditions in the workplace	GRI 3-3 GRI 403-1	5.5.1. Health and safety conditions at work in a normal situation
	Occupational accidents (frequency and severity), broken down by gender	GRI 403-9	5.5.2. Occupational accidents (frequency and severity)
	Occupational illnesses (frequency and severity), broken down by gender	GRI 403-10	
Labour relations	Organisation of social dialogue, including procedures to inform, consult and negotiate with employees. Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation.	GRI 3-3 GRI 3-3	5.5.3. Labour relations and 5.6 Involvement of employees in the management of the company
	Percentage of employees covered by collective bargaining agreement, by country	GRI 2-30	5.5.3. Labour relations
	List of collective agreements, especially in the realm of occupational health and safety	GRI 403-4	5.5.3. Labour relations
Training	Policies implemented in relation to training	GRI 3-3	5.5.4. Training
	Total number of training hours by professional category	GRI 404-1	5.5.4. Training
Accessibility	Universal accessibility for people with disabilities	GRI 3-3	5.5.5. Accessibility
Equality	Measures adopted to promote equal treatment and opportunities between men and women	GRI 3-3	5.5.6. Equality
	Equality plans	GRI 3-3	5.5.6. Equality
	Measures adopted to foster employment	GRI 3-3 GRI 404-2	5.5.6. Equality
	Protocols against sexual and gender-based harassment	GRI 3-3	5.5.6. Equality
	Integration and universal accessibility for people with disabilities	GRI 3-3	5.5.6. Equality
	Policy against discrimination in all its forms and, where appropriate, diversity management	GRI 3-3 GRI 406-1	5.5.6. Equality
Policies	Policies applied by the Group, including due diligence procedures implemented to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control those aspects, as well as the measures that have been adopted.	GRI 3-3	5.5.1. Health and safety conditions at work in a normal situation
Principal risks	Principal risks related to those matters linked to the Group's activities, including, where relevant and proportionate, its business relationships, products or services that are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the procedures used to detect and assess them in accordance with applicable domestic, European or international frameworks for each area. It must include a breakdown of all impacts to have been detected, particularly in relation to the principal short-, medium- and long-term risks.	GRI 3-3	5.5.1. Health and safety conditions at work in a normal situation
DISCLOSURES ON RESPECT FOR HUMAN RIGHTS			
Human rights	Use of due diligence procedures covering human rights. Preventing the risks of human right violations and, where appropriate, measures to mitigate, manage and repair possible abuses	GRI 3-3 GRI 2-26	6.1. Company policy 6.2. Risks identified
	Reported breaches of human rights	GRI 406-1	6.2. Risks identified
	Promotion of and compliance with the provisions of the core conventions of the ILO in relation to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the abolition of forced or compulsory labour, and the effective abolition of child labour	GRI 3-3	6.1. Company policy

DISCLOSURES ON THE FIGHT AGAINST CORRUPTION AND BRIBERY			
Policies	Policies applied by the Group, including due diligence procedures implemented to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control those aspects, as well as the measures that have been adopted.	GRI 3-3 GRI 2-23 GRI 2-24	7.1. Company policy
Principal risks	Principal risks related to those matters linked to the Group's activities, including, where relevant and proportionate, its business relationships, products or services that are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the procedures used to detect and assess them in accordance with applicable domestic, European or international frameworks for each area. It must include a breakdown of all impacts to have been detected, particularly in relation to the principal short-, medium- and long-term risks.	GRI 3-3	7.2. Risks identified
Corruption and bribery	Measures in place to help prevent corruption and bribery	GRI 3-3 GRI 205-2	7.1. Company policy 7.2. Risks identified
	Measures to combat money laundering	GRI 205-2	7.1. Company policy 7.2. Risks identified
	Contributions to foundations and not-for-profit entities	GRI 3-3 GRI 413-1	8.1. Company commitments to sustainable development
INFORMATION ON SOCIETY			
Policies	Policies applied by the Group, including due diligence procedures implemented to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control those aspects, as well as the measures that have been adopted.	GRI 2-23 GRI 2-24 GRI 3-3	8.1. Company commitments to sustainable development
Principal risks	Principal risks related to those matters linked to the Group's activities, including, where relevant and proportionate, its business relationships, products or services that are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the procedures used to detect and assess them in accordance with applicable domestic, European or international frameworks for each area. It must include a breakdown of all impacts to have been detected, particularly in relation to the principal short-, medium- and long-term risks.	GRI 3-3	8.1. Company commitments to sustainable development
Company commitments to sustainable development	Impact of the undertaking's business activities on employment and local development	GRI 3-3 GRI 203-2 GRI 413-1	8.1. Company commitments to sustainable development
	Impact of the undertaking's business activities on local populations and territories	GRI 203-1 GRI 203-2 GRI 413-1	8.1. Company commitments to sustainable development
	Relations with local community representatives and channels of communication	GRI 2-29 GRI 413-1	8.1. Company commitments to sustainable development
	Association and sponsorship actions	GRI 2-28	8.1. Company commitments to sustainable development
Subcontracting and suppliers	Making social matters, gender quality and environmental concerns part of the procurement policy. Concern for social and environmental responsibility when screening and dealing with suppliers and contractors	GRI 3-3	8.2. Subcontracting and suppliers
	Supervision systems and audits and their results	GRI 3-3 GRI 308-1 GRI 414-1	8.1. Company commitments to sustainable development
Customers	Measures to improve customer health and safety	GRI 3-3	8.3.1. Measures to improve customer health and safety
	Systems for lodging and resolving claims and grievances	GRI 416-2	8.3.2. Systems for lodging and resolving claims and grievances
Tax information	Profit obtained by country	GRI 3-3	8.4. Tax information
	Income tax paid/collected	GRI 3-3	8.4. Tax information
	Public subsidies or aid received	GRI 201-4	8.4. Tax information

Information on eligibility and/or alignment with the EU Green Taxonomy	Reference Regulation	Reference chapter
Proportion of eligible and aligned, eligible non-aligned and non-eligible economic activities in relation to turnover	Regulation (EU) 2020/852 of 18 June 2020 (on facilitating sustainable investments). Delegated Regulation (EU) 2021/2139 of 4 June 2021 (climate taxonomy activities) and subsequent amendments. Delegated Regulation (EU) 2021/2178 of 6 July 2021 (disclosure of information). Delegated Regulation (EU) 2023/2486 of 27 June 2023 (environmental taxonomy activities).	4.4 EU Green Taxonomy
Proportion of eligible and aligned, eligible non-aligned and non-eligible economic activities in relation to fixed asset investments (CapEx)		
Ratio of eligible and aligned, eligible non-aligned and non-eligible economic activities to operational expenditures (OpEx)		
Breakdown of qualitative contextual information for the correct interpretation of Key Performance Indicators		

10 Saba Group 2023 Non-financial information statement

STATEMENT OF NON-FINANCIAL INFORMATION

2023

SABA

1 Statement of non-financial information

This Statement of Non-Financial Information ("SNFI") has been prepared in accordance with the requirements established in Law 11/2018 of 28 December 2018 on Non-Financial Information and Diversity, which amends the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing of Accounts, in relation to non-financial information and diversity (from Royal Legislative Decree 18/2017, of 24 November).

In the preparation of this SNFI, we have taken into account the provisions of the Guide for the preparation of sustainability reports of the *Global Reporting Initiative* (GRI Standards).

The principles of comparability, reliability, materiality and relevance set out in Law 11/2018 of 28 December 2018 on non-financial reporting and diversity have also been applied:

- Comparability criterion: The reporting organisation should select, compile and report the information in a consistent manner. The reported information should be presented in a way that allows stakeholders to analyse changes in the organisation's performance and supports analysis in comparison to other organisations.

- Criteria of reliability: The reporting organisation should collect, record, compile, analyse and report the information and processes used in preparing the report in a manner that is subject to verification and demonstrates the quality and materiality of the information.

- Materiality and relevance criteria: The subjects addressed must reflect the material economic, environmental and social impacts of the reporting organisation; that significantly influence the assessments and decisions of stakeholders.

In order to identify the most relevant issues to report on in this SNFI, Saba has taken into account comparative studies, sectoral references and surveys from previous years.

In this regard, this report has addressed all aspects required by Law 11/2018. The Group's activities do not occur in locations with significant biodiversity conservation indicators, so this is not a point for concern.

For the purposes of this SNFI, the scope of reporting coincides with that of the consolidated financial statements and consolidated management report for the year ended 31 December 2023.

2 Company information

2.1 What is Saba?

Saba, whose majority shareholder is CriteriaCaixa with 99.5%, is a leading industrial operator specialising in car parking management. Saba is in the process of modernising its infrastructure in the city to accommodate for changing consumer behaviours and to align with contemporary trends in sustainable urban mobility. It has a network of car parks that have been converted into *mobility hubs* for people (electric vehicle, *sharing*), companies (dynamic fleet solutions) and freight (sustainable last mile distribution).

In 2023, the Group is present in 9 countries in Europe (Spain, United Kingdom, Italy, Portugal, Germany, Czech Republic, Slovakia and Andorra) and Latin America (Chile), with a team of 2,176 people (2,017 people in 2022), and manages 1,079 car parks (950 in 2022), with a total of 356,000 spaces (333,379 in 2022) in 183 cities (179 in 2022).

Parking is part of the solution to the challenges that cities face today: road congestion, CO_2 emissions, coexistence between modes of transport, over-saturation of public space, the rise of *e-commerce*, and other factors. They play an essential role in urban transportation and advance the development of local areas.

Saba, with more than 50 years of history, stands out for its lines of action: technological innovation, commercial transformation, service quality, operational efficiency, growth focus and commitment to sustainability.

Saba keeps the performance of its activity within the framework of the United Nations Sustainable Development Goals, reiterating the company's commitment to our local communities. Consequently, Saba works to make cities more inclusive, safe, resilient and sustainable (Goal 11, Sustainable Cities and Communities) and to adopt measures to combat climate change and its effects (Goal 13, Climate Action).

2.2 Business model

Saba's business is materialised in diverse contract types (concession, ownership, lease, management) with an estimated average term of 18 years (19 years in 2022), including management contracts, which consolidate the company's future. With a focus on the long term, Saba aims to renew contracts and conclude new deals to extend the life of its contracts and thus have a solid basis for financing new investments.

Within the vision of the car park as a hub for mobility services for people and goods, Saba's response to this sustainable and efficient mobility is the concept of Smart Parking, with a wide range of mobility services for people, with technology, innovation and smart business strategies to best meet the needs of our customers.

The industrial profile with commitment, responsibility and active participation in management is part of the company's philosophy of action and development, pursuing its business interests over the long term.

In addition to optimisation, business operational efficiency, energy efficiency and expense management, there are other measures that allow the company to be positioned as a benchmark in the sector. In this regard, strengthening of the commercial activity is key, acting as a present and future pillar for optimising our revenue. It has to be understood that mobility is changing and so are the needs of Saba's customers. In this scenario, there are challenges in the areas of creating customer loyalty and adapting pay-as-you-park and permit products to the new reality of work, shopping and leisure.

Saba believes in working to develop breakthrough innovations and new business strategies involving smart services related to people and vehicle mobility. Saba has pioneered in the installation of OBEs in Spain (VIA T), also successfully launching this system in Chile (TAG), Italy (Telepass) and Portugal (Via Verde), and in charging via QR technology and the new Ticketless service, which links a number plate with a payment method. It has a website and App, already deployed in several countries, allowing the sale of 100% digital products, and in a permanent process of being updated to adapt to the constantly changing environment.

In addition, Saba has promoted new control systems, the mechanisation of ATM discounts, the reading of number plates at the entrance and exit of the car park, and the development of services related to cars, especially electric vehicles, and parking (including 3G coverage, remote management), as well as new sustainable urban micro-distribution activities in the last mile.

Saba's Care and Control Centre (CCC) is a transversal response to this positioning. It acts not only as a remote management centre, but as a true “contact centre” with a commercial focus, enabling Saba to improve the quality of service to its customers.

In this sustainable mobility scenario, a strategic function for Saba is to provide charging infrastructure for electric vehicles, which is essential for the development of electric vehicles. Since 2018, when the service of charging via the App started, Saba has been in the process of fitting its car parks with the electric charging system. At 31 December 2023, the electric charging system was available in 606 of the Group's parking spaces, 45% more than in the previous year. Regarding the offer of services in this chapter, Saba has semi-fast charging for pay-as-you-park customers in general and then linked charging for permit holders, using the Parkelectric product, with a fixed space, and also for fleets of professional vehicles. In addition, the aim is to install super-fast electric charging points in car parks that have sufficient electric power contracted.

Car parks are also ideal locations for use as mini-distribution hubs. Saba responds to the new needs arising from *e-commerce* and micro-distribution, offering the possibility to collect *e-commerce* purchases by installing smart *lockers* in car parks with 24/7 access. In this area, Saba participates in a last-mile delivery project with the Geever company, based on a network of local mini-hubs, with night logistics and active and personal micro-mobility means (bicycles, scooters, hand carts, etc.).

2.3 Structure: Shareholders

Saba has a majority shareholder, CriteriaCaixa, holding 99.5%, along with a small percentage of minority shareholders.

2.4 Activity and main figures

2023 has seen consolidation of the full global recovery of mobility after some completely atypical years marked by the deep impact of the pandemic.

Removal of the restrictions imposed on mobility favoured the progressive recovery of the car parks activity. This recovery has continued throughout 2023, allowing the activity levels prior to the pandemic to be re-established.

In 2023, the activity of the car parks network as a whole, in terms of accumulated pay-as-you-park hours, reached 95% of the activity registered in 2019, while the permit holder portfolio exceeded that of 2019. Compared to 2022, there were increases of +6% in pay-as-you-park hours and of +3% in permit holders. The pace of recovery in the demand in different countries, types of centres and/or activity segments is heterogeneous due to various factors.

Regarding the main figures for 2023, operating income was €308 million, +13% higher than in 2022, while EBITDA stood at €144 million, also improving by +13% compared to 2022, and in both cases higher than the 2019 figures.

The company has invested €26 million in 2023, maintaining its efforts to increase the operational efficiency of the business and implement initiatives that allow Saba to become a leader in the sector, with particular focus on new support systems, new technologies and energy efficiency, in addition to new formulas and commercial initiatives, and on developing active contract management, focusing on growth.

2.5 Materiality analysis

The Saba Group has established a set of priorities to drive the creation of economic, social and environmental value and to ensure that the needs of our stakeholders are met as the business evolves and creates value.

These priorities are based on a materiality analysis that enables us to identify the aspects with the greatest impact on the business and on the expectations or concerns of key stakeholders.

Saba Group considers all social groups that are affected by the company's actions as stakeholders. This includes both stakeholders that directly form part of the value chain and external entities affected by the business: shareholders, employees, customers (individuals, companies and public administrations), suppliers, governments and public entities, the media, and the community in general, often represented by third sector organisations.

Based on surveys carried out in previous years with different stakeholders, on the observation of trends and the main challenges faced by companies in the sector, as well as internal analyses, and taking into account the different regions in which the business operates, a number of aspects have been identified as particularly relevant for Saba Group:

In 2022, an internal survey was carried out among managers and a group of employees regarding the areas of Environment, Social and Governance. After completing the appropriate analysis, it was concluded that the Group's personnel confirmed the material ESG aspects initially raised in the survey, coinciding with the material aspects included in the Non-Financial Information Statement.

The following aspects most relevant to the Saba Group have been identified:

- Climate change: energy efficiency; measurement of carbon footprint and sustainable use of resources; installation of charging points for electric vehicles; waste management
- Sustainable urban mobility: car parks as a service hub; improvement of logistics in urban last-mile delivery
- Digitalisation and technological innovation applied to business
- Health and safety of staff
- Professional development and training, diversity and equal opportunities
- Social commitment
- Customer safety, relations and satisfaction
- Ethical behaviour and crime prevention

In the last quarter of 2023, external surveys were initiated among the rest of Saba's stakeholders, such as customers, suppliers, local corporations, media, shareholders, foundations, etc., in order to compare with the aspects they consider relevant to sustainability. The analysis of the responses obtained will continue throughout 2024.

Double materiality

In accordance with the guidelines of the technical group of the European Financial Reporting Advisory Group (EFRAG), the double materiality framework will allow sustainability issues to be identified and prioritised that are relevant both to Saba's impact on society and the environment, and to the financial value of the Group.

Double materiality seeks to integrate the financial and non-financial perspective in the sustainability strategy and report, i.e., to evaluate and prioritise sustainability issues according to:

- their impact materiality, that is, the degree to which they affect people and/or the environment.
- their financial materiality, i.e., the degree to which they influence the financial performance and value creation of the company.

Based on the relevant aspects identified in terms of sustainability, and taking into consideration the sector and the internal analysis, a first look at the impacts and financial materiality shows the most relevant factors in both areas to be the following: energy efficiency and installation of charging points for electric vehicles; sustainable urban mobility, with reduction of GHG emissions; digitalisation and cyber security; health and safety of customers and staff; and professional development and work flexibility.

The analysis will continue throughout 2024 to obtain the visual representation of the double materiality matrix from a global perspective.

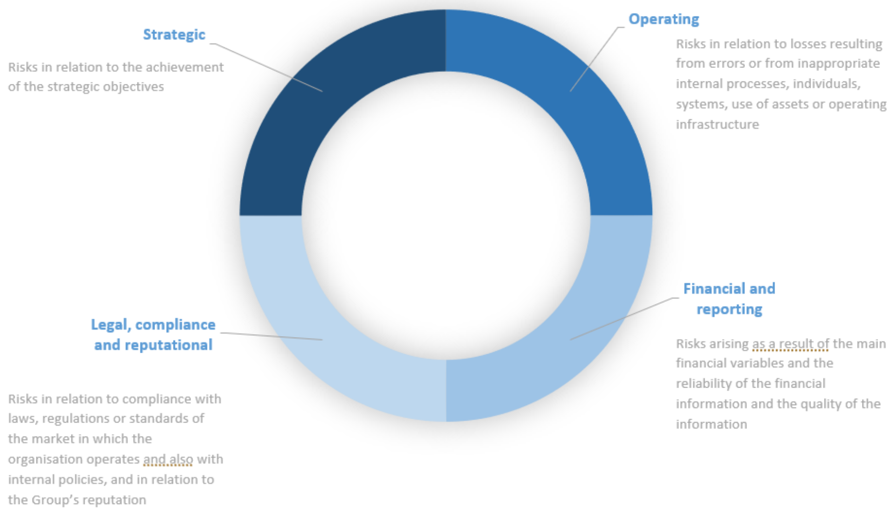
2.6 Risk management

Saba has a Corporate Risk Management (CRM) model in place to ensure that Saba's risks are brought to the attention of relevant management and control measures are put in place to anticipate and mitigate their impact and ensure the sustainability of the business over time.

For this reason, a corporate risk management system was implemented in 2018, using internationally recognised best practises as a reference framework. The function is performed by the Group's Internal Audit function, which identifies the main risks for Saba and assesses and appropriately manages them with the participation of all Saba's divisions. In addition, the Board of Directors is actively involved in monitoring risk management across the Group.

The risk identification process aims to identify the risks that could jeopardise the achievement of Saba's business objectives. Particular attention is paid to the most important risks, prioritised according to their impact (financial, continuity of operations/service, reputation/social responsibility) and their likelihood of occurrence.

Risk identification comprises the following risk categories:



The Corporate Risk Management Model incorporates control activities aimed at mitigating the risks that have been identified, thus ensuring an environment of comfort in the performance of the company's activities that entail significant risks for Saba. Control activities have associated with the individuals responsible for implementation (carrying out control on a day-to-day basis) and supervision (who verifies the execution of the control) as well as frequency, typology (preventive or detective control) and effectiveness through periodic audits of the control activity and its associated evidence.

All control activities shall be properly documented and communicated and shall be conducted by the areas responsible for them within the defined deadlines.

In this context, the main strategic risks identified in relation to the business model in the car park sector are as follows:

- **Mobility ecosystem and urban sustainability**: risks arising from changes in city administration and urban planning policy (new urban zoning zones, traffic restrictions in cities centres, etc.), as well as changes in people's mobility and traffic habits (new alternative transport services, electric cars, car sharing, etc.) and in the delivery of goods.

- **Competitiveness and efficiency**: risks threatening the sustainability of the business, taking into account the presence of competitors within the sector. It is also necessary to align the products offered and the Group's value proposition with the needs of customers in all countries, ensuring the desired levels of quality. Cost and management efficiency is also required as a further strategic element of the value proposition (products or services) offered to customers.

- **Time horizon of contracts:** Risks relating to the age of the concessions and the contracts included in the portfolio, or the Group's ability to replace them with new business opportunities that will ensure its growth. Furthermore, the contracts are subject to termination by the granting authority for reasons of public interest, in circumstances stipulated in public law or under contractually agreed terms and conditions.

- **Organisational change, human capital and talent, and internal communications:** risks relating to the ability of the entire organisation to embrace the digital challenge and successfully adapt to the technological transformation of the current environment, which requires a change in the strategies to be implemented and the consolidation of projects that require joint action plans. All this through the organisation's ability to ensure talent and redeployment of staff (recruitment, retention, training, promotion and succession).

  It also includes risks relating to the Group's ability to successfully communicate and implement the defined management model and to disseminate knowledge of the relevant issues across the organisation/countries.

- **Technological innovation:** risks relating to the development of proactive technological innovation in the medium and long term, all suitably aligned with the strategy and catering to the requirements of all Saba's departments.

The main <u>operational risks</u> identified are as follows:

- **Systems strategy:** risks arising from the conceptualisation and materialisation of the systems map, which may generate the existence of manual operational processes and for which a high degree of fluidity of communications is required (robustness), and risks arising from the adaptation of the systems to the business logic (product flexibility and reliability).

- **Safety at car parks:** risks which concern contingencies related to the safety of people in the facilities (theft, unwanted personnel in the car parks, etc.) and the appropriate accompaniment of customers in these situations.

- **Cyber Security:** risks arising due to organisation's lack of ability to protect business information assets from cyber-attacks (which can disrupt operations, damage the organisation's reputation and/or cause significant revenue losses), taking into consideration the current digital transformation towards cloud service models.

- **Business continuity:** risks occurring through possible business disruption due to asset availability problems, discontinuity of operations, incidents in data processing centres (DPC and CCC) and/or in telecommunications, availability of resources, reputational damage as a result of operational failures, natural disasters, pandemics, strikes or other contingencies affecting business continuity

The main financial risks identified are as follows:

- **Tariff changes:** risks arising from changes in tariffs (inflation, contracts, operation) in businesses whose tariffs are indexed to price indices and with high margins.

- **Financial:** risk associated with loss of value due to financial fluctuations in exchange and interest rates. Exposure of expected cash flows and of the value of the company's assets and liabilities to fluctuations in market exchange rate and interest rate curves.

The most significant regulatory compliance and reputational legal risks are as follows:

- **Data protection:** risks arising from the security, integrity and confidentiality of information in relation to the protection of personal data of natural persons (processing and circulation of such data), as well as staff access to such data.

- **ESG:** risks caused by the degree of alignment of sustainability factors with developments in capital markets and stakeholders.

- **Labour:** risks arising from the deterioration of relations with social partners due to the size of the Group companies and the complexity of labour relations and the various partners (works councils, staff representatives, trade unions), which could lead to legal disputes. To avoid this, it is necessary to build permanent bridges of dialogue with these social partners, to comply with current legislation and new regulations, and to always seek solutions that are suitable for the company and appropriately agreed with them in order to ensure the continuity of business operations at all times.

3 Information on environmental issues

3.1 Saba Policy

As a manager of car parks and regulated areas on public roads, Saba's main objective is to provide its customers with a quality service that takes into account the criteria of sustainable development, ensuring the proper management of resources and environmental protection, meeting the requirements of society.

To this end, the Group carries out its activities by improving energy efficiency, ensuring waste management and promoting sustainable development, always within the framework of applicable laws, corporate social responsibility and compliance with all commitments made with the aim of minimising the environmental impact of Saba's activities.

As part of its policy of continuous improvement, the Group intends to intensify its environmental management and invest part of its resources in the maintenance and renovation of its facilities, as well as to implement an ongoing training programme for its employees in order to ensure a high level of environmental awareness, directly impacting the quality of the services Saba provides to our customers.

The Group is committed to the UN Sustainable Development Goals (SDGs) and is working to make cities more inclusive, safe, resilient and sustainable (Goal 11, Sustainable Cities and Communities) and to take action to address climate change and its impacts (Goal 13, Climate Action).

As a responsible company that cares for the environment, Saba works to adopt best management practises and use available resources wisely.

The Group's activities have an impact on the environment, which must be mitigated and minimised.

The following are the numerous measures used to reduce and minimise these impacts:

a) Assessment or certification process

Saba has an Integrated Management System (IMS) that includes the assessment and control procedures related to the ISO reference standards to which Saba is certified.

In 2023, Saba continued to hold ISO 14001:2015 Environment certification in Spain, Italy, Portugal, Chile and the United Kingdom and ISO 50001:2018 Energy Efficiency certification in Spain, Italy, Portugal and Chile.

b) Application of the precautionary principle

The Group is confronted with various operational situations that can develop in very different ways depending on the specific circumstances and the way they are managed. In the event of an emergency, Saba has a crisis management and business continuity plan that includes specific protocols. This is a tool that allows us to anticipate and be prepared for a rapid and orderly response to any eventuality.

In the event of a critical adverse situation, the procedures define how it should be reported, assessed and escalated internally in order to activate the organisation, coordinate internal and external communication actions and deploy the necessary support measures and extraordinary resources.

c) Measuring the carbon footprint

In order to know its impact on the environment, identify mitigation measures and engage stakeholders, the Group calculates and reviews the carbon footprint of its activities every year, dividing emission sources into areas depending on how much the activity may impact them.

d) Training and awareness raising

Saba is permanently engaged in the digital transformation of its processes and has implemented a hybrid training plan, which combines both face-to-face sessions and e-learning. This provides us with an opportunity to develop and increase the knowledge of all personnel.

The People & Organisation department has developed training programmes for all employees that include courses specifically aimed at learning about Saba's commitment to the environment and the company's main lines of action. Campus Saba, the Group's e-learning platform, provides access to training on raising awareness on environmental and climate change matters.

All workers who join Saba in Spain, Portugal and Andorra must complete environmental training as part of their training itinerary. In 2023, 374 hours have been invested in such training in these countries. Additionally, in the United Kingdom, 56.5 hours have been invested in environmental awareness training with the aim of exploring sustainability and its integration into our business, and offering an overview of climate change, its urgency and relevance for the business.

In 2023, Saba continued to implement awareness campaigns to promote more sustainable behaviour and respect for the environment, such as:

- World Environment Day: Redirecting mobility
- European Mobility Week: Redirecting mobility
- Small gestures, big changes: digitising access to our car parks (without tickets or ATMs thanks to the new app and web services); more than 600 electric charging points; tickets, receipts and advertising on paper with FSC certification; use of sustainable materials and reusable supports in promotional campaigns
- Behealthy, hydration is the key to summer: promotion of healthy habits that respect the planet, providing reusable water bottles to all employees.

e) Design of facilities

The Technical department designs the car parks and executes their construction, adaptations and renovations, incorporating improvements that affect energy performance, consumption savings and climate change by applying sustainability criteria. When conditions permit, projects include bicycle parking, electric charging stations and reinforcement with solar panels.

f) Monitoring the facilities

Saba has a dedicated services, supplies and energy efficiency section within the Technical department that promotes and implements various measures to ensure optimal management of resources, particularly energy.

To this end, Saba has a consumption control and management system that enables the monitoring of facilities through more efficient systems. Saba has also implemented a system for measuring energy and analysing the characteristics of the energy supplied, especially electricity.

This type of control system allows for proper management of consumption and costs, and also involves operations centre staff in the task of containing and possibly reducing these items, both in terms of energy consumption and costs.

This objective, already being pursued in Spain, Italy, Portugal and Chile, will be extended to the other countries of the Group in the coming years.

The main advantages/features of this control and management system are:

- Real-time monitoring of management parameters: consumption, instantaneous power, intensity, voltage and cos phi (reactive) power
- Recording of daily, monthly and annual energy consumption (kWh) per car park
- Recording of daily, weekly, monthly and seasonal consumption trends.
- Analysis of deviations to determine corrective measures.
- Identification of voltages and currents per phase

3.2 Risks identified

Saba's greatest environmental impact, as shown by the calculation of its carbon footprint, is the impact of energy consumption (Scope 2). In this context, Saba has taken the measures mentioned in this chapter to reduce energy consumption and mitigate climate change as much as possible.

Through the implementation of the management systems ISO 14001 and ISO 50001, follow-up audits are conducted on environmental compliance and energy management. To date, no fines or sanctions have been received on environmental aspects.

Saba has taken out environmental liability insurance covering environmental damage, legal defence, remediation costs and damages to third parties.

The risks described above are included in Saba's risk map.

3.3 Environmental management and performance

3.3.1 Climate Change[1]: Emissions

Saba considers climate change to be a global environmental challenge and is committed to offering its customers eco-efficient and less CO2-intensive energy products and services to contribute to climate change mitigation and energy transition.

The main strategic lines of climate action to reduce greenhouse gas (GHG) emissions are:

- Renewal of equipment
- Monitoring consumption
- Reducing the carbon footprint

In addition to use of the risk management tool, the management of climate change involves the measurement, control and monitoring of greenhouse gas emissions and of the operational plans developed to reduce them. The commitment to transparency and dissemination of information on climate change is concretised through the publication of this report.

The measures and actions taken by the organisation enable us to drive the environmental transition to a low-carbon economy and minimise the CO_2 emissions generated by our operations.

1 Actual data indicators from January to September and estimated data from October to December

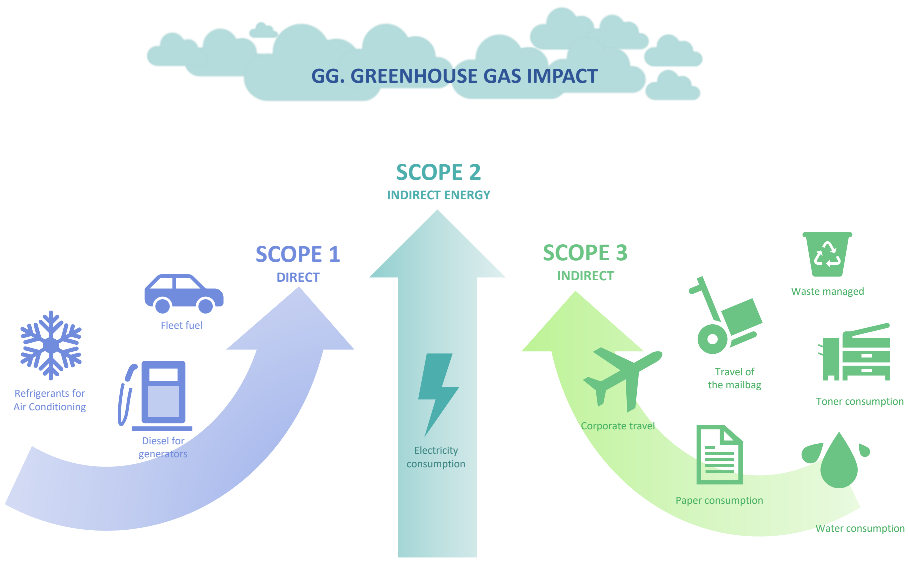
In the future, we will continue to uphold our intention to contribute to the fight against climate change by promoting new initiatives and striving to improve data collection and add more information for the calculation of the carbon footprint.

The calculation[2] of emissions for the last two years in each of the scopes is:

	Emissions (tCO2eq)			
Year	**Scope 1**	**Scope 2**	**Scope 3**	**TOTAL**
2023	1,192	6,380	426	7,998
2022	1,255	7,175	256	8,686
	-5%	-11%	66%	-8%

2 Geever activity data (consumption) is not included

Understanding the following types of emissions:



- Scope 1: Diesel C, vehicle fleet gas oil and refrigerant gases.
- Scope 2: Electrical consumption.
- Scope 3: Purchasing of goods and services (water consumption, paper, toner), hazardous and non-hazardous waste, business travel, and transport and distribution.

The result of the calculation of global emissions in 2023 is 7,998 tCO2eq (8,686 tCO2eq in 2022), a decrease of -8% on the previous year, continuing the trend already set in 2022 (-16%).

Scope 1 emissions were reduced by -5% as a result of the implementation of the policy of progressive replacement of conventional vehicles with more efficient, low-emission alternatives. In this context, Saba actively promotes the adoption of hybrid and electric vehicles in our corporate fleet. This means that diesel and gasoline consumption for fleet vehicles is down -21% and -18%, respectively, on the previous year.

The greatest environmental impact of Saba's business activity is that associated with energy consumption (Scope 2), which represented 80% of the Group's total emissions in 2023.

This value follows the Group's global trend, with a reduction of -798 tCo2eq in absolute value, its weight on global GHG emissions also being reduced. Although global energy consumption has been slightly higher than in 2022, Scope 2 emissions have decreased -11%, thanks to lower emission factors in Spain, Portugal and Chile in particular, countries whose renewable energy production reached all-time highs in 2023.

Scope 3 emissions are emissions produced by our customers and suppliers, not directly at Saba. In this case, there is a significant increase on the previous year, mainly due to the increase in corporate travel. In any event, it should be noted that these emissions represent only 5% of our total carbon footprint.

The emissions intensity, understood as the ratio between total emissions and the number of parking spaces, was 27.83 kg Co2/space for 2023 (34.57 in 2022). These data represent a decrease of -19.5% on the previous year, determined both by the overall decrease in the Group's emissions (-8%), and by the increase in the perimeter considered (14%).

3.3.2 Pollution

Saba is working to provide cities with the infrastructure to enable new models of urban mobility. In 2023, we further expanded our mobility offering to be part of the solution to reduce pollution and congestion in cities, as described in the previous sections.

Noise and light pollution are not considered essential aspects of the group's business. In any case, in accordance with the legislation in force in Chile, Saba carries out annual noise assessments, the measurements of which do not exceed the legal limits established by the Chilean regulatory authority (labour and environmental protection).

a) Sustainable mobility and emission reduction

Saba is strongly committed to sustainable mobility with the installation of parking spaces for electric vehicles available to customers, both for conventional charging and for fast charging — managed by Saba or other operators.

In 2023, important agreements were signed with companies to accommodate their electric vehicle fleets thanks to the network of charging stations installed in our car parks. The greater availability of charging infrastructure is also helping car-sharing companies to expand their electric vehicle fleets, making a clear commitment to gradually replacing their fleets of internal combustion vehicles.

The Group continues to work on providing areas and spaces for other types of electric vehicles, such as bicycles, motorbikes and scooters.

b) Fleet vehicles

Saba also encourages the replacement of its own vehicle fleet with more efficient alternatives, including electric vehicles, whenever possible. In Spain, all new service vehicles are electric, and actions are promoted in the rest of the countries to encourage the reduction of fleet emissions.

c) Last mile delivery

Freight transport contributes significantly to traffic, congestion and pollutant emissions in cities. Decarbonising the logistics sector involves not only renewing and modernising fleets, but also transforming last-mile distribution. Aware of this, Saba remains firm in its strategy of converting parks into service hubs: participating in local delivery projects, installing charging stations for the bicycles, scooters and tricycles used for last mile delivery.

In 2023, the agreements with e-commerce companies for the installation of new lockers and the space dedicated to micro-distribution in Barcelona's car parks have been expanded.

3.3.3 Waste management[3]

Saba disposes of hazardous and non-hazardous waste in all countries in accordance with the applicable laws of each country. The initiatives implemented in the area of hazardous and non-hazardous waste have the effect of both improving management efficiency and reducing the total amount to be processed.

[3] Actual data indicators from January to September and estimated data from October to December

The following table shows the details of the hazardous waste managed:

Year	HAZARDOUS WASTE MANAGED								
	CER 150202 ABSORBENTS (kg)	CER 130502 SEPARATOR SLUDGE WATER/OILY SUBSTANCES	CER 160504 AEROSOLS (kg)	CER 080317 DISPOSED OF COMPONENTS AND EQUIPMENT (kg)	CER 140602 SOLVENTS USED (kg)	CER 200121 FLUORESCENTS (kg)	CER 200133 BATTERIES AND ACCUMULATORS (kg)	CER 080111 PAINTS, VARNISHES, INKS AND ADHESIVE RESIDUES	CER 150110 MIXED CHEMICAL WASTES
2022	330	11,000	20	110	19	1,575	970	181	8
2023	165	32,891	0	21	0	1,553	1,722	1,054	74

Saba is firmly committed to achieving 'Zero Waste' and continues to work with suppliers responsible for maintenance and cleaning to reduce, remove and manage the waste generated by its operations.

In 2023, there has been a general decrease in absorbent and fluorescent waste registered by Saba since the management and registration of this waste has been transferred to providers as part of their maintenance activity. In this way, Saba speeds up the management of waste, avoiding delays due to storage in our centres. Additionally, the provider may have greater synergies, resources and experience in waste storage, transportation and destruction.

The following table shows the details of the non-hazardous waste managed:

Year	NON-HAZARDOUS WASTE MANAGED			
	CER 200101 PAPER AND CARDBOARD (kg)	CER 200301 MIXED WASTE (kg)	CER 160103 CONSTRUCTION AND DEMOLITION RUBBLE/WASTE (kg)	CER 200136 ELECTRICAL AND ELECTRONIC WASTE (kg)
2022	30,334	12,496	310	1,761
2023	27,703	24,936	225	1,995

General reduction in the main type of non-hazardous waste in car parks, i.e., thrown-away papers or tickets. Saba's digitalisation process leads involves the implementation of new entry and payment systems in car parks, with a consequent reduction in the number of tickets.

3.3.4 Sustainable use of resources[4]

Saba is strongly committed to implementing measures that minimise CO2 emissions from its operations. These include optimising and improving processes, purchasing energy-efficient and sustainable products and services, and designing facilities that improve energy efficiency and thus have an impact on reducing costs.

Saba is promoting and implementing various measures that have a direct impact on electricity conservation and is working to extend this to the rest of the countries in the short to medium term.

The measures mentioned include the following:

- Installation of LEDs. More efficient and adjustable.
- Automatic programming of lighting that allows it to be optimised in periods of least activity
- Dynamic management of electric vehicle recharging, allowing optimisation of consumption and available power

[4] Actual data indicators from January to September and estimated data from October to December

The consumption of the different items by country and year is outlined below:

Country	ENERGY 2023					REFRIGERANTS 2023		WATER 2023	
	Electricity Consumption (kwh)	Heating gas consumption (m3)	Diesel fuel consumption C of the generator sets (l)	Fleet fuel consumption (l)	Fleet diesel consumption (l)	Consumption in kg	Refrigerant types	Consumption of supplied water (m3)	Consumption of recycled or reused water
Spain	17,102,486	0	971	13,584	6,537	25		22,510	
Italy	5,637,398	44,359	7,180	9,334	6,285	0		39,508	
Portugal	3,386,928	0	913	5,709	11,136	3		7,902	
Chile	2,011,352	0	1,010	0	144,071	0	Miscellaneous	10,637	N/A
United Kingdom	1,476,295	8,632	0	17,144	41,430	0		433	
Germany	1,112,154	3	0	13,838	13,838	0		5,596	
Slovakia	181,207	0	0	0	14,450	0		527	
Czech Republic	65,417	1,259	0	6,424	10,398	0		134	
Total	**30,973,237**	**54,253**	**10,074**	**66,033**	**248,145**	**28**	**Miscellaneous**	**87,247**	**N/A**

Country	ENERGY 2022					REFRIGERANTS 2022		WATER 2022	
	Consumo de electricidad (kWh)	Consumo de gas de calefacción (m3)	Consumo de gasoil C de los grupos electrógenos (l)	Consumo de gasolina de la flota (l)	Consumo de gasoil de la flota (l)	Consumo en kg	Tipos de refrigerante	Consumo agua suministrada (m3)	Consumo de agua reciclada o reutilizada
Spain	17,471,741	0	604	19,203	16,971	41		24,694	
Italy	5,711,845	30,679	11,348	7,198	13,387	0		46,598	
Portugal	3,217,569	0	1,215	2,656	10,362	6		6,871	
Chile	2,143,974	0	600	0	189,367	0	Miscellaneous	9,591	N/A
United Kingdom	1,413,759	9,595	0	18,921	36,854	0		189	
Germany	1,195,983	4	0	27,390	27,390	0		5,626	
Slovakia	181,883	0	63	0	9,559	0		584	
Czech Republic	81,773	1,289	0	5,481	11,814	0		128	
Total	**31,418,527**	**41,568**	**13,830**	**80,849**	**315,703**	**47**	**Miscellaneous**	**94,281**	**N/A**

The general reduction in electricity consumption, notable in all countries except Portugal and the United Kingdom, offsets the increase in electrified spaces. In total, consumption is down -1.5% on 2022. The efficiency plans are still in progress as part of the ISO 50001:2018 certification process.

There is a reduction in water consumption. With no leaks or notable faults, the decrease has occurred above all in Spain, where, in line with efficiency policies, all toilets have timer push buttons.

Regarding gas consumption, the increase corresponds mainly to the Villa Borghese car park in Rome, Italy, due to the increase in activity in the shopping gallery annexed to the car park.

In contrast, there has been a significant reduction in the diesel consumed by generator sets compared to what was recorded in 2022, mainly due to Trieste Terminal in Italy, where the amount used is down 4,000 litres thanks to the technological investment in the thermal installation, which does not use diesel as fuel.

The policies to replace fleet vehicles with more efficient and sustainable alternatives, for example with latest generation hybrid and electric motors, have caused a notable reduction in fuel consumption: 18% less in petrol vehicles and 21% less in diesel vehicles.

The changes in consumption and greenhouse gases and their impact on greenhouse gas emissions (Scope 2), per country compared to the previous year, are shown below:

		VARIACIÓN GASES EFECTO INVERNADERO		
Location	**Energy saving**	**Change greenhouse gases**	**Units (CO2, SO, NO)**	**Method to obtain data**
Spain	5%	-21%	CO2	Footprint C
Italy	-1%	6%	CO2	Footprint C
Portugal	8%	-13%	CO2	Footprint C
Chile	-4%	-14%	CO2	Footprint C
United Kingdom	4%	10%	CO2	Footprint C
Germany	-6%	5%	CO2	Footprint C
Slovakia	0%	0%	CO2	Footprint C
Czech Republic	-20%	-17%	CO2	Footprint C

**The percentages shown in the table refer to the change in Scope 2 emissions*

The following table shows the trend in the most significant aspects of charging points:

	Charging points	Recharge time	kWh delivered	Co2 avoided (Kg)
2022	418	195,049	817,833	611,839
2023	606	316,513	1,194,790	816,704
Change	45%	62%	46%	33%

The number of charging spaces has increased by 45% on the previous year, reflecting the Group's clear commitment to sustainable urban mobility. The installation of charging spaces for the first time in the Group's car parks in Italy and the United Kingdom, and the increase in operational chargers in Portugal, Spain and Chile are of particular note.

In terms of charging time, there was a 62% increase in charging operations compared to the previous year. This increase is in line with the increase in the number of operational chargers and also reflects the greater weight of recurring customers, especially in Spain, where we have greater experience and the service is more widely implemented.

In 2023, 1,194,790 kWh (817,833 KWh in 2022) were used for charging electric vehicles parked in our car parks, 46% more than in 2022, driven by an increase in the offer of charging and its greater use. The increase in Portugal and Chile should be noted. Portugal is a country with a culture well adapted to electric mobility, as is evident in the increase in the percentage of sales of plug-in electric vehicles (> 30%) and, therefore, an increase in their use. In Chile, the agreement with a company in the sector, dedicated to last mile delivery with electric vehicles, stands out. We should also mention the good reception in the United Kingdom in its first year of use.

The increase in Kwh delivered contributes to the increase in KgCO2 avoided: 33% higher than the previous year. This is thanks to the evident sustained support that Saba is offering to the development of electric vehicles in the urban environments where it operates.

3.3.5 Protecting biodiversity

All Saba Group operations take place either in urban areas and/or industrial areas, so the activities carried out at these sites do not have a significant impact on biodiversity or other protected areas. Therefore, this report does not contain any information on such matters.

4 Information on social matters

4.1 Staff

Saba has a commitment to corporate values that focuses on people, thereby creating value through the professionals who are part of our team. This strategic involvement is key in fostering innovation, competitiveness and social responsibility within our organisation. A balanced, healthy, professional and competitive work environment contributes to achieving excellence as a company. Our commitment to society is most evident in our promotion of programmes that stimulate initiatives for social progress and care for the most vulnerable groups.

4.1.1 Saba Policy

One of Saba's main business commitments is to create value in a sustainable way, and, when meeting the challenges and opportunities that arise in our environment, always to review the circumstances, needs and expectations of our society, our customers and our employees. We base our strategy on transparent communication, ongoing dialogue and, of course, a cross-cutting perspective that allows us to be aware at all times of the needs and interests of our teams, thus allowing us to develop suitable policies. We organise our guidelines and action criteria in written global and specific policies, such as the Equality Policy and the Code of Ethics, aligned with the Group's corporate social responsibility criteria.

The Saba Group is strongly committed to human resources management based on a model of excellence that enables it to translate its strategy (set out in its mission, vision and values) into efficient operations and activities, ensuring the development of the people who work there and the processes carried out in a coherent manner and with a systemic vision.

Our organisational model has been designed to meet the goals of operational efficiency, continual innovation and growth, all based on the principle of “think globally, act locally”,” which is very much our mindset given our business model and geographic dispersion.

The structure of the organisation is based on a symmetrical distribution of the different functional areas in all the territories in which we operate. This facilitates functional alignment, synergies and flexibility, and promotes growth, keeping our focus on adaptation to the environment and customer satisfaction.

The team of people that make up Saba is one of the growth accelerators and a strategic lever for the Group. It is a diverse and empowered team, with a differential culture, guided by the purpose and values of the company, and driven by a talent development model that provides growth opportunities to accompany the organisation in its growth and achievement of its strategic objectives.

Saba continues to generate policies that ensure team commitment and enhance the performance of its employees. Along with them, Saba's transformation process is accompanied by different strategic initiatives in the field of people management, such as:

- Promote constant presence of the corporate culture in all areas of the company. The main pillars of our culture are collaboration and entrepreneurship, which revolve around the company's values and create differentiating identity markers.
- Development of the relationship model with employees: promoting a more accessible model and encouraging entrepreneurship, empowerment and responsibility in all employees. At the same time, it promotes professional development and talent development based on knowledge and the introduction of a leadership model that enables future challenges to be met.
- Promoting new models of collaboration, building multidisciplinary teams that share goals and challenges and work with autonomy and execution capacity to improve quality, productivity, efficiency and commitment.
- Adapting organisational structures in ways that facilitate organisational change and adaptation.
- Ensuring the health and safety of people and working relationships at all times.

In 2023, employees continued to be at the core of the company's strategy, fostering a collaborative and innovative culture, as well as a flexible and agile organisational structure able to adapt quickly to the needs of the business.

4.1.2 Social management and performance

4.1.2.1 Employment

Saba offers stable, high-quality jobs and solid, structured career opportunities. The Group has a global recruitment model, standardised for all countries in which it operates, which guarantees best practises in identifying, attracting, retaining and developing talent.

Saba employees' rigour and professionalism, their desire in continual learning and self-development, their spirit of creativity, and their long-term dedication and involvement in the Group's aims are all features of the professional profile throughout all territories.

The distribution of employees by country and gender at the end of the year is as follows:

	2023			2022		
	Men	**Women**	**TOTAL**	**Men**	**Women**	**TOTAL**
Spain	513	279	792	505	283	788
Italy	161	38	199	158	32	190
Chile	268	212	480	196	192	388
Portugal	86	43	129	88	38	126
United Kingdom	356	89	445	316	82	398
Germany	56	11	67	56	11	67
Slovakia	21	3	24	16	4	20
Czech Republic	26	7	33	26	8	34
Andorra	2	5	7	1	5	6
Total	**1,489**	**687**	**2,176**	**1,362**	**655**	**2,017**

The total number of male and female employees at 31 December 2023 is 2,176, compared to 2,017 at this date in the previous year. The increase in the number of people is largely explained by the increase in contracts, mainly in Chile and the United Kingdom.

In relation to gender distribution, the percentages of gender representation in the workforce are the same as in the previous year: 68% men and 32% women. It is worth noting that gender parity has improved in countries such as Italy, Portugal and Andorra. The Group is committed to equal opportunities and talent diversity, and, as indicated later, work is being done to implement measures in relation to equality.

The distribution by gender and age at year-end is as follows:

	2023			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
<30 years	264	136	400	205	111	316
30-44 years	446	239	685	407	228	635
45-54 years	386	177	563	380	183	563
>55 years	393	135	528	370	133	503
Total	**1,489**	**687**	**2,176**	**1,362**	**655**	**2,017**

The distribution in the population pyramid is mainly concentrated in the 30 to 54 age group as a result of the stability of employment in the Group.

The distribution by gender and occupational category at the end of the year is as follows:

	2023			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
Management positions	6	3	9	7	3	10
Middle management	74	40	114	72	36	108
Rest of staff	1,409	644	2,053	1,283	616	1,899
Total	**1,489**	**687**	**2,176**	**1,362**	**655**	**2,017**

For these purposes, as in the previous year, *executive positions* include all directors and similar positions who perform their executive duties under the direct supervision of the Chief Executive Officer.

In relation to gender distribution by professional category, although the weighting between men and women stays the same, it is worth highlighting the increase in middle management resulting from promotions and incorporations of women.

4.1.2.1.1 Employees by type of contract

The breakdown of the workforce by contract type at year-end is as follows:

	2023	2022	Change
Permanent Contract	1,951	1,657	294
Temporary contract	225	360	(135)
Total	**2,176**	**2,017**	**159**

The Group has a significant percentage of personnel with permanent contracts, reflecting the stability of employment in Saba.

At year-end 2023, 90% of the workforce was on permanent contract, compared to 82% in 2022.

Compared to the previous year, there is an increase in permanent contracts, mainly due to internalising certain management positions in Chile, mostly with permanent contracts.

The average annual number of full-time and part-time permanent and temporary contracts by gender is as follows:

	2023			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
Permanent contract:	1,151	502	1,654	1,118	483	1,601
Full time	1,022	416	1,438	978	388	1,366
Part-time work	129	87	216	141	95	235
Temporary contract:	151	76	227	124	65	188
Full time	108	56	164	81	40	121
Jornada a tiempo parcial	43	20	63	43	25	68
Total	**1,302**	**578**	**1,881**	**1,242**	**548**	**1,790**

For these purposes, contracts that provide for working 100% of the total working days are considered full-time, while the rest are considered to be part-time.

In general terms, the distribution percentages by gender, type of working day and contract stay the same; it is worth noting the decrease in the representation of women in temporary contracts, both full-time and part-time.

The average annual number of full-time and part-time permanent and temporary contracts by age is as follows:

	2023					2022				
	<30 years	30-44 years	45-54 years	>55 years	TOTAL	<30 years	30-44 years	45-54 years	>55 years	TOTAL
Permanent contract:	183	510	503	458	1,654	131	496	515	459	1,601
Full time	132	458	456	393	1,438	84	429	461	392	1,366
Jornada a tiempo parcial	51	52	48	65	216	47	67	54	67	235
Temporary contract:	92	88	27	20	227	59	71	32	26	188
Full time	62	68	23	12	164	31	52	25	14	121
Jornada a tiempo parcial	30	21	4	8	63	28	20	8	12	68
Total	**275**	**598**	**530**	**477**	**1,881**	**190**	**567**	**547**	**485**	**1,790**

The greater part of the Group's workforce has a permanent, full-time contract, and is aged 30 to 55 or over, a fact that helps to confirm Saba's commitment to a model of job stability. In relation to temporary contracts, there is a younger personnel profile.

The annual average of full-time and part-time permanent and temporary contracts by occupational qualification is as follows:

	2023				2022			
	Management positions	Middle management	Resto de plantilla	TOTAL	Management positions	Middle management	Resto de plantilla	TOTAL
Permanent contract:	9	113	1,531	1,654	10	107	1,484	1,601
Full time	9	113	1,316	1,438	10	106	1,250	1,366
Jornada a tiempo parcial	0	0	215	216	0	1	234	235
Temporary contract:	0	0	227	227	0	1	188	188
Full time	0	0	164	164	0	1	120	121
Jornada a tiempo parcial	0	0	63	63	0	0	67	68
Total	**9**	**113**	**1,758**	**1,881**	**10**	**108**	**1,672**	**1,790**

To provide third parties with a homogeneous view of the scales and impacts of the activity in the area of personnel, tables are included with year-end workforce data and average annual contracts.

This is explained by the existence of different types of business and relationships during the year, i.e., the management of car parks under contracts of different duration and type, generally of a public service nature performed 24 hours a day, 365 days a year.

4.1.2.1.2 Number of lay-offs

The number of lay-offs by job category and gender is as follows:

	2023			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
Management positions	0	0	0	0	0	0
Middle management	1	0	1	0	0	0
Resto de plantilla	62	29	91	58	25	83
Total	**63**	**29**	**92**	**58**	**25**	**83**

In 2023, the ending of contracts due to lay-off occurred mainly for objective reasons defined by the applicable legislation.

The number of lay-offs by job category and age is as follows:

	2023					2022				
	<30 years	30-44 years	45-54 years	>55 years	TOTAL	<30 years	30-44 years	45-54 years	>55 years	TOTAL
Management positions	0	0	0	0	0	0	0	0	0	0
Middle management	0	0	0	1	1	0	0	0	0	0
Resto de plantilla	37	25	19	10	91	35	25	15	8	83
Total	**37**	**25**	**19**	**11**	**92**	**35**	**25**	**15**	**8**	**83**

Terminated contracts in 2023, as was the case in 2022, focused on jobs in the workforce classed as “Other”.

4.1.2.1.3 Average remuneration

The average remuneration by gender and job category is as follows:

	2023			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
Management positions	280,201	187,608	249,337	263,645	179,019	238,257
Middle management	99,434	80,724	92,869	93,869	75,996	87,912
Resto de plantilla	25,064	23,497	24,572	24,557	23,380	24,175
Total	**29,788**	**27,546**	**29,080**	**29,450**	**26,985**	**28,649**

The calculation of the average remuneration includes all remuneration components available in the organisation (fixed remuneration, variable remuneration and social benefits) according to the contractually agreed terms.

Regarding average remunerations, there is no significant change, beyond the impact of inflation, in the average remuneration compared to the previous year.

The average remuneration by age and job category is as follows:

	2023					2022				
	<30 years	30-44 years	45-54 years	>55 years	TOTAL	<30 years	30-44 years	45-54 years	<55 years	TOTAL
Management positions	0	0	199,973	263,440	249,337	0	0	233,901	240,124	238,257
Middle management	96,280	58,867	97,103	116,077	92,869	70,381	55,255	92,754	113,630	87,912
Resto de plantilla	16,174	22,816	28,197	30,032	24,572	16,266	22,206	27,396	28,544	24,175
Total	**16,374**	**24,186**	**39,135**	**37,527**	**29,080**	**16,608**	**23,507**	**35,345**	**35,210**	**28,649**

4.1.2.1.4 Pay gap

Saba Group's general remuneration practices are gender neutral and reflect equal remuneration for equal duties or functions of equal value and do not introduce any differences or discrimination based on gender. The remuneration model rewards each employee's level of responsibility, functions performed and career path, ensuring internal equity and external competitiveness, as well as equal pay for men and women.

Saba's remuneration model defines jobs with assigned levels, on which the total remuneration is based. Each of these jobs/levels is assigned a single notional value that depends on various factors, such as the degree of responsibility, the complexity of the function, the influence on results, etc.

There are three basic elements that explain this pay gap between women and men working at Saba. Firstly, Saba is a company with a history of more than 55 years, and, as such, it is still affected by the fact that the number of female employees across the labour market has only begun to increase relatively recently. The second element stems from the need to reconcile work and family life, which in most cases is more of a concern for women, so that part-time employment is more common among women than among men. Finally, there are still more men in positions of responsibility, which is a consequence of higher seniority in Saba.

The overall pay gap ratio, i.e. the pay difference between men's and women's salaries expressed as a percentage difference from men's salaries, stands at 7.5% in Saba companies in 2023 (8.4% in 2022).

4.1.2.1.5 Remuneration of jobs equal to or on average of the company

The ratio between the starting salary and the local minimum wage by gender is shown by country:

2023	**Men**			**Women**		
	Starting salary	**Local minimum wage**	**Ratio (starting/local)**	**Starting salary**	**Salario mínimo local**	**Ratio (starting/local)**
Spain	15,120	15,120	1.00	15,120	15,120	1.00
Italy *	21,818	-	-	21,818	-	-
Portugal	11,200	10,640	1.05	11,200	10,640	1.05
Chile	7,782	7,604	1.02	7,782	7,604	1.02
United Kingdom	24,917	24,918	1.00	24,917	24,918	1.00
Germany	25,056	25,056	1.00	25,056	25,056	1.00
Slovakia	15,064	8,400	1.79	15,064	8,400	1.79
Czech Republic	11,209	8,657	1.29	11,209	8,657	1.29
Andorra	16,800	15,434	1.09	16,800	15,434	1.09

**In 2023, personnel corresponding to the personnel of a new car park contract in Italy, initiated in the last quarter with specific previous conditions, are excluded.*

2022	**Men**			**Women**		
	Starting salary	**Salario mínimo local**	**Ratio (starting/local)**	**Starting salary**	**Salario mínimo local**	**Ratio (starting/local)**
Spain	14,000	14,000	1.00	14,000	14,000	1.00
Italy	21,845	-	-	21,845	-	-
Portugal	9,870	9,870	1.00	9,870	9,870	1.00
Chile	6,720	6,544	1.03	6,720	6,544	1.03
United Kingdom	23,212	20,786	1.12	23,212	20,786	1.12
Germany	25,056	25,056	1.00	25,056	25,056	1.00
Slovakia	10,560	7,752	1.36	10,560	7,752	1.36
Czech Republic	9,119	7,905	1.15	9,119	7,905	1.15
Andorra	15,678	14,414	1.09	15,678	14,414	1.09

For the purposes of the above, starting salary means the lowest gross annual salary in the lowest category offered by the Group in each country; local minimum salary means the minimum salary set by law, with annual amounts adjusted from local currency to euro depending on the entry into force and exchange rates. In both cases, there is no difference in remuneration between the genders.

4.1.2.1.6 Average remuneration of Directors

In both 2023 and 2022, the remuneration received by all members of the Board of Directors in their capacity as Directors shall be identical for each of them and without distinction as to gender, without prejudice to any additional remuneration received for their services to the Company.

The remuneration received by members of the Board of Directors in 2023 and 2022, broken down by gender and including social security contributions, if any, is as follows:

(thousands of euros)	2023		2022	
	People average	**emuneration total**	**People average**	**Remuneration total**
Men	11.0	1,580	10.7	1,503
Women	4.0	160	3.7	147
	15.0	**1,740**	**14.3**	**1,650**

4.1.2.1.7 Implementation of employee right to disconnect measures

Saba, as a group whose core business is the management of car parks that provide a public service 24 hours a day, 365 days a year, has various initiatives to regulate the organisation of work. In the countries where this is required, Saba has established annual calendars that are communicated to all employees, setting out entry and exit times with specific flexible working arrangements in each case, in order to promote a healthy work-life balance.

One of the measures to be introduced as part of the Group's transformation and work organisation process is the development of a disconnection policy common to all territories. In addition, a hybrid working model continues to be implemented in all Saba countries, as well as digital disconnection initiatives, to guarantee and respect rest periods, holidays, holidays and privacy of employees in Saba Group offices. The aim is to limit the intrusion of digital tools into the personal sphere of workers. To this end, the Saba Group is involved in defining guidelines for the proper use of these tools, with the aim of caring for the mental health of workers in our Group, improving their performance and avoiding cases of work stress.

4.1.2.1.8 Disabled employees

In 2023, the number of people with disabilities in Saba is 62 (58 in 2022). This represents 2.8% (2.9% in 2022) of Saba's total workforce. Personnel are understood to be disabled in accordance with the regulations in force in each country.

The Saba Group companies take into account the existing legal obligations to employ a number of workers with disabilities according to the requirements of each of the countries where this legal obligation exists.

Those employees who have any type of functional limitation in Spain and Andorra are assessed by the health monitoring service to evaluate the impact of their functional limitation on the performance of the tasks of their job. Following the technical report, the appropriate adjustments are made to the workplace and/or the tasks and functions that cannot be performed are identified.

4.1.2.2 Work organisation

Saba is committed to promoting a good work-life balance for its employees and co-responsibility as ongoing goals.

4.1.2.2.1 Organisation of work time

At Saba, we are aware that a work organisation proposal must include elements that ensure aspects relevant to our employees, such as the reconciliation of work, family and private life; the work environment in terms of development and internal promotion opportunities for employees; the offer of challenges and a stable work environment that facilitates development and shared decision-making at all levels according to the profile of responsibilities.

Work organisation at Saba includes all aspects that determine, in the broadest sense, the work to be performed, and the way and conditions under which it is performed.

In general, the annual working time at Saba is determined by the provisions of the applicable collective agreements or, in the absence of such, by the prevailing laws in each country. However, the Group has various initiatives aimed at making working time more flexible, in accordance with the needs of workers: improvement of breaks during the day; regulation of flexibility at the beginning and end of the day; flexible working hours in school holiday periods; and improvements regarding paid/unpaid leave and leave of absence from work.

Saba is undergoing an internal transformation process where one of the main vectors is the flexibilisation of the place of work and thus of working hours, with the aim of improving a healthy work-life balance.

In 2023, the Group has maintained the hybrid work model started in 2020 as a result of the Covid pandemic, combining teleworking with work in the offices, and adapting to the needs of the pandemic at each moment and in each territory. At the same time, Saba is working on a "SmartWork" model for the future that uses the best practises identified in recent years, applies globally to the entire Group and is adapted to the needs and legislation of each country.

4.1.2.2.2 Number of hours of absenteeism

The accumulated number hours of absenteeism in 2023 was 205,650 hours (207,507 hours in 2022), a similar trend to 2022 with a slight decrease, of less than 1%, concentrated in hours lost due to unjustified absences. Distribution by type of absenteeism:

- Common diseases account for 82.7% (84.8% in 2022)
- Unjustified absences account for 8.7% (6.5% in 2022)
- Paid leave accounts for 7.9% (8.02%)
- Medical visits account for 0.5% (0.62% in 2022)

Absenteeism calculated by taking into account all absences from work during the hours corresponding to a business day, within the legal working hours per day, as well as taking into account the different legal situation in the different countries and grouped according to the dimensions of general illness, unexcused absence, doctor's visits and paid leave.

4.1.2.2.3 Measures to improve the work/life balance

For Saba, reconciling work, family and private life is part of the strategy to achieve real equality between men and women. For historical reasons, mainly social and economic, women were more involved in the process of combining work and life balance until recently. Saba is committed to co-responsibility as a key value to be promoted in society in order to achieve real equality and is taking measures to help rebalance this role.

All actions are defined by the Group without distinction by gender, giving priority to equal opportunities in all areas of work (remuneration, training, promotion, development, prevention of occupational risks, etc.). For those jobs that allow it, there is flexibility in starting and leaving work; individual leave is granted for family issues; and there are measures to allow Saba employees to work intensive hours during school holidays, which are included in the working day schedule.

These types of measures promote engagement and motivation, reduce absenteeism and thus promote the health of our employees.

In addition, the digital and workplace transformation in which the Group is immersed will entail measures to make working hours more flexible, which will soon be formalised in the Group's SmartWork model currently being developed.

The following table shows the most important indicators in relation to work-life balance:

	2023	**2022**
Number of workers entitled to parental leave	40	46
Number of employees who have taken parental leave	40	46
Number of employees who returned to work during the reporting period after parental leave ended	29	29
Number of employees who returned to work during the reporting period after parental leave ended and were still employed 12 months after returning to work	27	22
Return to work and retention rates of staff who took parental leave	72.5	63.0

The return to work and retention rate is calculated by dividing the number of staff returning to work during the year by the number of staff entitled to parental leave.

4.1.2.3 Health and Safety

At Saba we see health and safety management as a key factor in business responsibility and leadership. Our objective is to perform all of the Group's activities while preserving the integrity of people and avoiding any damage to surroundings and the environment, as well as ensuring a healthy and safe workplace from both a physical and emotional point of view.

Our actions go beyond compliance with legal obligations and other requirements. We promote continuous improvement in working conditions and in the management of safety, health and well-being, applied not only to the company's employees, but also to suppliers, collaborating companies and other stakeholders. All of this has the aim of avoiding and preventing accidents and damage to health, providing a safe and healthy environment, and promoting their health and well-being.

This commitment is reflected in the fact that Saba holds ISO 45001 Health and Safety certification in Spain, Portugal, Italy, Chile and the United Kingdom. This means that prevention is encouraged in a process-based system with the value of continuous improvement.

Saba also regularly reviews and adopts all health and safety measures and promotes early evaluation of potential unwanted repercussions, regardless of whether they involve its own employees or third-party contractors, as well as other stakeholders, thus reducing hazards and mitigating risks at its facilities.

Our commitment to health and safety is a reflection of the commitment of the CEO and the management team, with the focus on governance and direct involvement of Senior Management, enhancing their leadership in health and safety and well-being.

For the purposes of continuous improvement of the health and safety management system, Saba sets its objectives in the evaluation framework established by senior and middle management, and so uses occupational risk prevention indicators.

The objectives are aligned with three of the Sustainable Development Goals (3. Health and well-being; 5. Gender equality; and 8. Decent work and economic growth) and are materialised in eight commitments that govern all our actions and reinforce the social variable in our sustainability model.

- Proactive risk management in all our activities, incorporating consideration of this in decision making, in all change processes and throughout the entire life cycle of operations.

- Comply with legal requirements in force throughout the territory and with regulations established internally, which are prepared taking into account legislative trends and international standards, as well as other commitments that the organisation undertakes with its stakeholders.

- Ensure that health and safety are a non-delegable individual responsibility, led by senior management as a visible collective commitment, and proactively assumed and incorporated by the entire organisation, as well as by suppliers and collaborating companies.

- Establish safety and health as an individual responsibility that is a requirement in the employment of workers, as well as in the activity of its collaborating companies.

- Work to ensure a risk-free work environment, incorporating occupational risk prevention and actions to protect and promote health and well-being into company management.

- Establish organisational learning and continuous improvement as a driver of a culture of safety, with continuous training, analysis of accidents and incidents, dissemination of lessons learned, and health education and health promotion.

- Incorporate stringent health and safety criteria, both in business processes and new projects, activities, facilities, products and services, as well as in the selection and evaluation of suppliers and collaborating companies, where compliance is a condition for starting or continuing their activity.

- Provide the necessary resources and means to enable compliance with the safety standards established at any given time, and ensure the use of collective and individual protection measures and of the applicable operational procedures.

To meet its objectives, Saba proactively encourages consultation with, and the participation of, workers and their representatives, especially in matters of health and safety at work, maintaining various communication channels open to all stakeholders.

For management of the entire prevention system, Spain, Portugal, Italy and Chile share the 6Conecta tool, into which more processes are being entered and digitalised every year.

Details of accidents at work, understood as those accidents that may or may not have led to sick leave, are as follows:

	2023			2022		
	Men	Women	Total	Men	Women	Total
Accidents in the workplace	55	28	83	57	22	79
Occupational illnesses	-	-	-	-	-	-
Frequency index	7.07	5.32	6.54	12.03	2.00	9.02
Severity index	0.15	0.06	0.12	0.11	0.05	0.09

**Frequency rate = no. accidents with sick leave*1,000,000/no. hours worked*

***Severity rate = no. of days lost*1,000/no. of hours worked*

For the analysis of these tables, it is necessary to take into account the criteria used for reporting and extracting the indices.

Within the section on work accidents, all types of accidents are taken into account: with or without sick leave; while commuting; on assignment or at the workplace. While accidents considered to be relapses will not be taken into account.

Only accidents at work that lead to sick leave are used to calculate the rates. Added to this are days lost due to relapses or accidents that occurred in previous years but where the sick leave extends into the following year.

The total absolute number of accidents in 2023 was 4 higher than in 2022, reaching a total of 83. The increase largely occurs in Chile and the United Kingdom.

It should be noted that, just as the absolute number of accidents has increased, the number of accidents in the workplace resulting in sick leave (those that are used in the calculation of accident rates) has decreased by 6 accidents compared to the year 2022. This directly impacts the frequency index, which is down from 9.02 in 2022 to 6.54 in 2023.

The severity index is linked to the days lost due to accidents. In this case, the accidents occurring in 2023 have been more serious than in 2022 as they have had a longer recovery time. Consequently, the rates are slightly higher in 2023.

4.1.2.4 Social relationships

Saba is a company committed to respect for fundamental rights, freedom of association, collective bargaining and the constant search for consensus, as well as respect for freely elected workers' representatives in all countries where the company operates. Saba's social relations are distinguished by stability, social harmony, and the reduction of conflicts in all of the countries where the company operates, and are expressed through worker representation and management of individual contracts.

The labour relations system in Spain establishes different types of labour representation in companies: union representation through Company Committees or through Personnel Delegates. Collective Bargaining Agreements provide for various channels of communication with the representatives through committees dealing with various and diverse aspects of general and specific interest, with ad hoc meetings held at the request of both parties to deal with relevant and necessary issues at any time.

Regarding the mechanisms for employee consultation and participation, regular meetings are held in the countries with a workers' representation to identify employees' opinion and sensitivity on the different issues. In countries where there is no employee representation, we opt for individual management of each employee, building a relationship of trust that allows us to make individual agreements.

The model of relations with Saba workers' representatives in countries where there is such representation is based on a relationship based on trust and constant contact, in the knowledge that they are necessary actors for the achievement of the company's objectives.

The percentage of workers covered by collective agreements in relation to the total number of workers is broken down by country as follows:

	2023	2022
Spain	100%	100%
Italy	100%	100%
Chile	46%	41%
Portugal	100%	100%

There are no such collective agreements in the United Kingdom, Germany, Slovakia, the Czech Republic and Andorra.

The percentage of workers represented on joint health and safety committees is as follows:

2023				2022			
No. of committees	Total workforce	Employees included	% of total workforce	No. of committees	Total workforce	Employees included	% s/ plantilla total
36	2,176	1,624	74.63%	34	2,017	983	48.74%

The increase in the number of committees compared to 2022 corresponds to Italy, responding to the applicable regulations, and to the United Kingdom, as a measure in response to the increase in accidents in 2023. As result, the number of people included in the committees increases.

In Spain, the role of Occupational Risk Prevention (ORP) facilitator has been created in centres not attached to a health and safety committee. The new role has been created to expand the representation of workers in ORP matters.

4.1.2.5 Training and development

Saba's progress as a group depends on the capacity of its main asset, the human team, and on its organisational structure, designed to meet the commitments made to its stakeholders. In this regard, we manage the knowledge of the people who make up the Group and continually detect new needs related to capabilities, skills and knowledge.

At Saba, training serves as a mechanism to increase knowledge, skills and abilities and promotes the integration, motivation and satisfaction of employees by enabling continuous improvement in the way they work and constant and necessary adaptation to new means of work. The aim is for employees to improve their work skills and abilities, which brings both individual and collective benefits and helps Saba to grow. Saba sees training as a method to face the challenges of the sector and society, the advances of technology and the need for excellence or continuous improvement. To balance skills with the demands of the workplace, continuous training creates synergies between knowledge acquired through experience and new strategies applicable to the workplace.

In this sense, Saba is committed to training as a means of achieving the Group's objectives and as a long-term investment in success, offering training adapted to the different professional profiles.

As part of its training plans, Saba seeks to address the personal and professional development needs of all its employees so that they can accompany the business in its growth.

Below, we specify the key objectives of the training plans:

- Provide employees with the knowledge and skills they need at each level of their professional career.
- Maintain their capabilities and skills at all professional levels and in all the functions they perform.
- Meet the demands that arise in the projects they take part in and respond to changes and unforeseen events that arise during their execution.
- Facilitate changes in the structure of the organisation (newly created positions, promotions, etc.).
- Ensure staff engagement through training/professional growth and strengthen their sense of belonging to the company.
- Facilitate identification and integration with the corporate culture, values and objectives.
- Optimise ways of working, collaboration and relations between the different areas of the Group.
- Increase the feeling of satisfaction and personal well-being to ensure the loyalty of the Group's talents.
- Ensure that the people who are part of the organisation are efficient and productive.
- Promote the use of technology and adapt to digital transformation.

The following table shows the training hours per professional category compared to the previous year:

2023				2022			
Management positions	Middle management	Resto de plantilla	TOTAL	Management positions	Middle management	Resto de plantilla	TOTAL
624	1,742	22,499	24,865	401	1,462	19,589	21,452

The increase in training hours in 2023 corresponds mainly to training for new projects implemented internationally, as well training carried out at Campus Saba.

4.1.2.6 Equality

Saba Group is committed to guaranteeing equal opportunities and diversity, fostering an environment that encourages inclusion, transparency and non-discrimination on the basis of gender, race, religion and/or beliefs, colour, nationality, age, sexual orientation, disability, pregnancy or trade union representation.

This commitment is reflected in the definition and development of strategies that include equal treatment and equal opportunities for women and men without direct or indirect discrimination on the basis of gender, as well as in the promotion and support of measures to achieve genuine equality within our organisation by establishing equal opportunities for women and men as a strategic principle of our human resources policies.

Saba's values are based on respecting and valuing the diversity of talents, in the conviction that the sum of singularities favours the creation of a more satisfactory, flexible and innovative workspace, thus facilitating the achievement of the company's objectives.

In this regard, this year the Group's Management has communicated to all international staff its commitment to equal opportunities for women and men, as well as diversity and inclusion. The Group promotes the principles of equality, awareness and development of people, which are applied to the selection and job promotion processes, staff training, access to information, risk prevention and occupational health, the area of remuneration, labour relations and communication.

It should be noted that all the measures and initiatives on equality, diversity and co-responsibility adopted in Saba seek to promote a culture of equality and co-responsibility within the organisation. Training plays a vital role in taking us beyond simple compliance with the law and to facilitate integration of this culture in all aspects of our lives so that positive attitudes are adopted towards gender equality, respect for diversity and the promotion of co-responsibility.

The fundamental pillars underpinning our culture of equality are as follows:

- a commitment to effective equality in access to employment and in the workplace
- promotion of positive behaviours to make equality effective
- transparency in the company culture and in the adaptation of decisions related to it
- the participation of all members of the organisation to achieve the common objective.

This year we have continued to promote a Group Equality Plan, mainly focusing on Spain with the preparation of the Equality Plan for Saba Aparcamientos and the rest of the companies under its scope. This Plan has been negotiated and agreed with the most representative unions in the sector at state level and with the workers' committees, which have participated throughout the process with voice, but no vote, as established by the applicable regulations. The participation of workers' representatives ensures the inclusion of multiple perspectives in the actions included in the plan. A joint monitoring committee has been set up to evaluate and assess the actions implemented and the evolution of equal opportunities in the Saba Group.

The negotiated actions respond to the strategic line of communication, information, training and awareness raising for the workforce in the first year, to achieve teaching with impact that ensures awareness and mainstreaming.

The Equality Plan has a total of 54 positive actions within a time frame set in the Plan's active schedule of 2 years, reserving a space to prepare the gender impact report halfway through the Plan's implementation and on its completion. The Plan's positive actions are grouped into the following areas of intervention: company culture, communication and awareness raising; selection; female under-representation; training; job promotion; job classification; work-life balance and co-responsibility in the rights of personal, family and work life; remuneration and remuneration audit; prevention of sexual and gender-based harassment; inclusive, non-sexist communication; support for female workers who are victims of gender violence and, finally, occupational health.

Saba has introduced the role of the Equality Agent in Spain, a person who, thanks to their expert knowledge on equality, acts as a guarantor of effective equality between men and women in the workspace. With the incorporation of this role, the company has taken another step in its commitment to promoting a work environment where people are treated with respect and dignity, seeking the professional development of the workforce and guaranteeing equal opportunities in its selection, promotion and training processes, offering a work environment free of any discrimination.

4.1.2.7 Accessibility

In order to facilitate non-discriminatory, independent and safe access to and use of our car parks by people with special needs, the Group has a commitment to comply with the functional conditions and the provision of accessible elements established in the different regulations, so that both customers and employees can access all our centres and offices in accordance with this premise.

Therefore, our car parks have an accessible itinerary that connects the main entrance to all the rooms where the customer with special needs must go, so that he/she can make proper and comfortable use of them. In this context, Saba is committed to the following measures:

- Adequately sized parking spaces arranged, where possible, at the closest point to pedestrian lift access.
- Hygienic toilets of sufficient dimensions to guarantee their accessibility, with support bars and other elements positioned suitably to facilitate their use: appropriate height and layout of equipment that is adapted, practical and easy to operate, as well as correct signage.
- Collection management points designed to ensure accessibility.
- Call points with an intercom system by means of an accessible mechanism, with a sign indicating its function.

The car parks are also being adapted, with improvements made to the signposting and the different elements to make accessibility even more comfortable. Saba pays special attention to ensuring that all its car parks have lift access to the surface by greatly improving the efficiency of these accessible routes, including in instances where it is not compulsory under current regulations.

Other adaptations carried out to facilitate accessibility are those carried out in the hygiene services. All of these new facilities are designed to make them even easier to use for people with special needs and the Group is committed to continuing to make progress on these projects.

4.1.3 Risk management

The risks in this area are included in Saba's risk map. See section 2.6.

4.2 Relations with Customers and Consumers

Saba continues to work in different area to optimise the Saba Customer Experience: improving Saba's digital offer; strengthening the relationship and communication with customers; and monitoring their degree of satisfaction with our service to continue improving.

4.2.1 Care and Control Centre (CCC)

Saba Group is a leader in customer service, with a true Customer Centric vocation. Here, our Care and Control Centre (CCC) provides a cross-cutting response to the company's positioning. The CCC has as its priority objective the level of customer care, acting not only as a remote management centre, but as a real Customer Care hub with the main objective of helping customers to have an excellent experience in the use of our services.

In 2023, Saba's CCC continued to consolidate its role as a benchmark beyond remote car park management in its ongoing quest to improve the customer experience.

In 2023, Saba received a total of 207,472 requests (221,959 applications in 2022) through its different communication channels in Spain, Italy, Portugal, Chile and the United Kingdom. The most significant category corresponds to commercial activity and customer service, with 179,506 requests (196,312 in 2022). Additionally, 8,068 requests were registered corresponding to complaints and claims (6,516 requests in 2022), all of them resolved.

The CCC answered 2,296,222 intercom calls (1,993,514 in 2022) from the car parks in Spain, Italy and Portugal. The number of calls answered represents an average of about 6,400 per day (5,462 per day in 2022), resolving all types of incidents and operating remotely, seven days a week, 365 days a year. The increase in the number of Intercom calls is partly due to an increase in the perimeter of connected car parks, but above all it us due to the recovery of activity in the car parks.

In addition, the CCC handled 19,898 requests (19,131 in 2022) by email in Spain concerning products. The increase compared to the previous year is due to the increase in activity. The CCC not only improves the level of customer service but it is now also a real Customer Care centre with a sales mission.

In 2023, the quality improvement of the CCC initiated in 2022 has been consolidated in the form of two major milestones:

- Obtaining CCC data in the Digital Management Report (DMR). This allows KPIs to be measured and monitored, data to be analysed, corrective actions to be set to achieve SLAs and daily monitoring to be carried out.
- Online monitoring of key KPIs for intercom calls. In this way, the team can be truly managed by shift supervisors, with the aim of allocating resources to answer calls where they are needed, thus providing a flexible and high-quality service.

With the aim of improving our customer experience, Saba has started a process of transforming customer service in Spain through the Customer Success project. This will allow us to improve response times to our customers, offer a personalised response and understand their opinion (Customer Voice) of our service.

Additionally, within the continuous improvement cycle to improve the satisfaction of our customers, Saba has launched the Customer Care Committee with the purpose of allowing the Operations, Marketing, Commercial and Customer Service areas to work jointly.

4.2.2 Continuous improvement of the digital offer

In 2023, Saba has continued to improve e-commerce by optimising its positioning, Search Engine Marketing (SEM) and digital marketing strategies. Additionally, the outstanding and ever increasing contribution of apps, in terms of traffic and transactions, has been confirmed. Thanks to this process of continuous improvement, Saba has achieved record sales figures in all countries in 2023. Additionally, reselling agreements with the most important companies in the sector have allowed it to reach a greater number of customers.

Saba continues to implement measures to improve the customer experience, such as the digitalisation of access for e-commerce customers in Saba car parks in Rome, Verona and Mestre, as well as the use of pop-up tools and various technical improvements.

During the year, steady progress has been made in digital web and app projects. These projects will improve the customer experience, with an open, clear and consistent architecture, optimised flows (UX), and an updated “Look & Feel” (UI).

Finally, in 2023, at Saba we have implemented improvements in our tools to provide more accurate and updated information on the location of our car parks on all digital maps in the Group's countries.

4.2.3 Commitment to social media (SM)

Again this year, we have sought to provide the Saba community with relevant content through our own communication channels, interacting with the customer and generating a high degree of commitment:

- In social media, Saba's Linkedin continues to grow, thanks, in part, to the publication of global news, generated in the Group's different countries. The Instagram profile, created in 2022, has been consolidated, with original and quality content that is highly valued by the audience, as demonstrated by the success of the giveaways, with high engagement ratios, and the growth in the number of followers (4,000 at the end of the year). Saba has maintained its large community of fans on Facebook, the largest in the sector in Europe (>18K), and we make use of the profile on "X" (formerly "Twitter") for operational notices.
- The "Wikidriver" blog continues to be liked by the audience and contributes a significant percentage of traffic to the e-commerce website.
- The email Marketing channel works well in the 4 countries – Spain, Portugal, Italy and Chile – where it is implemented, sending between 1 and 3 Newsletters per month and generating more and more conversions.

	SPAIN	ITALY	PORTUGAL	CHILE
No. EMAILS	24	11	12	9
OPEN RATE	41,5%	46,91%	31,30%	29,32%
Database (GDPR)	116.439	32.764	12.919	244.467

- We use Social Listening in Spain, Italy, Portugal, Germany, the United Kingdom and Chile to know about the sector's degree of maturity and the general perception of Saba in social media in the different countries

In 2023, Saba has placed special emphasis on communicating its values through campaigns carried out in all the countries where it operates. These campaigns help spread Saba's values with corporate content in combined online and offline actions. We should call special attention to the campaign on 8 March, Women's Day, featuring prominent women from different countries and all the women in Saba, to World Environment Day, when we launched the new slogan “Redirecting mobility”, to European Mobility Week, and to the “We reserve parking for Santa” Christmas campaign.

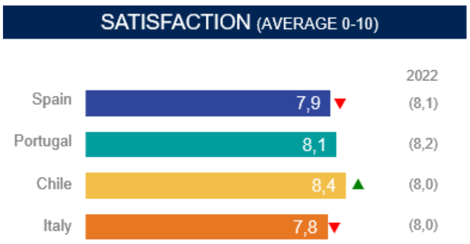
Another big highlight is the successful collaboration of the Villa Borghese car park, in Rome, with the “Christmas World” initiative, both in the 2022 and 2023 Christmas holidays. This event has become the largest of its kind in Europe.

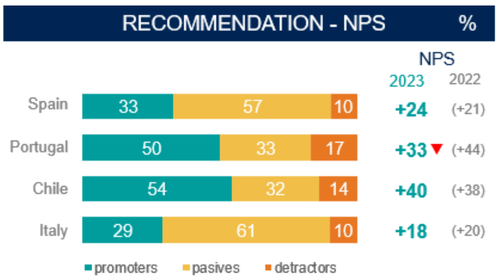
Technology is applied to exterior offline elements to contribute to decontaminating the air by eliminating NoX particles, as part of Saba's commitment to the environment.

4.2.4 Customer satisfaction

Saba seeks to know at all times the degree of customer satisfaction with our service. To this end, we carry out a series of studies and analyses at global level:

- **Face-to-face satisfaction:** This is the annual satisfaction survey carried out in person in car parks to measure the customer perception of our services and their experience. The results are as follows:





The main indicators remain very similar to the previous year, with a slight decrease in Spain and Italy. We should highlight the significant improvement in Chile's general satisfaction indicator.

- **Mystery Shopping studies**:

In 2023, the face-to-face Mystery Shopping studies and the online Mystery customer service have continued. These studies have been carried out in all countries, including, for the first time, the United Kingdom. These are objective studies based on the analysis of the functioning of the defined processes related to infrastructure and maintenance, image and brand, and customer service.

- Mystery face-to-face:

Valuation ratio - Mystery Shopping-Parking

	Spain	Italy	Portugal	Chile	Germany	Slovakia	Andorra	United Kingdom
2023	87.37%	86.42%	86.12%	83.27%	93.31%	88.75%	95.25%	91.71%
2022	87.67%	82.70%	88.99%	77.61%	96.50%	48.00%	-	-

The United Kingdom results show an excellent level of service to their customers. The United Kingdom, Germany and Andorra all obtained scores above 90.

- Mystery online Customer Service. Email is analysed in all countries as the main communication channel for customers, with the analysis depending on the country's telephone and social media networks.

Valuation ratio - Mystery Shopping - Customer service

		Spain	Italy	Portugal	Chile	Germany	Slovakia	Czech Republic	United Kingdom
2023	E-mail	75.07%	60.33%	79.80%	68.90%	66.53%	72.50%	91.10%	96.67%
	Phone	-	-	70.00%	23.00%	55.93%	71.65%	60.50%	83.43%
	SM	36.68%	12.50%	-	-	-	-	-	96.67%
2022	E-mail	59.75%	75.57%	83.63%	66.40%	45.77%	46.70%	54.40%	-
	Phone	-	-	47.77%	49.50%	66.83%	56.70%	28.75%	-
	SM	62.26%	-	-	-	-	-	-	-

Once again, the United Kingdom stands out with the best results in the three channels analysed. There has been a notable improvement in email customer service in Spain, Germany, Slovakia and the Czech Republic, countries with lower results the previous year.

Saba also carries out specific monitoring work to read, analyse and respond to the reviews that customers leave in Google Maps, obtaining notable results as ratings:

	2023	2022
Spain	3.3	3.4
Andorra	3.7	-
Italy	3.9	4.0
Portugal	3.5	3.3
Chile	3.6	3.8
UK	3.3	3.3
Germany	3.6	3.4
Slovakia	3.1	3.8

4.2.5 Consumer health and safety

SABA is committed to minimising the risk of immediate harm to our customers and employees when making the intended use of our car parks. To this end, SABA ensures that in all the design, construction and maintenance processes of these infrastructures, the health and safety of our consumers is ensured in terms of the risks of falling, impact, entrapment, inadequate lighting or moving vehicles.

The way to do this is through its own audit review processes of compliance with legal requirements, which are part of the process of obtaining the certifications that SABA has, which are ISO9001:2015; ISO 14001:2015, ISO50001:2011 and ISO 45001:2018.

In addition, certain car parks are equipped with semi-automated external defibrillator units (AEDs), so that a person suffering cardiac arrest can be assisted autonomously and the emergency services can be alerted, and car park staff have received appropriate training.

Finally, regarding the health of consumers/customers, the cleaning service and waste management are carried out in way that meets the ethical and health criteria essential for all public spaces.

4.3 Community Relations and Social Action

The Group is permanently immersed in a process of revision, reformulation and development to adapt to the needs of customers and citizens, always oriented towards quality of service and the territorial nexus.

Saba's correct relationship with its environment allows it to establish an appropriate dialogue with the stakeholders with which it cooperates (administrations, institutions and individuals) in order to understand their needs and implement formulas for progress thanks to a highly committed team of people.

Saba always carries out its social action within the territories where it operates, with a view to permanent, long term involvement, mostly with local actions linked to cities and to improving people's conditions. The company also maintains institutional agreements with different organisations, foundations and associations in all the countries where it operates.

Action criteria

1. **Unprotected population**
   Initiatives are identified to support disadvantaged groups, mainly children or families with young children.

2. **Health**
   Support for leading hospital projects or actions that have medical research as their purpose. Mostly aimed at children.

3. **Climate change**
   Collaborations with organisations that pursue this objective, for example, through education and teaching for children and young people.

4. **Sector associations**
   Saba's participation in those organisations allows it to have a presence and a voice on issues relevant to the business.

5. **Cities and mobility**
   Identification of projects with returns for the development of Saba's activity and support for historical organisations.

In 2023, Saba contributed a total of €338 thousand (€393 thousand in 2022), broken down, in line with the above-mentioned criteria, as follows: association fees - €169 thousand (€145 thousand in 2022); sponsorships - €96 thousand (€125 thousand in 2022); collaboration agreements - €73 thousand (€123 thousand in 2022). Additionally, Saba contributed €105 thousand (€98 thousand in 2022) to non-profit foundations and associations to support social projects with links to the territory.

5 Corporate governance

5.1 Company commitments to sustainable development

The entire organisation participates and collaborates in the implementation of the sustainability culture established at Saba. The Group endeavours to foster a culture of commitment dedication, with the goal of attaining exemplary customer service, fostering engagement towards our territorial regions and engaging in activities that aid in the growth of city communities. All this, together with the brand identity and the social and ethical aspects, are way set Saba apart.

The integration and consolidation of sustainability in the business strengthens transparency and proper stakeholder management. Here, the roadmap that characterises Saba's sustainability strategy is aligned with the GRI standards.

Creating value for society and the environment is a must for Saba. For this reason, the entire organisation is working towards maintaining a sound sustainability strategy and managing the key economic, environmental and social aspects in an appropriate manner. In 2023, Saba has reiterated its support for projects such as the UN Global Compact. It is the world's largest corporate sustainability initiative mandated by the United Nations to catalyse private sector efforts to achieve the Sustainable Development Goals and drive the implementation of the Ten Principles (on human rights, labour standards, environment and anti-corruption) among the business community and organisations.

In this regard, Saba carries out its activity within the framework of the United Nations Sustainable Development Goals (SDGs) to make these principles part of the strategy, culture and daily actions of the business. By the very nature of Saba's activity, its business is carried out with particular attention to climate change objectives, in line with actions to combat climate change and its impacts, sustainable cities and communities, with the development of urban mobility solutions, and innovation, improvement and technology of infrastructures.

5.2 Governing bodies

President

Salvador Alemany Mas — Date of appointment 2011/12/14 [2]

Chief Executive Officer

Josep Martínez Vila — Date of appointment 2011/12/14 [2]

Members

Marcelino Armenter Vidal[1] — Date of appointment 2019/10/31
José Manuel Basáñez Villaluenga — Date of appointment 2011/12/14 [2]
Xavier Brossa Galofré — Date of appointment 2022/05/04
Óscar Valentín Carpio Garijo — Date of appointment 2017/05/31 [3]
Estefanía Collados López De María — Date of appointment 2012/09/26 [4]
Adolfo Feijóo Rey — Date of appointment 2019/10/31 [5]
Alejandro García-Bragado Dalmau — Date of appointment 2018/06/12
Juan José López Burniol — Date of appointment 2018/09/14
Maria Dolores Llobet María — Date of appointment 2011/12/14 [2]
José María Mas Millet — Date of appointment 2018/09/14
Inmaculada Riera Reñé — Date of appointment 2022/05/04
Elena Salgado Méndez —Date of appointment 2020/06/22
Joseph Zacharioudakis — Date of appointment 2020/06/22

Secretary (non-Board Member)

Carlota Masdeu Toffoli — Date of appointment 2018/09/14

Non-Executive Vice-Secretary

Rosa María Ibáñez — Date of appointment 2023/03/22

1 Marcelino Armenter Vidal retired from the Board after December 31st, 2023.
2 Date of reappointment 2018/06/12
3 Date of reappointment 2023/05/03
4 Date of reappointment 2019/05/08
5 Date of reappointment 2020/06/22

5.3 Relationship with shareholders

Saba has a space open to all shareholders to provide information on the most significant aspects of the company and the Group through the Shareholder Office.

During the year, several queries are answered and the General Shareholders' Meeting is held at least once a year. The period of greatest activity in the Shareholder's Office occurs between the date when the Meeting is called and the date when it is held, during which time queries are answered and any issues related to the event are resolved.

In 2023, the Shareholders' Office responded to 250 queries, a similar number to 2022, mostly related to the sale of shares by minority shareholders, and also to requests for information relating to the General Meeting of Shareholders.

In addition, the Saba Group maintains a service for sending communications with information of interest to shareholders who request it.

The channels of contact with the Saba Shareholders' Office are as follows:

- Information telephone number exclusively for shareholders (93 557 55 28).
- Email address: (accionistas@sabagroup.com).
- Specific section (Shareholders) on the corporate website (www.saba.eu).
- Postal address (Av. Parc Logístic, 22-26, 08040 Barcelona).

5.4 Ethics and integrity

5.4.1 Information related to human rights

Saba recognises the key principles of the Declaration of Human Rights, as defined by the United Nations in 1948, and they constitute a frame of reference for the way the organisation operates. As far as labour rights are concerned, Saba has taken as a benchmark reference the main conventions of the International Labour Organisation, the legal requirements of the Spanish labour law system and other international labour standards.

Respect for human rights is one of the main obligations that Saba has assumed in the conduct of its operations and actions in general. To ensure this respect, Saba has developed procedures and commitments to avoid, prevent and mitigate the negative effects that its operations/actions may have on people's rights.

Saba, through its corporate values, has defined its philosophy and essential principles governing the Group's internal behaviour, as well as its relationship with suppliers, customers and shareholders.

In addition, Saba has a Code of Ethics that establishes the ethical scheme of reference that should govern Saba's behaviour of the company and that of its employees. The Code of Ethics is available on the following web page: http://sabagroup.com/es/informacion-corporativa/codigo-etico.

Saba works to ensure that the subsidiaries and investees of Saba Infraestructuras S.A. are governed by standards of conduct and values that are similar to those set out in the Code of Ethics, without prejudice to any adjustments that may be made to the Code in order bring it into compliance with the specific legislation of each country.

As set out in article 5 of the Code of Ethics, Saba undertakes to act at all times in accordance with the law and with respect for human rights and personal freedoms.

Specifically, with regard to respect for human rights, article 6 states that Saba does not accept any conduct in its dealings with consumers or third parties that could be interpreted as discrimination on the grounds of race, ethnicity, gender, religion, sexual orientation, trade union membership, political ideas, beliefs, social origin, family situation or disability.

In addition, Article 5, in relation to workers' rights, it states that abuse of authority or any behaviour that may be intimidating or offensive to another person is not tolerated in Saba's working relationships.

In this regard, different protocols have been put in place in order to ensure the correct application of the commitment to respect workers' rights, seeking to prevent harm, and where harm has occurred, to give the victim access to a possible remedy. The Protocol for the Prevention of and Action against Workplace and/or Sexual Harassment is available to all employees on the intranet for consultation and activation if necessary.

In addition to ensuring equal opportunities and non-discrimination among its employees, Saba states that in both direct dealings and communications, special attention should be paid to written and visual language, which should be respectful, balanced and inclusive.

In 2023, Saba communicated to all Group employees the Management's commitment to equal opportunities and non-discrimination. This model of commitment is reflected in the definition and development of policies that include equal treatment and equal opportunities for women and men without direct or indirect discrimination on the basis of gender, and in the promotion and support of projects and initiatives, which will be constantly reviewed, aimed at gender equality to achieve real equality within our organisation and, by extension, in society as a whole.

5.4.2 Information relating to the fight against corruption and bribery

5.4.2.1 Code of Ethics

The Saba Code of Ethics outlines the fundamental principles pertaining to the prevention of corruption and bribery.

In this regard, Article 9 of the Code of Ethics regulates Saba's relations with public authorities, prohibiting any conduct aimed at obtaining unlawful favours from the authorities or that could lead to a lack of propriety and transparency in authorities' decisions.

The same article stipulates that Saba employees may not offer or give gifts or any other kind of remuneration to any authority, public official or person involved in the exercise of public duties.

Likewise, it is established that Saba employees may not influence a public official or authority by taking advantage of any situation arising from his or her personal relationship with the latter or with another public official or authority in order to obtain a favourable decision for Saba employees or for a third party.

Likewise, the Code of Ethics stipulates that Saba employees may not promise, offer or grant to managers, directors, employees or collaborators of a third party an unjustified benefit or advantage of any kind to favour Saba's own employees or a third party over others. Likewise, Saba employees, or through a person acting on their behalf, may not receive, request or accept an unjustified benefit or advantage of any kind with the aim of favouring, to the detriment of third parties, the person and/or the entity to which he/she belongs, which grants or expects the benefit or advantage.

Although Saba is not subject to the Anti-Money Laundering Act, its Code of Ethics also regulates, in article 18, that it may not acquire, possess, use, convert or transfer assets when it knows that such assets have their origin in a criminal activity, whether committed by the employee himself or by a third party. Furthermore, no other act may be undertaken to conceal or disguise their unlawful origin or to assist the person who has participated in the infringement(s) to evade the legal consequences of his or her actions.

The Code of Ethics applies to all employees of companies in Spain, Italy, Portugal, Chile, the United Kingdom, Germany, Slovakia, the Czech Republic and Andorra, in which the Group has a majority or control, without prejudice to any adjustments that may be made to the regulations in order to comply with the specific legislation of each of the countries in which these companies are located.

The Code of Ethics is distributed to all Saba staff and is available on the Saba website.

Saba includes training in the Code of Ethics as part of the mandatory itinerary for all Group employees, along with an awareness raising video available on the intranet with the basic concepts, and the specific actions governed by the legislation of the countries in which we operate. In 2023, a total of 250 hours of training related to the Code of Ethics were imparted. The training in Spain and Portugal is carried out on the Campus Saba platform, while in the rest of the countries training is carried out during the incorporation of personnel or ad hoc.

In implementation of the principles of the Code of Ethics, Saba has approved a Policy on Prevention of Corruption and on Relations with Public Authorities and Third Parties that establishes the principle of Zero Tolerance for Corruption both in relations with public authorities and in private business relations.

It has also approved the regulations that establish the criteria that both the companies forming the Saba Group and their employees must meet when dealing with the public and private sectors.

In compliance with the requirements of Law 2/2023 20 February, on the protection of whistleblowers who report regulatory infractions and on the fight against corruption, the Board of Directors of Saba Infraestructuras, S.A. has approved the System Management Policy regarding the internal system for information and complaints received (the complaints channel policy), and has modified the Code of Ethics of Saba Infraestructuras, S.A. to reflect the adaptation of the complaints channel to the new Law 2/2023. The Board of Directors of the subsidiary BAMSA (Barcelona d'Aparcaments Municipals, S.A.) has also approved the Management Policy regarding the internal system for information and complaints received (the complaints channel policy), modifying the Code of Ethics accordingly.

5.4.2.2 Crime prevention

All sensitive conduct in Saba's business activity that could lead to a risk of a criminal act (money laundering, bribery, influence peddling, etc.) is also included in the Group's risk management model, which reinforces the control system established within the Group.

In the case of Spain, the model for the prevention of criminal and corruption risks ("the Prevention Model") is set out in the following:

A) Manual on crime prevention, criminal risks and corruption prevention ("The Prevention Manual") the first version of which was approved by the Board of Directors of Saba Infraestructuras, S.A. on 29 March 2017 and which is updated regularly.

   The primary objectives of Saba's Prevention Model, as set out in the Prevention Manual, are as follows:

   - Establishing a prevention and control system aimed at reducing the risk of crime.
   - Expressly and publicly stating Saba's categorical condemnation of any kind of illegal conduct and/or conduct contrary to the ethical principles that are Saba's key values.
   - Establishing adequate control measures to enable Saba to prevent the commission of crimes.
   - Monitoring the controls in place to verify their adequacy.

- Periodic updating of the Prevention Model either due to organisational changes within Saba or as a result of changes in current legislation.
- Raising awareness among the governing body, all Saba managers and employees of the importance of following the Prevention Model and the ethical principles contained in Saba's Code of Ethics.
- Facilitating appropriate training to raise awareness of the Prevention Model.

In the case of Italy, Portugal and Chile, the crime prevention model is set out in a similar way to that described for Spain. The rest of the Group's countries also have controls established to prevent criminal acts.

B) <u>Control structure of the Crime Prevention Model</u>

The pillars of the control structure of Saba's Prevention Model are the following:

(i) the Board of Directors as the highest decision-making body, and

(ii) the Ethics Committee, as the body responsible for monitoring the functioning, effectiveness and compliance of the Prevention Model, for promoting a preventive culture based on the principle of “absolute rejection” of wrongdoing and for periodically verifying the Prevention Model.

The Ethics Committee is composed of the following members:

- People and Organisation Department (Chairman's Office)
- Communications and Internal Relations Department
- Chief Risk Officer (CRO)
- General Secretary and Legal Affairs Department (Secretariat).

The Ethics Committee holds regular meetings. Four regular meetings were held in 2023 (three in 2022) and two extraordinary meetings.

The Ethics Committee reports annually to the Board of Directors of Saba Infraestructuras, S.A. on the activity carried out during the year, as well as on the activities for reviewing the Prevention Model and/or any breaches of the Model that have come to light in the course of the periodic reviews thereof. On 17 March 2023, the corresponding report was submitted to the Board of Directors, where no relevant breaches of the Prevention Model were detected during that year.

(iii) The Prevention of Criminal Risks Committee, as a support body for the Ethics Committee, in the continuous monitoring of procedures, standards, controls and such other functions as may be determined by the Ethics Committee.

In addition, the control structure is supported by those responsible for controls in the different areas of Saba. Also noteworthy is the work carried out by Saba's Chief Risk Officer (CRO) and Internal Audit to prevent, among other things, potential criminal offences.

Lastly, it should be noted that the Organisation area, through the development of the Integrated Management System, ensures the correct implementation of Saba's processes.

In the case of Italy, Portugal and Chile, the structure of the crime prevention model is set out in a similar way to that described for Spain. The rest of countries where the Group operates also have people responsible for verifying that no crimes are committed and for reporting if any do occur.

Saba also has the communication systems through which indications or suspicions of unlawful behaviour and/or a breach of the Code of Ethics can be reported.

Spain, Portugal, Italy and Germany have ethical communication channels that guarantee anonymity and comply with the provisions of European Directive 2019/1937 of 23 October 2019 on the protection of whistleblowers who raise breaches of European Union Law and its transpositions into national legislation. The United Kingdom and Chile, although they are not legally obliged, also have these communication channels. In the case of the United Kingdom, this channel also guarantees anonymity.

In the course of 2023, 11 communications were received on the platform through the Ethical Channel in Spain, 7 of which correspond to issues regarding car park operations and were referred to the customer care channels. Additionally, a communication was received outside the Ethical Channel. In Portugal, one communication has been received in the Ethical Channel, which has also been referred to the customer care channels, and one communication outside the Ethical Channel. The rest of the countries have not received communications.

Of the communications received, four had indications of conduct contrary to the company's code of ethics in the area of the treatment of personnel in the work environment. After carrying out investigations in accordance with the Whistleblowing Channel Policy, the company has adopted disciplinary measures on two of the communications, one of them being a disciplinary dismissal. The rest of the communications were processed and closed.

None of the communications referred to issues related to corruption or money laundering.

In 2022, one communication was received.

Since 2018, Saba has been a member of the Spanish Compliance Association (ASCOM), a non-profit professional society that brings together compliance professionals in Spain to create a common space where its members can debate.

It should also be noted that, in accordance with section 24 of the Code of Ethics, it is not permitted to make direct or indirect donations to political parties or organisations linked to them, such as party foundations.

5.5 Subcontracting and suppliers

Saba's purchasing activity is regulated throughout the Group by the Saba Purchasing Model. This model requires defining purchasing criteria in advance, including technical, economic, legal, environmental, and occupational risk prevention and safety criteria.

The Purchasing Model identifies the cross-cutting Supplier Approval and Evaluation process, whereby supplier information is requested and validated, with the inclusion of, among other things, information on environmental and occupational health and safety issues. Taking account of the information requested for the approval of suppliers and the types of Saba suppliers, it has not been considered necessary to carry out supplier audits in 2023.

The cross-cutting Supplier Approval and Evaluation process included in the Saba Group Purchasing Model requires the collection and analysis of information from SABA suppliers. In addition, the Internal Audit area includes Saba's Purchasing Process in its review cycles.

SABA has ISO 9001:2015 certification in the companies in Spain, Italy, Portugal, Chile and the United Kingdom. This certification includes the evaluation of suppliers. Specifically, ISO 9001:2015 establishes in point 8.4 “Control of processes, products and services supplied externally”:

“The organisation shall ensure that externally supplied processes, products and services conform to requirements. (…) The organisation must determine and apply criteria for the evaluation, selection, performance monitoring and re-evaluation of external suppliers, based on their ability to provide processes or products and services in accordance with requirements. The organisation must retain documented information of these activities and any necessary actions arising from the evaluations.”

In 2023, Saba has implemented SAP Ariba in the purchasing area, thus consolidating the continuous supervision and evaluation of suppliers in a homogeneous manner in Spain, Italy, Portugal, Chile and the United Kingdom.

5.6 Subsidies received

In 2023, Saba has received €305 thousand (€182 thousand in 2022) as aid or compensation, basically related to the increase in energy costs and to promote hiring.

5.7 Tax information

The contribution of countries included in the perimeter of consolidation, under IFRS regulations, to consolidated income before taxes for the years 2023 and 2022, as an approximation of the profit obtained by each country, is as follows:

Figures in thousands of euros

	2023	2022
Italy	7,553	6,357
Portugal	3,056	3,473
Spain	2,341	5,887
Chile	985	925
Andorra	129	128
Slovakia	149	83
Czech Republic	(109)	(231)
Germany	(2,690)	(2,501)
United Kingdom	(9,296)	(11,049)
	2,117	**3,072**

The general corporate income tax rate in the various countries in which the Group operates is as follows:

	2023	2022
Spain	25%	25%
Italy (*)	24%	24%
Portugal	22.5%	22.5%
Chile	27%	27%
Andorra	10%	10%
United Kingdom	25%	19%
Germany (**)	30-33%	30-33%
Slovakia	21%	21%
Czech Republic	19%	19%

(*) To be applied in conjunction with IRAP up to an additional 5.2% on a specific basis

(**) Includes tax at 15%, solidarity surcharge of 5.5% and trade tax of between 7% and 20% on specific calculation bases

Regarding Income Tax for the year 2023, including taxes of a similar nature, the estimate of the tax burden in each country payable to the corresponding Public Authorities is as follows:

Figures in thousands of euros

	Instalment 2023
Spain	2,264
Italy	1,841
Portugal	532
Chile	119
Slovakia	99
Andorra	14
Germany	-
Czech Republic	-
United Kingdom	-
	4,869

(1) The resulting tax burden is determined by the individual aggregate position of each Group company, mainly based on local accounting standards, after considering permanent and/or temporary differences and including the offsetting of tax losses.

(2) In Germany, the Czech Republic and the United Kingdom, no taxable economic profit has been generated in 2023.

In this regard, in 2023, payments corresponding to this obligation have already been made for an amount of €5,662 thousand.

Regarding Income Tax for the year 2022, the estimated tax burden at the end of the financial year and the payments already made are for a total of €1,580 thousand and €388 thousand, respectively.

Methodology of this report

Contents of Law 11/2018 INF	SNFI section	Reporting Criteria
Reporting framework used	**1 Statement of non-financial information**	**GRI 102-54**
Business model	**2 Company information**	
. Description of the business model		GRI 2-1
. Markets served		GRI 2-6
. Geographic presence		GRI 2-1
. Size of the organisation		GRI 2-6
. Materiality analysis		
. Key impacts, risks and opportunities		GRI 207-2
Information on environmental issues	**3 Information on environmental issues**	
- Management approach	3.1 Saba Policy	GRI 3-3 GRI 3-3 GRI 302-4
- Main impacts, risks and opportunities	3.2 Risks identified	GRI 207-2 GRI 2-23
- Environmental management	3.3 Environmental management and performance	
· Climate change	3.3.1 Climate Change	
. Significant elements of the greenhouse gas emissions generated		*GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4*
. Measures adopted to adapt to the consequences of climate change		GRI 207-2 GRI 305 -5 GRI 3-3
. The reduction targets established		GRI 3-3
· Pollution	3.3.2 Pollution	
. Measures to prevent, reduce or remediate carbon emissions that severely affect the environment		GRI 3-3 GRI 302-4 GRI 305-5
· Circular economy and waste management	3.3.3 Waste management	
. Circular economy		GRI 301-2 GRI 301-3
. Waste management		GRI 306-2
. Actions to combat food waste		Non-material
· Sustainable use of resources	3.3.4. Sustainable use of resources	
. Water consumption and water supply in accordance with local constraints;		GRI 303-5
. Consumption of raw materials and measures adopted to improve the efficiency of their use;		GRI 3-3
. Direct and indirect energy consumption, so-called measures to improve energy efficiency and the use of renewable energies		GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4
· Protecting biodiversity	3.3.5. Protection of biodiversity	Non-material

Información sobre cuestiones sociales y relativas al personal	4. Information on social matters	
Staff	**4.1 Staff**	
- Enfoque de gestión	4.1.1 Saba Policy	GRI 3-3 GRI 3-3 GRI 2-19
- Employee-related matters	4.1.2. Social management and performance	
· Employment	4.1.2.1. Employment	
. Number and distribution of employees by country, gender, age and professional classification		GRI 2-6 GRI 2-7/8 GRI 405-1
. Distribution of types of employment contracts and annual average by gender, age and professional classification		GRI 2-7/ 2-8
. Average annual number of permanent, temporary and part-time contracts by gender, age and occupational classification		GRI 2-7/8
. Number of dismissals by gender, age and occupational classification		GRI 401-1
. Average remunerations by gender, age and professional classification		GRI 405-2
. Pay gap		GRI 405-2
. Remuneration of jobs equal to or on average of the company		GRI 202-1 GRI 2-19 GRI 2-20
. Average compensation of directors and executives		GRI 201-3
. Implementation of job disengagement measures		GRI 3-3
. Percentage of employees with disabilities		GRI 405-1b
· Work organisation	4.1.2.2. Work organisation	
. Organisation of work time		GRI 2-7
. Absenteeism		GRI 403-2
. Measures to facilitate work-life balance		GRI 401-3
· Health and safety	4.1.2.3. Health and Safety	
. Health and safety conditions in the workplace		GRI 3-3 GRI 403-1
. Accident rate indicators		GRI 403-2
· Social relationships	4.1.2.4. Social Relationships	
. Organisation of social dialogue		GRI 2-29
. Percentage of employees covered by collective bargaining agreement by country		GRI 2-30 GRI 403-1
. Balance of agreements in the field of health and safety		GRI 403-4
. Mechanisms and procedures the company has in place to promote employee involvement in the management of the company in terms of information, consultation and participation		GRI 3-3
· Training	4.1.2.5. Training and development	
. Policies implemented in the field of training		GRI 3-3
. Training indicators		GRI 404-1 GRI 404-2
· Equality	4.1.2.6. Equality	
. Measures taken to promote equal treatment and opportunities for men and		GRI 3-3
. Safety plans		GRI 3-3
. Measures taken to promote employment		GRI 3-3 GRI404-2
. Universal integration and accessibility for people with disabilities		GRI 3-3
. Policies against all types of discrimination and, where appropriate, diversity		GRI 3-3 GRI 406-1
. Protocols against sexual and gender-based harassment		GRI 3-3
· Universal accessibility for people with disabilities	4.1.2.7. Accessibility	GRI 3-3
- Principales impactos, riesgos y oportunidades	**4.1.3 Risks identified**	GRI 207-2 GRI 2-12

Relations with customers and consumers	**4.2 Relations with customers and consumers**	
. Complaint systems, complaints received and their resolution	4.2.1 Care and Control Centre (CCC)	
. Digital offer	4.2.2 Continuous improvement of the digital offer	GRI 2-26 GRI 3-3 GRI 418-1
. Social media	4.2.3 Commitment to social media (SM)	
. Customer satisfaction	4.2.4 Customer satisfaction	
. Consumer health and safety measures	4.2.5 Consumer health and safety	GRI 3-3 GRI 416-1
Community relations and social action	**4.3 Community relations and social action**	
. Partnership or sponsorship actions		GRI 2-28
. Contributions to foundations and non-profit entities		GRI 3-3 GRI 415-1
Community relations and social action	**5. Corporate governance**	
· Company commitments to sustainable development	**5.1. Company commitments to sustainable development**	**GRI 413-1 GRU 413-2 GRI 203-2 GRI 2-29**
. Governing bodies	**5.2. Organos de gobierno**	**GRI 3-3 GRI 3-3**
. Relationship with shareholders	**5.3. Relationship with shareholders**	
Ethics and integrity	**5.4. Ethics and integrity**	
· Information on respect for human rights	**5.4.1 Information on human rights**	
. Management approach		GRI 3-3 GRI 3-3 GRI 2-24
. Main impacts, risks and opportunities		GRI 207-2 GRI 2-12
. Application of due diligence procedures		GRI 103-2
. Measures for the prevention and management of possible abuses committed		GRI 103-2 GRI 102-17 GRI 3-3
. Elimination of compulsory forced labour		Non-material
. The effective abolition of child labour		Non-material
· Information relating to the fight against corruption and bribery	**5.4.2 Information relating to the fight against corruption and bribery**	
. Enfoque de gestión		GRI 3-3 GRI 3-3 GRI 205-2
. Principales impactos, riesgos y oportunidades		GRI 207-2 GRI 2-12
. Crime prevention		GRI 3-3 GRI 2-27
. Complaints about human rights violations		GRI 2-27
. Measures to combat money laundering		GRI 3-3
. Aportaciones a fundaciones y entidades sin ánimo de lucro		GRI 3-3 GRI 415-1
. Subcontracting and suppliers	**5.5. Subcontratación y proveedores**	**GRI 3-3 GRI 308-1 GRI 407-1 GRI 414-1 GRI 414-2 GRI 308-2**
. Tax information and transparency	**5.6. Subsidies received 5.7. Tax Information**	**GRI201-4**
Methodology of this report	**Metodologia de este informe**	

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