



# SUSTAINABILITY STRATEGY AND SUSTAINABLE BOND FRAMEWORK PRESENTATION

---

March 2022



---

Contact: [ir@bcc.es](mailto:ir@bcc.es)

[www.bcc.es/en/informacion-para-inversores/](http://www.bcc.es/en/informacion-para-inversores/)

# Table of Contents

---

## 1. Grupo Cooperativo Cajamar Sustainability Strategy

## 2. Sustainable Bond Framework

## 3. Sustainable Agriculture

## 4. Our Social Cooperative Banking Model

## 5. Annex

### 1. Key Financials

### 2. Documents and Policies

### 3. Glossary

# Table of Contents

## 1. Grupo Cooperativo Cajamar Sustainability Strategy

- i. Global Sustainability Strategy
- ii. Decarbonization and Climate Neutrality
- iii. Climate Risks
- iv. Financial Inclusion
- v. Our Contribution to SDGs

## 2. Sustainable Bond Framework

## 3. Sustainable Agriculture

## 4. Our Social Cooperative Banking Model

## 5. Annex

# The Largest Spanish Cooperative Group

Grupo Cooperativo Cajamar is the only Cooperative Banking Group with nation-wide presence in Spain, having branches in most provinces and particularly along the Mediterranean Coast, the Islands and Castilla-León, after merging with a number of credit cooperatives over the past years.

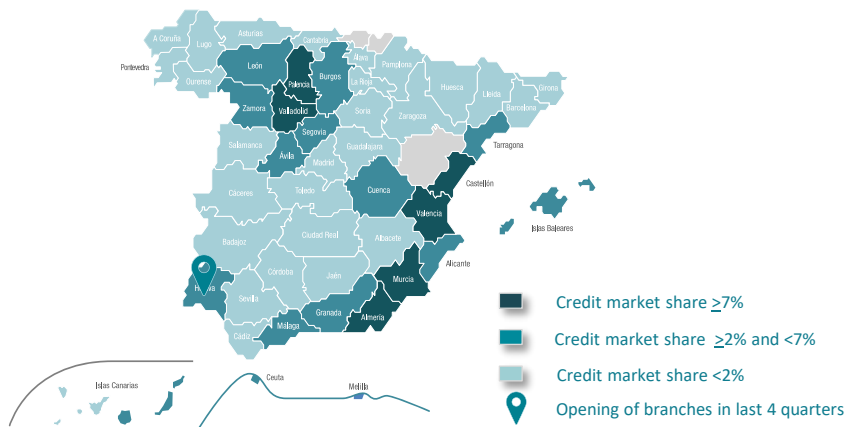
**18**  
Credit Cooperatives  
are part of Grupo  
Cooperativo Cajamar

**1st**  
Cooperative  
Banking Group in  
Spain by asset size

Among the **top 10**  
entities in the sector in  
Spain by Business Volume  
and Gross Margin



An excellent balance between results  
and a good financial and business  
evolution...



**3.5 Mn** CLIENTS

**1.5 Mn** COOPERATIVE  
MEMBERS

**5,317** BANKING EMPLOYEES

**873** BRANCHES  
**+1500** ATMs



**+1,371 Mn€** Gross Margin

**59,636 Mn€** of Funds under  
management

**15.71%** Phased in Total Capital

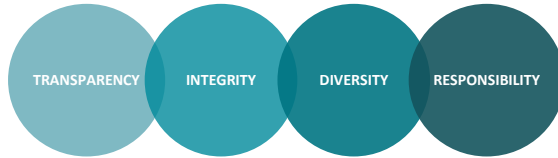
**206.05%** LCR

**3.6%** NPL ratio

# Grupo Cooperativo Cajamar Strategy

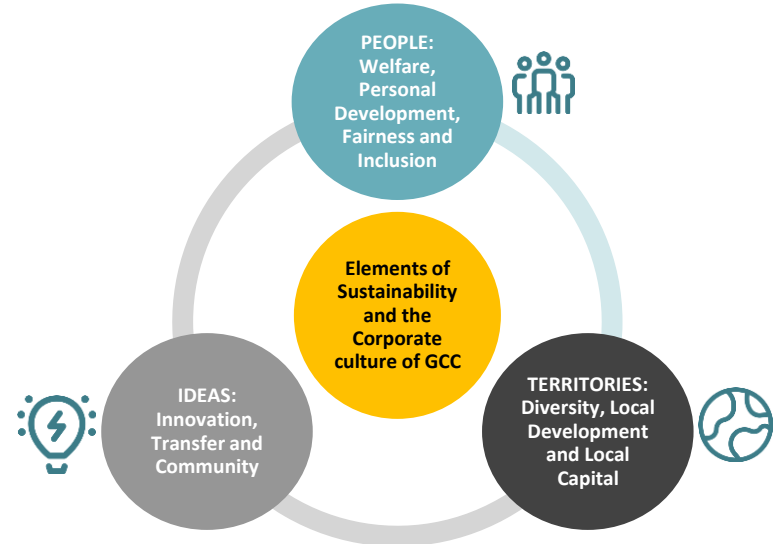
The model of the Group is based on cooperative principles that have people as the priority of its business, driving, in this way, its activity (mission), its future achievements (vision) and its behavior (corporate culture).

The Group has the following values...



<b>MISSION</b>	Contribute with financial solutions to the economic development and social progress of its members, clients and the environment in which the Group operates, through a unique strategy based on the principles of cooperation, social economy and sustainable development.
<b>VISION</b>	Being the market leader in cooperative banking and a reference for the agri-sector in Spain, recognised for its strength, commitment and high ethical standards in relation to its customers, members, employees and the environment in which it operates, based on a sustainable model.
<b>PURPOSE</b>	To continue ensuring <b>PEOPLE'S</b> well-being and social progress, by cooperating to generate <b>IDEAS</b> and innovation that contribute to the sustainable connectedness of <b>TERRITORIES</b> .

...and its business model is based on three fundamental pillars.



# Grupo Cooperativo Cajamar ESG Strategy

Sustainability is a key element in the Group's strategy



## ENVIRONMENTAL

- Eco-efficiency plan for the reduction of emissions, with periodic reviews (current plan for 2020-2023 in place).
- The Group calculates direct and indirect CO<sub>2</sub> emissions since 2014.
- Compensation of 100% of the emissions calculated in 2018, 2019 and 2020.
- Monitoring of environmental metrics.
- Support to the agri-food sector through Plataforma TIERRA and the research centers in Almeria and Valencia.
- Commitment to net zero emissions by 2050
- Approval of the Sectorial Policy Framework for Climate Neutrality.



## SOCIAL

- The Group has its own Ethical Management System that promotes responsible purchases.
- Since 2020 the Group has achieved the Great Place to Work and Top Employer recognitions.
- Since 2015 the Group has the OHSAS 18001 quality certification on the occupational health and work safety management system.
- The Group promotes and participates in initiatives related to financial education through its corporate volunteering programme.



## GOVERNANCE

- Grupo Cajamar is part of the the Spanish Business Council for Sustainable Development
- Integration of sustainability in the Governance of the Group, through the Sustainable Development Office that reports directly to the Board of Directors.
- The Group complies with 90% of the recommendations of the new Good Governance Code for listed companies (CNMV).

# Our Environmental and Social Goals

## Environmental Goals



Grupo Cooperativo Cajamar will actively promote investment projects aligned with the environmental objectives integrated in the EU Taxonomy.

- **Climate Change Mitigation:** The investment should substantially contribute to stabilizing greenhouse gas emissions. Activities must be consistent with the long-term temperature target of the Paris Agreement.
- **Climate Change Adaptation:** The investment should contribute to reducing or preventing the current or future climate adverse repercussions.
- **Transition towards a circular economy:** The investment should contribute to the lengthening of the product life cycle and the reuse of waste, aligned with EU Regulation.
- **Sustainable use of water and marine resources:** The investment should contribute to reducing and optimizing water resources, allowing to maintain adequate ecologic levels in aquifers and basins.
- **Prevention and control of contamination and pollution:** The investment should contribute to reducing all forms of pollution that adversely affect ecosystems and human health.
- **Protection and recovery of ecosystems:** The investment should contribute to protecting or recovering biodiversity and achieving good ecosystem conditions.

## Social Goals



Grupo Cooperativo Cajamar will actively promote investment projects that generate any positive social impact aligned with the environmental targets established.

- **Generation of quality employment:** The investment should substantially contribute to generating quality employment, employment of women, of people with disabilities and of other vulnerable groups.
- **Promotion of local production systems:** The investment should contribute to promoting local products, especially those with an agro base and located in rural areas.
- **Social and Financial Inclusion:** The investment should contribute to social and financial inclusion of vulnerable people.
- **Social Economy Promotion:** The investment should contribute to promoting social economy enterprises, improving their competitiveness and their ecological transition.
- **Quality of life of people:** The investment should contribute to improving people's lives regarding health, education, culture and welfare.

# Some of our key achievements

This allows the Group to promote social progress and improve its environmental performance



76.3% of business volume provided by **cooperative members**.



Leading group in the **agro sector** with a market share over 15% in the primary sector.



In 2021 **the face-to-face service** for customers over 70 years old has increased, representing around 18% over all retail customers.



Providing service to **11%** of the total population living in **towns with less than 5.000 inhabitants**.



72 **research projects** developed in our own research centers with the aim to ensure the sustainability of the agricultural sector and the impact on various SDGs and on the EU's environmental goals.



Reduction of the **wage gap** (0.25% in terms of average wages during the last year) with a 61.72% of promotions held by women.



CO<sub>2</sub> emissions **100% compensated in 2018, 2019 and 2020**.

Recognised as one of the top entities in the world in the **Management of ESG risks**:

Rating of 8.4 – negligible risk – provided by Sustainalytics in Oct.21.



**And moving forward towards an even more sustainable and responsible banking model:**

The Group is signatory of the Principles for Responsible Banking and committed to the Science Based Targets Initiative



Copyright © 2022 Sustainalytics. All rights reserved.

This [publication/ article/ section] contains information developed by Sustainalytics ([www.sustainalytics.com](https://www.sustainalytics.com)). Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

# Main Partnerships and Recognitions



RE100 is the global corporate renewable energy initiative that brings together hundreds of large and ambitious companies committed to 100% renewable electricity.



The Group participates as leader of the 'Climatic Impact Cluster' of Forética.



International tool for the calculation of Greenhouse Gas emissions.



International Environmental Management Standard that demonstrates the Group's continued commitment to improving environmental performance.



It maintains the Energy Management System and improves it for greater efficiency.



The seal awarded recognizes the calculation of the carbon footprint, having reached the emission reduction commitments and offsetting.



Annually the Group takes part of the "Hour of the Planet" Campaign organized by the World Wildlife Fund (WWF).



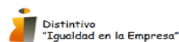
The Group is part of the "European Climate Pact" that promotes building a greener Europe.



The Group participates as leader of the 'Social Impact Cluster' of Forética.



Voluntary commitment with the objective to respect the regulations in force on equal opportunities and anti-discrimination assuming the basic principles established.



Equality's distinctive that recognizes the work of Grupo Cajamar related with equality.



Distinctive Socially Responsible Company awarded by the Alares Foundation and Foundation for Diversity.



The Group supports the Women's Empowerment Principles. Initiative promoted by the United Nations for gender equality. UN Women and the United Nations Global Compact.



The Group has been certified "Great Place to Work" and "Top Employer". This is a recognition in the field of human management and the most prestigious business strategy at the national and international level.



The Group is adhered to Tender Gender Equality to promote equality within all enterprises participating in the UN Global Compact.



It represents, promotes and defends the common interests of member cooperative banks.



Working group to identify risks and opportunities arising from Climatic Change.



The GCC is a member and participates as leader of the Forum's Cluster on Transparency, Governance and Integrity.



Partnership between UNEP and the global financial sector to mobilize private sector financing for sustainable development.



Partnership between UNEP and the global financial sector to mobilize private sector financing for sustainable development.



First anniversary of the Responsible Banking Principles to which the GCC is a founding signatory.



The Group is part of Spainsif a reference meeting platform in the SRI field in Spain.



The Group has again been recognized for its carbon footprint and climate change management by obtaining an B rating in 2021



In 2021 the Group received a score of 62 out of 100, placing it at the top score among Spanish entities for that period



Sustainalytics has given Grupo Cooperativo Cajamar a score of 8.4 (negligible risk), placing it among the best entities in Europe in terms of sustainability management



Initiative that aims to help establish science-based strategies against climate change and comply with the commitments of the Paris Agreement Commitment of zero emissions by 2050.

# Integration of Sustainability in the Group's Governance

**Board of Directors' Strategy and Sustainability Committee:** in charge of the Group's performance on ESG.

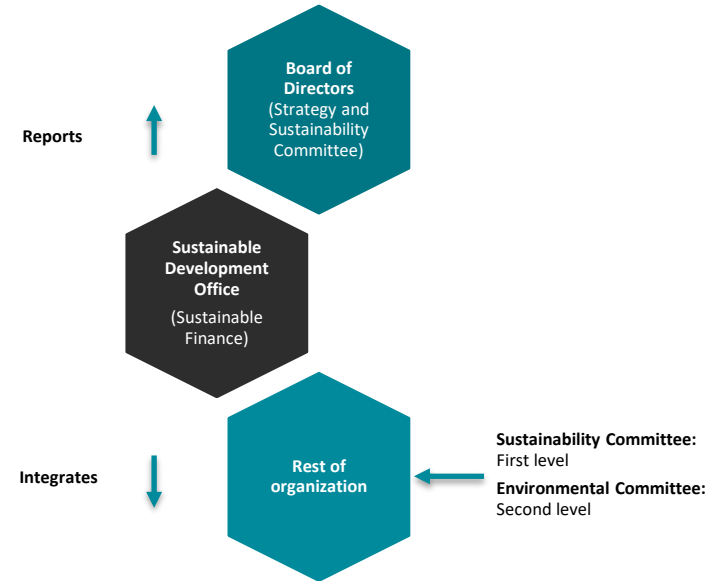
**Sustainable Development Office:** Informs to BCC's Board of Directors of the risks and opportunities related to sustainability, especially climate and environmental related. This Office includes Sustainable Finance and Agricultural Innovation.

**Sustainable Finance Area** integrated in the Sustainable Development Office which reports directly to the Board of Directors, directly or through one of its Committees. The Sustainable Finance Area is responsible for promoting the implementation of measures that improves the social nature of the Group.

**Sustainability Committee (1<sup>st</sup> level committee):** meets at least quarterly and defines strategic lines, policies, guidelines, measures and instruments related to ethics and sustainability (in its economic, social and environmental scopes). Reports to the Board of Directors through the Strategy and Sustainability Committee.

**Environmental Committee (2<sup>nd</sup> level committee):** depends on the Sustainability Committee and oversees the environmental policy, the environmental management system, the eco-efficiency plan and the management of the carbon footprint. Reports to the Sustainability Committee.

Variable remuneration for Senior Management (including executive Board members) incorporates ESG-linked mandatory goals since 2021.



# Social Responsible Investment (SRI)

- ✓ Practically all mutual funds integrate SRI criteria. More than 25% of the Group's mutual funds are classified as art. 8 funds according to SFDR.
- ✓ Incorporation of ESG criteria in the risk analysis of the transactions (that already applies to those >3M€<sup>(1)</sup> having to include a sustainability report that analyses restrictive, best in class and impact criteria). In 2021 there were > 224 transactions analyzed (3,670M€).
- ✓ Sustainability Policy update within the Group's financial instruments portfolio (fixed income, equities and mutual funds), in order to incorporate ESG criteria.
- ✓ Internal training plan on Sustainable Finance.

## SRI



### Restrictive Criteria

- Ethical management system
- Unwanted Linkages / Exclusion Policy
- Restrictive criteria in commercialized investment funds
- Controversial sectors for fixed income securities
- Sectorial Policy Framework for climate neutrality



### Best in class Criteria

- Ethical management system
- Eligible assets (Sustainable Bonds Framework)
- Best in class strategy in commercialized investment funds
- Controversial sectors for fixed income securities
- Sectorial Policy Framework for climate neutrality



### Impact Criteria

- Ethical management system
- Sectorial Policy Framework for climate neutrality
- Incorporation of ESG criteria in the risk analysis of credit transactions > 3M€<sup>(1)</sup>
- Participation in the fund "Fondo Bolsa Social Impacto", a Social Impact Investment Fund (European social entrepreneurship fund) authorized by CNMV and aimed at sectors such as sustainable agriculture and health technologies, among others.

<sup>1</sup> Starting as of Feb'22

# Table of Contents

## 1. Grupo Cooperativo Cajamar Sustainability Strategy

- i. Global Sustainability Strategy
- ii. Decarbonization and Climate Neutrality
- iii. Climate Risks
- iv. Financial Inclusion
- v. Our Contribution to SDGs

## 2. Sustainable Bond Framework

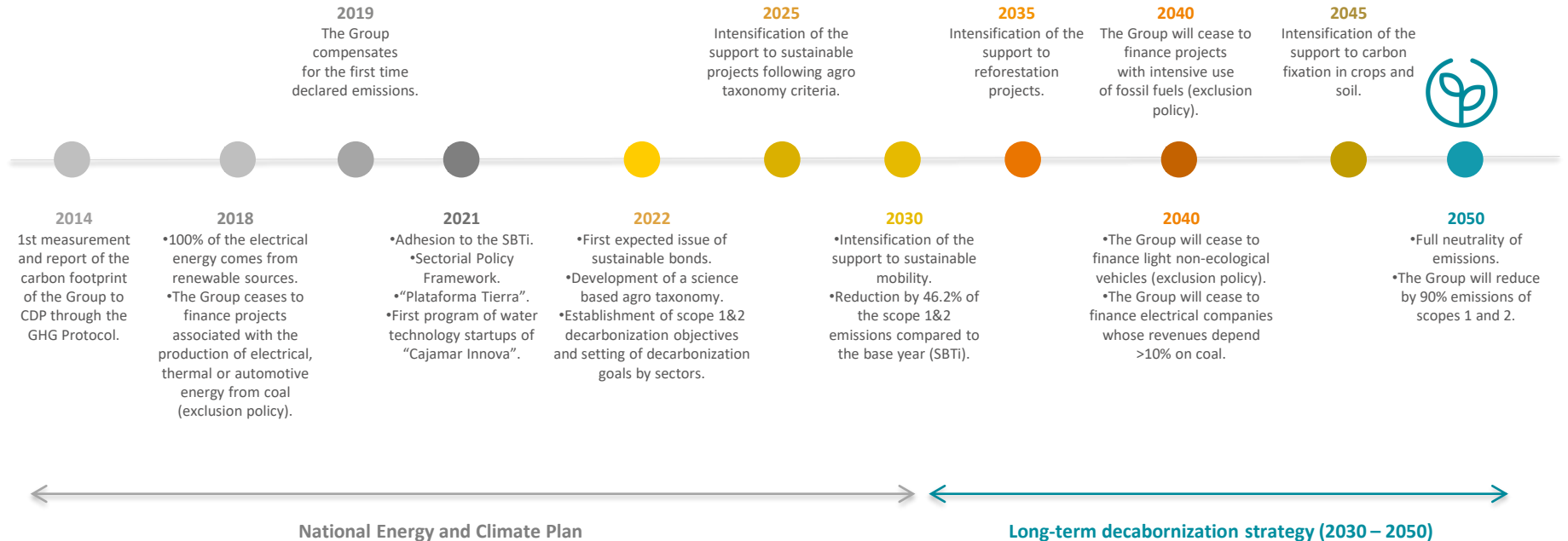
## 3. Sustainable Agriculture

## 4. Our Social Cooperative Banking Model

## 5. Annex

# Our plan towards climate neutrality

## Main milestones in the decarbonization of Grupo Cooperativo Cajamar



# Sustainable Finance Master Plan

**A Master Plan has been implemented to implement the ECB's requirements and to set the decarbonization roadmap to Net Zero in 2050.**

This Master Plan includes linking the sustainable actions with the Group's Strategic Plan

- *Capital Flows*: channel them towards sustainable goals
- *Risk Management*: integrating ESG aspects
- *Disclosure*: facilitating information and transparency to the market

ESG Supervisory and Regulatory Framework	
	ECB – Questionnaire on climate and environmental risks Implementation Plans
CNMV Code of Good Governance (Spanish Securities Authority)	<b>13 expectations:</b> <ul style="list-style-type: none"> <li>- Business model</li> <li>- Business strategy</li> <li>- Management</li> <li>- Risk appetite</li> <li>- Organizational structure</li> <li>- Reporting</li> <li>- Risk appetite framework</li> <li>- Credit risk</li> <li>- Operational risk</li> <li>- Market risk</li> <li>- Scenario Analysis</li> <li>- Liquidity risk</li> <li>- Divulcation</li> </ul>
EBA Action Plan on Sustainable Finance	
EBA Guidelines on loan origination	
ECB Supervisory Expectations	
TCFD (Task- force on Climate- related Financial Disclosures)	
Law of Climate Change (Spain)	

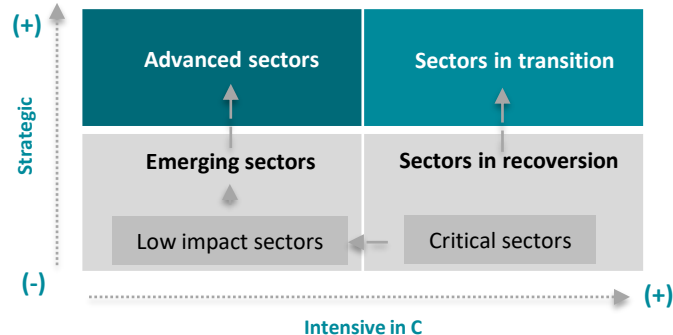


The approach of Grupo Cooperativo Cajamar	
	Sustainable Finance Master Plan
Grouping around following 5 TCFD scopes:	<b>Main considerations:</b> <ul style="list-style-type: none"> <li>• Roadmap for the implementation of Sustainable Finance.</li> <li>• Holistic perspective looking for synergies within the current regulatory framework.</li> <li>• More than 30 scheduled actions grouped around 13 chapters.</li> </ul>
Governance	
Strategy	
Metrics and Goals	
Risk Management	
Disclosure	

# Grupo Cooperativo Sectorial Policy Framework

The Group has defined a **Sectorial Policy Framework** for climate **neutrality** that will allow to set the Group's credit portfolio decarbonization strategy, optimizing the risks and maximizing the opportunities that the ecological transition provides. This is carried out through a mitigation and adaptation to climate change **materiality matrix**.

The aim of the matrix is to segment the Corporate credit portfolio in order to set efficient commercial, concession and control criteria to help our members and clients in the transition to a low carbon economy.

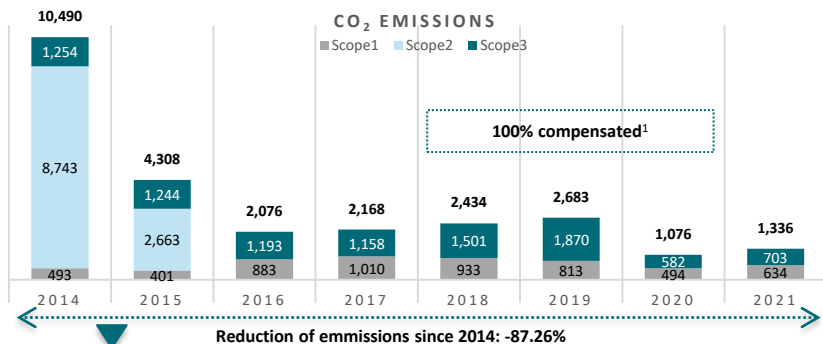


The scope and strategy of the sectors according to the materiality matrix is the following:

	Scope	Strategy
<b>Advanced sectors</b>	Strategic sectors for the Group with a low weighted average carbon intensity (WACI).	Accompany, promote and/or incentivize the investments in these sectors.
<b>Sectors in transition</b>	Strategic sectors for the Group with a high WACI.	Accompany, promote and/or incentivize the investments if it means improving in the achievement of social and environmental targets.
<b>Low impact sectors</b>	Not strategic sectors for the Group with a low WACI.	Accompany and/or promote the investments if it contributes to the achievement of social and environmental targets.
<b>Critical sectors</b>	Not strategic sectors for the Group with a high WACI.	Accompany the investments if it means improving in the achievement of social and environmental targets.


# A long track record in managing our carbon footprint

Grupo Cooperativo Cajamar measures and manages its carbon footprint since 2014 and is working towards the decarbonization of its portfolio



GHG emissions measured in tCO<sub>2</sub>e. Since mid-2015 all electricity is from renewable sources (Scope 2 = 0 since 2016). Emissions from refrigerating gases (Scope 1) measured from 2016. Scope 3 includes for comparative purposes only categories 6 and 7, plus emissions from paper, water and waste since 2021. Scope 3, category 15 (financed emissions) not included in this chart.

## Actions taken:

- ✓ Report to CDP since 2015 
- ✓ Eco-efficiency plan to reduce emissions and optimize the use of water and materials
- ✓ 100% renewable electricity since 2015
- ✓ 100% of calculated emissions from 2018 to 2020 compensated (not incl. Scope 3, cat. 15, Financed Emissions)
- ✓ Sectorial Policy Framework for climate neutrality

## Financed Emissions (Scope 3, category 15):

- ✓ For the first time, GCC has measured its financed emissions according to the PCAF methodology (Partnership for Carbon Accounting Financials)

PCAF asset class	tCO <sub>2</sub> e	%
Listed equity and corporate bonds	1.118.914	8,08%
Business loans and unlisted equity	5.317.152	38,39%
Commercial real estate	572.163	4,13%
Mortgages	6.840.414	49,39%
Project finance	1.939	0,01%
<b>Total</b>	<b>13.850.582</b>	<b>100,00%</b>

## Next Steps:

- ✓ 1Q2022: Establishing emission reduction goals for the three different scopes and setting action plans
- ✓ 2Q2022: Presenting goals to SBTi for validation

# Methodology for calculating the loan portfolio emissions

## Calculation of financed emissions

For the calculation of the financed emissions, the Group has used the methodology developed by the PCAF (Partnership for Carbon Accounting Financials); a financial institutions collaboration initiative that aims to establish a harmonized and robust method to measure the emissions financed in order to facilitate their reduction.

$$\sum_i Attribution\ factor_i \times Emissions_i$$

$$Attribution\ factor_i = \frac{Outstanding\ amount_i}{Total\ Own\ funds + liability_i}$$

Where i= investee companies or borrowers

## Methodology to calculate different types of assets emissions

<b>Listed stocks and corporate bonds</b>	The emissions published by the investee companies or borrowers have been analyzed through their annual reports, CDP, etc., and an emission factor has been established based on income or sales.
<b>Loans to unlisted companies and shares</b>	The emissions resulting from loans to companies as well as the Group's participation in other companies have been calculated according to the sector to which they belong, for which input-output tables have been used. In the case of emissions from syndicated loans, they have been calculated whenever possible with the data published by companies in relation to their carbon footprints.
<b>Commercial goods</b>	They are calculated from emission factors by built area and aim of the commercial good.
<b>Mortgages</b>	The emissions financed from mortgages are calculated based on emissions by climate zone and energy performance certificate.
<b>Project financing</b>	They have been calculated considering the activity that has taken place during the year of calculation, in some cases construction and in others the installation functioning. These activities have been associated with sectors, and based on these, input-output tables have been used.

# Table of Contents

## 1. Grupo Cooperativo Cajamar Sustainability Strategy

- i. Global Sustainability Strategy
- ii. Decarbonization and Climate Neutrality
- iii. Climate Risks
- iv. Financial Inclusion
- v. Our Contribution to SDGs

## 2. Sustainable Bond Framework

## 3. Sustainable Agriculture

## 4. Our Social Cooperative Banking Model

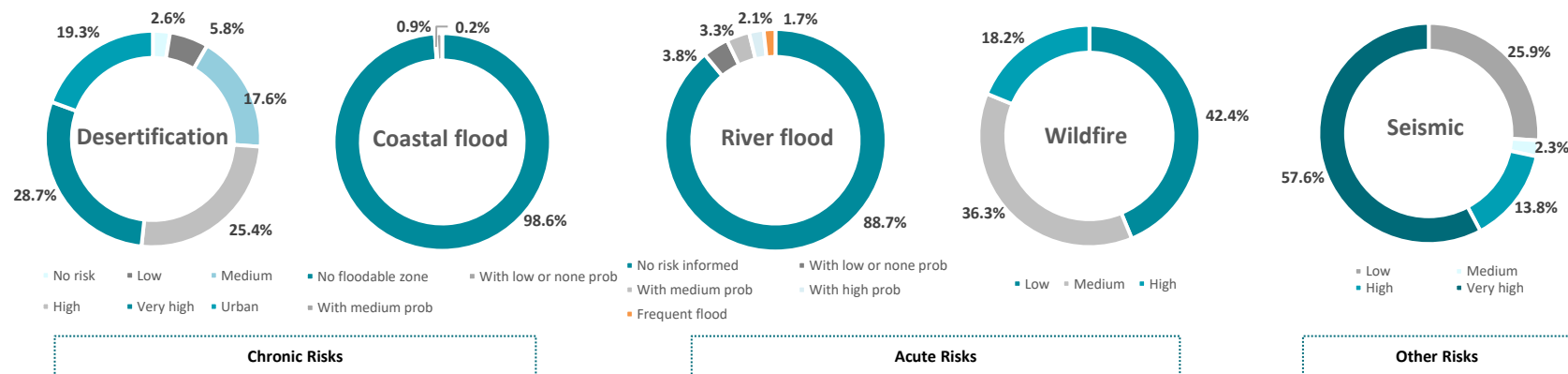
## 5. Annex

# The Group's measurement of Climate Risk (1/4)

The Group has defined a variety of metrics that will allow it to manage the risks in the economy's decarbonization process and the ecological transition. **These metrics have been divided into 4 groups** regarding its nature and objective: **physical, environmental, concentration and economic risk metrics.**

## 1) INDICATORS OF PHYSICAL RISKS <sup>1</sup>

- Exposure of the loan portfolio to more than one physical risk according to the Taxonomy: **17.52 %**
- Exposure of the mortgage collateral portfolio to physical risks:



<sup>1</sup> Physical risks: Those that, as a result of the increasing severity and frequency of extreme weather events, or a gradual change in the Earth's climate, can directly affect companies through the damage caused to their assets and infrastructures; or, indirectly, to the medium or long-term viability of its productive activities. Physical risk factors are listed in the Taxonomy: : temperature, wind, water or soil with a degree of severity depending on whether they are acute or chronic.

# The Group's measurement of Climate Risk (2/4)

## 2) INDICATORS OF ENVIRONMENTAL RISK

- **Concentration in sectors with high or mid-high environmental risks by their Ecorating score: 4.4%**

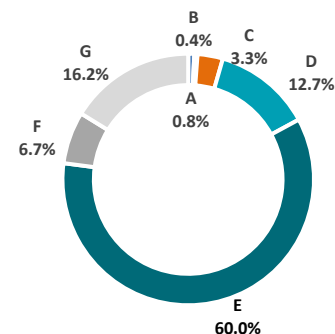


- ✓ This indicator assigns to each NACE a value of its vulnerability to climate and environmental risks (from 0 to 1,000). There are four possible groups: low risk, mid-low risk, mid-high risk, high risk. This indicator measures the concentration of the loan portfolio in high or mid-high environmental risk activities.
- ✓ It is one of the two climate/environmental risks indicators of the Risk Appetite Framework

- **Energy Efficiency of the mortgage collateral portfolio**

- ✓ Measures the mortgage collateral portfolio by Energy Performance (within a scale ranging from "A" to "G", with A being the most energy efficient and recognized by the EU Taxonomy)
- ✓ The Energy Performance (EP) assessment has been issued by an external standardized appraiser
- ✓ The EP assessment represents an exact figure in 15.7% of the cases, an estimation model in 45.7% of the cases and a similar EPC in the same building in 38.6% of the cases
- ✓ The average EP of the portfolio is **E**

Energy Performance Certificate

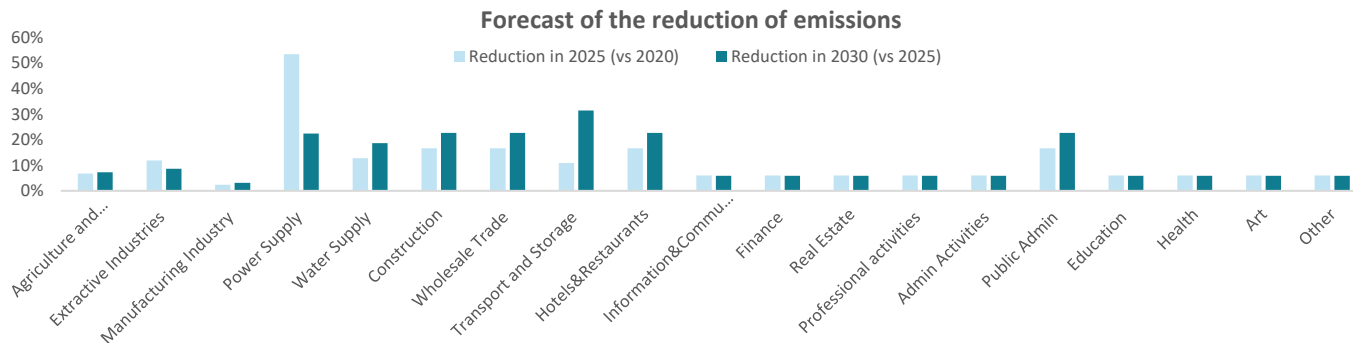


(\*) This graph does not include foreclosed assets, only the assets that could obtain an Energy Performance Certificate

# The Group's measurement of Climate Risk (3/4)

## 3) INDICATORS OF ECONOMIC RISK

- **Concentration in sectors with high or mid-high propensity to regulatory capital consumption: 3.46%**
  - ✓ GHG emission intensity is classified as low, mid-low, mid-high, and high
  - ✓ The indicator reflects the average capital consumption (risk weight x pillar1 capital requirement) of the loan portfolio with high or mid-high GHG emissions intensity, as defined by CRR.
- **Decarbonization intensity in the ecological transition (2021-2030)**
  - ✓ Measurement of the economic efforts (considering the market price of carbon emissions) that must be made by the borrowers according to the sector to which they belong and the decarbonization calendar included in the NECP (National Energy and Climate Plan).

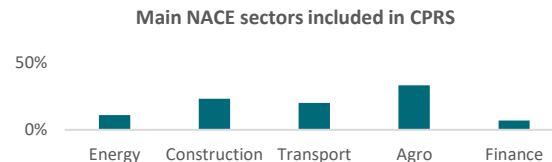


# The Group's measurement of Climate Risk (4/4)

## 4) INDICATORS OF CONCENTRATION RISKS

- Climate Policy Relevant Sectors (CPRS): 51%**

- ✓ This indicator measures the concentration of the loan portfolio linked to activities that are relevant to climate policy as proposed by S. Batiston et al (2017).
- ✓ Sectors with more impact on the portfolio are: agro, transport and construction.



- Concentration in sectors with significant risk of Carbon Leakage: 2.4% in 2021**

- Concentration in carbon-intensive sectors: 1.8%**

- ✓ Carbon intensity is measured by sector from the ratio of CO<sub>2</sub>/Aggregated Gross Value and classified in 5 categories (from Low to High)
- ✓ The indicator reflects the proportion of our portfolio linked to activities with a high intensity of emissions.
- ✓ It is one of the two climate/environmental risks indicators of the Risk Appetite Framework

- Concentration of sectors at risk of controversy: 4.4%**

- ✓ It represents the percentage of exposures of the productive sectors considered by the Group as associated with activities subject to ethical-environmental controversies, according to the Sustainable Bond Framework.

- Concentration in eligible sectors according to the Taxonomy (art. 8 Regulation 2020/852 of the Taxonomy)**

Exposure	% Total Assets
Eligible economic activities	24.80%
Central Banks and Public Admin	31.78%
Derivatives	1.01%

Exposure	% Total Assets
Non-financial entities with no compulsory financial info. statement	21.12%
Trading portfolio	0.0019%
Sight interbank lending	0.0346%

# Table of Contents

## 1. Grupo Cooperativo Cajamar Sustainability Strategy

- i. Global Sustainability Strategy
- ii. Decarbonization and Climate Neutrality
- iii. Climate Risks
- iv. Financial Inclusion
- v. Our Contribution to SDGs

## 2. Sustainable Bond Framework

## 3. Sustainable Agriculture

## 4. Our Social Cooperative Banking Model

## 5. Annex

# Financial Inclusion

As the biggest Spanish Cooperative Banking Group, Financial Inclusion is one of the top priorities for the Group and a differentiating feature among Spanish banks

## Protection of vulnerable groups

- Elderly population: at-home banking services (in collaboration with local town halls)
- Young people at risk of exclusion: training in personal finance
- COVID-19: liquidity and support to local companies
- Groups at highest risk of exclusion:
  - ✓ 80 dwellings given to the social housing fund
  - ✓ Code of Good Practices for housing

## Volunteering and Social Action

- The cooperatives of the Group allocate at least 10% of each year available income to the Cooperative Education and Promotion Fund (€1.2m in 2021), with a direct impact on local communities
- Corporate Volunteering Programme
- Education on Personal Finance in schools, by volunteering employees (50 schools in 2021, 400 accumulated)

## Service to small and rural communities

- The Group provides service to 11% of all towns <5,000 inhabitants in Spain
- 31.48% of its branches and service points are located in towns under 5,000 inhabitants (servicing 73.5% of the local population)
- 43.42% of its branches and service points are located in towns under 10,000 inhabitants (servicing 58,73% of the local population)
- The Group has:
  - 6 mobile branches which serve 39 towns with total 28,147 inhabitants
  - 157 agencies, 72% of which serve towns under 2,000 inhabitants
- 15% of the staff serves in towns <5,000 inhabitants

# Table of Contents

## 1. Grupo Cooperativo Cajamar Sustainability Strategy

- i. Global Sustainability Strategy
- ii. Decarbonization and Climate Neutrality
- iii. Climate Risks
- iv. Financial Inclusion
- v. Our Contribution to SDGs










## 2. Sustainable Bond Framework

## 3. Sustainable Agriculture

## 4. Our Social Cooperative Banking Model

## 5. Annex

## GCC prioritizes following SDGs where the impact is higher:

	Promoting inclusive and sustainable economic growth, employment and decent work for all	12,400 jobs generated €794 M contribution to GDP (from distributed economic value) €7.225 M productive financing to companies
	Building resilient infrastructures, promoting sustainable industrialization and fostering innovation	Development of 72 agri-food innovation projects. 4,069 transactions and €709 million to finance entrepreneurs in the agri-food sector
	Ensure water availability and sustainable management and sanitation for all	14,211 transactions and more than €1,818 million in financing to improve efficiency in the agricultural sector Creation of "Cajamar Innova", incubator of high-tech water companies, whose purpose is to accompany entrepreneurs and companies in the development of new projects to address global water challenges.
	Ensuring sustainable consumption and production patterns	4 agri-food innovation projects aligned with the goals: 12.2 (achieving sustainable management and efficient use of natural resources) 12.5 (significantly reduce waste generation through prevention, reduction, recycling and reuse activities)
	Stewardship of forests, fight against desertification, halt and reverse land degradation, halt loss of biodiversity	16 research projects broken down as follows: <ul style="list-style-type: none"> <li>• 5 projects aimed at combating desertification</li> <li>• 6 projects aimed at reducing the degradation of natural habitats</li> <li>• 5 research projects of different genetic varieties</li> </ul>
	Revitalize the Global Alliance for Sustainable Development	<ul style="list-style-type: none"> <li>• Two years since the Group's adherence to the Principles of Responsible Banking to which it is a founding signatory</li> <li>• The Group is a member of Spainsif, a reference meeting platform in the ISR field in Spain</li> <li>• Also, GCC is a member and leads various initiatives promoted by Forética in the field of Sustainability</li> <li>• Committed to the Global's Corporate Responsibility Initiative, as well as adhered to Target Gender Equality, a gender equality accelerator program for companies participating in the Global Compact.</li> <li>• Participates in the European Climate Pact initiative; EU-wide initiative inviting individuals, communities and organizations to engage in climate action and build a greener Europe</li> </ul>
	Ensuring access to affordable, safe, sustainable and modern energy	In 2021, 100% of GCC's electricity consumption came from renewable energy sources 61 operations and more than € 19 M destined to improve energy efficiency and the installation of photovoltaic self-consumption.
	Ending hunger	39 projects related to new genetic varieties and super-intensive techniques with an impact on target 2.4 (ensure the sustainability of food production systems and apply resilient agricultural practices).
	Take urgent action to combat climate change and its effects	Committed to the Science Based Targets initiative (SBTi); initiative that allows to establish climate targets to reduce greenhouse gas emissions through which, the Group has committed to reduce its emissions in line with the Paris Agreement and to reach net zero emissions by 2050.

## ...and also acts on following SDGs with a positive impact:



- Proactive adoption of measures to protect the mortgage debtor without resources and at risk of financial exclusion (refinancing, renting, payment, etc.)
- Assignment of housing Social Fund
- Teleworking as a contingency measure and prevention method as a result of COVID-19
- Participation of the staff in the Solidarity Team contributing a total amount of € 34,914 in social and health promotion projects.
- Wellness and personal development workshops online
- Tokyo 2021 Challenge, programs to promote physical activity among the workforce
- Red Cross Responds. Baskets of food and basic necessities consists of their distribution and delivery, throughout the national territory, to vulnerable groups such as the elderly, people with health problems and groups in a situation of social exclusion. As well as the families affected by the volcano of La Palma.
- Training pills for gender equality awareness
- III Plan for Equal Opportunities between Men and Women (2020-2023), which includes, among others, the protocol for action against sexual or gender-based harassment
- Itinerant offices and agreements with financial actors to combat financial exclusion in rural areas



- Corporate Volunteer Program "Finances That Make You Grow" reaching the VI Edition in the 2020-2021 academic year.
- AEB and Junior Achievement Program "Your Finances, Your Future"
- Expansion of internal training programs with Management Development programs, Financing and Savings Schools and ESG Program.
- Specialized training programs for the entire agri-food sector through the Tierra Platform.
- Efficiency and energy saving measures in the Group's facilities (LED lighting, presence detector, twilight switch, timed pushbutton, glass with solar filter, etc.)
- The construction of the new central services of Almeria will have the highest standards of environmental sustainability, energy certification A and the LEED and WELL seals



- The Group has an Anti-Corruption Policy to prevent corruption in all its forms, including extortion and bribery
- Code of Good Tax Practices promoted by the State Tax Administration Agency

# Table of Contents

1. Grupo Cooperativo Cajamar Sustainability Strategy

2. Sustainable Bond Framework

3. Sustainable Agriculture

4. Our Social Cooperative Banking Model

5. Annex

1. Key Financials

2. Documents and Policies

3. Glossary

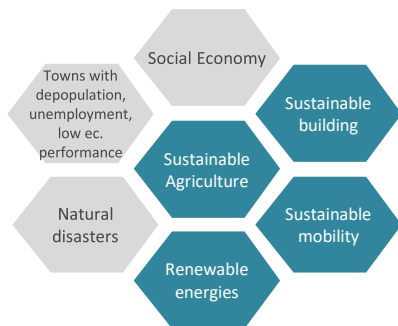
# New Sustainable Bond Framework

A new Sustainable Bond Framework, aligned to ICMA's Principles, under which green, social and sustainable bonds can be issued, was published by the end of 2021. By establishing a Sustainable Bond Framework, the Group intends to align its funding strategy with its sustainability strategy and objectives.

## FOUR KEY PILLARS

### Use of Proceeds

3 social categories/ 4 green categories



### Process for Project Evaluation and selection

Outline of the process:

- Pre- selection of eligible assets
- Evaluation and approval
- Follow up and reports

### Management of proceeds

Net proceeds from green, social, and sustainable bond issues will be allocated, ensuring that the volume of eligible assets earmarked for an issuance is at least equal to the net proceeds obtained by such an issuance.

### Reporting

Minimum content of the annual report:

- Amount of proceeds allocated to eligible green and/or social projects.
- Outstanding unallocated proceeds and the detail of where they have been temporary invested.
- % of new loans/credits vs refinancing operations.
- Location of the asset.
- Environmental and/or social impacts.
- Alignment with the UN SDG.



The Sustainable Bond Framework **has been certified by V.E.**, being their SPO aligned with the four core components of the ICMA's Green Bond Principles 2021 ("GBP") and Social Bond Principles 2021 ("SBP"), and is in line with best practices identified by V.E." It additionally certifies the contribution to the following SDGs:



# New Sustainable Bond Framework

## Aligned to ICMA's:

- ✓ Green Bond Principles (GBP-2021)
- ✓ Social Bond Principles (SBP-2021)
- ✓ Sustainability Bond Guidelines (SBG-2021)

## Intention to align selection criteria to meet

- ✓ EU Green Taxonomy criteria and thresholds
- ✓ Prospective EU Social Taxonomy

## 3 Social Categories



### Social Economy



Depopulated towns and towns affected by **unemployment** and **low economic performance**



### Natural disasters

## SUSTAINABLE BOND FRAMEWORK



SPO by V.E.

## 4 Green Categories



### Sustainable Agriculture



### Renewable energies



### Sustainable building



### Sustainable mobility

# Use of proceeds: Social Categories

## S.1 Social Economy

### Description of eligible projects

New operations and refinancing of loans/credits granted to social economy enterprises according to Law 5/2011, on the Social Economy (Spain)<sup>1</sup>.

**Beneficiaries:** Cooperatives, worker-owned companies, mutual societies, fishermen's guilds, special employment centers, and integration enterprises.

### Social Objective

- ✓ Support and promote the social economy, as well as its principles and values.
- ✓ Develop the competitiveness of social economy enterprises.
- ✓ Generate decent and quality employment linked to social economy organizations.

## S.2 Natural Disasters

### Description of eligible projects

Projects and assets of companies affected by natural disasters, droughts, earthquakes and volcanic eruptions, floods, health alerts or possible situations that may lead to temporary lockdowns or the hibernation of the economy, a risk that has emerged from the COVID-19 pandemic<sup>1</sup>.

Operations that contribute to the well-being of people living in territories affected during the process of reconstruction and returning to normality: access to quality employment, promotion of distance work, access to and improvement of

housing, education and culture, dependency and health.

**Beneficiaries:** Families, self-employed workers and businesses located in territories affected by natural disasters and/or the state of alarm or hibernation of the economy.

### Social Objective

- ✓ Support job creation and preservation in affected areas.
- ✓ Promote the well-being of people in areas affected by these disruptive events.

## S.3 Disadvantaged territories

### Description of eligible projects

Projects or business assets that contribute to the economic and social development of municipalities, towns and provinces in Spain affected by low economic performance, high unemployment rates leading to low income levels, depopulation, and its consequent ageing. The identification of these towns and territories is defined in Annex I. of the Framework<sup>1</sup>.

Operations requested by families and other individuals that contribute to the well-being of people living in these territories, including consumer goods: access to quality employment and promotion of distance work, access to and improvement of housing, education and culture, as well as dependency and health), and the acquisition and rehabilitation of housing, limiting the amount granted to €300,000 per operation (only for families and other individuals) .

**Beneficiaries:** Families, self-employed workers, and companies located in these territories.

### Social Objective

- ✓ Support job creation and preservation in economically depressed areas.
- ✓ Develop the competitiveness of economically depressed territories.
- ✓ Contribute to the well-being of citizens in these territories.
- ✓ Reduce regional and territorial inequalities.
- ✓ Contribute to solving problems of population ageing and depopulation.
- ✓ Promote inter-territorial balance and solidarity.



(1) The controversial activities set out in Annex II of the Framework are excluded.

# Use of proceeds: Green Categories

## G.1 Sustainable Agriculture

### Description of eligible projects

- Agriculture and the commercialization of **organic production**
- Agriculture and the commercialization of **integrated production**
- Agricultural industries and auxiliary services oriented towards a more sustainable use of agriculture

### EU's environmental objective

- ✓ Mitigation of climate change.
- ✓ Adaptation to climate change.
- ✓ Sustainable use of water and marine resources
- ✓ Transition to a circular economy.
- ✓ Prevention and control of contamination and pollution.
- ✓ Protection and recovery of ecosystems.

## G.3 Sustainable Buildings

### Description of eligible projects

- Houses built before December 31, 2020, with Energy Performance Certificate equal to an A rating and/or belonging to the top 15% most efficient buildings
- Housing built after December 31, 2020, with Primary Energy Demand (PED) at least 10% lower than the threshold established for near zero consumption building requirements (NZE)

- Loans or investments for rehabilitated (residential) buildings with an energy efficiency improvement of at least 30%.

### EU's environmental objective

- ✓ Climate change mitigation
- ✓ Climate change adaptation

## G.2 Renewable energies

### Description of eligible projects

Electricity generation from the following technologies: solar, wind, hydro, geothermal, and bioenergy, including the acquisition, construction, operation, maintenance or repowering of facilities

### EU's environmental objective

- ✓ Climate change mitigation
- ✓ Climate change adaptation

## G.4 Sustainable mobility

### Description of eligible projects

Vehicles emitting less than 50 g CO<sub>2</sub> / km up to 2025, and 0 g CO<sub>2</sub> / km from 2026 onwards

### EU's environmental objective

- ✓ Climate change mitigation
- ✓ Climate change adaptation





# G.1 Sustainable Agriculture

## Organic farming

Agriculture and the commercialization of organic production. Organic farming is regulated in the EU by Council Regulation (EC) No 834/2007 of 28 June 2007. In Spain it is regulated by Royal Decree 1852/1993, of 22 October, on organic agricultural production and its indication in agricultural products and foodstuffs.



## Integrated production

Agriculture and the commercialization of integrated production, regulated in Spain by Royal Decree 1201/2002, of 20 November. According to this regulation, integrated production means “agricultural systems for obtaining vegetables that make maximum use of natural resources and production mechanisms and ensure sustainable agriculture in the long term, by introducing biological and chemical control methods, and other techniques that reconcile the requirements of society, the protection of the environment and agricultural productivity, as well as the operations carried out for the handling, packaging, processing and labelling of vegetable products included within the system

## Agricultural industries and auxiliary services

Agricultural industries and auxiliary services oriented towards a more sustainable use of agriculture.

Industries in the Support Activities for Sustainable Agriculture subsector provide support services that are an essential part of the sustainable agricultural production.

These support activities are the production of inputs required for the production process for an organic and/or biodynamic for a given crop, animal, or forestry industry, which are **certified by the Ministry of Agriculture, Fisheries and Food and/or the correspondent Regional authority**.

### Examples:

- ✓ Production and/or marketing of biofertilizers
- ✓ Auxiliary fauna for biological pest control
- ✓ Organic seeds for organic production
- ✓ Waste management activities

GCC has a team of analysts specialized in sustainable agriculture who will evaluate the projects on a case-by-case basis

# Process for project evaluation and selection

Grupo Cooperativo Cajamar will evaluate projects through the **Sustainability Committee**, a senior body chaired by an Executive Director of the Board of Directors. The senior management from the Business, Finance and Investment divisions shall pre-select eligible loans and submit them to the Committee for approval.

The Sustainability Committee shall monitor the issuances and the allocation of net proceeds to be applied, confirm the environmental and/or social impacts, and approve successive impact reports on bond issuances. The monitoring of bond issuances will be carried out by this Committee at least twice a year, keeping records of its minutes.



# Management of proceeds

---

The Group will allocate and manage net proceeds from green, social, and sustainable bond issues in accordance with the criteria set out in its Sustainable Bond framework and ensure that the volume of eligible assets marked for an issuance is at least equal to the net proceeds obtained by such an issuance.

If such proceeds cannot be fully allocated at the time of issue, they shall be placed temporarily in a cash account or invested in short term government bonds, with a commitment not to invest such funds in CO<sub>2</sub> intensive or controversial activities.

---

The Group will make its best effort to allocate proceeds to eligible projects within two years of the bond issuance.

In the event of the termination of a credit deal as an eligible asset, the Group will make its best effort to replace that credit with another eligible asset available within a maximum of a 12-month period.

# Reporting

---

On an annual basis, until full allocation, and until maturity of the bonds, Grupo Cooperativo Cajamar will appoint an external auditor to provide assurance on the allocation and impact of the net proceeds in line with the eligibility criteria set out in the Framework. This **Allocation and Impact Report** should be available on its corporate website and shall contain at least the following information:

- Amount of proceeds allocated to eligible green and/or social projects
- The outstanding unallocated proceeds and the detail of where they have been temporary invested
- Percentage of new loans/credits vs refinancing operations, including details of share of co-financing operations
- Location of the asset
- Environmental and/or social impacts in each of the eligible categories
- Alignment with the UN Sustainable Development Goals

# Impact indicators

## ELIGIBLE CATEGORIES

## IMPACT INDICATORS

Projects and promotion of the  
Social Economy

- Total amount and number of loans granted to companies in the social economy.
- Total amount and number of loans granted to small and medium-sized enterprises in the social economy.
- Total amount and number of loans granted to social economy enterprises established within the three years prior to the issue.
- Estimated number of beneficiaries.
- Estimated turnover of the social economy enterprises financed.
- Estimated employment generated.

Projects and promotion of  
economic and social development  
in towns and territories affected by  
low economic performance,  
unemployment, and depopulation

- Total amount and number of loans granted to towns and territories affected by low economic performance, unemployment, and depopulation.
- Estimated contribution to GDP of these territories as a result of financing.
- Estimated turnover of the enterprises financed.
- Estimated employment generated.
- Estimated population and capital fixed to the territory.

Natural disasters, states of alarm,  
and hibernation of the economy

- Total amount and number of loans granted for these disruptive events.
- Estimated turnover of the enterprises financed.
- Estimated employment generated and/or preserved.
- Estimated number of beneficiaries.

# Impact indicators

ELIGIBLE CATEGORIES	IMPACT INDICATORS
Sustainable Agriculture	<ul style="list-style-type: none"><li>• Total amount and number of loans granted for sustainable agriculture.</li><li>• Estimated production in physical and monetary terms.</li><li>• Estimated land area and associated production.</li><li>• Estimated number of beneficiaries.</li><li>• Estimated employment generated.</li><li>• Estimated waste avoided.</li><li>• Estimated CO<sub>2</sub> emissions avoided.</li></ul>
Renewable energies	<ul style="list-style-type: none"><li>• Total amount and number of loans granted for renewable energies.</li><li>• Estimated installed capacity.</li><li>• Estimated number of beneficiaries.</li><li>• Estimated employment generated.</li><li>• Estimated CO<sub>2</sub> emissions avoided.</li></ul>
Sustainable building	<ul style="list-style-type: none"><li>• Total amount and number of loans granted for sustainable building.</li><li>• Estimated number of beneficiaries.</li><li>• Estimated employment generated.</li><li>• Estimated CO<sub>2</sub> emissions avoided.</li></ul>
Sustainability mobility	<ul style="list-style-type: none"><li>• Total amount and number of loans granted for sustainable mobility.</li><li>• Estimated number of beneficiaries.</li><li>• Estimated employment generated.</li><li>• Estimated CO<sub>2</sub> emissions avoided.</li></ul>

# Independent External Review

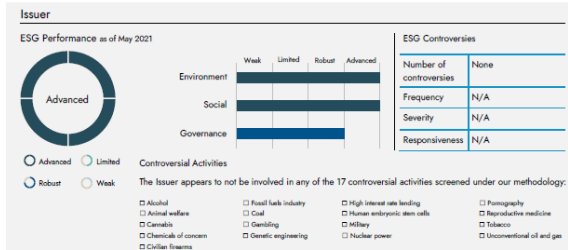
December 2021



## SECOND PARTY OPINION

on the sustainability of Grupo Cooperativo Cajamar's Sustainable Bond Framework

V.E. considers that Grupo Cooperativo Cajamar's Framework is **aligned** with the four core components of the ICMA's Green Bond Principles 2021 ("GBP") and Social Bond Principles 2021 ("SBP"), and is in line with **best practices** identified by V.E.



**Coherence**

Coherent	V.E. considers that the Framework is coherent with Grupo Cooperativo Cajamar's strategic sustainability priorities and sector issues and that it contributes to achieving the issuer's sustainability commitments.
Partially coherent	
Not coherent	

## Second Party Opinion by V.E

The Sustainable Bond Framework has obtained a second party independent opinion from Vigeo Eiris, verifying its alignment with the principles of the ICMA, GBP-2021 and SBP-2021, as well as the SDGs. The second party opinion is available on Grupo Cooperativo Cajamar's corporate website.

*"V.E. considers that Grupo Cooperativo Cajamar's Framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 ("GBP") and Social Bond Principles 2021 ("SBP"), and is in line with **best practices** identified by V.E."*

The Second Party Opinion by V.E is published on BCC's website:

<https://www.bcc.es/es/responsabilidad-corporativa/marco-de-bonos-sostenibles/>

## External Verification

On an annual basis, until full allocation, and until maturity of the bonds, Grupo Cooperativo Cajamar will appoint an external auditor to provide assurance on the allocation and impact of the net proceeds in line with the eligibility criteria set out in the Framework.

The auditor's report will be available on Grupo Cooperativo Cajamar's corporate website.

Grupo Cooperativo Cajamar will require external re-verification in case of material changes.

# Table of Contents

- 1. Grupo Cooperativo Cajamar Sustainability Strategy
- 2. Sustainable Bond Framework
- 3. Sustainable Agriculture
- 4. Our Social Cooperative Banking Model
- 5. Annex
  - 1. Key Financials
  - 2. Documents and Policies
  - 3. Glossary

# Sustainable Agriculture

The Office of Sustainable Development and its Agri-food Innovation Area coordinates 4 strategic units:



## Plataforma Tierra

**A tool for digitalization of agri-food sector**

Markets, Innovation, Publications, Tools, Training



## Cajamar Innova

**Incubator and Accelerator of high-technology water related start-ups**

Some of the projects are as follows: Optimization of use, quality and management of water, Management of wastewater for circular economy, Macroalgae for biomass and mitigation of CO<sub>2</sub> emissions.



## R+I+D centers

**Grupo Cooperativo Cajamar owns and operates 2 R+I+D centers dedicated to agri-food with more than 20 hectares**

72 research projects in 4 different research areas: Sustainable Agriculture, Food and Health, Bioeconomy and Greenhouse Technology.



## Agro Analysis

**Internal tools for analysis and decision-making**

Agro Analysis that allows to tailor financing to real need of the clients.

# Plataforma Tierra TIERRA

[www.plataformatierra.es](http://www.plataformatierra.es)

The digitalization of the agri-food sector is key to face the main challenges linked to the need to intensify food production, not impacting negatively the environment and food safety. The Group has made a firm commitment to technological innovation through Plataforma Tierra.

This tool is structured through **different sections**:



## Markets

Provides information of the pricing evolution of the main agro products.



## Innovation

Gathers the internal and external news of each sector and the main results of the investigations taken place in our Research Centers.



## Publications

Possibility to access the publications that are prepared in the Agro Innovation Area



## Tools

Focuses on the creation of tools to help the farmers, such as irrigation and fertilization, weather forecasting, pest control, soil management...



## Training

Includes the training programs offered to the sector (both internal and external tutors) targeted at senior managers and other professionals.

**Searching for alliances is the best way to take advantage of synergies and optimize processes. Some examples are:**

- Collaboration Agreement with IBM to use artificial intelligence and offer services that allow to optimize the irrigation and precisely predict the weather.
- Agreement with MAP to create the Agro Sector Digitalization Observatory.

# Cajamar Innova



<https://Cajamarinnova.es>

In its commitment to the agri-food sector, the *Cajamar Innova initiative* has become a pioneering platform for the incubation and acceleration of entrepreneurial proposals linked with the search for technological **solutions to water scarcity and its efficient management**.

During 2021 the first projects have been launched and important agreements have been signed, which will be able to be used by around 8,000 companies located in 52 science and technology parks.

The projects have a direct impact on water resources and biodiversity, with greatest potential for positive impact in those related to efficient management of water consumption or wastewater treatment from agricultural and livestock activities

There are currently eleven startups that have been linked to *Cajamar Innova Initiative*, four of them in the process of acceleration.



## Startup Initiatives in 2021

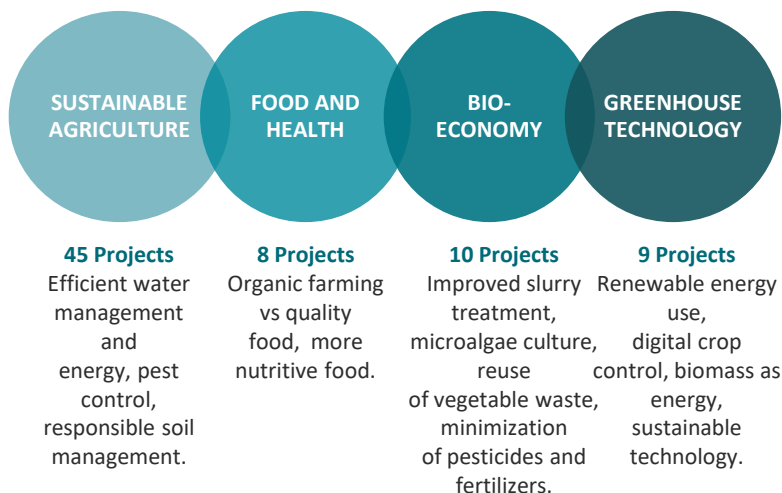
- Use of technology to optimize consumption, quality and management of water
- Evaporation of wastewater with Renewable Energies to obtain dry salts for the circular economy and recovery of evaporated water.
- Direct detection of antifouling agents in water, which reduces consumption of resources and operating costs of water treatment plants.
- Cultivation of macroalgae that generates biomass and mitigates CO<sub>2</sub> emissions.
- Monitoring systems that allow the detection of bacterial pathogens.
- Technology that allows the capture of water by generating ice in natural environments.

# R+I+D Centers: Projects with a positive impact on Sustainability

The Group has more than 20 hectares dedicated to R&D in Almeria and Valencia. The Research Centers of Almería and Paiporta (Valencia) are a Mediterranean intensive agriculture reference and are a coexistence place where companies, universities and technology centers develop numerous projects linked to sustainable agriculture.

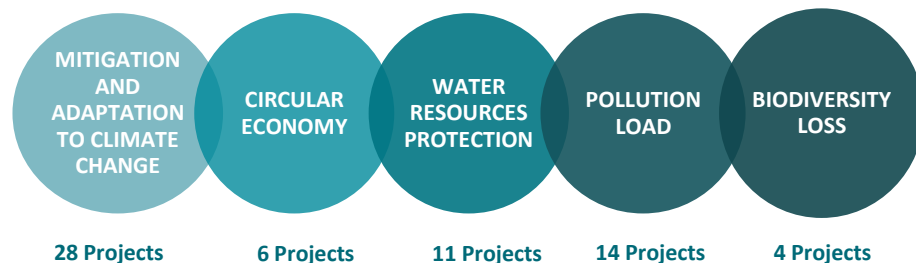
In 2021 efforts have been focused on **72 research projects**:

## Projects by line of study



## Projects by Taxonomy's environmental objectives

All 72 projects in 2021 have had a direct impact in 8 of the 17 SDGs. 43 projects have impacted over SGD nº2, assuring the sustainability of food production systems; 9 projects align with SGD nº8, linked to innovation as a way to increase productivity. The Group is now focusing on projects with an efficient water consumption objective (SGD nº6).



# Research initiatives (1/6)

## Biodiversity Vegetation Patches for Biological Control of Pests and Diseases



EU Taxonomy Environmental objectives:  
**Protection and Recovery of Biodiversity and Ecosystems**

- ✓ Since 2010 the Group is working on biological methods of control against pests and diseases. To do this, it promotes biodiversity and the presence of natural enemies by creating patches of native vegetation.
- ✓ Two tools have been developed in order to help farmers to implement these techniques: PlantEn and DiseñoEn.
- ✓ Since then, the Group has more than 5,543 users, and 12,066 biodiversity vegetation patches have been designed.
- ✓ **21.2 km** of hedges, **31.2** hectares of hedges, **90** hedges designed .



# Research initiatives (2/6)

## Design and Impact Measurement of **Cover Crops**



EU Environmental objectives:  
**Pollution prevention and control**

- ✓ The maintenance of cover crops contributes to increasing ecological biodiversity and improving environmental sustainability thanks to:
  - ✓ Reduction of the consumption of chemical products for the control of weeds, pests and diseases.
  - ✓ Increase the organic carbon content in the soil.
  - ✓ Improvement of the physicochemical and biological properties of the soil.
  - ✓ Increased water retention capacity.
  - ✓ Increase CO<sub>2</sub> fixation.



- ✓ The project has consisted in:
  - ✓ Design of different types of cover crops
  - ✓ Measurement of their impact.

# Research initiatives (3/6)

## Optimization of Irrigation and Fertilization



EU Taxonomy Environmental objectives:  
**Pollution prevention and control**

- ✓ Based on the work carried out in our Research Centers since 1975, and with the recent incorporation of Big Data and Artificial Intelligence, the Group is developing tools that allow us to optimize the management of irrigation and fertilization while maximizing production.
- ✓ GCC is currently participating in a European project, called PRIMA, to incorporate IoT into decision-making.



## Research initiatives (4/6)

### Production of Functional and Compostable Packaging from Vegetable Waste



EU Taxonomy Environmental objectives:  
**Pollution prevention and control**

- ✓ **Interconecta State Project**, executed between 2016 and 2018 aimed at the manufacture of biodegradable and compostable meshes and containers from vegetable waste, as substitutes for fossil plastics.
- ✓ The **Vegepack** project is a continuation of Biovege aimed at incorporating functional properties (germicide, insecticide) into bioplastics from plant waste

# BIOVEGE



# Research initiatives (5/6)

## Circular Systemic Solution for the **Upcycling of Residues from the Agrifood Sector**



EU Taxonomy Environmental objectives :  
**Climate Change Mitigation and Circular Economy**

- ✓ As part of the **European Project Horizon 2020** with participation of 40 partners from 11 countries



### **HORIZON 2020** TERRITORIAL CIRCULAR SYSTEMIC SOLUTION FOR THE UPCYCLING OF RESIDUES FROM THE AGRIFOOD SECTOR

Ficha informativa Resultados

#### Objetivo

Agro2Circular (A2C) project is focused on the implementation of the first territorial systemic solution for the upcycling of most relevant residues in the agrifood sector (fruits& vegetables and plastic multilayers) into high added value products, powered by a digital tool and constructed upon a systemic approach with high replicable/scalable potential. Through this solution, A2C will face important industrial, economic & social challenges in the agrifood sector.

1) The fruits & vegetables (F&V) are the group of major contribution to food waste along the food supply chain rising up to > 40% of waste, and are as excellent source of natural bioactives. However, these F&V wastes are not exploited. A2C will valorise them by green routes to obtain these bioactives for the production of nutraceuticals, functional foods, and cosmetics.

3) Multilayer plastic films are widely used as industrial packaging for the protection of food and agriculture for crops due to their unique barrier properties. However, there is a lack of sorting and recycling technologies for an economic and environmentally sustainable valorisation of these multilayer structures. A2C will develop the first recycling value chain for post-industrial multilayer films based on a synergistic approach combining innovative sorting, physical delamination, enzymatic depolymerisation, decontamination & mechanical recycling.

3) There is a lack of digitalisation in the agrifood sector. A2C will implement a Data Integration System (DIS) as a digital tool for ensuring traceability and as Predictive Decision Tool in the agrifood sector.

A2C will be a demonstrated in the Regi?n de Murcia (Spain) and replicable systemic solution throughout Europe for the territorial deployment of the circular economy.

#### Información del proyecto

##### Agro2Circular

Identificador del acuerdo de subvención:

101036838

Fecha de inicio

1 Octubre 2021

Fecha de finalización

30 Septiembre 2024

Financiado con arreglo a  
H2020-EU 3.5.

Presupuesto general  
€ 16 846 032,50

Aportación de la UE  
€ 14 074 826,28



Coordinado por  
ASOCIACION EMPRESARIAL DE INVESTIGACION  
CENTRO TECNOLÓGICO DEL CALZADO Y DEL  
PLÁSTICO DE LA REGIÓN DE MURCIA  
 España

# Research initiatives (6/6)

## Strategies of **Controlled Restricted Irrigation**



EU Taxonomy Environmental objectives:  
**Sustainable Use of Water**

- ✓ Restricted irrigation is a tool that allows to reduce use of water and increase productivity in certain fruit crops and certain soil composition
- ✓ GCC's research centers have tested this strategy in some fruits and varieties, obtaining a **reduction of water use of around 25%** while increasing productivity (in kg/m<sup>3</sup> and crop price), depending on the species and varieties



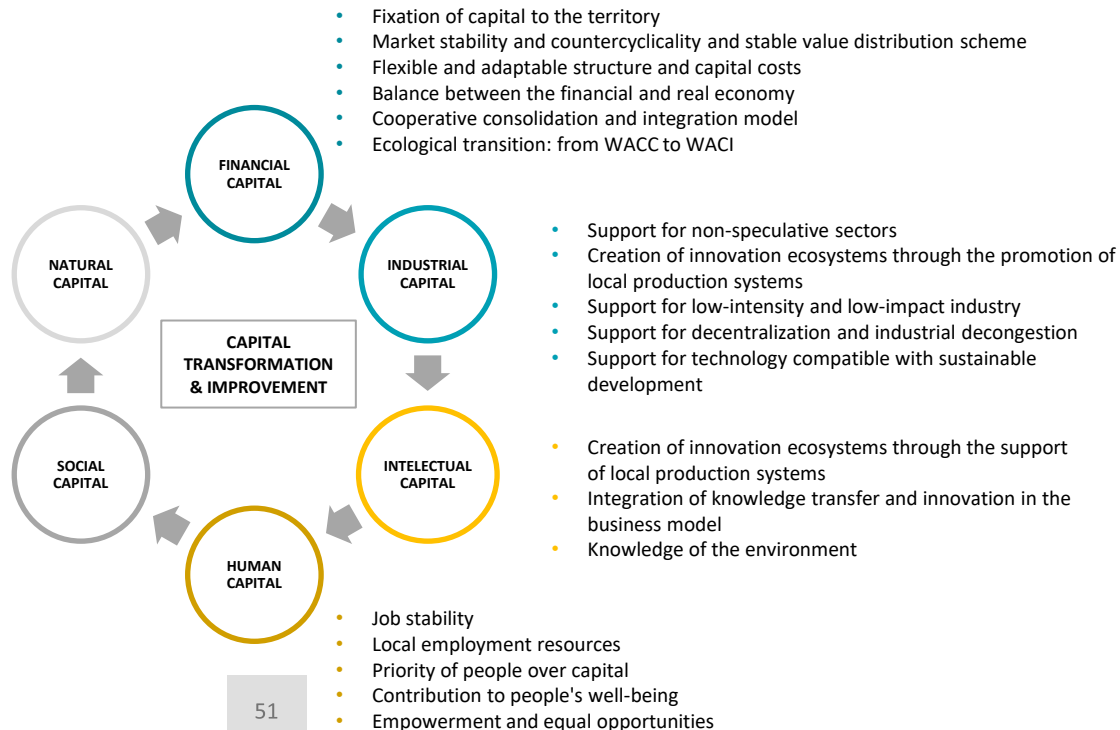
# Table of Contents

- 1. Grupo Cooperativo Cajamar Sustainability Strategy
- 2. Sustainable Bond Framework
- 3. Sustainable Agriculture
- 4. Our Social Cooperative Banking Model
- 5. Annex
  - 1. Key Financials
  - 2. Documents and Policies
  - 3. Glossary

# Our social cooperative banking model

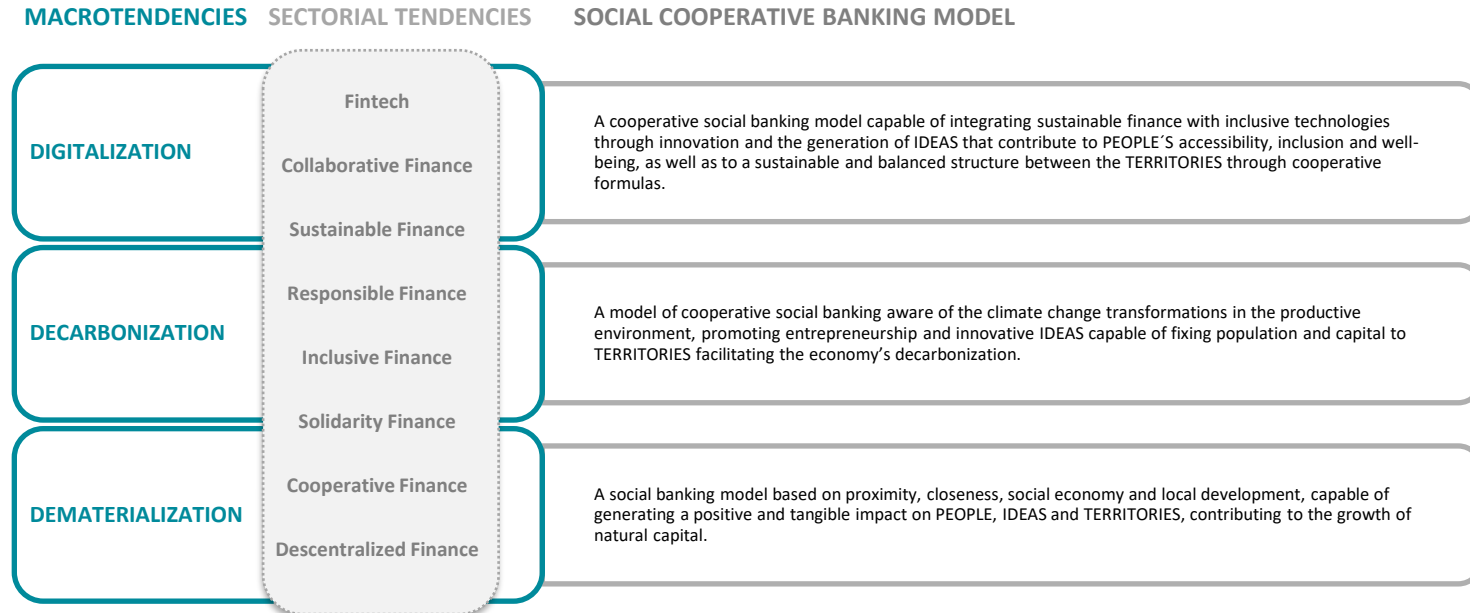
**The cooperative banking model brings diversity to the banking system:** It truly contributes to local sustainable development; Generates a stable and lasting relationship with the environment; Reduces the risks associated with speculation and the generation of bubbles through a countercyclical business model; Contributes to reducing the risks associated with the usual banking model: moral hazard, adverse selection and asymmetric information.

- Use of local resources. Greater commitment to the environment: origin-impact
- Capacity to set GHG emissions
- Supporting the rural environment and reinforcing the primary sector's multifunctionality
- Environmental decongestion
- Co-responsibility
- Ability to accompany in the fair ecological transition
- Governance and agency costs: integration of the partner-client role (mutualization and economic autonomy)
- Internal democracy
- Stable relationship with the environment and interest groups
- Moral hazard reduction
- Reduction of adverse selection
- Social and financial inclusion
- Link with the social and solidarity economy
- Contribution to the consolidation of local community services



# Cooperative model contributing to a different future

Challenges for an inclusive, restorative and sustainable globalization from a local perspective



# Table of Contents

- 1. Grupo Cooperativo Cajamar Sustainability Strategy
- 2. Sustainable Bond Framework
- 3. Sustainable Agriculture
- 4. Our Social Cooperative Banking Model
- 5. Annex
  - 1. Key Financials
  - 2. Documents and Policies
  - 3. Glossary

# Most significant figures (I)

(EUR Thousands)

(EUR Thousands)	31/12/2021	30/09/2021	31/12/2020	y-o-y		q-o-q	
				Abs.	%	Abs.	%
Profit and Loss Account							
Net interest income	672,414	519,552	610,644	61,770	10.1%		
Gross Income	1,370,736	1,155,768	1,052,379	318,357	30.3%		
Net Income before provisions	776,490	728,828	478,308	298,182	62.3%		
Profit before tax	77,815	96,443	23,085	54,730	237.1%		
Consolidated Net profit	62,626	62,320	23,760	38,866	163.6%		
Business							
Total Assets	58,513,026	57,594,049	53,617,061	4,895,965	9.1%	918,977	1.6%
Equity	3,594,866	3,541,672	3,362,657	232,209	6.9%	53,194	1.5%
On-balance sheet retail funds	38,740,365	38,351,887	35,255,348	3,485,017	9.9%	388,478	1.0%
Off-balance sheet funds	6,404,843	6,114,422	5,056,227	1,348,616	26.7%	290,421	4.7%
Performing Loans	34,273,040	33,629,529	32,545,816	1,727,224	5.3%	643,511	1.9%
Gross Loans	35,584,965	35,035,801	34,204,121	1,380,844	4.0%	549,164	1.6%
Risk management							
Non-performing assets (gross)	3,179,863	3,744,804	4,261,864	(1,082,001)	(25.4%)	(564,941)	(15.1%)
Non-performing assets (net)	1,175,565	1,376,969	1,983,568	(808,003)	(40.7%)	(201,403)	(14.6%)
NPA ratio (gross) (%)	8.49%	10.02%	11.58%	(3.09)		(1.53)	
NPA ratio (net) (%)	3.32%	3.93%	5.74%	(2.43)		(0.62)	
NPA coverage (%)	63.03%	63.23%	53.46%	9.57		(0.20)	
Non-performing loans	1,311,925	1,406,272	1,658,305	(346,380)	(20.9%)	(94,347)	(6.7%)
NPL ratio (gross) (%)	3.60%	3.92%	4.77%	(1.17)		(0.32)	
NPL ratio (net) (%)	1.07%	1.09%	2.03%	(0.01)		(0.00)	
NPL coverage ratio (%)	71.28%	73.31%	58.92%	12.36		(2.03)	
Foreclosed assets (gross)	1,867,938	2,338,532	2,603,559	(735,621)	(28.3%)	(470,594)	(20.1%)
Foreclosed assets (net)	798,805	1,001,598	1,302,277	(503,472)	(38.7%)	(202,792)	(20.2%)
Foreclosed assets Coverage ratio (%)	57.24%	57.17%	49.98%	7.26		0.07	
Texas ratio	59.92%	67.16%	79.27%	(19.35)		(7.24)	
Cost of risk	1.41%	1.75%	1.06%	0.35		(0.34)	

# Most significant figures (II)

(EUR Thousands)

	31/12/2021	30/09/2021	31/12/2020	y-o-y		q-o-q	
				Abs.	%	Abs.	%
<b>Liquidity</b>							
LTD (%)	85,71%	84,90%	89,92%	(4,21)		0,81	
LCR (%)	206,05%	252,25%	235,23%	(29,18)		(46,20)	
NSFR (%)	138,12%	138,96%	128,57%	9,55		(0,84)	
Commercial Gap position	5,695,785	5,964,502	3,672,320	2,023,465	55.1%	(268,717)	(4.5%)
<b>Solvency phased in</b>							
CET1 ratio (%)	13.29%	13.31%	13.79%	(0.50)		(0.02)	
Tier 2 ratio (%)	2.42%	2.44%	1.70%	0.72		(0.02)	
Capital ratio (%)	15.71%	15.74%	15.49%	0.22		(0.04)	
Leverage ratio (%)	5.47%	5.53%	5.71%	(0.25)		(0.06)	
MREL ratio (%) <sup>1</sup>	18.25%	18.30%				(0.05)	
<b>Solvency fully loaded</b>							
CET1 ratio (%)	12.78%	12.68%	13.06%	(0.28)		0.10	
Tier 2 ratio (%)	2.42%	2.44%	1.71%	0.71		(0.02)	
Capital ratio (%)	15.20%	15.12%	14.77%	0.43		0.08	
Levarage ratio (%)	5.26%	5.28%	5.41%	(0.15)		(0.02)	
<b>Profitability and efficiency</b>							
ROA (%)	0.11%	0.15%	0.05%	0.06		(0.04)	
RORWA (%)	0.26%	0.35%	0.10%	0.16		(0.09)	
ROE (%)	1.80%	2.41%	0.71%	1.09		(0.61)	
Cost-income ratio (%)	43.35%	36.94%	54.55%	(11.20)		6.41	
Recurring cost-income ratio (%)	63.47%	59.37%	62.78%	0.69		4.10	
<b>Other data</b>							
Cooperative members	1,559,101	1,529,430	1,459,536	99,565	6.8%	29,671	1.9%
Employees	5,317	5,330	5,406	(89)	(1.6%)	(13)	(0.2%)
Branches	873	898	910	(37)	(4.1%)	(25)	(2.8%)

<sup>1</sup> MREL ratio over RWA, including CCB of 2.5%. MREL over LRE of 7.51%

# Table of Contents

- 1. Grupo Cooperativo Cajamar Sustainability Strategy
- 2. Sustainable Bond Framework
- 3. Sustainable Agriculture
- 4. Our Social Cooperative Banking Model
- 5. Annex
  - 1. Key Financials
  - 2. Documents and Policies
  - 3. Glossary

# Documents and Policies

## Sustainability

- ✓ [Sustainability Report](#)
- ✓ [Sustainable Bond Frameworkd and Second Party Opinion](#)
- ✓ [ESG ratings](#)

## Governance and Responsible Finance

- ✓ [Corporate Governance and Remuneration Policy](#)
- ✓ [Corporate Social Responsibility Policy](#)
- ✓ [Corporate Culture and Business Ethics \(Ethical Management System\)](#)
- ✓ [Code of Conduct](#)
- ✓ [Anti corruption Policy](#)
- ✓ [Socially Responsible Investment – Unwanted Links \(Exclusion Policy\)](#)

## Environmental

- ✓ [Environmental Policy](#)
- ✓ [Sectorial Policy Framework for Climate Neutrality](#)
- ✓ [Eco-efficiency plan](#)

## Social

- ✓ [Labour Health and Safety Policy](#)

# Table of Contents

- 1. Grupo Cooperativo Cajamar Sustainability Strategy
- 2. Sustainable Bond Framework
- 3. Sustainable Agriculture
- 4. Our Social Cooperative Banking Model
- 5. Annex
  - 1. Key Financials
  - 2. Documents and Policies
  - 3. Glossary

# Glossary

---

- CCBS: Climate Community and Biodiversity Standard
- CDP: Carbon Disclosure Project
- CNMV: Comisión Nacional del Mercado de Valores (National Securities Market Commission)
- CPRS: Climate Policy Relevant Sectors
- EPC: Energy Performance Certificate
- ESG: Environmental, Social and Governance
- GRI: Global Reporting Initiative
- GBP: Green Bond Principles
- ICMA: International Capital Market Association
- NACE: Nomenclature of Economic Activities
- NPS: Net Promoter Score
- PCAF: Partnership for Carbon Accounting Financials
- NECP: National Energy and Climate Plan
- RAF: Risk Appetite Framework
- SBTi: Science Based Targets initiative
- SBG: Sustainability Bond Guidelines
- SBP: Social Bond Principles
- SDG: Sustainable Development Goals
- SFDR: Sustainable Finance Disclosure Regulation
- SPO: Second Party Opinion
- SRI: Social Responsible Investment
- TCFD: Task- force on Climate- related Financial Disclosures
- OHSAS: Occupational Health and Safety Assessment Series
- UNEP FI: United Nations Environment Programme Finance Initiative
- WACI: Weighted Average Carbon Intensity

# Disclaimer

This presentation (the "Presentation") has been prepared and is issued by and is the sole responsibility of Grupo Cooperativo Cajamar.

The information contained in the Presentation has not been independently verified and some of the information is in summary form. No representation or warranty, express or implied, is made by Banco de Crédito Cooperativo (BCC) or any of its affiliates (Grupo Cooperativo Cajamar), nor by their directors, officers, employees, representatives or agents as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions expressed herein. None of BCC nor any of its affiliates, nor their respective directors, officers, employees, representatives or agents shall have any liability whatsoever (in negligence or otherwise) for any direct or consequential loss, damages, costs or prejudices whatsoever arising from the use of the Presentation or its contents or otherwise arising in connection with the Presentation, save with respect to any liability for fraud, and expressly disclaim any and all liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in connection with the accuracy or completeness of the information or for any of the opinions contained herein or for any errors, omissions or misstatements contained in the Presentation.

Banco de Crédito Cooperativo cautions that this Presentation may contain forward looking statements with respect macroeconomic perspectives and financial Sector. While these forward-looking statements represent Grupo Cooperativo Cajamar judgment and future expectations, nevertheless a certain number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from the expectations.

The information contained in the Presentation, including but not limited to forward-looking statements, is provided as of the date hereof and is not intended to give any assurances as to future results. No person is under any obligation to update, complete, revise or keep current the information contained in the Presentation, whether as a result of new information, future events or results or otherwise. The information contained in the Presentation may be subject to change without notice and must not be relied upon for any purpose.

This Presentation contains financial information derived from Grupo Cooperativo Cajamar unaudited financial statements for the first to last quarters of the financial years until 2021. None of this financial information has been audited by the external auditors. Financial information is presented according to GAAP as well as internal Grupo Cooperativo Cajamar criteria as a result of which each division reflects the true nature of its business. These criteria do not follow any particular regulation and can include forecasts and subjective valuations which could represent substantial differences should a different methodology be applied.

In addition to the financial information prepared in accordance with the International Financial Reporting Standards (IFRS), this document includes certain Alternative Performance Measures (APMs) as defined in the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) (the "ESMA guidelines"). This report uses certain APMs, which are performance measures that have been calculated using the financial information from Grupo Cooperativo Cajamar but that are not defined or detailed in the applicable financial framework and therefore have neither been audited nor are capable of being completely audited. These APMs are used to allow for a better understanding of the company's financial performance but should be considered only as additional disclosures and in no case as a replacement of the financial information prepared under IFRS. Moreover, the way the Group defines and calculates these measures may differ to the way these are calculated by other companies, and therefore they may not be comparable. Please refer to the file called "APMs glossary" (<https://www.bcc.es/en/informacion-para-inversores/informacion-financiera/>) for further details of the APMs used, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS.

Market and competitive position data in the Presentation has generally been obtained from industry publications and surveys or studies conducted by third-party sources. Peer firm information presented herein has been taken from peer firm public reports, though we do not call any of them by its name. There are limitations with respect to the availability, accuracy, completeness and comparability of such data. Grupo Cooperativo Cajamar has not independently verified such data and can provide no assurance of its accuracy or completeness. Certain statements in the Presentation regarding the market and competitive position data are based on the internal analyses of the Group, which involve certain assumptions and estimates. These internal analyses have not been verified by any independent source and there can be no assurance that the assumptions or estimates are accurate. Accordingly, undue reliance should not be placed on any of the industry, market or Grupo Cooperativo Cajamar competitive position data contained in the Presentation.

The distribution of this Presentation in certain jurisdictions may be restricted by law. Recipients of this Presentation should inform themselves about and observe such restrictions. Grupo Cooperativo Cajamar disclaims any liability for the distribution of this Presentation by any of its recipients. Grupo Cooperativo Cajamar can not be held responsible for the use, valuations, opinions, expectations or decisions which might be adopted by third parties following the publication of this Presentation. This Presentation does not constitute or form part of, and should not be construed as, (i) an offer, solicitation or invitation to subscribe for, sell or issue, underwrite or otherwise acquire any securities, nor shall it, or the fact of its communication, form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract or commitment whatsoever with respect to any securities; or (ii) any form of financial opinion, recommendation or investment advice with respect to any securities.

By receiving or accessing to this Presentation you accept and agree to be bound by the foregoing terms, conditions and restrictions.



THANK YOU

---