

An illustration on the left side of the cover. The top half shows a dark green tree with a jagged canopy against an orange background. The bottom half shows the tree's trunk and roots, which are shaped like a lightbulb with a spiral filament, set against a dark green background.

# **Disclosures regarding nature-related impacts, risks and opportunities 2024**

**Sustainability  
and Agri-Food  
Development Division**

December 2024





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## Disclosures Recommended by TNFD



### Governance

Report on the organisation's governance regarding nature-related dependencies, impacts, risks and opportunities



### Strategy

Report on the effects of nature-related dependencies, impacts, risks and opportunities on the strategy and business model



### Risk and Impact Management

Describe the process used by the organisation to identify and analyse nature-related dependencies, impacts, risks and opportunities



### Metrics and Objectives

Disclose the metrics used to analyse nature-related impacts, risks and opportunities





## INTRODUCTION

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One of the key objectives of the European Green Deal is to prioritise the preservation and improvement of natural capital in order to promote a sustainable and competitive economy within the European Union. In a legislative environment of constant change and international pledges in this area such as the Biodiversity Strategy for 2030 and the Global Biodiversity Framework (GBF) adopted recently, the EU Sustainable Finance Agenda, which incorporates the EU Taxonomy, the Sustainable Finance Disclosure Regulation (SFRD) and the Corporate Sustainability Reporting Directive (CSRD) requires financial institutions to be transparent and align with nature-positive strategies and actions.

The loss of biodiversity and nature poses risks that extend beyond the environmental area and affect economic activities and the financial system in general. Global economic and financial systems present a direct relationship with nature. More than half the world's economic output relies moderately or heavily on ecosystem services; therefore the accelerated loss of ecosystem services supposes risks that companies and financial institutions will need to be aware of. That is why central banks and financial supervisors are increasingly aware that the loss of nature is a source of systemic risks to financial systems and economies.

Although progress has been made in incorporating climate-related aspects into decision-making, it is also necessary to act on issues related to nature.

Companies and financial institutions play a key role in moving towards a positive economy that respects the natural environment. However, financial institutions currently lack the knowledge, capacity and data to understand, measure, mitigate and evaluate the nature-related risks they face. Therefore, they must start integrating these risks into their regular management.

The Task Force on Nature-Related Financial Disclosures (TNFD) is a global framework that provides clarity on how companies can begin to incorporate nature-related risks and opportunities into their strategic planning decisions and into risk and opportunity management.





The concept of nature encompasses all natural capital, including nature as a whole and biodiversity, as well as natural processes and phenomena that exist in the environment such as water, climate, air, oceans, forests, land and organisms.

In this regard, from the outset, the Group has always been committed to the social, economic and environmental surroundings with which it interacts. That is why it adopts a commitment to sustainable development within its business model that includes not only direct impacts, but also the indirect impacts generated through its financing activities, asset management and the management of its supply chain, all of which is reflected in its Environmental Policy. Grupo Cooperativo Cajamar's commitment goes beyond legal obligations, taking on voluntary commitments by implementing an Environmental and Energy Management system, as well as developing principles and good environmental practices in all its activities. Likewise, year after year the Group adapts to new regulatory expectations on reporting and disclosure.





# 1. GOVERNANCE

Corporate governance is at the very core of cooperative models. Listening to and meeting the needs of all stakeholders facilitates the possibility of value creation, and therefore information and transparency are the two fundamental principles on which the Group's corporate governance is based. A sound combination of both elements is key to implementing good practices and avoiding information asymmetry, thereby protecting the interests of members, shareholders and investors.

**Information and transparency are the two fundamental principles on which Grupo Cooperativo Cajamar's corporate governance is based**

The Group's cooperative vocation means that the principles and best practices of corporate governance are present in the organisation, striking a balance between elements of governance linked to the cooperative principles (one member, one vote, internal democracy, putting people before profits, freedom of membership, etc.) and elements of capital companies (access to markets, protection of mino-

rity shareholders, capital stability, etc.). This combination of elements of governance allows the Group to attract resources from wholesale capital markets and, in turn, to fix capital to the territory, creating socio-economic development linked to the productive economy and, especially, to the social economy.

Grupo Cooperativo Cajamar is made up of 18 credit institutions and Banco de Crédito Social Cooperativo, SA(BCC), which effectively leads and manages the Group, being responsible for issuing and supporting the management instructions to be followed by all banks. The 18 rural savings banks (Cajas Rurales) hold the vast majority (92.29 %) of shares in BCC, which acts as the Group's parent company and assumes the strategic management of the Group, including the task of supervising risk control, human resources management, cash management, business planning, as well as internal audits and control.

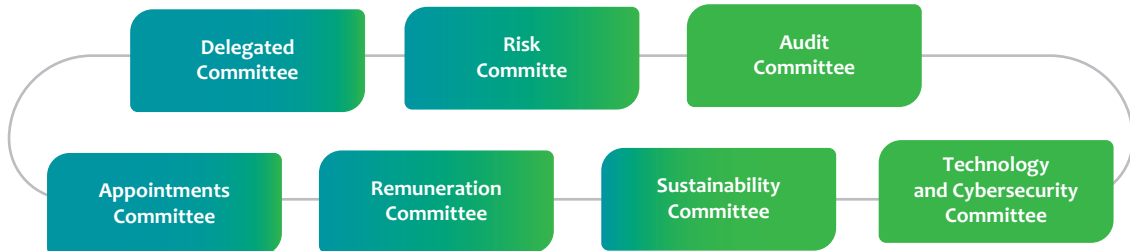
For the rural banks that make up the Group, the General Assembly is the highest body for the expression of corporate will, and the Steering Committee is the collegiate body of governance, responsible for senior management, supervision of executives and representation of the organisation.

The sovereign body within BCC is the General Meeting of Shareholders. The Board of Directors, its Executive Committee and its various other committees are the governing bodies responsible for representation, administration, management and supervision.



## Structure of the Board of Directors

### Specialised committees



### 1.1. The Integration of Nature-Related Aspects

The cooperative foundations of Grupo Cooperativo Cajamar mean that the fundamental elements and best practices of corporate governance are present in the organisation.

Grupo Cooperativo Cajamar has a governance structure that allows it to comply with best corporate practice in nature-related aspects, maintaining the appropriate framework for risk management and control.





## The Board of Directors

BCC's Board of Directors holds the broadest powers of representation, administration, supervision, management and oversight in order to perform all kinds of acts and contracts pertaining to management and administration. It is the Group's highest representative body and incorporates an executive director with direct responsibility for the management of Sustainability, as well as an expert committee on Sustainability. The policy of the Board is to delegate the ordinary management of the Company and the execution of its strategy to the executive bodies and the management team and to concentrate its activity on the general supervisory function, by assuming and exercising directly and in a non-delegable way the responsibilities that this function entails, as provided for in the Law, the Corporate By-Laws and the Regulations governing the Board of Directors.

The Board receives continuous information on the aspects covered by each specialist Committee, since, at the Board meeting following each Committee meeting, their respective Presidents report on all matters and decisions reached at the Committee meetings. Furthermore, regarding each Committee, copies of the Minutes of these decisions, as well as the documentation corresponding to the matters addressed during the meetings, are made available to members of the Board through the specific tool set up for this purpose.

In terms of Sustainability, there are two Committees that play a major role in nature-related matters:



## Sustainability Committee

Responsible for the Group's performance in the area of ESG sustainability. The Sustainability Committee shall normally meet at least once every quarter.

Its main responsibilities are to:

- Advise the Board of Directors, where appropriate, in relation to the design of corporate culture and values, especially in environmental, climate and social matters.
- Monitor and evaluate, where appropriate, processes of interaction with different stakeholders.
- Periodically evaluate and review the environmental and social policy of the Group, in order to fulfil its mission of promoting social interest and take into account, as appropriate, the legitimate interests of the other stakeholders.
- Ensure that the Group's environmental and climate practices are in line with the strategy and policy defined.



## Risk Committee

Internal body, permanently constituted by the Board of Directors, with an informative and consultative capacity, with no executive functions, with the power to inform, advise and make proposals to the Board of Directors in its supervisory capacity, within its sphere of action. The Risk Committee shall normally meet quarterly. It shall also meet at the request of any of its members and whenever convened by its President, who shall do so whenever the Board or its President requests a report or the adoption of proposals by the Risk Committee and whenever it is convenient for the proper development of its functions. Other matters falling within the remit of the Risk Committee include: advising the Board of Directors in the management of risks that apply to the Group. In the task of supporting the Board of Directors in risk management, taking into account all types of risks, including environmental, social and governance (ESG) risks, to ensure that they are in line with the organisation's business strategy, objectives, corporate culture and values. One of the areas of competence of the Risk Committee is to take into account and evaluate the risks inherent in the Group's activity, including environmental, social and governance risk factors.

In relation to Environmental, Social and Governance risks, its remit includes:

- Understanding possible present or future losses related to both physical and transition environmental and climate risks.
- As well as understanding exposure to social and governance risk factors to assess the degree of risk assumption and potential mitigating measures.





## Sustainability and Agri-Food Development Division

The Sustainability and Agri-Food Development Division reports directly to the executive director who holds specific competences with regard to sustainability. It is represented on BCC's Steering Committee and reports (directly or through one of its delegated committees, mainly through the Sustainability Committee and the Risk Committee) on risks and opportunities related to sustainability, and especially climate and environmental opportunities, to BCC's Board of Directors for supervision as the Group's most senior representative body.

Its main responsibilities include:

- Facilitating responsible and long-term growth through sustainable financing, support for businesses and entrepreneurs, and responsible investment.
- Collaborating with the different functional areas of the organisation in the definition and development of a cross-cutting strategy to manage direct and indirect risks related to sustainability derived from the Group's activity.
- Promoting instruments to encourage and support members and customers in terms of sustainability and the ecological transition.
- Developing action plans to implement the Group's strategy for managing risks and opportunities, especially those related to climate change and nature-related aspects.
- Collaborating in the development of new financial products with sustainability criteria.
- Supporting entrepreneurial initiatives with a positive social, cultural and environmental impact.





## 2. STRATEGY

### 2.1. The Ambition (purpose) of Cajamar

The cooperative banking model developed by Grupo Cooperativo Cajamar is based on the ambition (purpose) of developing a financial instrument that serves the society of which we are part, in order to promote its economic growth and its holistic development.

People are at the heart of all our actions, and our objective is to help them achieve fulfilment in social, economic and cultural terms in their respective territories.

In this sense, the natural environment is an intrinsic part of the different territories and the quality of life available to their inhabitants. And this environment can be a source of wealth generation and ecosystem services for the enjoyment of its population.

A better environment allows us to have resources that can be used by the different productive activities, and be maintained over time, a greater capacity to attract new populations, either as visitors or to move there permanently, and greater resilience to adverse phenomena, such as the major meteorological phenomena we are increasingly seeing.

For all these reasons, maintaining and improving environmental values is an objective for Grupo Cooperativo Cajamar, understood as a formula that guarantees sustainability.







And we channel our actions aimed at respecting nature and environmental values in two complementary ways:

Analysing and guiding our financial investments towards projects and initiatives that have a positive impact. Proactively promoting actions that help to improve humanity's environmental footprint.



Generating and transferring new knowledge that allows humanity to modify its productive activities and actions towards models that are less dependent on fossil resources, making them more circular and more efficient. These actions have chiefly focused on supporting the agri-food sector as a strategic sector for Grupo Cooperativo Cajamar and the sector that is most dependent and has the greatest impact on nature.





## 2.2. Our History and Evolution

The origin and development of Cajamar Caja Rural has largely taken place along the Mediterranean coast and has been linked to the agri-food sector. This territory presents extreme weather conditions, with long periods of low rainfall, high average temperatures and extreme weather phenomena that occur with an undetermined frequency. As a result, in certain locations in southeastern Spain, water shortages are structural, and the availability of conventional resources is lower than demand.

In this context, one of the main economic activities developed over the last six years has been the production and commercialisation of fruit and vegetables, irrigated crops that are highly dependent on water availability.

In the development of this economic activity, Cajamar has played a fundamental role, promoting the first greenhouse crops in the province of Almeria in the 1960s and the subsequent expansion of this approach to other crops and neighbouring provinces.

Keenly aware of the physical and transitional risks to which this sector and the entire economy of the region are exposed in a more general context, we have always been particularly sensitive to these risks and have helped to implement initiatives to mitigate them, while taking advantage of the opportunities offered by a territory with special climate and environmental characteristics.



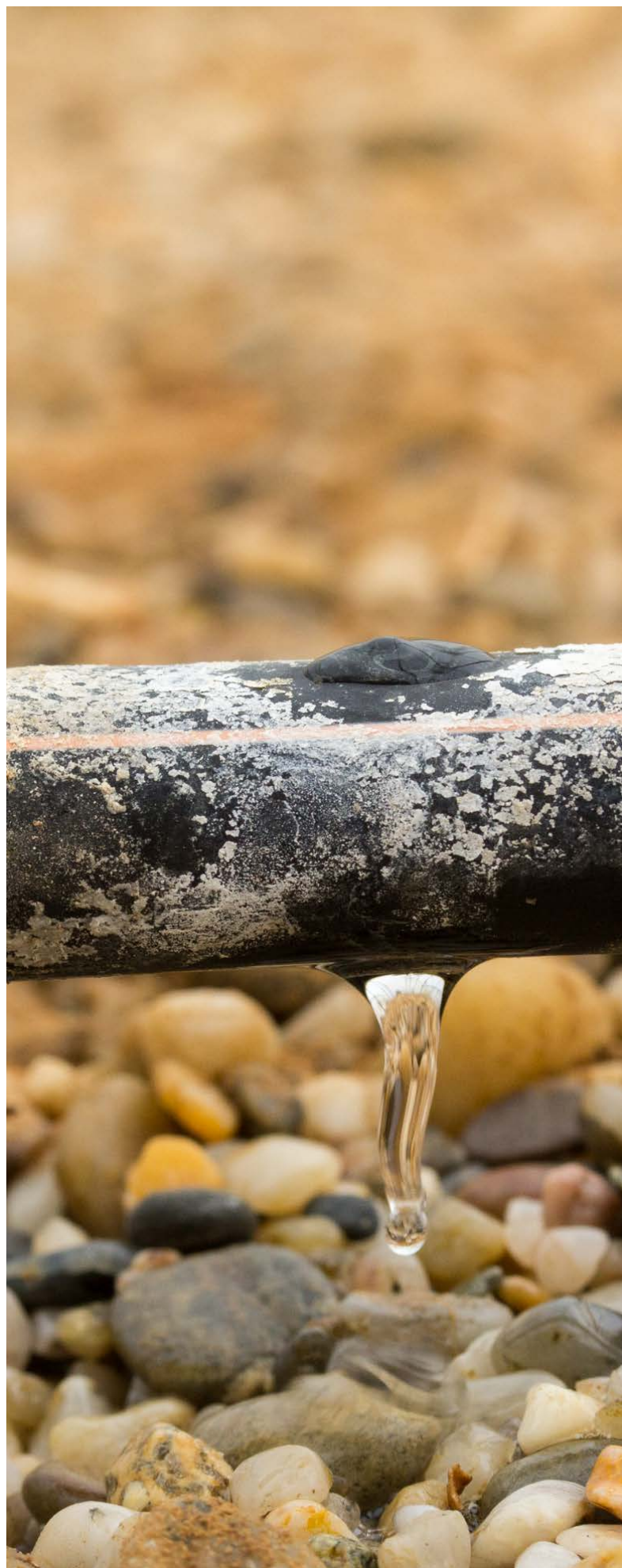


## Major Nature-Related Milestones

The sustainable management of resources has always been our primary concern. The strategy implemented to ensure the necessary supply for the different productive activities has evolved through the following phases:

1

In 1975, we unveiled Las Palmerillas, an experimental station, setting out initially to identify and implement technologies that would optimise water consumption. Through the introduction of drip irrigation systems and knowledge of crop requirements, we have achieved reductions of more than 70% over traditional irrigation systems. The use of these technologies spanned the entire province of Almeria in the 1990s and was progressively expanded throughout the country. Currently, Spain has the largest area of precision irrigation of any country in the world, covering one million hectares.







## 2

The second important aspect in the management of water resources was the monitoring of the bodies of water from which the resource was extracted. Since most of them were underground, it was harder to ascertain their condition and the dynamics of flow input and output. Using advanced prospecting systems, from the 1980s onwards, we were able to ascertain their situation, monitor them and predict their behaviour with existing extraction levels. From there, projects were designed to prevent depletion and ensure the availability of a strategic resource for the region and for the agri-food sector



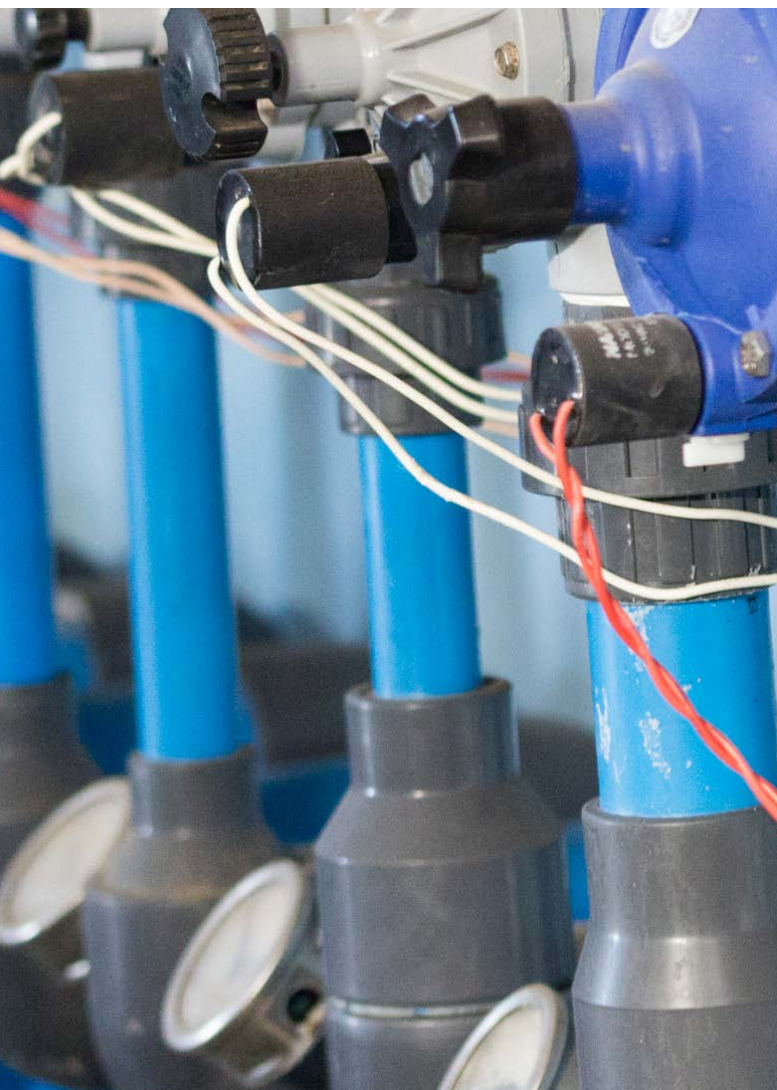


3

The third initiative launched was to undertake investments to modernise all wholesale water distribution systems, since the traditional systems presented many deficiencies and involved large losses, due to evaporation in open canals or through breakages. This modernisation of infrastructure has been supported by monitoring systems that allow users to customise their consumption and set limits.

4

In order to increase the resources available, action has been taken in two parallel directions. On the one hand, systems have been constructed to transfer water from basins with a water surplus to other basins experiencing water shortages. The most important initiative in which Cajamar has been involved was the Negratin water transfer. On the other hand, technologies have been developed for the generation of unconventional water sources, mainly regenerated water and desalinated water. These two sources represent a very significant percentage of the water currently consumed in the provinces of Almeria, the Region of Murcia and the Canary Islands, and their development is being expanded to other areas facing water shortages on the Mediterranean coast. Given the importance of energy in all these processes, we believe that the link between water transfer, purification and desalination infrastructures must be integrated with renewable energy generation plants.







5

Cajamar's latest initiative in the field of water resources has been the creation of a business incubator/accelerator to help develop new technologies to improve the management of these resources, CAJAMAR INNOVA. It began its activity in 2021 and has already launched 4 calls for projects, giving support to 69 initiatives.

**CAJAMAR  
INNOVA**





## 6

Another particularly important environmental aspect has been the protection of biodiversity. The economic activity that has the greatest impact on this is agriculture. And conventional systems developed over the last 80 years have been based on the intensive use of agricultural products such as synthetic fertilisers and phytosanitary products. Given the growing awareness surrounding the negative impacts of these systems on ecosystems, and that using regenerative agriculture systems could maintain high levels of production while respecting the environment, since the start of the twenty-first

century, one of the main lines of work developed in our experimental centres has been focused on the implementation of technologies such as biodiversity spaces, ground cover in woody crops and holistic soil management. Thanks to these technologies, fertiliser use has significantly reduced, and integrated pest control has allowed, in many cases, healthy crops to be maintained without the use of chemicals. We have also managed to significantly improve the microbial life of soils, seeing a positive response among plants and a steady increase in their ability to absorb atmospheric carbon.

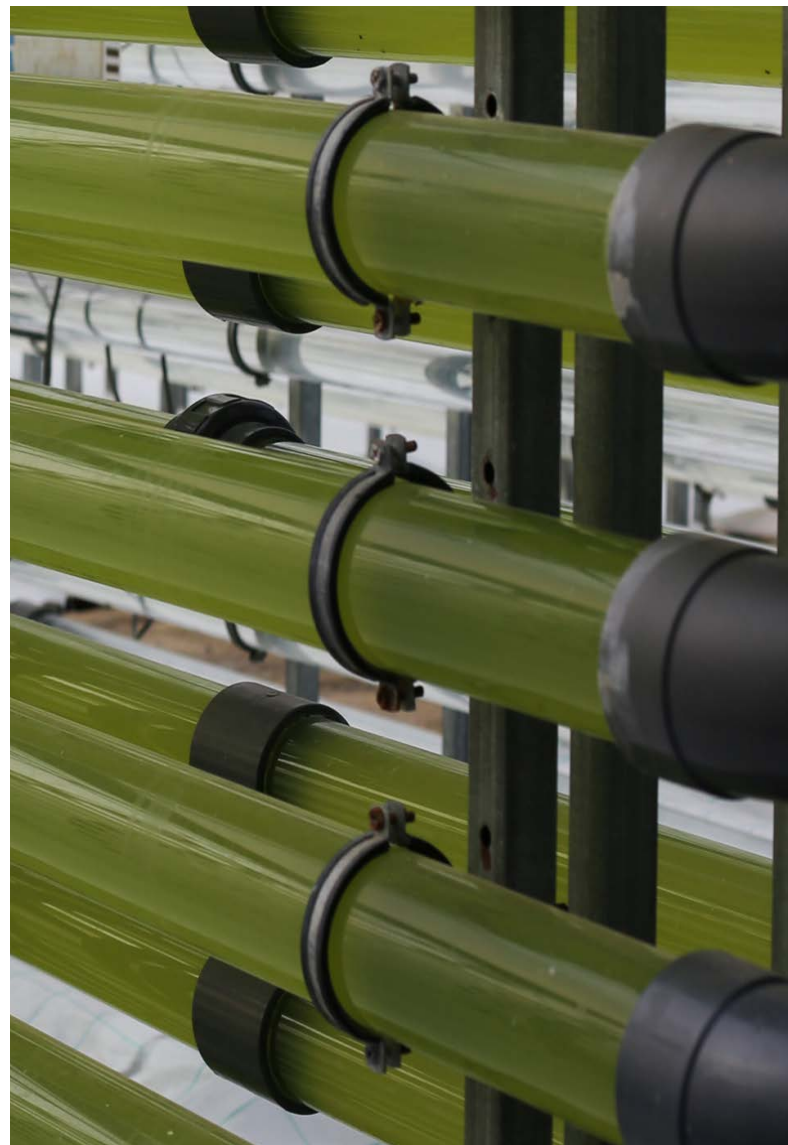


## 7

The agricultural sector has been fundamental in terms of meeting the food needs of a constantly growing population, but throughout the different productive processes, and especially in more intensive systems, large quantities of materials have been generated that have for a long time been classed as waste and which have had a significant environmental impact. Adequate management of such waste can turn them into resources for other production systems, bringing consequent improvements in the reduction or elimination of impacts, and facilitating the generation of more economic value.

In this sense, the circular bioeconomy has been one of our main lines of work since the 1990s, developing research projects, promoted by business initiatives, and financing the corresponding transformation plants.

With all these measures, we are also reducing transition risks resulting from EU regulations, which are becoming increasingly demanding in terms of the inputs that can be used in the production of food. We are also responding to the growing demands of consumers looking for sustainable, healthy and affordable products.







## 8

Given the diversity of the Spanish agri-food production sector, made up largely of small to medium-sized companies that have difficulty accessing new technologies, we have developed a permanent knowledge transfer strategy through which we can make available to all of them the most advanced technologies in the areas of water management and environmental protection. This knowledge transfer has been carried out by offering continuous visits to our experimental centres, running courses, seminars and seminars in person and, since 2021, through the launch of the digital knowledge platform Plataforma Tierra.

## TIERRA

## Markets

We pull together more than 700 indicators of price, production and market for 56 agri-food products that we update permanently



## Innovation and the latest news

We want to build the Agriculture of the Future together and provide access to all the latest news in the agricultural sector



## Irrigation

**Efficiency and water savings at your fingertips**  
Customised irrigation plan, a free and customised tool to help you manage the water needs of your farm



## Meteorology

**Gain full control of the weather**  
To keep you up to date with everything related to weather in your area, and how it affects your farm, we offer you a personalised tool



## Fertilisation

**The best formula for your crop**  
Customised fertilisation plan, a free and customised tool to help you manage the fertilisation needs of your farm

## Tools



## Your Digital Farmbook

The user-friendly digital farmbook. Designed for farmers, technicians, cooperatives and agri-food companies

## Training

Knowledge sharing is at the heart of our activity, so we regularly organise conferences, seminars, workshops, webinars and training courses aimed at farmers, technicians, entrepreneurs, and the managers and executives of agri-food companies



## Las Voces de Plataforma Tierra

## Community

The experts within our Digital Community analyse the great global challenges facing the agri-food sector in order to continue moving together towards an increasingly efficient, sustainable and profitable production system



## Publications

Knowledge sharing is at the heart of our activity, so we regularly organise conferences and seminars



## 2.3. The External Context

### Commitment to Climate Change

The Paris Agreement of 2015 was the first universal and legally binding pact against climate change. This agreement, signed by 192 countries, established the target of maintaining the increase in the global average temperature, with respect to the pre-industrial era, below 2°C and continues to strive to keep it to 1.5°C. Exceeding these thresholds would have major and irreversible consequences.

As a result of the pledges made at the Paris Agreement, the European Union aspires to be the first climate-neutral continent (to achieve a net balance of greenhouse gas emissions equal to zero) and has set the year 2050 as the deadline to achieve this. To help achieve this goal, in December 2019, the European Union presented the European Green Deal and the European Climate Law, which includes a series of measures that will be mandatory to facilitate climate neutrality.

In line with the agreements and regulations developed in recent years, and with its recognised position within the sector on account of its responsibility to its environment and communities, Grupo Cajamar has expressed its firm commitment to become a climate-neutral organisation by 2050. To achieve this, the Group has defined and subscribed to some interim targets (usually taking the year 2030 as the time horizon) to serve as a guide and reference to reach the final goal.

As a result of this commitment, the Group has joined two of the most important and recognised initiatives in this regard. The Science Based Targets Initiative (SBTI) led among others by the Global Compact and CDP, and the Net-Zero Banking Alliance (NZBA) initiative promoted by the United Nations. Both initiatives call for the establishment of interim targets that are consistent with the ultimate goal of achieving climate neutrality by 2050.

The Group has reaffirmed its commitment to the fight against climate change with a view to becoming a climate-neutral organisation by 2050, working to set interim climate goals that help it continue advancing towards the achievement of climate neutrality, focusing its efforts on reducing the emissions generated by its operational footprint (through the Group's Ecoefficiency Plan) and its financed footprint. This will provide greater robustness to the de-carbonisation route undertaken, supporting its members and customers throughout the transition process towards a low-carbon economy.

### Commitment to Nature

Nature-related aspects are gradually gaining more importance in business strategies. The business sector is aware of the relevance of these aspects and of the Nature Positive goal (to halt the loss of nature by 2030, and recover its entirety by 2050), and that is why it is pushing to achieve this with new regulations and initiatives. The most important milestone in this paradigm shift was the adoption of the 2022 Kunming-Montreal Global Bio-



## RELEVANT MILESTONES

### DECARBONISATION TIMELINE

2014

First measurement of the Group's operational footprint.

Establishment of the first Ecoefficiency Plan

2015

2016

100% renewable energy consumption

The Group offsets 100% of its footprint  
Accession to the Principles of Responsible Banking (PBR)

2019

2020

Group accession to the RE100 initiative

Adherence to the TCFD.  
First estimate of financed emissions

2021

2022

Presentation of PBR targets  
Adherence to the NZBA initiative

Corporate reforestation project  
Presentation of sectoral decarbonisation targets

2023



diversity Framework in December, which will guide public policies over the coming years. Among other requirements, this framework includes the obligation for companies to report the biodiversity risks, impacts and dependencies of both their direct operations and their value chain, with all current standards and agents of interest being fully aligned with this framework.

The latest global assessment on the state of biodiversity and ecosystem services carried out by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES, 2019) has shown clear evidence of biodiversity loss and ecosystem degradation –basic pillars for the stability of the world economy – as they provide essential goods and services, from drinking water and energy sources to food, pollination and carbon sequestration.

In this sense, the work carried out by IPBES has allowed us to identify the main direct drivers of biodiversity loss, inclu-

ding: changes in land and sea use (30%), direct exploitation of organisms (23%), climate change (14%), pollution (14%) and invasive exotic species (11%). And to evaluate the impact that this loss has on the deterioration of nature, with potential direct negative consequences on economic activity and social welfare.

Given the relevance of nature-related aspects, Grupo Cooperativo Cajamar was the first Spanish financial institution to join the Spanish Business and Biodiversity Initiative (IEEB), signing the Pact for Biodiversity and Natural Capital.

We made our pledge to the ten inspiring principles that underpin the vision to reverse biodiversity loss by 2050 and the goals set for 2030 in the Kunming-Montreal Agreement.

The Group has always had an interest in supporting the sustainable development of the territories where it operates. One example of this is the implementation of a reforestation project, called mardeoxí-







geno (sea of oxygen), which will contribute to the development of environmental, social and economic impact actions as well as the fight against climate change.

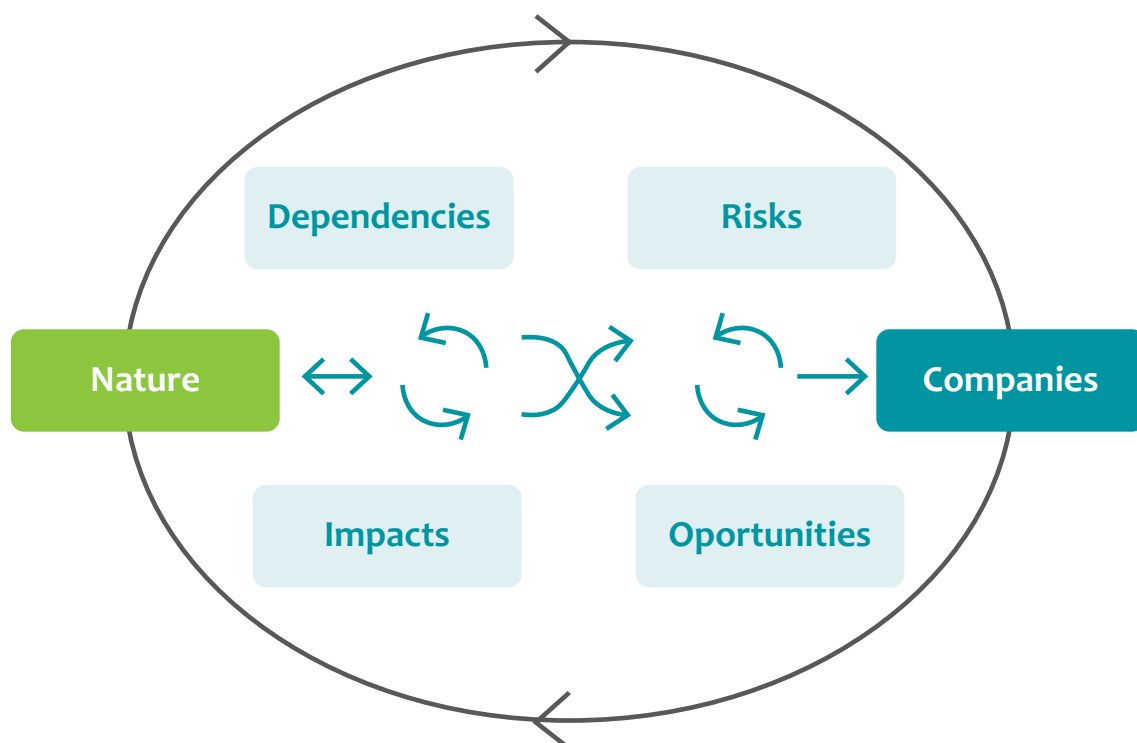
As an example of this initiative, the first environmental action is being carried out in the Sierra Maria-Los Vélez nature park, in the province of Almería, where Grupo Cajamar has promoted the reforestation of 27.5 hectares, aimed at increasing the forest area in a particularly sensitive territory, so as to reduce the risk of desertification and promote biodiversity in the area.

Grupo Cooperativo Cajamar has also aligned its dissemination of nature-related opportunities and ideas, following the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). In 2024, the Group actively participated in various initiatives launched by the TNFD. Economic activities may be related to the

capital that surrounds them, by necessity or to obtain a profit (dependency) or to generate an alteration, promoting changes in the quantity or quality of the natural capital that surrounds them (impact). The following figure shows the main dependencies and impacts of economic activities related to natural capital.

Based on the approach of goods and services provided by nature for economic activities, the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool developed by the Natural Capital Finance Alliance, in collaboration with UNEP-WC-MC, has been very useful for the Group to identify the impact of our portfolio on the potential loss of biodiversity and natural capital.

After the recent interest and attention shown by us and our stakeholders in such matters, we are undertaking work to advance our analysis and integration





of nature-related risks, along with those related to climate change. Incorporating them into business strategy, management and decisions is not only an exercise in risk mitigation, but also a source of business opportunities.

In order to achieve this, the Group has conducted an analysis of impacts and dependencies of the different economic sectors, which will be addressed in detail in section 3.2 Identification of nature-related aspects in the Group.

## 2.4. Main lines of Action Pursued by Grupo Cooperativo Cajamar

For Grupo Cooperativo Cajamar, and the savings banks that are part of the Group, sustainability and nature-related aspects form the backbone of our activity, intrinsically linked to our origins and to the vocation with which each of savings bank was founded.

The current climate emergency and the loss of natural capital is driving us to transition towards a low-carbon circular economy, one that is respectful of the natural environment, which carries risks and opportunities for the economy and for financial institutions. The European Central Bank (ECB) is confident of the important role that financial institutions can play in this process and hopes that they will adopt a prospective and comprehensive approach to climate and environmental risks. To foster this, the ECB has compiled a raft of regulatory measures in addition to the other European and inter-

national recommendations that financial institutions must follow.

The Group has always sought to anticipate regulatory requirements, to follow best practices, and to lead by example in the sector as a beacon of responsible management and social and environmental commitment.

## Sustainable Finance Master Plan

In this regard, and in order to meet regulatory expectations in this area, the Group has implemented a Master Plan as a roadmap to further deepen and expand the scope of climate and environmental risk management. The plan sets out a series of actions that will enable the Group to assist its members and customers in the transition, minimising risks and maximising the opportunities identified, as well as facilitating their integration within its strategic commitment to align its finance portfolio with the scenarios compatible with the Paris Agreement.

Through the Sustainable Finance Master Plan developed in 2021, Grupo Cajamar has laid the foundations for its contribution to the decarbonisation of the economy (2021-2050) through five main pillars: governance, strategy, metrics and targets, risk management, and disclosure. This Plan has allowed the Group to integrate these elements into its usual management of the different areas involved, promoting the advancement of different initiatives aimed at satisfying the Group's own ambition and that of the regulatory bodies.



## Environmental Action Plan

To further integrate nature-related aspects into strategy, and in line with the Group's commitments in this area, we have established concrete actions to address the direct pressures of environmental risks in our business environment. The Board of Directors approved an action plan on environmental risks in March 2024, which sets out the following lines of action.

## Sustainable Transition

### Supporting our Customers Through Knowledge Generation and Transfer

Keenly aware of the physical and transitional risks to which this sector and the entire economy of the region are exposed in a more general context, from the outset we have always been particularly sensitive to these risks and have helped to implement initiatives to mitigate them, while taking advantage of the opportunities offered by a territory with special climate and environmental characteristics.





In this sense, the sustainable management of water resources and the loss of biodiversity, among others, have always been our primary concern. The strategy implemented to ensure the required supply for the different productive activities has been developed through various actions, promoting innovation and the technological development of the agri-food sector.

Grupo Cooperativo Cajamar is the only significant Spanish financial institution that has for fifty years had its own in-house structure for the development of research services and training activities for professionals, companies and agri-food co-operatives, giving rise to an ecosystem of innovation specialising in the transfer of knowledge and technology. Currently, this work is managed by the Sustainability and Agri-Food Development Division, which encompasses four strategic units that promote its implementation and dissemination: Plataforma Tierra, Cajamar Innova, Studies Services and Experimental Centres.



### Research

Promoting the economic, social and environmental sustainability of the agricultural sector. The experimental centres located in Almería and Valencia carry out applied research projects and develop new production technologies.



### Training

Promoting knowledge as the cornerstone of socioeconomic development. Technical and professional training is at the heart of the model, permanently connecting research with the agri-food sector, both from a technical and socioeconomic perspective.



### Agri-Analysis

Analysing the different economic and environmental variables that influence the agri-food sector. The results are applied when studying investment projects that require finance.





## Experimental Centres

### Grupo Cooperativo Cajamar

Cajamar's experimental centres in Almeria and Valencia, leading exponents in intensive Mediterranean agriculture, conduct applied research projects and develop new integrated production technologies, paying special attention to the transfer and dissemination of findings.

These two sites are spread over more than 20 hectares of land, bringing together the demands of farmers, applied scientific-technical knowledge and new business developments in the real economy with a

view to establishing and consolidating the necessary relationships to promote the development of the agri-food sector as a whole.

GCC encourages the participation of farmers, professionals and companies in the different R&D programmes and collaborates with other banks, local companies, academic institutions and technology centres from around the world to strengthen and expand research and experimentation work, in the context of the European innovation strategy.



#### AGRICULTURAL-SUSTAINABILITY

50 PROJECTS

Efficient management of water and energy, pest control, responsible soil management.



#### BIOECONOMY

11 PROJECTS

Improvements in the treatment of excreta, microalgae cultivation, recycling of crop residues, minimisation of pesticides and fertilisers.

#### FOOD AND HEALTH



14 PROJECTS

Organic crops vs. food quality, foods with greater nutrition

#### GREENHOUSE TECHNOLOGY



9 PROJECTS

Use of renewable energy, digital cultivation control, biomass as energy, sustainable technology.

84 R&D projects in 2023



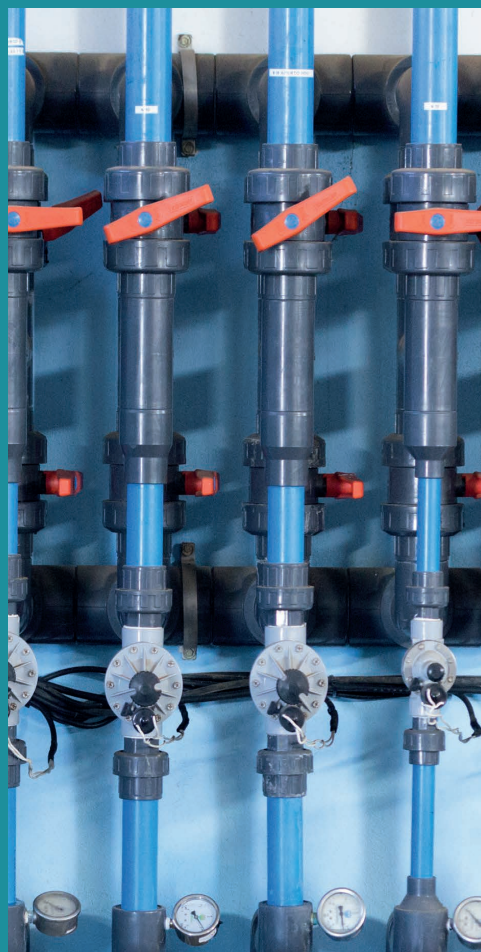
## AGRI-ANALYSIS



Grupo Cooperativo Cajamar's Agri-Food Technical Office has a team of professionals with extensive experience, dedicated to monitoring technological developments that occur in agricultural businesses and commercial and manufacturing companies. Among other things, the office draws up technical investment reports related to the financing of agriculture and agri industry, as well as livestock. Based on the results of such studies, it can evaluate whether an operation might

come into conflict with susceptible areas or activities that do not justify the need for water (among other things).

Furthermore, in 2023, they incorporated potentially relevant aspects related to sustainability such as ecological certificates requested from farmers. The reports are updated over subsequent financial years in order to collect relevant nature-related data on the sector.







The availability of such a vital element as water depends not only on the volume of accessible resources, but also on the models of use and investment in technology for its correct management and use. For this reason, we believe that the generation of technology-based business initiatives specialising in efficient water management can help us move towards a more sustainable use of this resource. Cajamar Innova is a business incubator and accelerator for start-ups specialising in water technologies. Its goal is to engage talent and support

entrepreneurs in the design of prototypes and viable business plans, with the support of experts and strategic partners within Grupo Cooperativo Cajamar's innovation ecosystem, made up of agronomy specialists from two leading experimentation centres in Mediterranean agriculture, located in Almeria and Valencia. It was launched with a view to providing business incubation, acceleration and training services in 2021, and since then it has supervised the development of 68 business projects of national and international

start-ups in the field of efficient irrigation management, the digitisation of production processes, and the treatment and reuse of wastewater. After four years gaining experience in the field of water technologies, more than 70 companies have participated in this comprehensive and personalised support programme to back entrepreneurship in water technologies, promoted by Cajamar Innova. In addition, in 2024, Cajamar Innova Agrotech was launched to expand the framework of action to food production.

	Projects supported	Incubation	Acceleration
First programme (2021)	11	7	4
Second programme (2022)	29	14	15
Third programme (2023)	28	15	13

	Acceleration Projects	4 <sup>th</sup> Water Programme	1 <sup>st</sup> Agrotech Programme
2024	14	7	7





# TIERRA



Plataforma Tierra is Grupo Cooperativo Cajamar's Digital Community for Agri-food Knowledge, launched with the aim of facilitating the digital transformation and competitiveness throughout the value chain. To achieve this, all its activity has been compiled on a single website as a reference for agri-food businesses and professionals: analysis, news, innovation, entrepreneurship, publications, events, training and digital tools to continue moving towards a more efficient, profitable and sustainable sector.

In particular, we should highlight the development of digital tools to improve the environmental management of agricultural holdings, and in particular those pertaining to recommendations for irrigation and fertilisation, which aim to make efficient use of water and nutrients, avoiding their intensive use and the pollution that this may cause, and the application for the design of biodiversity zones in agricultural holdings, through the digital tools plantEN and disenEN.



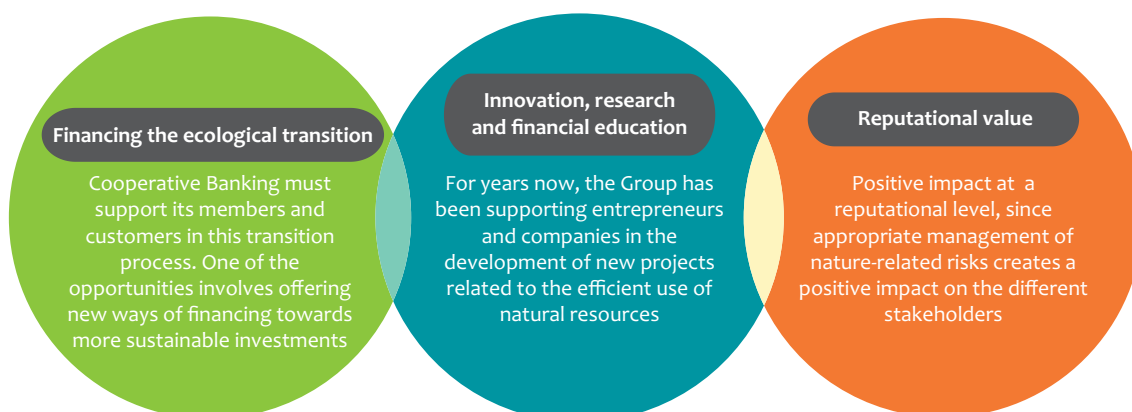


## Nature-Related Opportunities

In recent years, nature and its associated risks have become a key factor in the development of a sustainable economy. The losses associated with natural capital and ecosystem services are causing alterations with potential impacts in the short, medium and long term, which will directly affect the business sector, so we must analyse and explore how the environment impacts businesses and assets, involving risks and opportunities.

Analysis of the identified risks derived from nature and the sound management of these risks provide opportunities in terms of their mitigation and control.

Recognising nature-related opportunities is another of our priorities, which will help us channel nature-positive financing activities. Over the past year, we have included in our sustainable financing offer specific criteria for activities and projects that contribute to protecting nature and mitigating pressures on it.



## Sustainable Bonds Framework

Grupo Cooperativo Cajamar is involved with organisations aimed at promoting sustainable finance and combating climate change, all within the framework of an ecological transition based on the principles of a fair transition. Since 2006, it has adhered to the Principles of the UN Global Compact, reporting annually on its performance in each of the ten principles. In addition, Grupo Cooperativo Caja-

mar is a member of UNEP FI, a founding signatory of the Principles for Responsible Banking, and since 2014 it reports on its strategy and governance in the field of decarbonisation and the management of environmental risks as part of the CDP Disclosure Insight Action initiative.

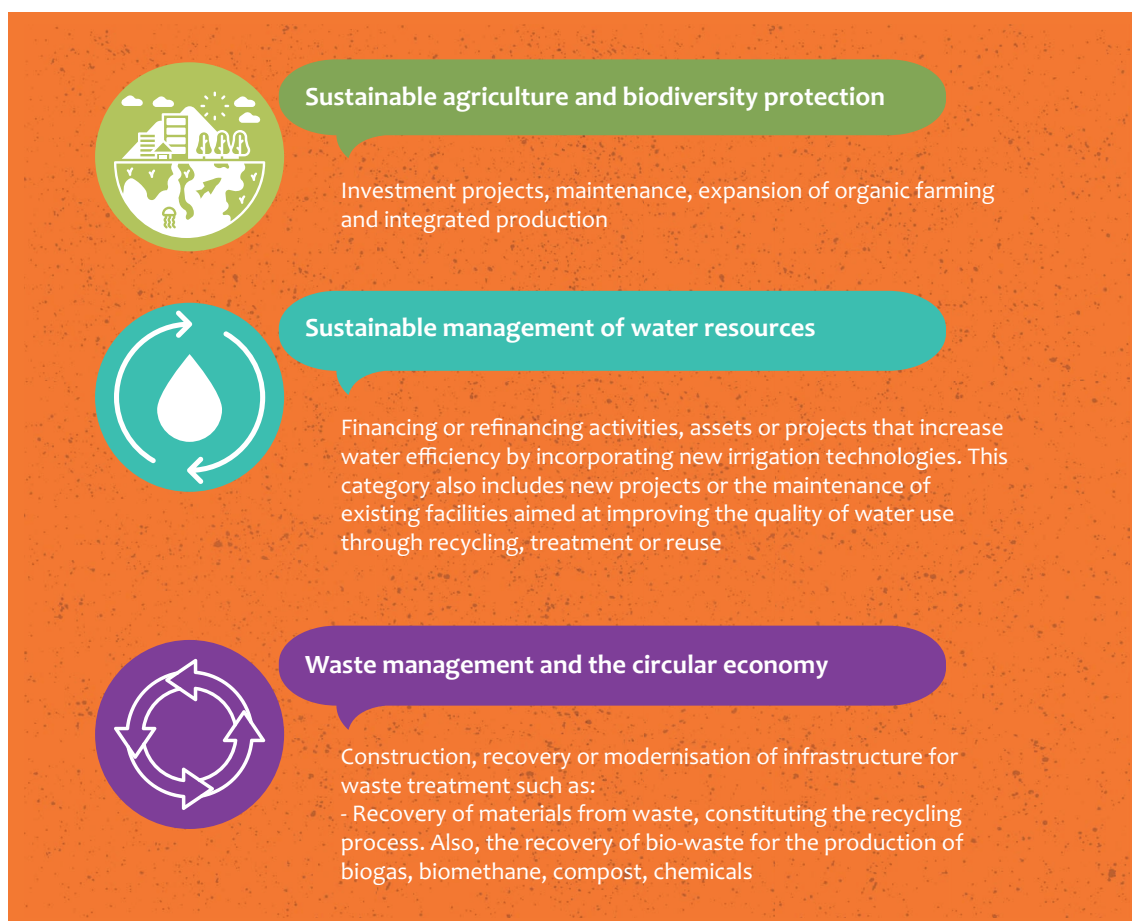
In order to meet and align with the nature-positive objective, the Group has incorporated categories within the framework of sustainable bonds linked to



the sustainable management of water resources, sustainable agriculture, protection of biodiversity and waste management and the circular economy.

This alignment has been confirmed by a Second Opinion Report (SPO) provided by a leading independent organisation. Within this framework, Grupo Cooperativo Cajamar will be able to issue green, social and sustainable bonds in different financial formats. The assets eligible for the issuance of such bonds are centred

on eleven fundamental categories: four social categories oriented towards the economic and social development of territories and protection of the vulnerable population; and seven environmental categories, oriented towards the ecological transition, the achievement of a low-carbon economy, the protection of biodiversity and the prevention of pollution accompanied by the promotion of the circular economy. We highlight below the most relevant categories aligned with nature-related aspects.



In 2023, a green bond was issued for a total value of 650 million euros. This was the first green bond the Group had issued

in preferred senior debt format and its second sustainable bond issue.





## Partnerships and Accessions to Promote Nature-Related Aspects

### Accession to the Spanish Enterprise And Biodiversity Initiative (IEEB)

As part of its commitment to preserve biodiversity, Grupo Cooperativo Cajamar has joined the Enterprise and Biodiversity Initiative (IEEB), signing the Pact for Biodiversity and Natural Capital. This initiative is aimed at companies who want to understand, explore opportunities and demonstrate their commitment to improving biodiversity and natural capital. The Group has assumed a degree of ambition and commitment to evaluation, identifying over the next two years our impacts and dependencies in terms of biodiversity and also disclosing our efforts and achievements.

### Accession to the TNFD Forum and the TNFD Consultation Group in Spain

Through these initiatives we participate proactively in the evaluation and disclosure of nature-related impacts, risks, challenges and opportunities.





## 3. RISK AND IMPACT MANAGEMENT

### 3.1. Introduction

The proper management of climate and environmental risks is fundamental for the Group in order to meet its targets and commitments. In particular, we must be able to neutralise greenhouse gas emissions by 2050, preserve ecosystem biodiversity and improve water use efficiency, as well as contribute to an equitable distribution of wealth, among other aspects. The transition to a sustainable economy in its triple aspect is our main ambition.

The risks associated with natural capital and climate change, due to their systemic nature, are classed as cross-cutting risk factors that impact the Group's relevant risks.

According to the definitions set out in the ECB's Report on management and supervision of ESG risks for credit institutions and investment firms, environmental risks are understood as: "The risks of any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on its counterparties or invested assets". These are classified into two categories:

- *Physical Risks*: these refer to negative impacts of a changing environment, including more frequent extreme

weather phenomena and gradual climate changes, as well as environmental degradation such as air, water and land pollution, water stress, biodiversity loss and deforestation.

- *Transition Risks*: these refer to the financial losses of a financial institution that may arise directly or indirectly from the process of adjusting to a lower carbon and more environmentally sustainable economy. This circumstance can be triggered, for example, by a relatively abrupt adoption of environmental policies, technological advances or changes in market climate and preferences.

These risks can affect the resilience of the business model and can trigger both direct damage, through counterparty risk, and indirect damage, through a general decline of the economy. That is why the European Banking Authority (EBA) recommends that transition and physical risks should be assessed as levers or drivers of existing financial risks.

The drivers of nature-related risks are factors that trigger environmental events that cause these risks to materialise. They are classified according to the five drivers of change in nature.

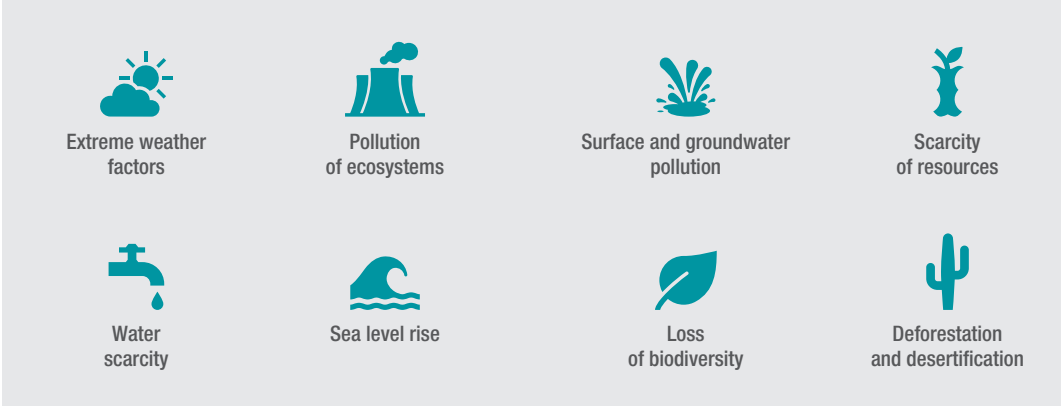
All these risks identified above have financial repercussions for organisations resulting in changes in income, expenses and value of assets, among others.

These transmission channels can have a positive or negative effect on the main financial risks: credit, liquidity, market, reputational...





## Physical Environmental Risks

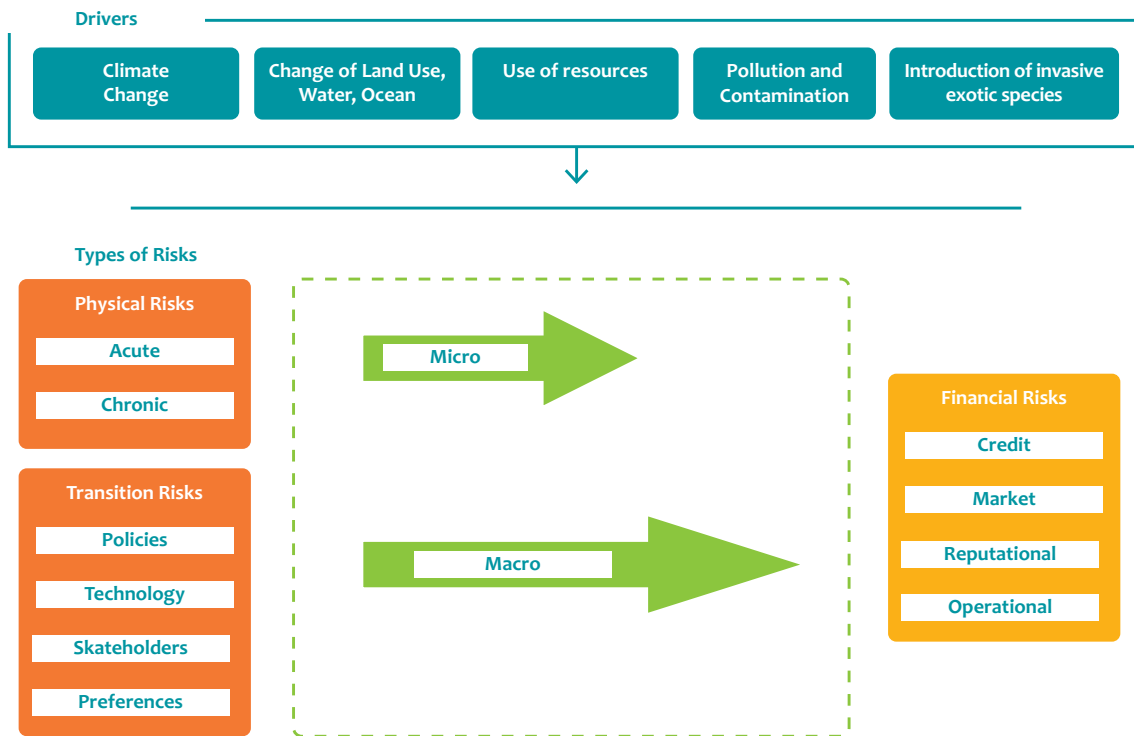


## Environmental Transition Risks



## Drivers of Risks





### 3.2. Organisational Processes to Identify, Analyse and Prioritise Nature-Related Dependencies, Impacts, Risks and Opportunities

One of the advances made by Grupo Cooperativo Cajamar (GCC) has been to integrate analysis of the impact that climate change and nature-related factors can have on our financial activity and level of risks.

For this environmental component, the starting point has been to conduct an exhaustive analysis of the nature-related impact and dependencies for global industries that IPBES considers most exposed to these risks, in order to represent the Group's loan portfolio.

These sectors are: agriculture, livestock, forestry and fishing, extractive industry, manufacturing, construction, transport and storage and leisure.

Within each of them, we conducted a materiality analysis of the different economic sectors and their vulnerability to environmental and biological risks, through the application of the methodology developed internally. Thus facilitating their understanding and enabling further actions to support the monitoring and control of ESG risks, including targets and limits.

The analysis was conducted from a sectoral perspective taking into account the following parameters:

- The main drivers of natural capital loss cited by IPBES and the sectors most exposed to them.



- Sectors that have the greatest impact on nature-related factors.
- Sectors that are more dependent on natural resources and ecosystems.
- Sectors with greater exposure in portfolio assets.

For the identification of dependencies and impacts, we used the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool as the main source.

The sectors prioritised on account of their high impact and dependence on nature are quantified in section 4.1 Identification and management of nature-related impacts.

## Definition of the Time Horizons

Strategic risk management planning establishes targets in line with the agreements reached by public bodies on sustainability. The Guide on Climate-Related and Environmental Risks published by the European Central Bank sets out the supervisory expectations for risk management, so that institutions should be aware of and take into account environmental risks within the business environment in which they operate in the short, medium and long term.

Based on the deadlines set in the Paris Agreement (Agenda 2030) and the Kuming Montreal Global Biodiversity Framework (GBF Agreement), taking into account the ultimate deadline of 2050, the following horizons are established in the short, medium and long term.

- **Short term (2023-2025):** This would encompass the first 5 years from the first deadline established in the Agenda 2020. As of the application date of this methodology, it spanned the period from 2023 to 2025. Also, 2023 was the year GCC developed its first corporate reforestation project and set decarbonisation targets for its most relevant sectors.
- **Medium term (2026-2030):** This could encompass the review of the next 5 years and corresponds to the date of the Sustainable Development Goals (SDGs) targets set for 2030, the review of targets established in the action plans deriving from the European Green Deal and the achievement of the first objectives of the GBF.
- **Long term (2031-2050):** The remaining time period up to 2050, the year in which full carbon neutrality in CO<sub>2</sub> emissions should be achieved, as defined by the European Commission and final full compliance with the GBF.

## Environmental Risks Materiality Assessment

The aim of the materiality assessment is to better understand the importance of and the Group's vulnerability to the impact of environmental risks on its overall risk profile, as well as to improve its ability to take subsequent actions to support the monitoring and control of ESG risks, including objectives and limits.



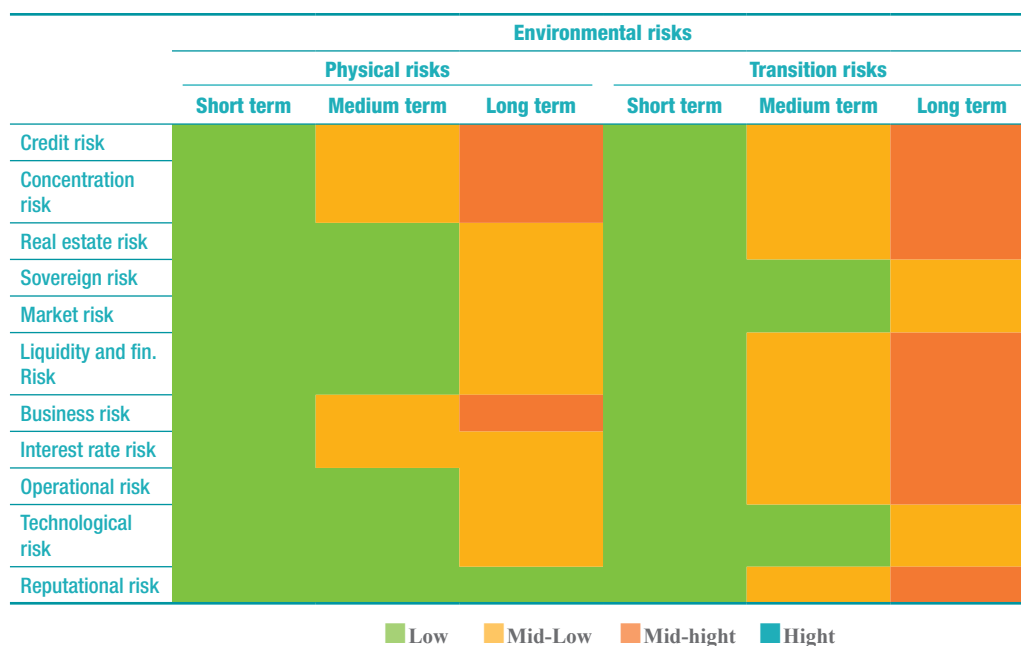


The evaluation also includes different time horizons to measure the resilience of the Group in the short, medium and long term. Since the extent to which counterparties are implementing climate change adaptation or mitigation measures is not known, risks are considered to increase as the target date approaches.

The heat map drawn up summarises the advanced qualitative assessment carried out for each risk. Given the future uncertainty about the occurrence of environmental events and their potential impacts, the assessment is based on expert analysis taking into account GCC's business model. A broad and conservative vision is adopted, in order to cover the greatest potential loss, mainly in the future where uncertainty is greatest.

In general, the greatest impact derives from transition risks, especially in the long term, if the Group does not move towards the achievement of global sustainability goals.

The risk categories that can be most affected are credit, concentration and business risk since they are doubly affected by physical and transition risks. Followed to a lesser extent by reputational risk, which presents a greater impact in terms of transition risks.





## 4. NATURE-RELATED METRICS

### 4.1. Identification and Management of Nature-Related Impacts

Natural capital risk assessment focuses on the associated assets and the drivers of environmental change that affect these assets.

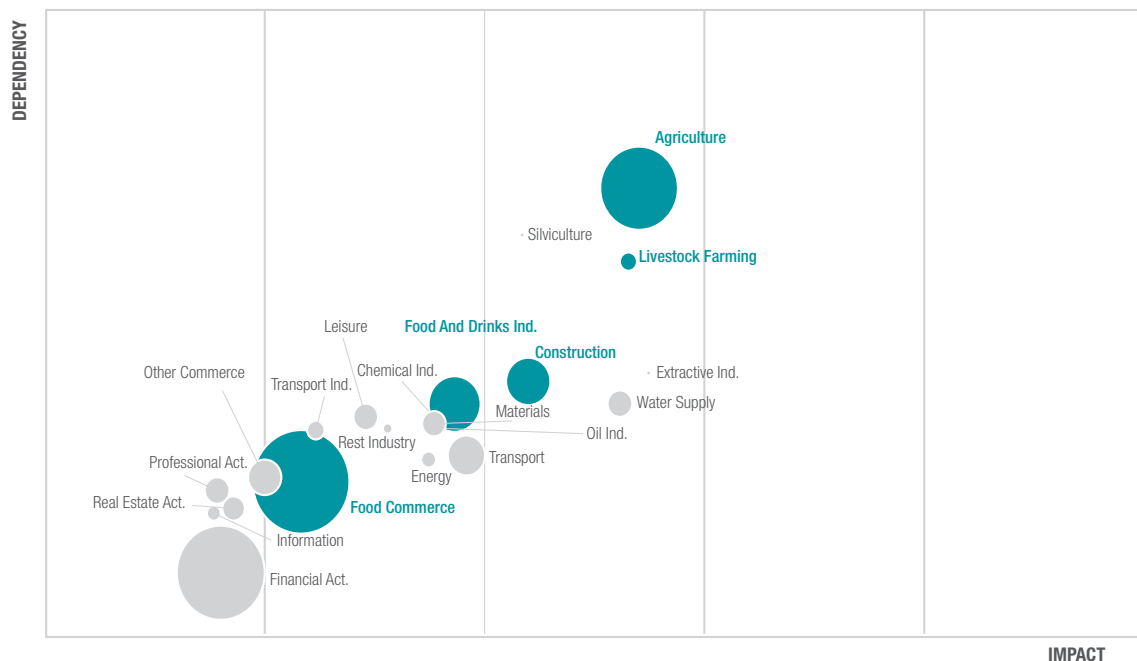
The Group has identified the levels of impact and dependencies of the sectors that have the highest exposure in its business. The impact and dependency prioritisation matrix generated from the ENCORE (Exploring Natural Capital Opportunities, Risk and Exposure) methodology quantitatively includes the impairments and

dependencies of the sectors financed by Grupo Cooperativo Cajamar.

The circles included in the graph represent the exposure of GCC at the level of analytical subsector, excluding exposure to sectors outside the scope of this evaluation such as exposure to households (consumption and residential mortgages are outside the perimeter of the analysis).

As a result, we have identified sectors that can have an impact and/or dependence on significant natural capital. The sectors with high impact and high dependence on environmental risks are those derived from the primary sector (agriculture and livestock). The subsector of wholesale and retail distribution, although its impacts and dependencies do not present high and representative values, will be established and prioritised due to their importance from a business perspective for GCC on account of their direct dependence on the agri-food sector.

PRIORITISATION MATRIX (EXPOSURE, IMPACTS AND DEPENDENCIES)





The results of this analysis tell us which sectors may present greater risks to nature. Customers who are in sectors with a high impact on ecosystems face greater transition risks due to regulatory and legislative changes, as well as market changes, conditioned by variations in consumer and investor preferences. The main impacts are water and soil, waste and pollution associated with their production processes.

On the other hand, customers who have a high dependence on natural capital will face greater physical risks associated with the deterioration of ecosystems. The main dependence identified in customers operating in these sectors is related to the availability of water resources, which leads to high risk in sectors whose main activity depends on this resource.

Since GCC's exposure to the agri-food sector has historically been high and we have a high concentration of our business in areas with endogenous limitations, we have been implementing risk management measures and avoiding negative impacts on our results as shown throughout this report.

## 4.2. Geographical Analysis of Portfolio Activities

One relevant aspect incorporated into the TNFD (Taskforce on Nature-related Financial Disclosures) framework is the performance of a location analysis. It is





of vital importance for the analysis of nature-related risks to locate the sectors, value chains and direct operations with potentially material dependencies and impacts for the institution.

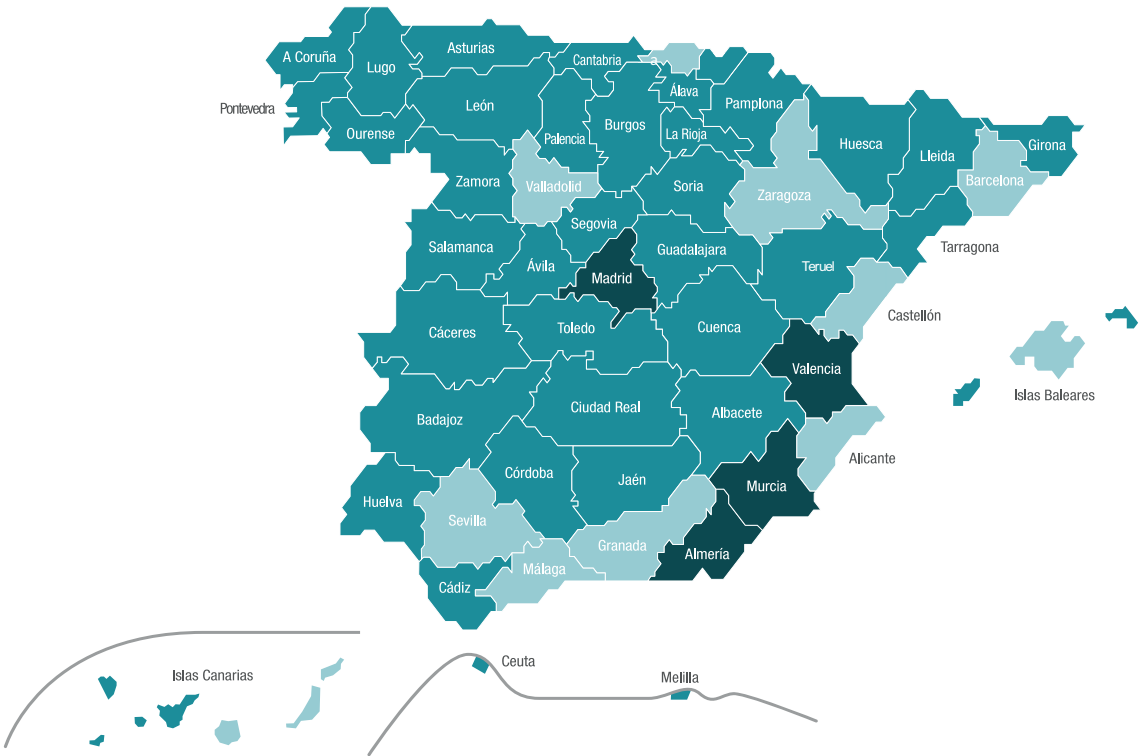
The origins and development of Cajamar Caja Rural have largely taken place along the Mediterranean coast and have been linked to the agri-food sector. The geographical location of the Group's portfolio is shown below, highlighting the regions whose exposure is greater than 5 %.

Mapping exposure in sensitive locations is ongoing process as it is a challenge in terms of access and quality of data related to value chains. However, if we take into account some of the locations of our most relevant sectors, we see that they are in regions that face a high dependence on water resources. In the next edition of this report, we will go further in terms of providing a detailed geographic analysis of exposure to different environmental risks.



### Sensitive locations defined by the TNFD framework







## ANNEX

	Disclosures Recommended by TNFD	Reference Section of the Report
Corporate Governance	A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	1.1. The integration of nature-related aspects in governance
	B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	1.1. The integration of nature-related aspects in governance
	C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders.	2.2. Our history and evolution
Strategy	A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	3.2. Organisational processes to identify, analyse and prioritise nature-related dependencies, impacts, risks and opportunities
	B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning.	2.4. Main lines of action of GCC
	C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities.	2.4. Main lines of action of GCC
	D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	4.2. Geographical analysis of the activities of the portfolio





	Disclosures Recommended by TNFD	Reference Section of the Report
Risk and Impact Management	A. I) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	22.4. Main lines of action of GCC
	A. II) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s) (investment portfolio, loans).	3.2. Organisational processes to identify, analyse and prioritise risk-related dependencies, impacts, risks and opportunities
	B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	2.4. Main lines of action of GCC
	C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated.	2.4. Main lines of action of GCC
Metrics and Targets	A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	4.1. Identification and management of nature-related impacts
	B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on.	4.1. Identification and management of nature-related impacts
	C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	2.4. 1 Sustainable Finance Master Plan



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