



2025

**NATURE-RELATED RISK
DISCLOSURES**





2025

Nature-Related Risk Disclosures

Sustainability and Agri-Food Development Division



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1. INTRODUCTION

One of the key objectives of the European Green Deal is the preservation and improvement of natural capital as a fundamental pillar for a sustainable and competitive economy within the European Union. This commitment is part of a shared global vision, also reflected in the United Nations 2030 Agenda for Sustainable Development. This Agenda sets out the Sustainable Development Goals (SDGs) as a guide to tackle the major social, economic and environmental challenges of the planet, including the protection of biodiversity, climate action and the responsible use of natural resources.

This constantly evolving regulatory and political environment, reinforced by international commitments such as the Biodiversity Strategy for 2030 and the Global Biodiversity Framework (GBF), is giving shape to a new scenario for sustainable finance. The European Union's Sustainable Finance agenda, which includes the EU Taxonomy, the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD), requires financial institutions to be more transparent and clearly aligned with strategies that generate positive impacts for nature, in line with the principles of the 2030 Agenda.

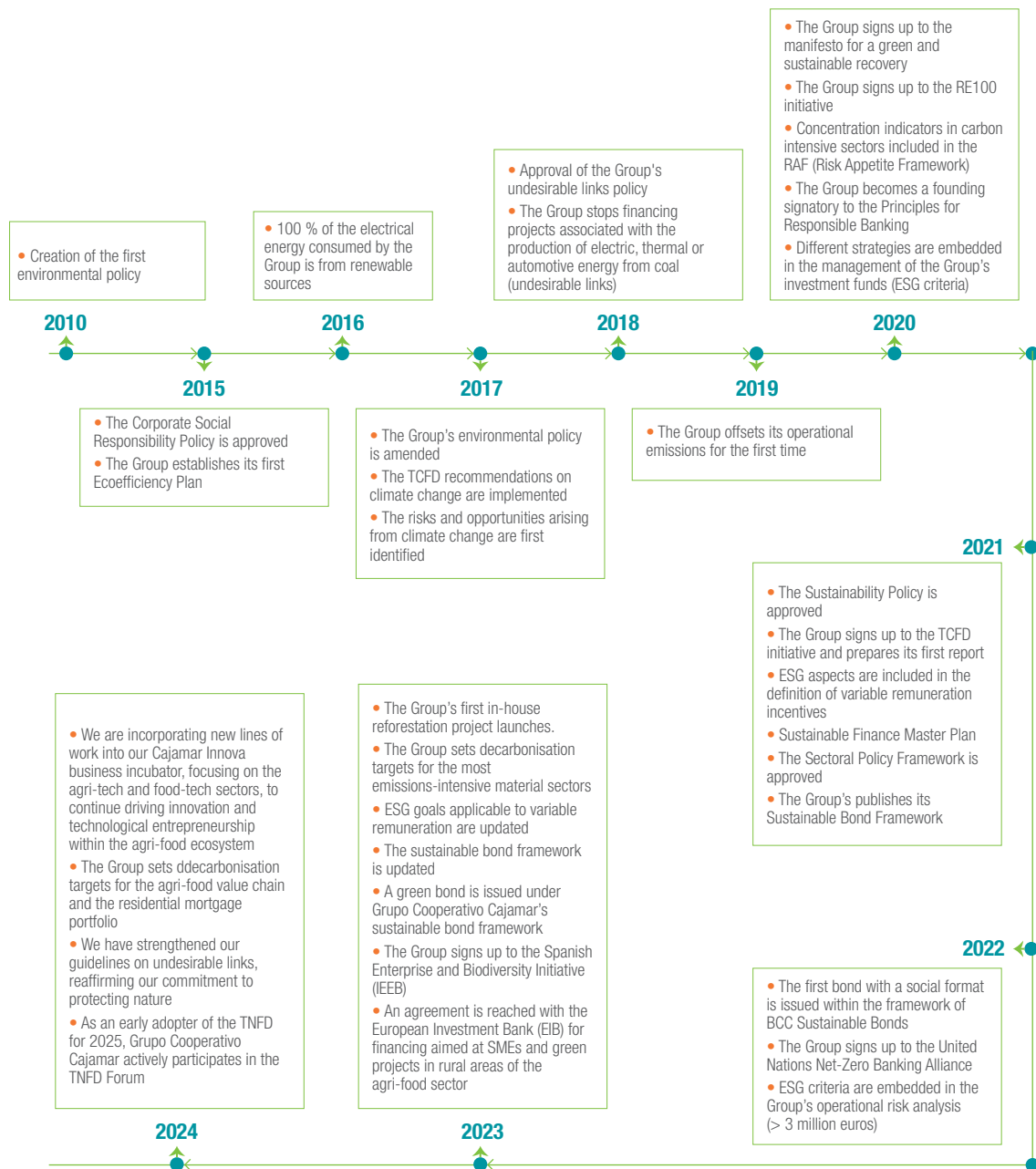
The transition to a low-carbon, environmentally responsible economy involves a profound transformation of the economic model. In this process, there are opportunities and risks that impact the financial sector. Likewise, the physical effects caused by climate change and the degradation of the natural environment can significantly alter the stability of the financial system. In this context, financial institutions must develop a holistic understanding of the environmental and climate risks that may affect their operating environment in the short, medium and long term, incorporating strategies for assessment, mitigation and adaptation that allow them to anticipate new scenarios and strengthen their resilience.

In this global context, the Taskforce on Nature-Related Financial Disclosures (TNFD) provides an international standard for organisations to integrate nature-related risks and opportunities into their strategic decision-making processes, business management and accountability. As part of its commitment to sustainable development, Grupo Cooperativo Cajamar (GCC) applies this framework to embed nature into its business model, contributing to a systemic transformation towards a regenerative, resilient and inclusive economy.

The purpose of this report is to present the progress, initiatives and commitments adopted by GCC in implementing the TNFD framework, reinforcing its position as a catalyst for change towards finance aligned with the SDGs and the challenges of the 21st century. The document is structured into four sections that reflect the Group's comprehensive approach in this area: a) the first section looks at governance, explaining the mechanisms for supervision, control and decision-making related to nature; b) the second section outlines the strategy, setting out corporate priorities and the long-term vision regarding natural capital; c) section three analyses risk and impact management, detailing the methodology for identifying and mitigating environmental risks; and d) the final section presents the metrics and targets that allow the Group to measure its progress, setting quantifiable goals and being accountable to stakeholders, all in line with international sustainability commitments.



Figure 1.
Recent key environmental developments at Grupo Cooperativo Cajamar





2. GOVERNANCE

2.1. Corporate Governance

Corporate governance is at the very core of cooperativism. Listening to and meeting the expectations 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.

The Group's cooperative vocation means that the principles and the best practices of corporate governance are present throughout the organisation, striking a balance between elements of governance linked to 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 minority 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.

The duties emanating from the Group's relationships with supervisory bodies and the markets fall to Banco de Crédito Cooperativo (BCC), as the head of the Group, which complies with the requirements of applicable legislation on corporate governance and also takes into consideration those derived from the following documents and practices:

- European Banking Authority (EBA) Guidelines on internal governance.
- Corporate Governance Principles issued by the Basel Committee on Banking Supervision.
- Good governance code for companies listed on the National Securities Market Commission (CNMV): although not directly applicable to the Group, it is considered good market practice to evaluate adherence to this code, under the principle of "comply or explain". The Prudential Relevance Report 2024 demonstrates the Group's commitment to the highest standards in governance.

2.2. Governing Bodies: Structure and Composition

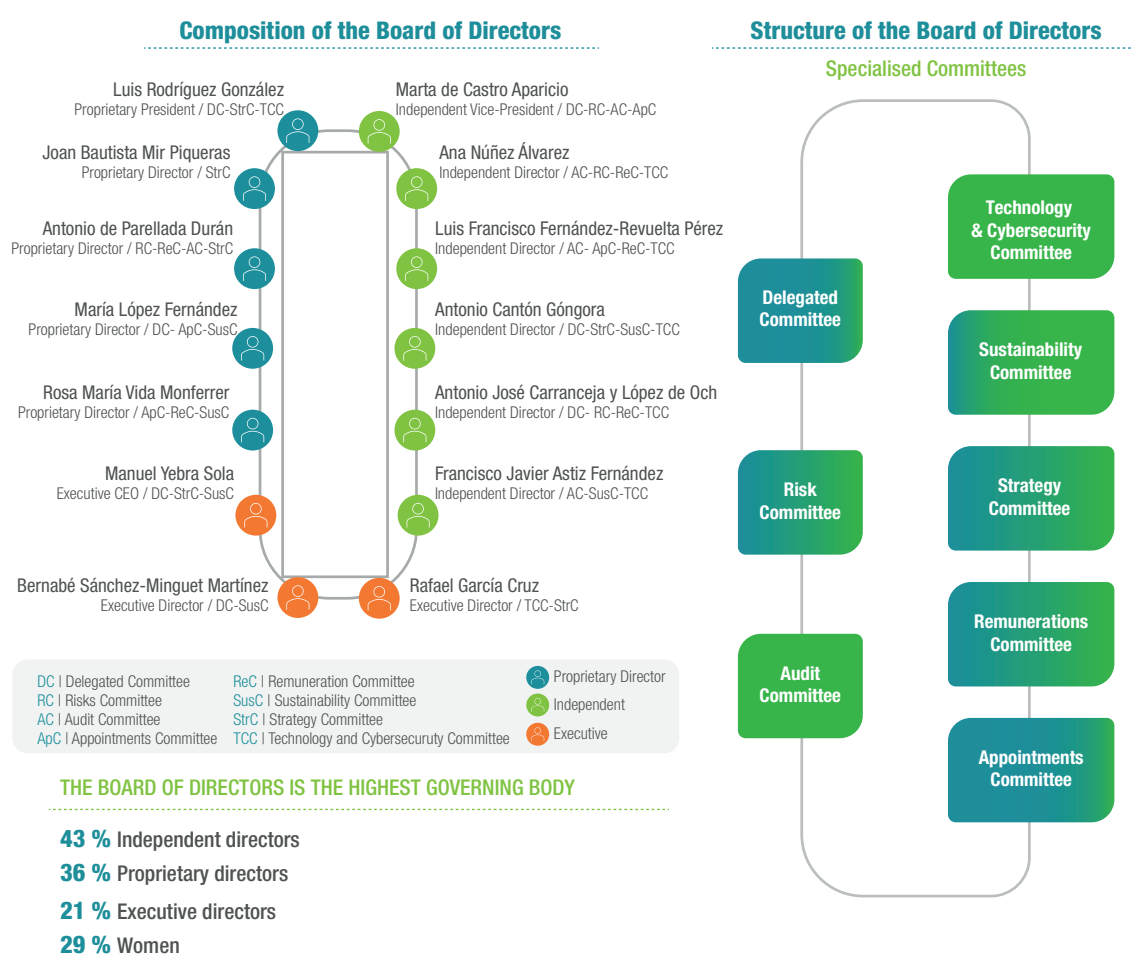
GCC is made up of 18 credit cooperatives and BCC, which effectively leads and manages the Group, being responsible for issuing and supporting the management instructions followed by all the Group's financial institutions. The 18 Cajas Rurales (rural savings banks) hold the vast majority of shares in BCC (92.29%).



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, the supervision of executives and representation of the financial institution.

The sovereign body within BCC is the General Assembly of Shareholders. The Board of Directors, its Executive Committee and its various other committees are the governing bodies responsible for representing, directing, managing and overseeing the Group.

Figure 2.
Composition and Structure of the Board of Directors



2.3. Organisational Structure for ESG Risk Management

The Group has a structure that allows it to comply with the best practices of corporate governance in terms of sustainability, which includes the management of nature-related risks. There are three pillars that support the Group’s governance structure, based on environmental, social and governance (ESG) criteria, outlined previously:



- Board of Directors.
- Risk and Sustainability Committees.
- Sustainability and Agri-food Development Division.

2.3.1. Board of Directors

The Board of Directors at BCC, as the Group's parent company, holds the broadest powers of representation, administration, supervision, management and oversight, as its highest body of corporate governance. The Board's responsibilities include carrying out and entering into all kinds of acts and agreements of ownership and administration. Likewise, it has an expert committee on Sustainability and another on Risks that support the embedding of ESG criteria in strategic decision-making, including those related to nature. This body has responsibilities in the area of sustainability. In 2024, a need was identified to ensure the competent administrative bodies have the most up-to-date knowledge in this regard. Therefore, a multidisciplinary training exercise was carried out by experts in sustainability and natural capital management.

In this context, responsibility for the Group's risk management—including ESG risks and, specifically, those related to natural capital—ultimately lies with the Board of Directors, which oversees such matters. This involves identifying, assessing and monitoring the impacts, dependencies, risks and opportunities related to the ecosystems and ecosystem services that the Group's activities may affect or on which they may depend as part of the value chain of other economic activities.

In this context, the Board of Directors meets annually to review and approve the results of the materiality analysis regarding the impact of climate and environmental risks on traditional risks, and to review and supervise the double materiality analysis of sustainability aspects based on Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022. Both analyses encompass strategic and key information for understanding the impacts, risks, opportunities (IROs) and dependencies related to environmental, climate and sustainability issues.

Under the supervision of the Sustainability and Agri-food Development Division, the double materiality analysis on sustainability aspects is prepared and updated using the knowledge shared by the Steering Committee. This way, the impacts, risks, opportunities and dependencies are officially compiled and evaluated. Subsequently, this Division reports on the whole process and its results to the relevant committees reporting to the Board of Directors and responsible for supervision and approval.

The Governance and Risk Culture department follows a similar process for the materiality analysis of environmental and climate impacts on the Group's traditional risk model, under the supervision of the Risk Control Division.



2.3.2. Expert Committees

Risk Committee

This committee advises the Board of Directors on the management of the Group's risks, including ESG risks, as well as those related to natural capital. Its primary role is to oversee the Group's overall risk appetite, general strategy and risk tolerance, ensuring alignment with the business strategy and corporate values. Additionally, it supports the Board in overseeing the implementation of the risk strategy and the limits established.

Its responsibilities include considering and evaluating the risks inherent to the Group's activities, including ESG factors and risks derived from nature. In this regard, the committee is responsible for:

- Understanding possible present or future losses related to both physical risks and those related to the environmental transition.
- Understanding exposure to social and governance risk factors to assess the degree of risk assumed and potential mitigating measures.

Sustainability Committee

This committee oversees the Group's performance in sustainability, including the integration of criteria related to natural capital. Its responsibilities include:

- Advising the Board of Directors, where appropriate, in relation to the design of culture and corporate values, especially in environmental and social matters.
- Overseeing and evaluating, where appropriate, the processes of interaction with the different stakeholders.
- Regularly evaluating and reviewing the Financial Institution's environmental and social policy.
- Ensuring that the Financial Institution's environmental and social practices are in line with the strategy and policy defined.

Sustainability and Agri-food Development Division

It is represented on the Financial Institution's Steering Committee and reports on sustainability-related risks (including those linked to natural capital) to the Board of Directors of BCC, for the appropriate oversight as the Group's highest governing body. Its responsibilities include:

- Helping to facilitate 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 support members and customers in terms of sustainability and ecological transition.
- Developing action plans to implement the Group's strategy for managing risks, especially those related to climate change.
- Collaborating in the creation of new financial products with sustainability criteria.
- Supporting entrepreneurial initiatives with positive social, cultural and environmental impact.

Figure 3.
Functions of the Sustainability and Agri-food Development Division



2.4. ESG Risk Roles and Responsibilities within the Three Lines of Defence

The Group's Governance and Risk Culture Framework describes the organisational structure of the management team, as well as the main axes around which the Financial Institution is organised in relation to ESG risks. This framework is based on the three-line defence model, in accordance with the principles of Basel III and the various regulations and directives on capital requirements (CRC and DRC).

To comply with the principles of the risk management model, including the management of risks related to natural capital, and in line with regulatory standards and best practices in the financial



sector, the Group has an internal risk control system structured across specialised organisational units for each of the three lines of defence.

- *First line of defence:* this line is essential for the effective implementation and management of ESG risks and encompasses nature-related risks. It is made up of the Sustainability, Investments, Finance, Business, People and Technology and Corporate Strategy divisions and the General Secretariat.
 - Collectively, these departments are responsible for embedding sustainability principles across all strategic decisions and operations.
 - The first line of defence must ensure that ESG risks are identified, assessed and managed proactively, fostering an organisational culture that values sustainability and social responsibility.
 - The divisions must work collaboratively to develop and implement policies and strategies that address ESG risks. This includes embedding ESG criteria into investment decision-making, financial planning and the development of products and services. In addition, these divisions must promote sustainable practices among employees, leveraging advanced technologies to support risk management and providing ESG-related training to staff.
- *Second line of defence:* this line is made up of specialised divisions —Risk Control, Regulatory Compliance and Cyber Resilience— tasked with overseeing and monitoring the implementation of ESG risk management practices. Their role is to ensure that the policies and procedures established by the first line are effectively followed:
 - The Risk Control Division plays a key role in monitoring the implementation of ESG practices.
 - It is responsible for evaluating the adequacy of existing policies and procedures for managing these risks, as well as the effectiveness of the controls in place. It also reports to senior management on the status of ESG risk management, ensuring awareness of the main challenges and progress in this area.
 - The Regulatory Compliance Division oversees compliance with ESG-related regulations. It monitors changes in the regulatory environment and conducts compliance reviews to ensure the Financial Institution remains aligned with applicable legislation.
 - The Cyber Resilience Division focuses on identifying and managing ESG risks linked to cybersecurity. It implements protective measures against cyber threats and monitors cybersecurity incidents that may impact the institution's ESG performance.
- *Third line of defence:* represented by the Internal Audit Division, it provides independent and objective assurance over ESG risk management.



- This line conducts periodic audits to assess the effectiveness of controls and processes implemented by the first two lines of defence, ensuring that ESG policies and procedures are correctly implemented, verifying the integrity and accuracy of ESG reports and providing recommendations to improve the management of these risks.

2.5. Commitment to Innovation and Knowledge Transfer: 50 Years of Open Innovation to Preserve Natural Capital

In the second half of the 1960s, the then Caja Rural de Almería —the corporate predecessor of the current Group— was first established. At that time, the province was affected by certain socio-economic conditions typical of an underdeveloped context, and was moving towards the implementation of an intensive agri-food system with high capital and input consumption and generating negative externalities that had a direct impact on the degradation of nature.

In this scenario, it was necessary to develop a knowledge base supported by technology that would make the production system more productive, while making balanced progress in the three dimensions of sustainability: economic, social and environmental.

In response, Caja Rural de Almería implemented its own model of experimentation and knowledge transfer focused on greenhouse agriculture —the main activity financed at that time— with the purpose of validating technologies that would optimise production processes and minimise impacts on natural capital.

Over the past five decades, the main lines of work have focused on reducing inputs such as water and fertilisers, increasing crop yields and adapting to adverse conditions, such as resource scarcity or the need to conserve and promote biodiversity. The Cajamar Experimentation Station is an expression of the Group's commitment to the agri-food value chain, focused on improving its environmental footprint and reducing the risk associated with its financial activity.

Over these past fifty years, the Group's innovation ecosystem has been strengthened by the progressive incorporation of various services aimed at improving sustainability and efficiency, and reducing the climate and environmental risks faced by both our customers and other industry stakeholders. Currently, this ecosystem has a multi-sectoral agri-food vision and a multi-territorial approach, having expanded its focus beyond protected agriculture in response to the growth of our sectors of interest and to meet the needs of our customers while ensuring the preservation of natural capital.

The most prominent resources include: the study and training service; various digital tools aimed at efficient management of agri-food inputs; Plataforma Tierra, a digital community designed for knowledge transfer; Cajamar Innova, a high-tech business incubator that promotes innovation in water and agri-food activities supported by the Group; and the Cajamar Experience Centre located in Paiporta.

A detailed explanation of GCC's innovation ecosystem developed over the past half century is provided in section 3.4 of this report.



3. STRATEGY

3.1. Sustainability as a Cross-Cutting Element in the Group's Strategy

The purpose of the cooperative banking model developed by GCC is to become a financial instrument that serves the society in which we are integrated, to promote its socio-economic growth, its comprehensive development and to ensure environmental conservation.

People are at the core of our actions, and our goal is for them to attain full social, economic and cultural development within their own territories. In this sense, the natural environment is an intrinsic part of the different territories and the quality of life available to their inhabitants. Maintaining and improving environmental values is a goal for GCC, a formula that guarantees sustainability.

To reinforce the achievement of these targets, we deploy a business model that nurtures a close relationship with our members and customers and pursues our determined commitment to generate innovation and knowledge transfer.

The different financial institutions that make up GCC today were born and have developed in an area that faces some of the greatest environmental limitations and constraints of anywhere in Spain and the European Union as a whole. These are regions with low levels of rainfall that are unevenly distributed both spatially and temporally, with high average temperatures that create more stress on plant species and subjected to human pressure for millennia. These circumstances have made us aware of the importance of being proactive in caring for and protecting the environment. And only through planned action and long-term vision will we be able to ensure the sustainability of the resources that enable the different productive activities to be maintained. This is especially true in the agri-food sector, due to its dependence on water and nature, but also in other activities closely linked to the territory such as construction, tourism and the service sector.

Our history and experience have allowed us to understand that purely extractive activities lead to the deterioration and depletion of resources, and that only through the generation and transfer of knowledge will we be able to transform the different production models towards more sustainable and environmentally respectful ones.

The experience of the work carried out throughout our history has shown us that this effort to reconcile economic activity and environmental protection makes us more resilient to the increasingly adverse conditions generated by climate change. Our territory has been subject to frequent floods, fires and droughts, and we have been able to respond through prevention measures and the establishment of a compensation system to support affected individuals and businesses so they can continue their activities.

We have also seen that embedding environmental aspects into production decisions has made companies more efficient, responsive to consumer desires and needs, and ultimately more profitable.



Being involved in the environment in which we work means studying and analysing the challenges and obstacles we face, so that from there we can develop technological solutions and a catalogue of financial products and services that facilitate their transition towards more sustainable models.

The main elements of our sustainability strategy are understanding the environment in which we operate; our environmental and social policy; our commitment to nature; the innovation ecosystem; and the Strategic Sustainability Plan.

3.2. Evaluation of Nature-Related Impacts, Risks and Opportunities

The double materiality assessment process carried out by the Group includes aspects related to biodiversity. To do this, the Group uses the list of potentially material thematic aspects listed under Article 16 of European Sustainability Reporting Standard No. 1 (ESRS 1) of the CSRD Directive, as well as the aspects assessed through the impacts of climate and the environment on traditional risk models. The purpose of this analysis is to identify material aspects for the organisation from the perspective of impact and from a business perspective in terms of sustainability, considering three thematic areas: social, environmental and governance aspects.

Additionally, a procedure is developed to identify possible issues not covered by the regulations. For this purpose, various surveys are conducted targeting stakeholders and different areas of the Group. If any agent identifies an impact, risk or opportunity related to biodiversity, it is collected and evaluated within the double materiality process implemented.

As a result of the entire process, key aspects related to biodiversity and ecosystems have been identified, linked to the Group's active contribution to their protection. This contribution is materialised through support for innovation and research, as well as the implementation of sustainability criteria in the evaluation of projects before granting funding, with the aim of ensuring that such initiatives do not generate negative impacts on biodiversity. Both aspects have been considered material over a short-term time horizon.

Additionally, during 2025, the environmental risk impact analysis was updated in the Group's business environment.

This report analyses how environmental risks, especially those related to water and biodiversity, impact the Group's business environment. Using our own methodology and analysing the information obtained from the Risk Filter Suite tool, three aspects or sources of risks linked to the environmental perspective have been evaluated: physical risk, regulatory risk and reputational risk.

Analysing this set of risks, the most considerably relevant for the Group is physical risk (water stress and impacts on biodiversity). The geographical areas that are particularly relevant for establishing priorities in this analysis are located in the Mediterranean region (Murcia, Almería, Valencia) and metropolitan areas such as Madrid and Barcelona. This is due to the combination of high-exposure activities (agriculture, agribusiness and construction, followed by transportation and commerce) with



water stress and biodiversity loss, which are intensified in ecosystems such as the Mar Menor, Doñana and the Ebro Delta.

The identification of these risks leads to the definition of business opportunities linked to their mitigation, such as financing for efficient irrigation technologies, water reuse, organic production, renewable energy, sustainable mobility and green building. Cajamar has already developed six sustainable financial products aimed at these objectives, available nationwide, with a focus on vulnerable territories. These instruments can be identified in section 5 of this report. These solutions aim to reduce exposure to physical and transition risks, enhance customers' competitiveness, and align corporate strategy with ESG principles and European regulatory expectations.

3.3. Commitment to Nature

The current climate emergency and the loss of natural capital is leading us to a process of transition towards a circular economy, low in carbon and respectful of the natural environment, a process that carries risks and opportunities for economic agents.

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 holistic approach to climate and environmental risks. To foster this, the ECB has compiled a broad repertoire of regulations that is in addition to other European and international recommendations for financial institutions.

The Group has always sought to anticipate regulatory requirements, to follow best practices and set the standard in the banking sector for its responsible management and social and environmental commitment. Accordingly, it has developed an environmental policy and incorporated certain key undesirable links related to nature, which are outlined below.

Environmental and Social Policy

GCC is committed to the social, economic and environmental surroundings with which it interacts. Therefore, although the nature of its business generates minimal environmental impact, it has made a commitment to sustainable development within its business model that addresses not only direct impacts, but also the indirect ones generated through the consequences of its financing activities, asset management and the management of its value chain.

The aim of the Group's Environmental and Social Policy is to establish principles and guidelines that steer its relationship with the environment and society in the development of its activities. It outlines the Group's commitment to reduce negative impacts, both direct and indirect, derived from its operations, financed activities and relationship with suppliers. The policy also promotes respect for Human Rights, the financing of sustainable opportunities, the efficient use of resources and the proper management of waste generated.



GCC undertakes a range of actions to reduce its negative impact on nature and climate change, while also working to preserve and strengthen the environment and ecosystems. These efforts are carried out both at the operational level —through the establishment and monitoring of decarbonisation targets, development of a transition plan and implementation of eco-efficiency measures— and in its relationships with customers and the broader value chain linked to the Group’s core activity and the research, innovation and knowledge transfer initiatives led by Fundación Grupo Cajamar. This foundation reports to the Sustainability and Agri-Food Development Division.

Figure 4 schematically shows the main actions we carry out in matters related to nature.

Figure 4.
Main environmental actions taken by Grupo Cooperativo Cajamar





Undesirable Links

The Group has a Socially Responsible Investment (SRI) policy, which represent a very important step in the achievement of the SDGs and the European Green Deal. For this reason, in recent years, the Group has been implementing new strategies and approaches that allow it to develop a series of processes and its own methodology. This further strengthens our resolve to invest in funds that are respectful of society and the environment, and which are associated with good governance, through the establishment of exclusionary criteria and other positive or evaluation criteria. Undesirable links act as a pre-filter in the lending and financing process, excluding companies or projects considered controversial for the green transition.

The framework for undesirable links addresses a series of specifically prohibited activities related to the loss of biodiversity and the fight against deforestation.

This framework leads to the exclusion of the following types of customers:



Customers where we have sufficient evidence that they are in violation of applicable international environmental laws and regulations



Customers who have been involved in deforestation and other illegal land conversions in the last five years



Customers who intentionally cause or contribute to a reduction in the population of endangered species (on the IUCN Red List of Threatened Species)

In addition, specific project exclusions have been added, highlighting the following:



Wetlands included under the Ramsar Convention



Those located in a place classified as a UNESCO World Heritage Site



Those carried out in areas classified by the International Union for Conservation of Nature (IUCN) in all its categories, or a site that meets the designation criteria by the Alliance for Zero Extinction (AZE)



Projects involving the burning of natural ecosystems



Projects involving the burning of primary forests or High Conservation Value Forests according to the FSC (Forest Stewardship Council)



3.4. Our Agri-Food Innovation Ecosystem

Over the past 50 years, GCC has promoted innovation in the agri-food sector through its own model, constantly growing and adapting to the changes in the real economy. This aims to provide solutions tailored to the needs of all stakeholders in a sector that is one of the main drivers of the Spanish economy and has a significant impact on the territory and the environment. On a global scale, food production occupies one third of the Earth's surface and consumes more than 70% of the water resources. For this reason, in the different lines of action we have been developing over the years, we have emphasised not only the productive and economic aspects, but also sustainable management of the activity from an environmental point of view. Especially in terms of optimising water consumption, promoting biodiversity in the environment of different production systems, reducing pollution and promoting circular bioeconomy systems.

3.4.1. Description of Our Innovation Ecosystem

The contribution to this process of promoting innovation has been developed through various specialised initiatives, which coordinate their work over time based on a common strategy and help mitigate the climate and environmental risks of our customers:

- Our [two experimental centres in Almería and Valencia](#), which have tackled applied research projects and technological evaluation, to help overcome productive, environmental and economic challenges. This process has involved collaborating with research groups and technology centres as well as farmers and companies in the agri-food chain and ancillary industry.
- [Specialised publications](#), both technical and general analysis, sub-sectoral and prospective. Written by in-house authors or through external collaborations with private and public academic institutions.
- [Training and knowledge transfer](#): The results obtained in our research centres, together with the conclusions of other work by our collaborators, have been the basis of our knowledge transfer and training activities, both virtual and in-person, in the form of seminars, courses, workshops and webinars that we regularly run.
- The arrival of the digital transformation has led us to strengthen the use of digital tools and to launch [Plataforma Tierra](#), our Digital Knowledge Community, as a way to publicise and raise awareness about all our activities and services.
- In recent years, we have focused on supporting entrepreneurial ventures as a means to promote technological development. Through [Cajamar Innova](#), our business incubator and accelerator for technology start-ups, we promote the creation of new technologies in the fields of sustainable water resource management, technologies to improve agricultural production, and new techniques for the production of safe, healthy, sustainable and convenient food. Up to the end of 2024, we supported 73 companies and 79 projects.



Figure 5.
Evolution of the Grupo Cooperativo Cajamar innovation ecosystem



3.4.2. Main indicators for Grupo Cooperativo Cajamar’s innovation ecosystem

Experimental Centres

Cajamar’s experimentation centres in Almeria and Valencia 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 in the service of preserving natural capital, and new business developments in the real economy. All of this with the aim is to establish and consolidate the necessary relationships to drive the development of the agri-food sector as a whole and meet the demands and needs of consumers. In addition, it helps to reduce the climate and environmental risks of our customers.

In 2024, 92 projects were developed at Cajamar’s experimentation centres, carried out in collaboration with other areas of the innovation ecosystem. These initiatives promote sustainable development by reducing the effects of climate change, increasing production without harming the environment, protecting nature and improving the carbon balance in agricultural activity.

Figure 6.
Number of projects according to workstreams for the year 2024 in Grupo Cooperativo Cajamar’s innovation ecosystem

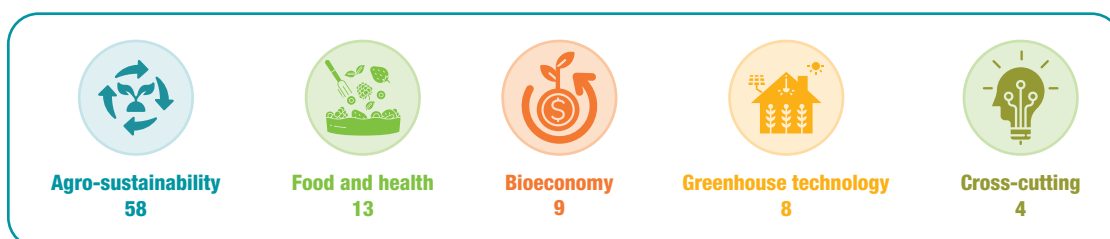




Figure 7.

Number of projects developed* in Cajamar Experimentation Centres classified according to the environmental goals of Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020

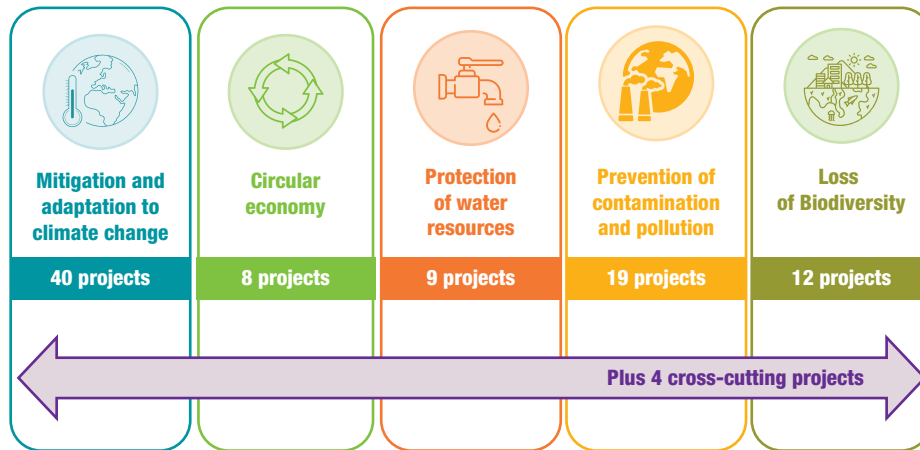


Figure 8.

Our complete catalogue of projects

GO BIOFUN



The general objective of this project is to combine the promotion of biological control through greenhouse conservation with increasing the biodiversity of functional flora and fauna that does not pose a risk for the development of mainly viral diseases in horticultural crops.

GO INV-DSS



The main goal of Grupo Operativo GO INV-DSS is to develop a commercial computer tool to determine the irrigation and fertigation needs of Mediterranean horticultural greenhouse crops based on crop demands.

CUCRES



The general aim of this project is to identify accessions of cucurbitaceae that can tolerate drought, low nitrogen supply, heat and combined stresses, which will be the basis of improvement programmes to generate resistant cucurbitaceae cultivars.

[Visit our project catalogue](#)

Studies and Publications Service

Studies and Publications Service of GCC specialises in the structural, cyclical and prospective analysis of the different activities that make up the agri-food sector. Its main purpose is to improve the training and professionalisation of the various stakeholders in the sector. The aim is to contribute, through decision-making, to the transformation of the rural environment, the equitable distribution of value generated through the collaborative economy, technological development and sustainable growth.



To achieve this goal, this public service publishes studies, economic reports, reflective documents and cooperative handbooks that explore topics such as water resource management, sustainability of the agri-food system, the agri-food chain structure, digital transformation, food security and the demographic challenges of rural Spain.

Its work is driven by a strong commitment to sustainable development and the promotion of an inclusive economic model, focused on people and the strengthening of territories. In 2024, it contributed to the generation of knowledge by publishing 12 publications and technical reports, as well as preparing 37 agri-food market reports and organising 21 events for the transfer of knowledge generated by the Studies and Publications Service.

Figure 9.
Publications on natural capital management



[Visit our publications catalogue](#)

Knowledge and Technology Transfer

The aim of the training agenda promoted and delivered by GCC is to foster the professional development of members, customers and other stakeholders by partnering with university specialists, technicians and renowned experts in agronomy, markets and agri-business management.

Our offer — free of charge and open access — is presented in two formats: face-to-face activities (courses, conferences, seminars...) or online sessions (webinars), aimed at technicians and professionals in the production sector; and business meetings, more focused on management and

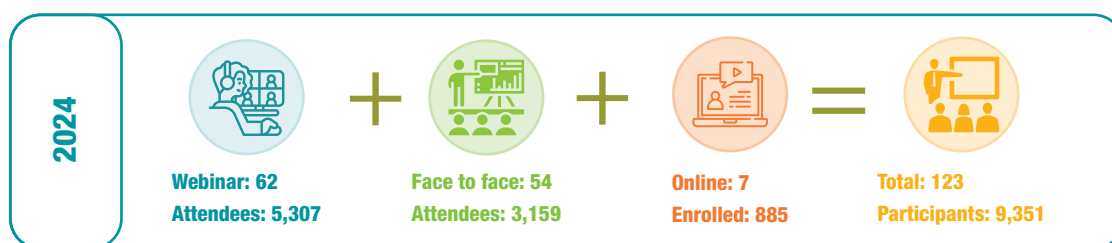


marketing, tackling the two major challenges that economic agents responsible for food production face from different perspectives: the ecological transition and the digital transformation.

Our experts in agronomy and agri-food business work with leading local, regional and national companies on the design and delivery of these events, giving rise to one of the most complete, dynamic and diverse training proposals in the sector.

In 2024, a total of 123 training sessions were delivered, including in-person and online workshops, as well as courses held within this framework. In total, training was provided to a total of 9,351 professionals.

Figure 10.
Face-to-face and online training events



Another fundamental channel for transferring knowledge is through visits to our experimentation centres. Visitors can directly and practically learn about the main techniques developed and promoted by our researchers.

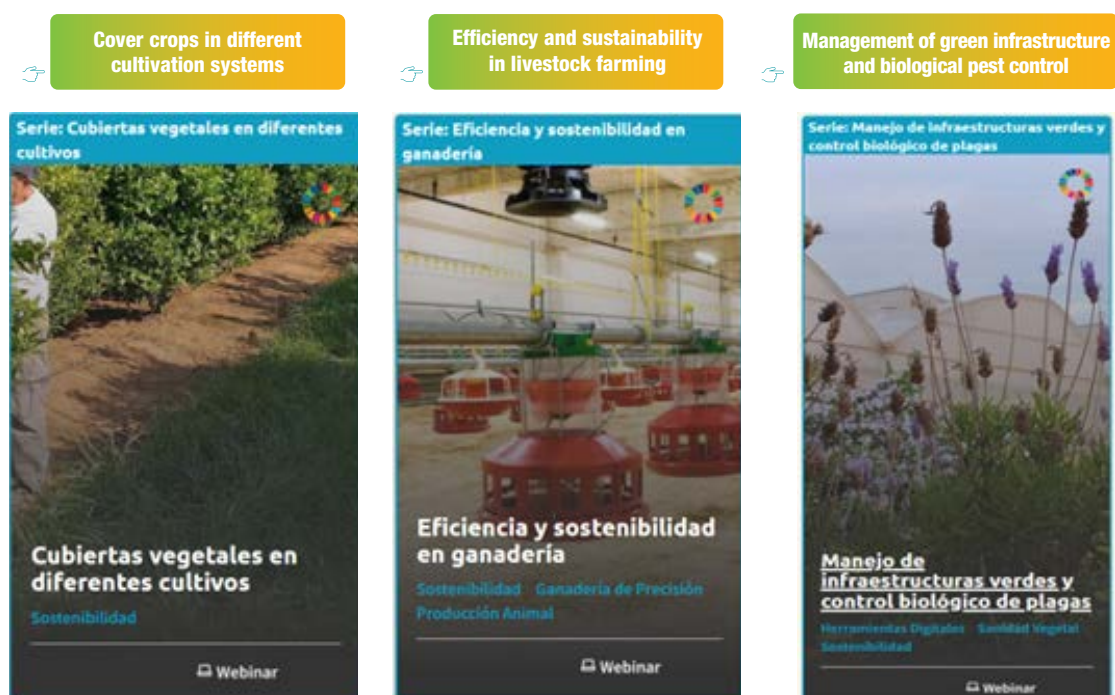
In 2024, a total of 3,265 people visited our centres, where they had the opportunity to observe first hand various innovative techniques being developed to improve environmental footprints, reduce climate and environmental risks associated with activity, and increase the profitability of their businesses.

Table 1.
Visits to Cajamar Experimental Centres (2024)

	Cajamar Experimental Station (Almería)	Cajamar Experience Centre (Valencia)	Total
Organised visits	219	38	259
Visitors	2.920	345	3.265



Figure 11.
Our training offer



Webinar series on the management and promotion of biodiversity in primary production through the use of cover crops.

Webinar series addressing the promotion of efficiency and sustainability in livestock production.

Webinar series analysing the management of biodiversity on agricultural holdings to improve biological control.

[Visit our training offer](#)

Plataforma Tierra: Our Digital Knowledge Community

In response to the evolution of the production environment, and with the aim of helping farmers adapt to the new needs of the digital economy, GCC launched Plataforma Tierra in 2021. This initiative is an online knowledge community managed by experts from our own innovation ecosystem, to continue moving together towards a more efficient, profitable and sustainable sector.

With this aim, we have integrated all our activity into a single web portal as a reference for companies and professionals in the agri-food sector: analysis, news, technological advances, entrepreneurial initiatives, publications, events, training programmes and digital solutions. This is the definitive channel to publicise and raise awareness about the actions driven by the different areas of the Group's innovative ecosystem.

The purpose of Plataforma Tierra is to create a community of farmers, technicians, specialists and managers where knowledge and experience are exchanged and joint technology projects are carried out. This leads to the development of different digital tools to facilitate decision-making and reduce the climate and environmental risk of our customers. These tools include CX Tierra, a digital farming handbook that incorporates irrigation and fertilisation recommendation tools, designed by specialists



from our Experimentation Centres, to optimise the use of two key inputs such as water and fertilisers, and which helps improve the management of natural capital.

Our web portal received more than 1.12 million visits throughout 2024 and, since its launch in February 2021, it has accumulated 23,100 registered users who have access to sector-specific information (production, prices and markets), training courses and events, digital tools and publications, and context analysis reports.

Chart 1.
Main figures for Plataforma Tierra

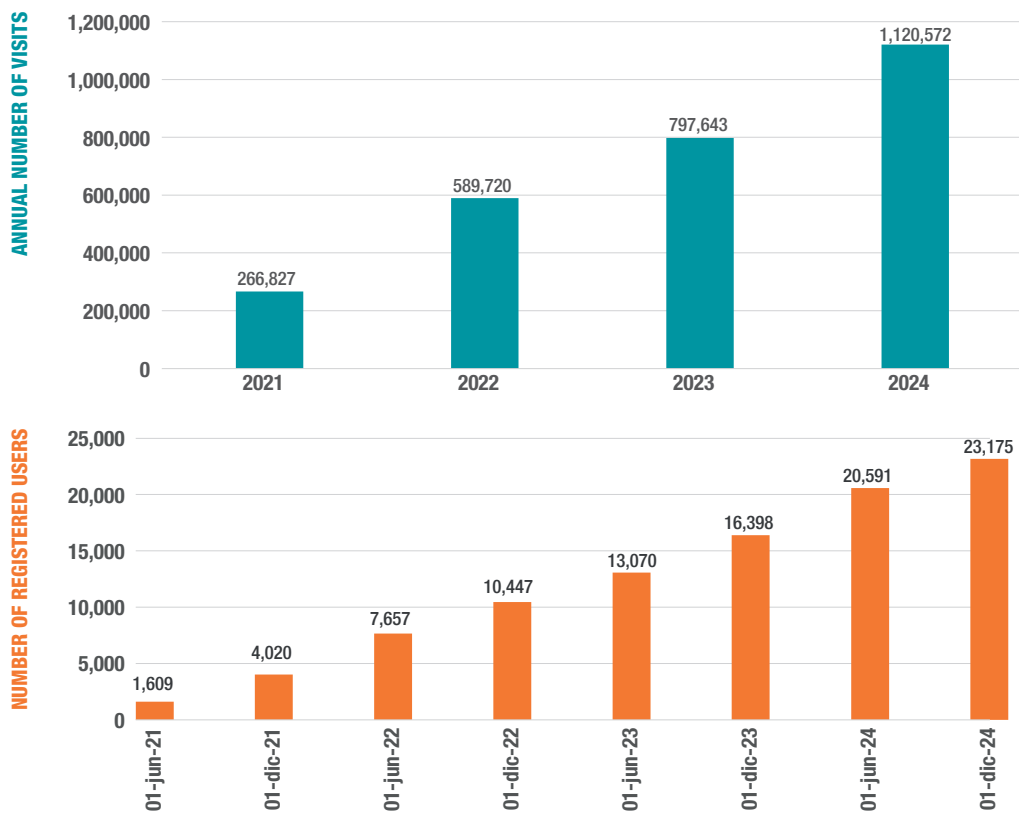


Figure 12.
Contents of Plataforma Tierra



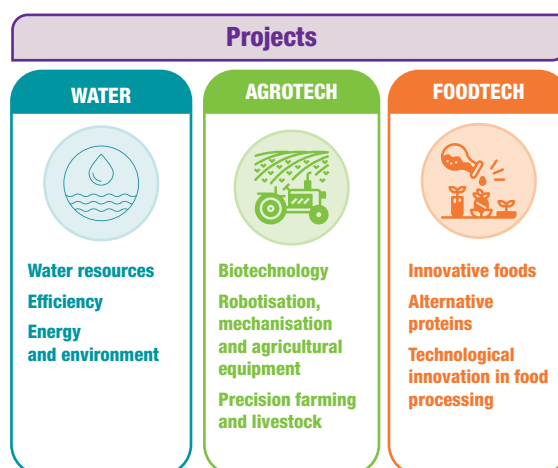


Cajamar INNOVA: Our Business Acceleration Programmes

Cajamar Innova is a startup accelerator specialised in technologies for sustainable water management and agri-food production. Its objective is to attract talent and support entrepreneurs in the design of prototypes and the development of viable business plans, with the support of experts and strategic partners within GCC’s innovation ecosystem.

Its acceleration, training and business development activities began in 2021, and since then it has mentored the development of 73 entrepreneurial projects from over 750 national and international startups that applied. All incubated projects tie in with the efficient management of natural capital.

Figure 13.
Areas of work within Cajamar Innova





3.5. Strategic Plan 2025-2027

In this same vein, and seeking to reinforce the Group’s ambitions in this regard, in 2024 we reviewed our strategy for the period 2025-2027. Sustainability is one of the core, cross-cutting foundations of our Strategic Plan, as we strive to set the standard for the whole Spanish financial sector, leading the transition towards a business model aligned with the SDGs and committed to the creation of social and environmental value.

To achieve this, we are working on actions such as strengthening the integration of environmental, social and governance risks across all our processes, in addition to advising and supporting our clients by providing financial solutions for the projects and investments needed in their transition. We will also continue to adapt our policies and management frameworks, strengthening sustainable practices throughout the entire value chain, and to demand expert and independent assessment from specialist rating agencies.

Figure 14.
Main sustainability milestones of the 2025-2027 Strategic Plan



On the other hand, the Group’s environmental risk management action plan set out actions for 2025. These are related to: a) minimising ecosystem loss; b) preventing the degradation of water resources; c) reducing soil deterioration, including pollution, desertification and land use change; and d) combating air pollution.



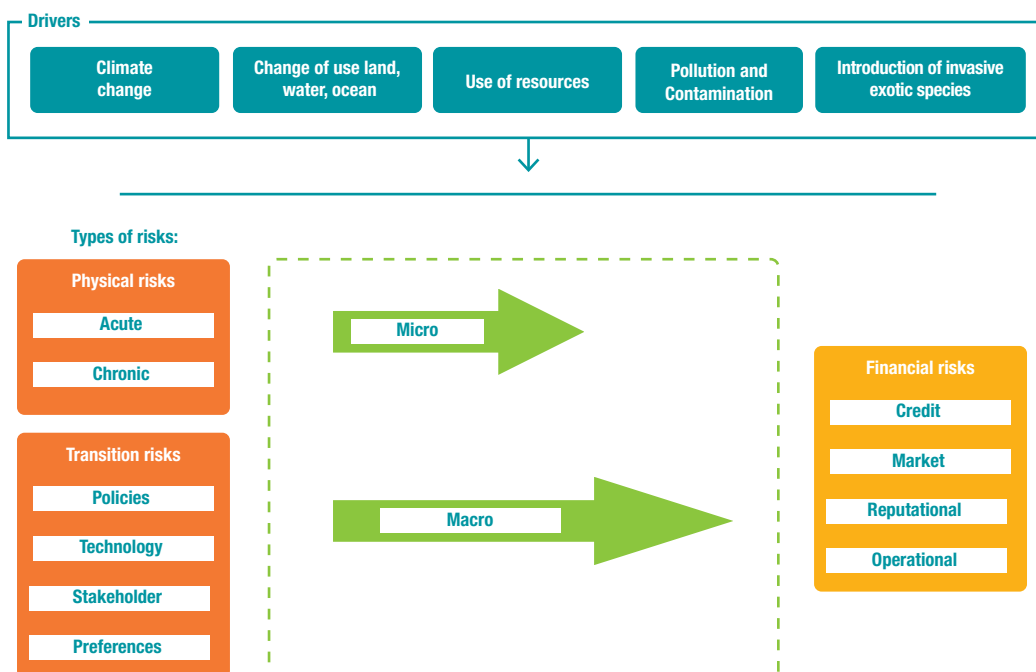
4. RISK AND IMPACT MANAGEMENT

4.1. Evaluation of Dependencies and Impacts. Nature-Related Risks and Opportunities in the Value Chain

The proper management of climate and environmental risks is fundamental for the Group in order to meet its targets and commitments in terms of preserving nature. In particular, we must urgently neutralise greenhouse gas emissions by 2050, preserve ecosystem biodiversity and improve efficiency in the use of water resources.

The threats associated with natural capital and climate change, due to their systemic nature, are classed as cross-cutting factors that impact the Group's relevant risks. The economic activities financed by GCC are linked to the natural capital that surrounds them, and may be vital for their development, either out of necessity or for profit (dependency), or because they cause a disturbance that leads to changes in the quantity or quality of the surrounding natural capital (impact). Therefore, we assess the dependence and impact on ecosystem services in the analyses that we carry out. The aim is to evaluate how each of the activities we support through our financial activity might be affected economically.

Figure 15.
Transfer of climate and environmental risks to the Group's traditional risks





The Group has continued to advance in integrating the analysis of the impact that climate change and nature-related factors may have on its financial activity and risk profile. For the environmental component, the starting point has been a comprehensive analysis of nature-related impacts and dependencies in the global industries that the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) considers most exposed to these risks, together with EBA guidelines, in order to represent the Group's portfolio.

Within each of these, a materiality analysis of the various economic sectors and their vulnerability to environmental risks has been developed, through the application of an internally developed methodology that facilitates their understanding and enables subsequent actions to be taken that support the monitoring and control of ESG risks, including targets and limits.

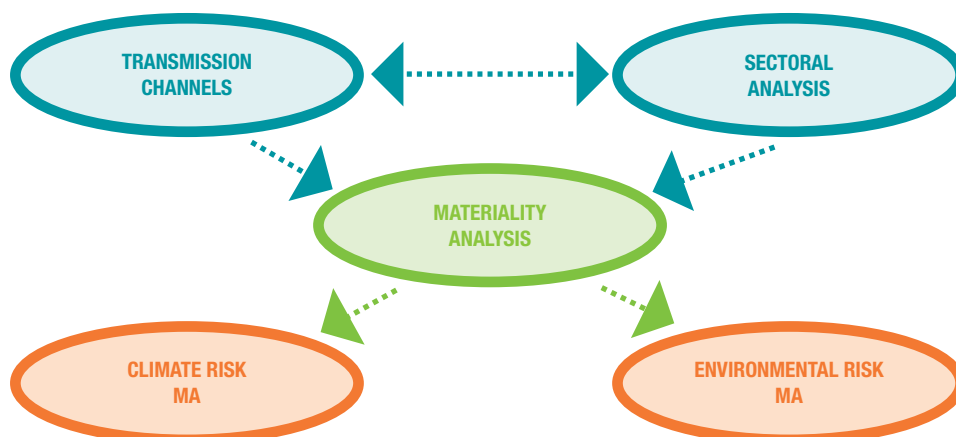
For the identification of dependencies and impacts, the main source used has been the latest version of the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool, which —thanks to its latest update— has enabled a more comprehensive analysis of the various economic sectors financed by the Group.

Progress has also been made in the analysis of the main physical risks affecting assets in sectors with high dependence on natural capital. For this purpose, the WWF Risk Filter Suite tool was used, which enables an assessment of the main risks associated with biodiversity and water by geographic location.

4.2. Environmental Risk Materiality Analysis

The purpose of the materiality assessment is to better understand the importance and vulnerability of climate and environmental risks in the Group's global risk profile, to improve the capacity to take actions to support the monitoring and control of ESG risks, as well as to comply with the Guidance on Climate and Environmental Risks published by the ECB in 2020.

Figure 16.
Description of the sources included in the materiality analysis of environmental risks





The analysis focuses on climate and environmental risks, which, as with all other ESG risks, are treated as risk factors that have a cross-sectional impact on other traditional risks. This advanced qualitative analysis, which depends on the availability of data, is performed at the granular level of the subcategories of physical and transition risks for each of them. The evaluation includes different time horizons, to measure the resilience of the Group in the short, medium and long term.

Figure 17.
Time horizons*



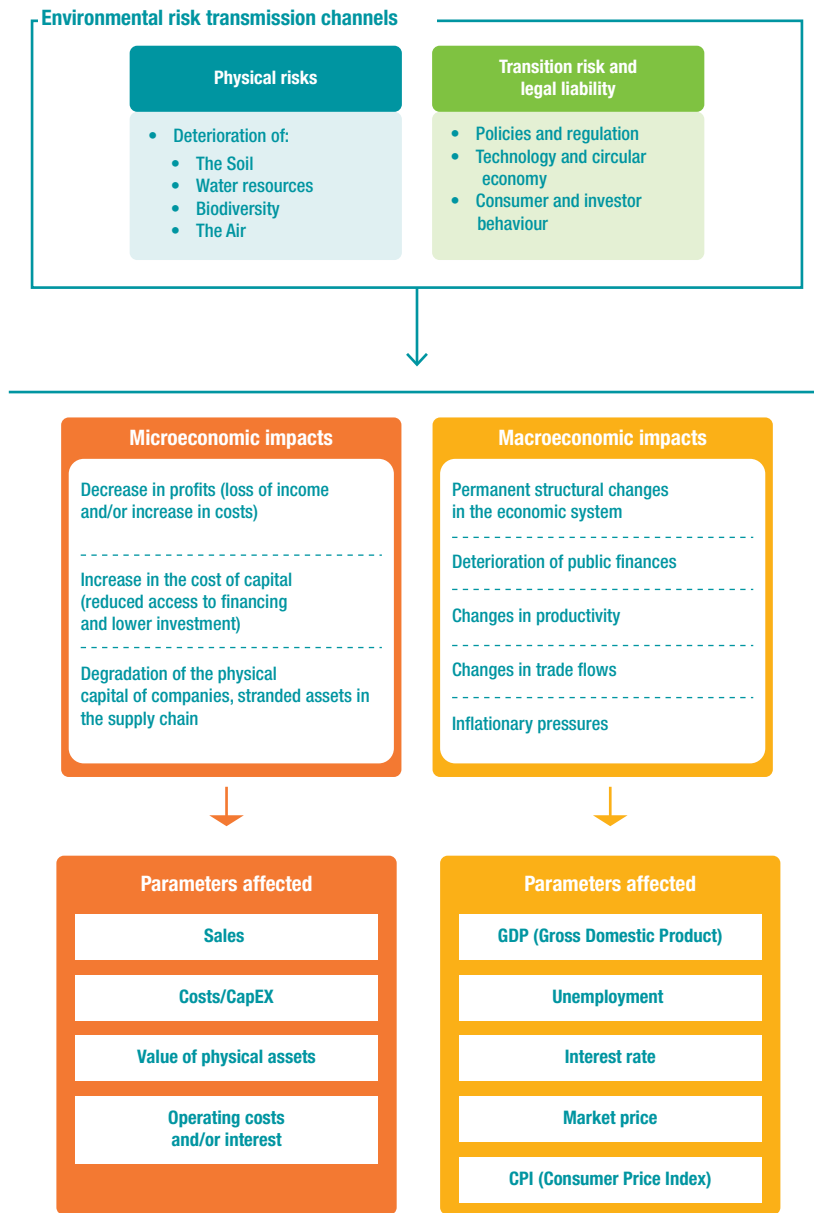
* Based on the timelines set out in the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework (GBF Agreement), and taking into account the final time horizon of 2050, the materiality assessment encompasses different time horizons to measure the Group's resilience.

4.2.1. Matrix of Transmission Channels

To determine the impact of climate and environmental risks on traditional risks, the Group has developed a matrix of transmission channels, which captures all possible pathways of the impact of transition risks and physical risks on direct financial variables (profitability, production, value of physical assets, etc.) and indirect ones (macroeconomic pathway) and, as a result, the impact on the risk parameter. This matrix is the starting point in assessing the material impact of environmental risks on financial risks.



Figure 18.
Transmission channels of environmental risks in Grupo Cooperativo Cajamar





4.2.2. Risk Assessment and Sectoral Analysis

Sectoral analysis identifies the activities financed by the Group with the highest level of risk and assesses their dependencies and impacts on ecosystemic services. The objective is to estimate the level of residual risk for environmental risks affecting each of the activities financed by GCC.

Based on the sectoral analysis, the risk matrices for the impact of environmental factors on traditional risks are obtained within the different time frames established. The risk levels are categorised on a scale from low to high. The scale used was as follows:

Low	Losses resulting from ESG risk factors have an irrelevant impact on solvency. Follow-up is required, but no actions need to be evaluated.
Medium-low	Losses resulting from ESG risk factors have a moderate impact on solvency, and actions should be evaluated.
Medium-high	Losses resulting from ESG risk factors have a significant impact on solvency, and actions must be evaluated.
High	Losses resulting from ESG risk factors have a serious impact on solvency, and actions must be evaluated as a matter of priority.

4.2.3. Materiality Matrix for Environmental Risks

To determine the matrix, a mixed methodology is used that combines qualitative and quantitative aspects. As a result, we can evaluate the risk level of impact on traditional risks, mainly due to the possible impact of environmental factors considering the occurrence of an environmental event, within the different time frames established. It is also important to consider that climate change will be one of the drivers with the greatest impact on the environment in the long term. Table 2 shows that the most affected risk categories are credit, concentration and business.



Table 2.
Impact of environmental risks on the Group's traditional risks in the short, medium and long-term

ENVIRONMENTAL RISKS						
	Physical Risks			Transition Risks		
	Short term	Medium term	Long term	Short term	Medium term	Long term
→ Credit	Green	Blue	Orange	Green	Blue	Orange
→ Concentration	Green	Blue	Orange	Green	Blue	Orange
Real estate	Green	Green	Blue	Green	Blue	Orange
Sovereign	Green	Green	Blue	Green	Green	Blue
Market	Green	Green	Blue	Green	Green	Blue
Liquidity and funding	Green	Green	Blue	Green	Blue	Orange
→ Business	Green	Blue	Orange	Green	Blue	Orange
Interest rate	Green	Green	Blue	Green	Green	Blue
Operational	Green	Green	Blue	Green	Blue	Orange
Legal	Green	Green	Blue	Green	Blue	Orange
Technology	Green	Green	Blue	Green	Green	Blue
Reputational	Green	Green	Green	Green	Blue	Orange

4.3. Scenario analysis

When adopting climate scenarios in climate risk strategy and management, at GCC we develop our decarbonisation strategy based on the Net Zero 2050 scenario.

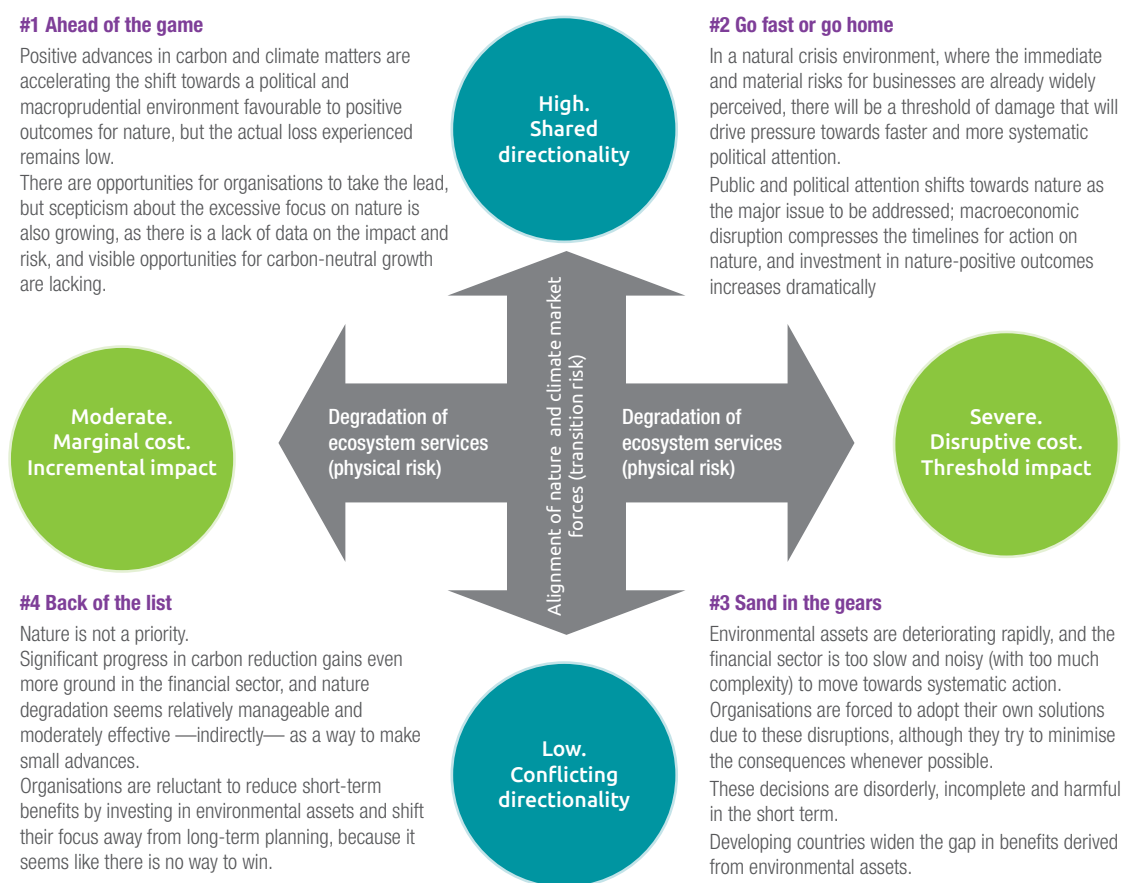
In order to assess the climate and environmental risks that affect the Group's financing portfolio, we use the scenarios published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). These scenarios are part of our credit risk management as they are included in the Group's admission models.

One of the main challenges in the coming years will be to develop a qualitative analysis of scenarios based on the equivalence of NGFS scenarios to TNFD equivalents using the LEAP analysis approach model (locate, evaluate, assess and prepare). This process is essential to identify impacts, risks and opportunities in order to develop mitigation and management measures.

There are four scenarios that describe the likely future outcomes based on biodiversity, climate and natural resource management.



Figure 19.
Matrix of uncertainty for possible scenarios in the political and economic management of natural assets



- **Ahead of the game:** This scenario would involve the implementation of macroprudential policies aimed, preventively, at achieving favourable outcomes for nature, resulting in limited ecosystem degradation.
- **Go fast or go home:** This scenario unfolds in an environment where immediate and significant business risks are widely experienced, leading to a rapid and systematic response, in which environmental impact and degradation are perceived as the central issue. The macroeconomic disruption resulting from climate effects is intensifying and leading to increased investment and implementation of technologies and policies aimed at mitigating these impacts, resulting in low environmental degradation
- **Sand in the gears:** This scenario reflects an environment in which environmental resources and biodiversity are degrading rapidly, while policies and funding for technology aimed at mitigating this situation are progressing too slowly and are perceived as controversial, which results in moderate ecosystem degradation.



- *Back of the list*: This scenario describes a situation in which carbon takes on an absolute prominence in political and economic spheres, acting as a determining factor in decision-making and being used as an indirect pathway to advance issues related to nature. This way, long-term planning for the management of natural capital is neglected, resulting in severe ecosystem degradation.

4.4. Incorporation of Environmental Criteria in Admission Reports

As part of the Group's commitment to sustainability and the responsible management of natural capital, various environmental criteria have been integrated into the assessment of credit risk reports. These are aligned with the organisation's environmental policy and the initiatives it adheres to, which aim to preserve or enhance the biodiversity of ecosystems.

4.4.1. Multisectoral Reports

Firstly, in 2020, the Group promoted the development of sustainability reports for large multi-sector operations, with the aim of assessing its climate and environmental performance, and its level of commitment to nature protection.

In 2022, aware of the importance of preserving natural capital, GCC made improvements to these reports. For this reason, a more detailed sectoral approach was incorporated into the evaluation of operations. Furthermore, the threshold for analysed investments was adjusted, expanding it to all transactions over 3 million euros, which allowed for an expansion of the clients evaluated.

In 2025, the Group took another step forward in the evolution of these credit risk reports, incorporating a more comprehensive assessment of the ESG strategy, with a special emphasis on the environmental dimension. This new approach not only seeks to verify compliance with sustainability criteria, but also to ensure that the companies analysed actively contribute to the preservation of natural capital and biodiversity. Furthermore, this approach can identify the weaknesses of customers and provides ways to mitigate them.

4.4.2. Agri-food Investment Reports

Secondly, as part of its accession to NZBA and the implementation of decarbonisation goals in the agri-food value chain portfolio—one of the most relevant within the organisation and with major impact on natural capital—GCC identifies mitigation strategies in large-scale agricultural and livestock operations. These strategies, based on contributing to the conservation and improvement of ecosystem biodiversity, are incorporated into customer evaluations, aligning with the decarbonisation path established by the Group.



This initiative aims to promote practices that favour the conservation of ecosystems, efficiency in the use of resources, and the reduction of environmental impact throughout the agri-food value chain, with a special emphasis on production activities. Likewise, it guides lending policies by identifying weaknesses and offering ways to mitigate them, ensuring that financial decisions promote the protection of biodiversity and natural capital.

Table 3 details the practices identified in primary production:

Table 3.
Agri-food mitigation strategies considered by Grupo Cooperativo Cajamar in primary production

For use in agriculture and livestock		GBF Goals Alignment
Organic production	Investments aimed at maintaining and/or expanding production in accordance with the organic farming standards established in Regulation (EU) 2018/848.	5 and 10
Regenerative production	Investments aimed at maintaining and/or expanding productive systems focused on preserving, improving and regenerating soil fertility through practices that promote a balance between soil and crops.	5 and 10
Incorporation of renewable energies or improvement of energy efficiency	Promotion of renewable energy generation, including the acquisition, construction, operation, maintenance or improvement of facilities using sources such as solar energy, wind power, high-efficiency biomass and others. Likewise, improving energy efficiency by at least 30% is also considered.	8
Exclusively for use in agriculture		GBF Goals Alignment
Minimum tillage and no-tillage	Accreditation of the effective implementation of conservation tillage practices aimed at controlling erosion and preserving moisture.	10
Plant cover and biodiversity strips	Use of plant cover or diversity strips (vegetation strips) to improve soil structure, increase organic matter content and soil fertility, control spontaneous vegetation, enhance water retention capacity, and prevent the formation of surface crust.	9 and 10
Improving the efficiency of irrigation	Modernisation projects for irrigation networks and systems through the incorporation of more efficient solutions, such as high-frequency irrigation or digital technologies that facilitate optimised water management.	7
Reuse of agricultural biomass	Incorporation of pruning and leaf litter generated during cultivation into the soil to provide additional organic matter, improving the soil's ability to retain water and nutrients and promoting the growth of vegetation.	7
Exclusively for use in livestock farming		GBF Goals Alignment
Improving feed	Focused on the development of specialised diets, advanced sensors for accurate monitoring of food intake, and innovative additives designed to modulate the ruminal activity of animals and their emissions.	1, 4, 7, 8, 10 and 11
Alternative feeds	Use of raw materials for livestock feed with low carbon footprint certifications, sourced from non-deforestation-causing origins or from non-conventional protein alternatives.	1, 4, 7 and 10
Efficient management of manure and excreta	Implementation of technologies that reduce greenhouse gas emissions. These measures include the covering of storage areas and the production of biogas, considered a renewable energy source, among others.	7, 8 and 11



5. METRICS

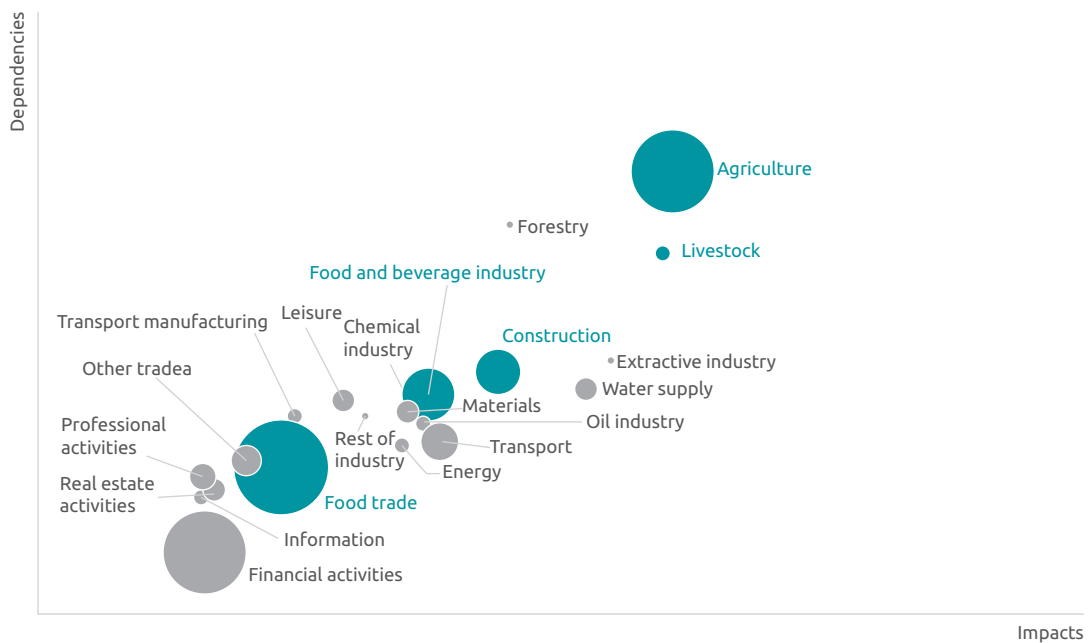
5.1. Impact and Dependency Metrics: exposure to sensitive sectors and regions

5.1.1. Exposure to Sectors

Financial institutions must disclose metrics representing financial exposure to a defined group of sectors in relation to which they are considered to have material nature-related dependencies and impacts. Natural capital risk assessment focuses on the associated assets and the drivers of environmental change that affect these assets.

For the identification of dependencies and impacts, the main source used has been the ENCORE tool (Exploring Natural Capital Opportunities, Risks and Exposure), which helps organisations explore their exposure to nature-related risks and take the first steps to understanding their dependencies and impacts on nature. The Group has identified the levels of impact and dependencies of the sectors that have the highest exposure in its business (Chart 2).

Chart 2.
Prioritisation matrix of exposure, impacts and dependencies





The prioritisation matrix quantitatively includes the impacts and dependencies of the sectors financed by the Group. Considering the composition of GCC's loan portfolio to non-financial companies and the level of granularity at which the information is available in the ENCORE tool, 'analytical subsectors' have been defined to facilitate the analysis of impacts and dependencies by productive group.

The circles included in Graph 2 represent the Group's exposure in the analytical subsector. They exclude exposure to sectors outside the different scopes 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 a significant impact and/or dependence on natural capital. The sectors with high impact and high dependence on environmental risks are those derived from the primary sector (agriculture and livestock).

5.1.2. Territorial Analysis of Risks Related to Natural Capital

Understanding nature-related risks is the first step to taking meaningful actions that reduce their impact and contribute to a more sustainable future. To this end, GCC has conducted a territorial analysis of the main environmental risks affecting the organisation, such as those related to water and biodiversity through the WWF Risk Filter Suite. This tool can manage data through an online platform to carry out a risk assessment associated with the impacts and dependencies related to water and biodiversity in the sensitive locations of an institution's portfolio. The tool operates through various layer models that assess risk by location, activity and sector on a standardised scale of values from 1 to 5 (a lower value indicates lower risk level) in order to establish comparability with dimensionless values.

The Group has conducted an analysis through the different metrics and risk categories available in the provinces where there is exposure. Through the study of the methodological documents 'WWF (2024) WWF Biodiversity Risk Filter Indicator Documentation version 2.0, October 2024' and 'WWF (2024) WWF Water Risk Filter Indicator & Scenario Documentation version 2.0, October 2024', the composite global indicator of physical and biodiversity risk has been selected, and the Financial Institution's weighted risk has been calculated based on business concentration.

Core Environmental Risks. Relative Risk Related to Biodiversity Factors

Table 4 shows the environmental baseline risk calculated in the Risk Filter Suite tool for different territories relevant to the Financial Institution.

In terms of biodiversity, within the category of physical risks, Murcia (3.06), Seville (3.05) and Almería (3.02) present the highest values in terms of 'Provisioning Services'. Seville also leads in terms of risk in 'Regulation and Support Services' with a score of 2.74, while Malaga (3.18) and Huesca (3.09) gain the highest scores in 'Regulation Services-Mitigation'. It is noteworthy that the risk associated with 'Cultural services' is markedly low and fairly uniform in most territories, with scores of 1.67 or 1.68, which are even lower in Seville and Valencia, with a score of 1. In the section on reputational risks, with regard to 'Environmental factors', Jaén presents the highest figure with 3.34. 'Socioeconomic factors' are higher in Murcia (2.68) and Almería (2.58), while Huesca (3.34) and Madrid (3.32) stand out in terms of 'Additional reputational factors'.



It should be noted that the territories selected have high levels of human activity, which can result in a certain competition between productive and residential activities and nature. In some cases such as Madrid, Barcelona and Malaga, the main pressure comes from the occupation of the territory for residential, commercial, industrial and tourist purposes, as they are regions with a high population density. In the cases of Valencia, Seville and Murcia, in addition to the aforementioned, there is also significant agricultural activity. Finally, in the provinces of Almería, Castellón, Huesca and Jaén, agricultural activity and the associated agri-food industry exert the greatest influence. However, both water-related risks and those linked to biodiversity are more intense in certain areas with special environmental characteristics or where there is a higher concentration of human activity. Over the past few years, various conflicts have arisen that have required the intervention of public administrations, largely due to significant social concern about pollution and contamination issues in areas such as the Mar Menor, the Cabo de Gata-Níjar Natural Park, and Doñana.

Table 4. Status of the different indicators that quantify environmental risks based on biodiversity in different material territories for the Financial Institution. Scale (1–5)

	Risk Filter Suite codes								Total, general
	SRC1	SRC2	SRC3	SRC4	SRC5	SRC6	SRC7	SRC8	
	Provisioning services	Regulation and support services: enabling	Regulation services - Mitigation	Cultural services	Pressures on biodiversity	Environmental factors	Socioeconomic factors	Additional reputational factors	
Almería	3.02	2.56	3.01	1.68	3.05	2.90	2.58	3.04	2.50
Barcelona	2.74	2.47	2.89	1.67	3.29	3.18	2.44	3.14	2.57
Castellón	2.79	2.42	2.79	1.67	3.06	3.02	2.44	2.98	2.47
Huesca	2.68	2.47	3.09	1.67	3.16	3.21	2.42	3.34	2.52
Jaén	2.82	2.63	2.89	1.67	3.12	3.34	2.50	2.91	2.55
Madrid	2.96	2.54	2.80	1.67	3.27	3.24	2.48	3.32	2.61
Málaga	2.93	2.53	3.18	1.67	3.11	2.94	2.48	3.26	2.56
Murcia	3.06	2.61	2.92	1.67	3.22	3.04	2.68	3.21	2.62
Sevilla	3.05	2.74	3.03	1.00	3.32	3.18	2.50	3.25	2.67
Valencia	2.94	2.53	2.85	1.00	3.28	3.17	2.50	3.17	2.56

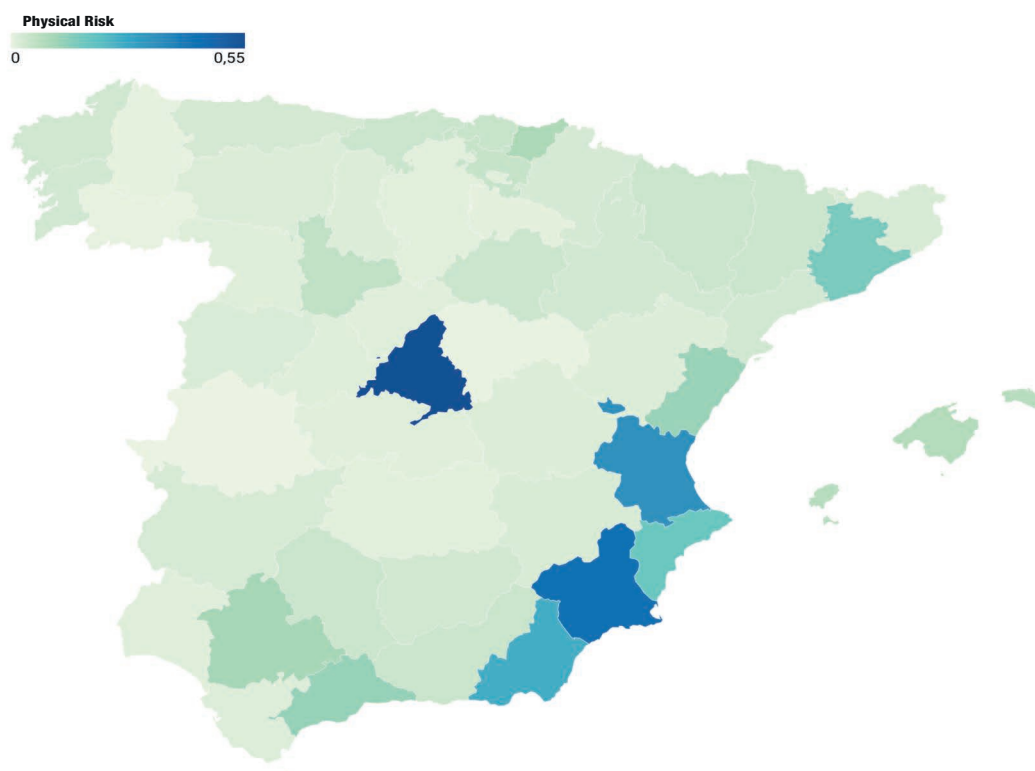


Physical Risk to Biodiversity

The physical risk to biodiversity is largely concentrated in areas that overlap with the water stress map, but it also incorporates an additional layer linked to ecological sensitivity and pressures on habitats resulting from land use, production intensification and territorial transformation. In this context, the main areas of weighted risk are concentrated in the southeast and Mediterranean coastal regions, particularly recurring in Murcia, Almería and Valencia, and extending to Madrid and Barcelona as key urban centres. These areas form a geographical pattern where environmental pressure is high, and dependence on natural capital may amplify impacts on economic activities.

Alongside these regions, a group of provinces emerges as particularly significant when the focus shifts to reducing pressures and restoring ecosystems. Seville, Barcelona, Valencia and Madrid stand out as areas where greater attention should be directed towards protecting habitats and environmental factors closely linked to biodiversity. This pattern is consistent with the presence of environmental pressures not only in agricultural areas, but also in regions with intense urban and service-sector activity, where economic activity can intensify impacts on ecosystems.

Figure 20.
Biodiversity physical risk related to the business environment of Grupo Cooperativo Cajamar



* The result has been obtained from the average value of the risk distribution by territory and activity.



Core Environmental Risks. Relative Risk Related to Water Factors

Tabla 5 shows the environmental baseline risk calculated in the Risk Filter Suite tool for different territories relevant to the Financial Institution.

In terms of water and within the category of physical risks—which emerges as the most critical category—several provinces are particularly vulnerable. Specifically, Murcia, with a score of 3.8, and Almería, with 3.51, face the highest risk regarding water availability. In terms of drought risk, the highest values are found in Madrid (4.26) and Barcelona (4.25). Water quality risk is also highly significant, with Barcelona (4.19), Seville (4.18) and Murcia (4.13) showing the most concerning scores. Finally, within this category, Seville presents the highest flood risk, with a score of 2.71.

Regarding regulatory risks related to water management, a largely uniform and low-level pattern is observed. For governance factors, management tools and infrastructure, almost all provinces have the minimum score of 1, suggesting a stable legal and infrastructural framework. In this area, risks mainly arise in protected environments or heavily stressed ecosystems. The area around the Mar Menor is a significant example of this issue, but it is not a widespread problem across the territories where GCC operates.

Table 5. Status of the different indicators that quantify water-based environmental risks in different material territories for the Financial Institution. Scale (1–5)

	Risk Filter Suite indicator codes											
	BRC1	BRC2	BRC3	BRC4	BRC5	BRC6	BRC7	BRC8	BRC9	BRC10	BRC11	BRC12
	Availability of water	Drought	Flooding	Quality of water	Status of ecosystem services	Facilitating environment for environmental governance	Governance and institutions	Management instruments	Water, sanitation and hygiene infrastructure	Environmental factors	Socioeconomic factors	Additional factors
Almería	3.51	3.40	2.00	3.79	3.51	1.00	1.51	1.00	1.01	2.68	1.71	2.60
Barcelona	2.65	4.25	2.04	4.19	3.69	1.00	1.50	1.00	1.00	2.64	1.70	3.21
Castellón	2.86	3.88	2.17	3.80	3.59	1.00	1.50	1.00	1.00	2.64	1.70	2.60
Huesca	2.21	3.91	2.01	3.64	3.46	1.00	1.50	1.00	1.00	2.67	1.70	3.44
Jaén	3.16	3.32	2.29	3.89	3.95	1.00	1.50	1.00	1.00	2.48	1.70	2.90
Madrid	2.98	4.26	2.03	3.76	4.03	1.00	1.50	1.00	1.00	2.42	1.70	3.27
Málaga	3.00	3.29	2.03	4.03	3.66	1.00	1.50	1.00	1.00	2.99	1.70	3.04
Murcia	3.80	3.73	2.23	4.13	3.69	1.00	1.50	1.00	1.00	2.73	1.70	2.60
Sevilla	3.00	3.96	2.71	4.18	4.09	1.00	1.50	1.01	1.00	2.73	1.70	3.31
Valencia	2.90	3.94	2.31	3.98	3.94	1.00	1.50	1.00	1.00	2.41	1.70	3.05

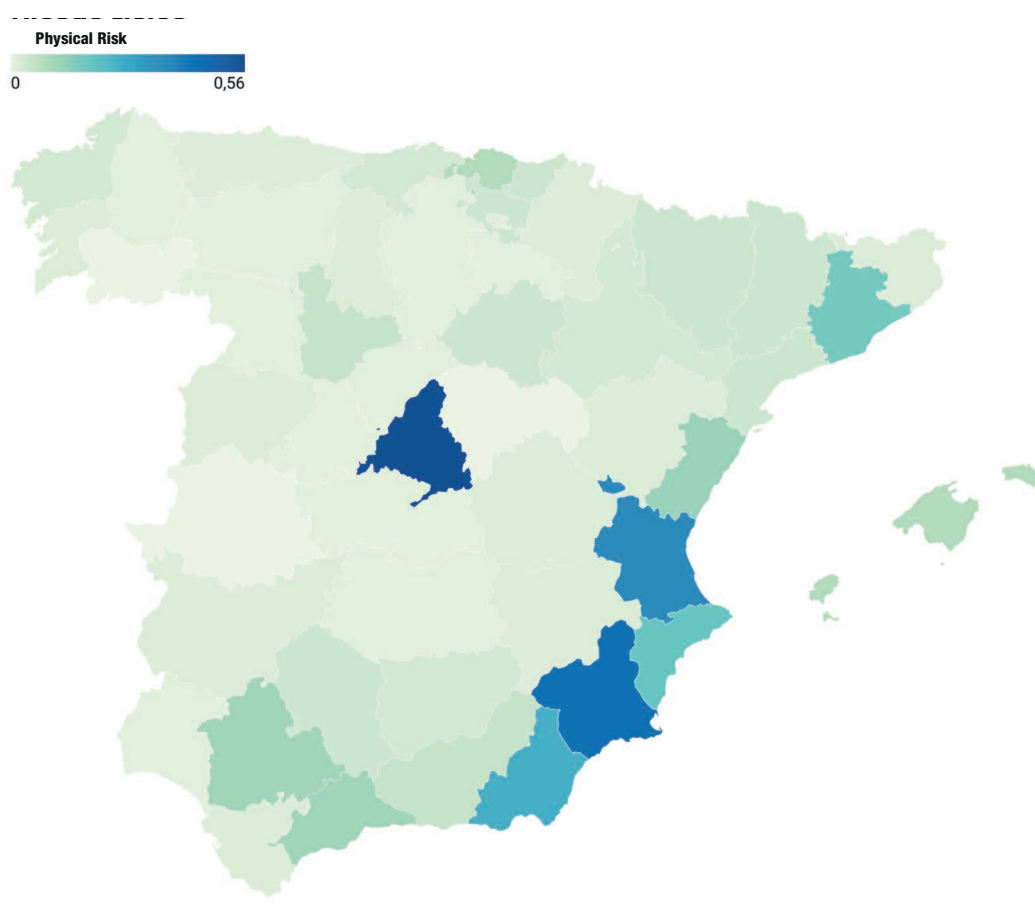


Finally, the analysis of reputational risks reveals a diverse landscape. Málaga (2.99) has the highest score in environmental factors. On the other hand, the risk derived from socioeconomic factors is practically identical for all provinces, with a constant score around 1.7. In the additional factors category, Huesca presents the highest risk, with 3.44, followed by Seville (3.31) and Madrid (3.27).

Physical Risk Related to Water

In the business environment of GCC, the areas of highest water stress are concentrated in a clearly defined geographical area, where high dependence on water resources coincides with pressures on availability and significant exposure of financed activities. This core area is located in the Mediterranean region —with particular intensity in Murcia, Almería, Valencia, Barcelona and Castellón— and is reinforced in large metropolitan areas such as Madrid, where the physical risk linked to drought becomes especially relevant. In addition to this pattern, there are also hotspots in Andalusia such as Málaga and Seville, while Jaén and Huesca also emerge as territories with significant exposure in the assessment of the risk's materiality.

Figure 21.
Physical risk related to water in the business environment of Grupo Cooperativo Cajamar



* The result has been obtained from the average value of the risk distribution by territory and activity.



The physical logic of water-related risk is not uniform: in the southeast, stress is more strongly associated with water availability (with particularly high values in Murcia and Almería), while in urban areas the emphasis is on the risk of drought (particularly in Madrid and Barcelona). In addition, there is a significant focus on water quality, with Barcelona, Seville and Murcia standing out, as well as a specific physical component related to flooding that is particularly notable in Seville. As a whole, this combination (quantity-drought-quality-extreme events) allows Cajamar to clearly identify the territories where it faces a higher weighted water stress, and therefore, where it is more strategic to concentrate its efforts on managing, monitoring and prioritising water-related adaptation measures.

5.2. Risk and Opportunity Metrics: Products with Positive Impacts on Nature

Historically, the Group has applied financial innovation as a tool to preserve the natural capital and biodiversity of ecosystems, developing green products linked to its main business portfolios, focusing particularly on the agri-food sector, given its exposure to environmental and climate risks. This strategic focus has allowed the Group to align corporate financing with mitigating the environmental impact of the economic activities financed, consolidating its track record of commitment to sustainability.

In this context, the Group has promoted various initiatives aimed at taking advantage of environmental opportunities, many of which are still active and evolving. These include promoting the efficient management of water resources, both among primary producers and irrigation associations, through the modernisation of infrastructure and the optimisation of water use.

Furthermore, organic farming has been promoted as a productive model capable of reducing the use of chemical inputs, improving soil health and strengthening resilience to climate change. Promoting biodiversity has also been a priority, through actions aimed at preserving and restoring ecosystems in the business activities financed.

In parallel, initiatives based on the circular bioeconomy have been developed, promoting the reuse of by-products and waste, favouring the efficiency of production cycles and the reduction of environmental impacts.

Additionally, the Group has rolled out actions aimed at combating climate change by reducing greenhouse gas emissions and improving energy efficiency. In this field, the Group has prioritised finance for renewable energy projects, especially those focused on photovoltaic self-consumption, facilitating access to clean and decentralised technologies.

There has also been a push for sustainable construction and renovation, through the financing of homes with an A or B energy rating, thereby helping the real estate market to improve its energy performance. In the field of mobility, the Group has promoted the acquisition of zero-emission vehicles, favouring the decarbonisation of transport.

All of these actions reflect the Group's commitment to embedding sustainability in its business model, actively contributing to the preservation of natural capital and the transition to a low-carbon economy.



Table 6.
Green initiatives promoted by the Group

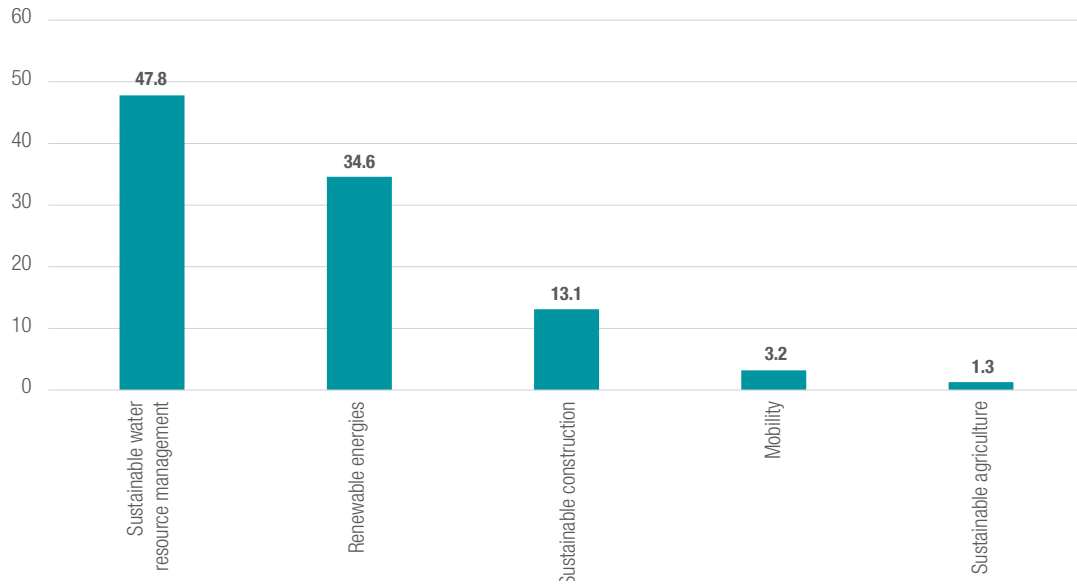
Products	Description
Energy transition	Investment in projects that promote the implementation of renewable energy production systems and the improvement of energy efficiency.
Sustainable real estate products	Investment projects in real estate products that have an energy rating of A or B.
Sustainable mobility	Projects that promote investment in zero-emission transportation.
Sustainable food production	Projects that promote the production of food under European organic certification and encourage the modernisation of irrigation systems.

Analysing the orientation of finance linked to various categories of the Group's green bond issue, we see that the majority of the resources have been allocated to sustainable water resource management, renewable energies, sustainable construction, mobility and sustainable agriculture. Although, at first glance, sustainable agriculture may seem to be in last place, this perception requires further nuance. A significant number of the projects classified in the category of sustainable water management focus on the agricultural sector, specifically on improving the water efficiency of irrigation associations and modernising cultivation systems. Furthermore, various stakeholders related to farming have channelled investments into renewable energies, which are accounted for in that category and not in the sustainable farming category. It is also worth noting that the investments included in this last category usually involve lower levels of finance per farmer.

Taking all these aspects into consideration, we can clearly see how the Group adapts its financial products to the new needs of the sector, driving a transformation of its main financed activities with the aim of reducing its impact on nature.



Chart 3.
Distribution by category of the finance granted by the Group through its green bond. In percentage terms



Note: Please note that project funding for water management and promotion of renewable energies in agriculture has its own category and is not recorded under sustainable farming.



6. ACTIONS AND TARGETS

Ensuring the availability of water, in the required quantity and quality, has always been a priority for Cajamar, as the main core of our activity takes place in areas affected by severe water stress.

Similarly, we consider environmental conservation and protection to be a factor in territorial competitiveness. Both because of the impact that the quality of this environment has on different productive activities and the effect it has on the living conditions of the population.

For these reasons, throughout our history, we have complemented our financial activities with the generation of knowledge to address the various factors that affect water availability and the quality of our environment. In this next section, we will describe the targets and the results achieved during the various actions carried out, and we will outline the goals we have set for the future.

6.1. The Sustainable Management of Water Resources

In contrast to national average rainfall levels for Spain, in excess of 600 millimetres per year, in the southeastern region of Spain, where Cajamar Caja Rural operates, annual rainfall levels barely exceed 200 mm. This situation has historically conditioned the development of the territory and represents a clear limitation for the implementation of water-intensive activities.

Since the 1970s, GCC has implemented a series of initiatives aimed at overcoming the limitations imposed by the low availability of water resources, achieving positive results that have been extrapolated to other territories. The main lines developed are as follows:

Incorporation of More Efficient Technologies for the Distribution of Irrigation Water

The main use of water is for crop irrigation. Traditional irrigation systems, based on flooding plots of land, led to an excessive consumption of resources, as a significant portion of the water used was lost through evaporation or percolation. Since 1975, we have been carrying out projects for the progressive incorporation of drip irrigation systems, as a model that delivers water directly to the roots of the plant for rapid absorption. This irrigation system was implemented widely in the southeast of Spain and later spread throughout the entire country.

Figure 22.
Drip irrigation



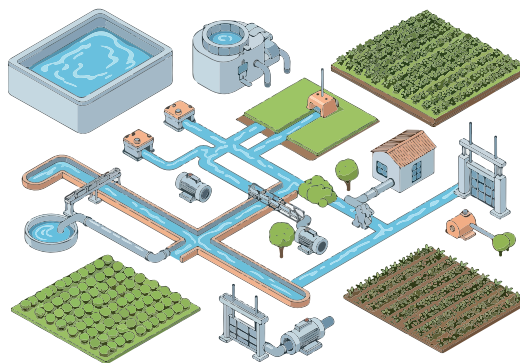
Currently, Spain has a higher percentage of irrigated area using localised irrigation systems than any other country, over 2.1 million hectares in 2022. These technologies have significantly increased food production without a corresponding increase in water consumption.



Improvement of Water Capture and Distribution Infrastructure

In addition to the effort that farmers must make to optimise water use, the infrastructure used for water distribution must be modernised, from the supply sources to the points of consumption. To this end, we have been working in coordination with organisations representing irrigators to construct new closed systems, which prevent losses through evaporation and breakages, and allow for supply on demand. These systems are also more energy efficient, which reduces the cost and even allows part of the energy needed for transportation to be recovered in places with positive gradients.

Figure 23.
Water distribution network



Understanding the Water Needs of Crops and Designing Tailored Recommendation Programmes

As well as working on the optimisation of water distribution systems, a continuous effort has been made to understand the water needs of crops based on meteorological conditions and the phenological stage of plant development. Algorithms have been designed to determine the daily needs of crops and the application of the quantities that can actually be used.

Figure 24.
CXRiego



All these solutions have been passed on to users through different formats depending on the availability at any given time. We started in the 1980s by designing physical cards that were provided to farmers. Later, a computer application was developed. Currently, the CXRiego tool is available through the digital web platform promoted by GCC: [Plataforma Tierra](#)

Monitoring of Available Resources

A significant portion of the water resources used comes from underground aquifers, where there is infiltration from rainfall and snowmelt, and extraction for use in agriculture, supplying the population, industry and ecosystem services. These aquifers are natural reservoirs where water has been accumulating over the years. Knowing the size of these reservoirs and the annual inflow and outflow rates allows us to manage the resource sustainably, avoiding overexploitation and depletion.



Figure 25.
Phreatic profile of Almería



At Cajamar Caja Rural, we have been working since the 1980s on developing monitoring procedures to track changes in these aquifers, and from the studies carried out, various initiatives have emerged to ensure their viability. The different initiatives have included facilitating recharging or reducing extractions through the collection of rainwater, and in extreme cases, seeking alternative unconventional water sources for supply.

Collection and Storage of Rainwater

Part of the agriculture we support financially, and through knowledge, is based on the production of vegetables under protected structures. The greenhouses that cover crops can become an infrastructure that allows for the collection of rainwater, which is then transported to storage tanks for later use in crop irrigation. This way, farms can meet up to 25% of their water requirements, therefore reducing the need for groundwater extractions.

These outdoor irrigation reservoirs can also become biodiversity reserves by promoting the emergence of coastal and underwater vegetation.

Figura 26.
Reservoir that collects rainwater falling on greenhouses



Unconventional Sources: Reclaimed Urban Water

Even after all the previously described solutions have been implemented, there is still a deficit between the usual water supply sources and demand; therefore there is a need to seek further supply solutions. These include the possibility of treating the wastewater from cities for regeneration and subsequent reuse. The most common way to reuse this water is in agriculture, although in case of necessity, it could be pumped back into the population's supply systems.

In the main population centres of southeastern Spain, currently more than 90% of urban water is being regenerated. And this process is rapidly expanding in the southern half of Spain.

Especially during the early years of developing regeneration technologies, Cajamar's role was to fine-tune the necessary treatments to ensure adequate microbiological quality of water and to analyse crop response. The results obtained were able to ensure the proper development of the plants and the health standards of the products obtained.

Currently, our support is focused on financing new treatment infrastructures to expand the reuse of urban water in as much of the territory as possible, with potential destinations being agricultural production or the supply of fragile ecosystems.

Unconventional Sources: Desalinated Water

The other unconventional source comes from desalinating seawater. This technology has been developed over the last few decades and now represents a significant percentage of the water supply in territories with particular water stress challenges. In the case of Spain, these technologies have been implemented in the Canary Islands and in the southeast of the peninsula, and they are able to guarantee the water supply in special drought situations.

However, from being a temporary solution for moments of extreme water shortage, it has become a structural solution for regions with low rainfall and increasing demand for domestic, tourist or agricultural uses.

Technological developments have played an important role in this evolution, reducing energy requirements for the separation of salts and solutions to minimise the impact of the resulting brine discharge on the environment.

These developments have also significantly reduced the costs of desalinated water.

Finally, it is also worth highlighting the support provided by the hybridisation of renewable energy facilities, especially photovoltaic power, with desalination plants.

Currently, in the southeast of Spain, there are a dozen desalination plants in operation that produce more than 300 cubic hectometres of water annually, with 55% of this volume being used for agriculture. This amount represents 1.2% of the water consumed in Spain.

Sensor systems and on-demand irrigation

With regard to the approaches that we have been carrying out and perfecting for over 40 years to meet the needs of crops, in recent times we have witnessed the rapid development of technologies capable of monitoring in real time the availability of water in the soil and its use by crops.

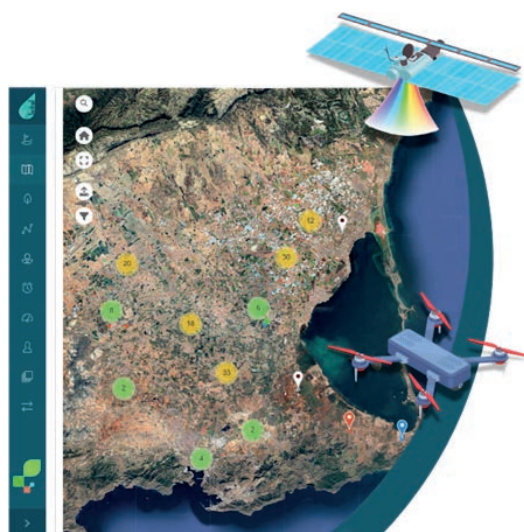


Hence, on-demand irrigation systems are being implemented, allowing for even further optimisation of water usage in agriculture, with potential savings of up to 20% compared to the best systems currently in use.

These efficiency improvements can lead to very significant water savings, as we must remember that in a country like Spain, almost 80% of the available resources are allocated to agriculture.

Furthermore, this equipment also monitors the availability and behaviour of the main ions that plants absorb for their nutrition, allowing for significant savings in fertilisers. As a result, we are transitioning towards more sustainable and profitable agriculture.

Figura 27.
Sensor on the Mar Menor



It should be noted that these systems are being used both on agricultural plots, to assist in the management of the farms, and in large areas, to monitor the environmental quality of the soil and groundwater. An example of these possibilities is currently found in the environmental recovery process of the areas near the Mar Menor.

Incubation and Acceleration of New Projects

The latest initiative developed by GCC to advance in the sustainable management of water resources has been the launch of Cajamar Innova, an incubator and accelerator for business start-ups that focus their innovative capacity and entrepreneurial spirit on finding solutions in diverse areas such as circularity, digitisation, efficiency improvement, energy and the environment.

This initiative was launched in 2021, and over the past 4 years, it has received more than 700 proposals, selecting a total of 96 projects to support.

Figura 28.
Cajamar Innova



In this initiative, we are assisted by 25 strategic partners with whom we share concerns and combine resources to accelerate the achievement of results in favour of better water management and a stronger, more resilient nature.



6.2. Protection of Biodiversity

Nature provides a set of ecosystem services that contribute to the generation of wealth and to improving quality of life for the general population. The main ecosystem services are grouped into four key categories: provisioning, regulation, support and cultural.

One of the key factors to ensure the proper functioning of ecosystems is biodiversity, understood as the variability of living organisms of all kinds, including diversity within species, between species and within ecosystems.

Biodiversity is essential because it sustains life through essential resources such as clean air and water, food and medicine, regulates the climate through the absorption of CO₂ by plants, and contributes to human health through balanced ecosystems that regulate diseases and ensure food security.

Among the material goods that we obtain directly from nature are food, genetic resources and natural raw materials such as wood and fibres.

The basic ecological functions that biodiversity contributes to are the creation of fertile soils, primary production through photosynthesis, and the pollination necessary for plant reproduction.

And thanks to these functions, the climate is regulated through carbon capture, populations are naturally controlled, leading to a reduction in pests and diseases, soil erosion is prevented, and we enjoy better air quality. Without forgetting the non-material benefits that society obtains from the natural beauty of the landscapes, outdoor recreational activities, and the cultural and scientific knowledge it provides.

Our origin, linked to rural areas and the agri-food sector, has allowed us to have a close relationship with nature and the resources it provides us, and has made us particularly sensitive to the need to protect it and to help minimise the impact of increasingly intensive human activity.

In the sixty years since our constitution, the population in Spain has grown by over 62%, but in our original territories, especially in the southeast of Spain, the demographic increase has been 137%, to which we must add the floating population that visits us every year to spend a few days on their holidays. This evolution has driven us to seek solutions that allow us to absorb and manage this growth without endangering the environmental resources and values that our territories possess.

Below are some of the main initiatives that we have carried out.

6.2.1. Sustainable Intensification of Food Production

The population increase globally has practically matched that of our territories. The world's population has grown from 3.039 billion in 1960 to 8.2 billion in 2024. This increase has put major pressure on food consumption and on the different agricultural systems that must meet a demand that has multiplied more than 3-fold.



With traditional technologies, it would have been impossible to meet current needs, and for many years, fossil fuel-based technologies, primarily, have allowed for increased crop yields.

Technologies based on proper ecosystem management have also played a significant role. We are referring to irrigation and the genetic improvement of crops.

In the case of water, especially in arid areas, its availability can be a determining factor for agricultural activity. In any case, it results in better yields and a greater diversity of crops. Considering the case of Spanish agriculture, irrigation accounts for 23% of the cultivated area, but it contributes 60% of the amount of food produced and 73% of the value.

Regarding the sustainable management of this resource, the previous section already outlined the various initiatives that Cajamar has developed throughout its history.

Figure 29.

Aerial photographs of the Cajamar Experimental Station (top) and Experience Centre (bottom)





Genetic improvement has allowed crop selection to be directed towards varieties that have desirable properties, such as increasing their productivity potential, being more resistant to adverse abiotic conditions, or tolerating the pressure of pests and diseases.

Integrating all previous technologies with a management approach that includes biodiversity will allow us to move towards regenerative agriculture models that ensure the maintenance of living and fertile soils and a balance between species. Only by taking advantage of all available knowledge will we be able to enjoy highly productive agriculture that can be a net carbon fixer and sufficiently resilient to the consequences of climate change.

As we achieve this sustainable intensification, we will be avoiding an expansion of the land dedicated to producing the food that humanity needs, which currently represents 36.9% of the Earth's surface, according to the World Bank.

Through the work we carry out at our Experimentation Centres in Las Palmerillas, Almería and Paiporta, Valencia, we are contributing to the development of more sustainable, environmentally friendly and highly productive agriculture.

6.2.2. Nature and Biodiversity in Support of Productive Activity

Within the lines of work carried out in our Experimentation Centres, special attention should be given to those developed around improving the biodiversity of agricultural operations.

Since the turn of this century, we have been working on biological pest control in crops. To do this, an attempt was made to identify which organisms caused the most damage to cultivated plants, looking for natural predators that were able to effectively control them. In the first phase, predators were bred under controlled conditions with the aim of releasing them later in farms.

However, since these predators were easy to find in the natural environment, the main species of native flora and their link to pests and their natural enemies were analysed. Hence, work was done to establish the appropriate combination of different plants that allowed for biological control through conservation.

This work began in the confined environment of greenhouses in the southeast, but it has progressively expanded towards outdoor crops. Especially woody crops where it is easier to permanently establish biodiversity hedges as the land is not tilled annually.

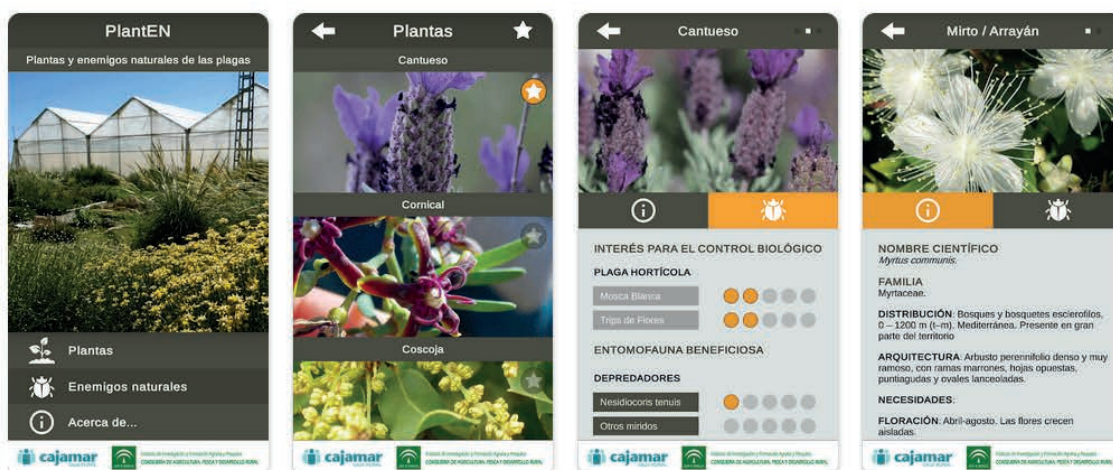
To transfer all the knowledge gained through experimentation work, two free online tools have been developed, which are accessible to any farmer and provide the necessary information to implement biological control through conservation, thus promoting production that is as environmentally neutral as possible, sustainable over time and adapted to a scenario with fewer agrochemicals. We are referring here to PlantEN and DiseñEN, jointly developed by Cajamar and the Institute of Agricultural Research and Training, Fisheries, Food and Agricultural Production of Andalusia (IFAPA).



PlantEN was launched in May 2018 as a guide to increase biodiversity in a functional way on farms, by creating small hedges or biodiversity islands.

They can promote the presence of useful species, providing the crop with the resources it needs to establish itself, such as food (pollen, nectar or alternative prey), shelter or mating sites.

The app includes a range of 25 described plants; each associated with a total of 15 natural enemies to combat different pests.



DiseñEN was created in 2021 and has a repository of over 60 native plants that can provide a reservoir for beneficial wildlife, of which there are a total of 51 species described.

An added value of this tool is that it can design ecological infrastructures according to the specific needs of each farm, selecting the recommended species to use depending on each case, as well as their number, distribution, etc.

With these initiatives, we are helping to ensure that agricultural farms have a more diverse environment, which helps to create a natural balance, increases the capacity to capture CO₂ from the atmosphere, improves soil fertility and enhances rainwater infiltration, reducing erosion and increasing soil moisture.

All the work carried out in this field by Cajamar Caja Rural is available at [R&D Agri-food Research Centres](#).

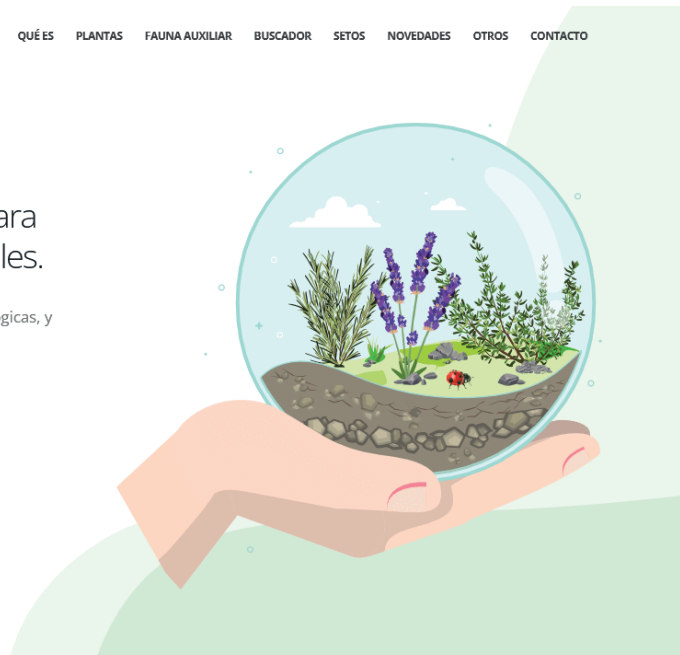


Diseña un hábitat adecuado para conservar tus Enemigos Naturales.

Con esta herramienta podrás diseñar infraestructuras ecológicas, y servir de punto de encuentro para compartir experiencias relacionadas con el control biológico por conservación.



DISEÑADOR DE SETOS



6.2.3. Recovery of Forest Spaces

The intensification of agricultural production allows less productive lands to be freed up and allocated to environmental services.

With this intention, Cajamar Caja Rural carried out a pilot project in 2023, through which 27 hectares of land previously used to grow cereal crops were transformed into woodlands. Various native tree species were planted, and teams are continuing to support them to ensure their viability. When designing the planting, consideration has been given to facilitating the availability of food for Mediterranean wildlife in the area.

The aim is also to facilitate the progressive colonisation of lands naturalised by the herbaceous and shrubby species found in the adjacent mature forest.



In the coming years, the aim is to continue developing a methodology that provides a better understanding of the cultural practices to be carried out in the newly established woodland to enhance the available biodiversity and promote similar actions in other areas.



Direct actions on the environment will be complemented with environmental education activities to be carried out with local schools.

6.3. Promoting the Circular Bioeconomy

The challenges we face, of protecting nature and mitigating and adapting to climate change, require alternative solutions that allow for the extraction of biological resources and the necessary treatments to prevent waste and by-products from being dumped into nature, transforming them instead into raw materials for new production processes.

Our interest in a more circular economy extends to any economic activity, but we have been more active in the agri-food sector. Once again, because it is a strategic sector for GCC and because it is the activity that has the greatest direct interaction with territory and nature.

The next section describes the main lines of work developed in the field of circularity and bioeconomy.

6.3.1. Reducing Pollution and Contamination

The agri-food sector can generate pollution and contamination in its environment during primary production carried out on farms, or subsequently, if only a fraction of the final products obtained is utilised.

In the first case, the main causes of pollution and contamination differ depending on whether it is agricultural or livestock production.

In agricultural production, pollution and contamination are caused by an excessive consumption of certain inputs, in much larger proportions than plants can absorb. The most frequent ones, with clearly negative consequences for the environment, come from the excessive use of fertilisers, mainly nitrogen-based ones.



Without the application of mineral nitrogen fertilisers, it would not have been possible to meet global food needs, as it is estimated that 40% of the increase in food production over the last 70 years is directly attributable to the use of nitrogen fertilisers. However, when the amount of nitrogen supplied to a crop is greater than the amount it can absorb, an excess is generated that can end up in the environment, disrupting delicate ecological balances.

The excess nitrogen applied is not retained by the soil, unlike excess contributions of phosphorus and potassium, and it can be lost through nitrate leaching, which is carried to nearby aquifers. It can also be released in the form of gases such as ammonia and nitrous oxide, which is an important greenhouse gas.

In order to avoid these nitrogen losses, the best solution is to adjust the amount of fertiliser used to the needs of each crop, taking into account the different sources of supply, including residues from previous crops, contributions made through manure, the organic matter available in the soil and mineral fertilisation itself.

This is known as nitrogen balance calculation, and to facilitate the calculations, the Cajamar Experimentation Station has been working for the past 40 years on the development of user-friendly computer applications and programmes that assist farmers in decision-making.

In irrigated crops, irrigation scheduling and fertilisation are carried out simultaneously.

The developments made during this time have been made available to all farmers through the tools [CXRiego](#) and [CXFertilización](#), available for free on Plataforma Tierra.

In the livestock sector, pollution and contamination arise from the inadequate management of animal excrement.

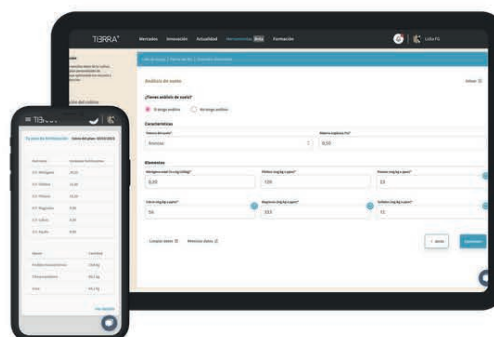


Figure 30.
CxFertilización



Plan de fertilización a tu medida

- ✓ Geolocalización de tu explotación
- ✓ Amplia variedad de cultivos
- ✓ Gestión de todas tus explotaciones en un solo lugar



the best formula for your crop

6.3.2. Creating New Raw Materials through Biological Processes

Through photosynthesis, plants are able to use solar energy to capture CO₂ from the atmosphere and combine it with different mineral elements to generate an extensive and varied amount of materials. So far, most of them have been used to meet the food needs of the population, and to a lesser extent to meet other demands such as energy, for the production of textiles or as construction materials.

However, a significant portion of this biological material was being wasted and could even lead to contamination problems due to its disposal in large concentrations.

Through the technologies being developed in the field of bioeconomy, various biological processes make it possible to produce high-value products, some of which are currently obtained from fossil fuels.



Therefore, we have an opportunity to help reduce the pollution and contamination generated by the discharge of organic materials, while also helping to reduce the consumption of oil-derived products.

The first projects linked to the bioeconomy began in the 1990s, seeking to make use of the plant waste generated by the greenhouses in Almería. Once the crops completed their productive period, the plants were harvested, transported and turned



into compostable material, which could be reintegrated into the soil for its enrichment. This process could be carried out in a centralised manner, in large composting plants, or individually by each farmer on their own farm.

Another important line of bioeconomy developed in our experimentation centres has been the study and reproduction under controlled conditions of potentially useful microorganisms that can provide bioactive components of interest to the cosmetic or pharmaceutical industries, as food for marine species, by contributing to soil enrichment,

or for their bioenergetic potential. The Experimentation Station in Las Palmerillas has been cultivating microalgae and producing cyanobacteria continuously since 2003.

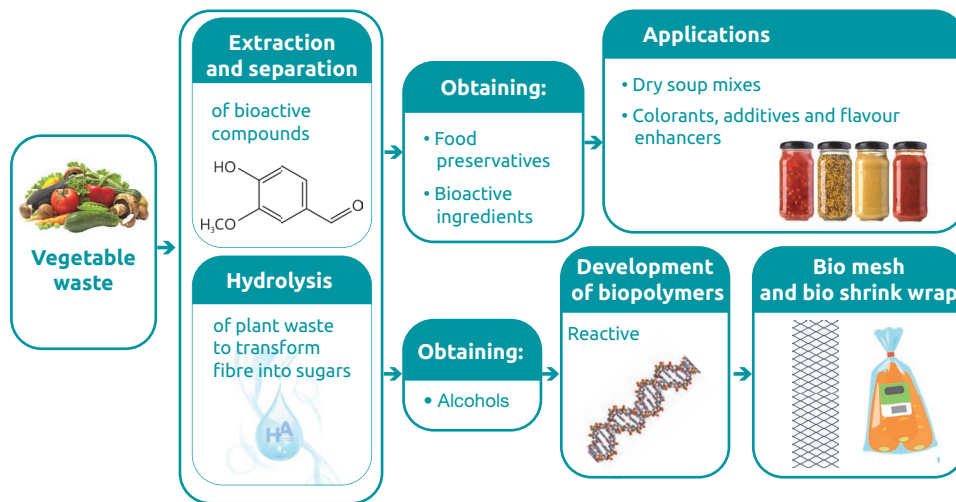
The most recent actions are focused on harnessing the waste generated throughout the agri-food chain, allowing for the decomposition of food that is not directly consumed and extracting elements that can be incorporated into other food matrices, or which can provide functional properties to other materials, such as bio-packaging. Two main pathways have been defined for this purpose.

On one hand, the extraction and separation of bioactive components used to produce ingredients and food preservatives for applications such as natural additives for processed foods.

On the other hand, the transformation of fibre into sugars allows for the production of alcohols and the development of biopolymers that will be used in films for food preservation.



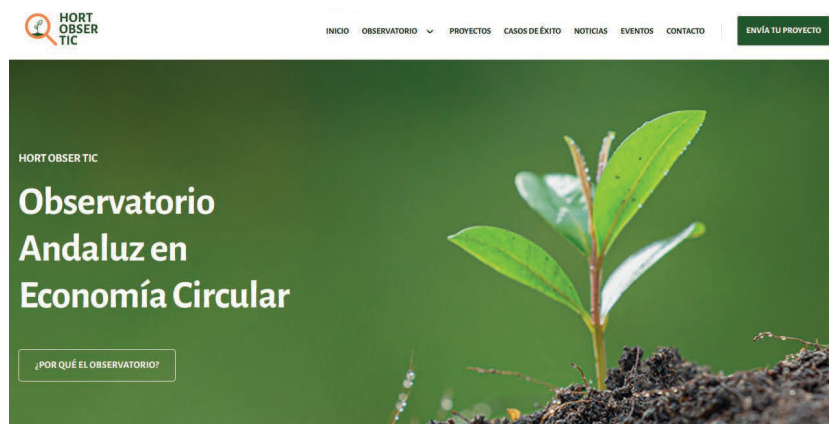
Figure 31.
Recent actions to use waste generated in the food chain



With the aim of showcasing all the work we have been doing, and of studying and disseminating the best scientific and technological practices being developed in the field of bioeconomy, we are part of the Andalusian Observatory on the Circular Economy. A website has been created as a platform that promotes the growth of the circular economy in the fruit and vegetable sector, providing a space to exchange ideas, experiences and best practices in the pursuit of a more sustainable and environmentally friendly economy.

The website Bioeconomia.es | Observatorio Andaluz en Economía Circular - HORT OBSER TIC provides information about the work being carried out in the field of the circular economy.

Figure 32.
Andalusian Observatory on the Circular Economy - HORT OBSER TIC



[Go to the website for the Andalusian Observatory on the Circular Economy - HORT OBSER TIC](http://Bioeconomia.es)



7. CONCLUSIONS

Balancing economic activity while protecting and improving the environment has always been one of the priorities for GCC since our inception. This way, we ensure sustainable development and a suitable quality of life for all the inhabitants of the territories where we provide our financial services.

This interest was evident from the very moment when the Financial Institution allocated its first profits to create a centre that would help generate and transfer knowledge to simultaneously improve the productivity and profitability of agricultural activity and promote the responsible use of available resources.

This working philosophy was applied to investment projects, and our work was not simply limited to analysing the economic and financial viability of the projects to be financed. We also provided advice and support to our customers to guide their production processes towards climate and environmental resilience, and to reverse some of the negative impact that human activity has made on the environment.

With the territorial and sectoral growth of GCC throughout Spain and across all economic activities, we continue to trust in the ability of companies and individuals to innovate and transform our production and living model so that economic growth is compatible with caring for our environment and ensuring our well-being.



GLOSSARY

Term	Definition
SDG	Sustainable Development Goals
GBF	Global Biodiversity Framework
SFDR	Sustainable Finance Disclosure Regulation
CSRD	Corporate Sustainability Reporting Directive
TNFD	The Taskforce on Nature-related Financial Disclosures
TCFD	Task Force on Climate-Related Financial Disclosures
CC	Climate Change
RAS	Risk Appetite Framework
ESG	Environmental, Social and Governance
SBTi	Science Based Targets initiative
IEEB	Spanish Business and Biodiversity Initiative
EBA	European Banking Authority
IROs	Impacts, Risks and Opportunities
SCIIS	Sustainability Information Control System
GDP	Gross Domestic Product
EFRAG	European Financial Reporting Advisory Group
MA	Materiality Analysis
ECB	European Central Bank
UNE	Undesired Non-alignments
SRI	Socially Responsible Investment Policy
IUCN	International Union for Conservation of Nature
AZE	Alliance for Zero Extinction
FSC	Forest Stewardship Council
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
ENCORE	Exploring Natural Capital Opportunities, Risk and Exposure
NGFS	Network of Central Banks and Supervisors for Greening the Financial System



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