

SUSTAINABILITY

REPORT



(CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION)



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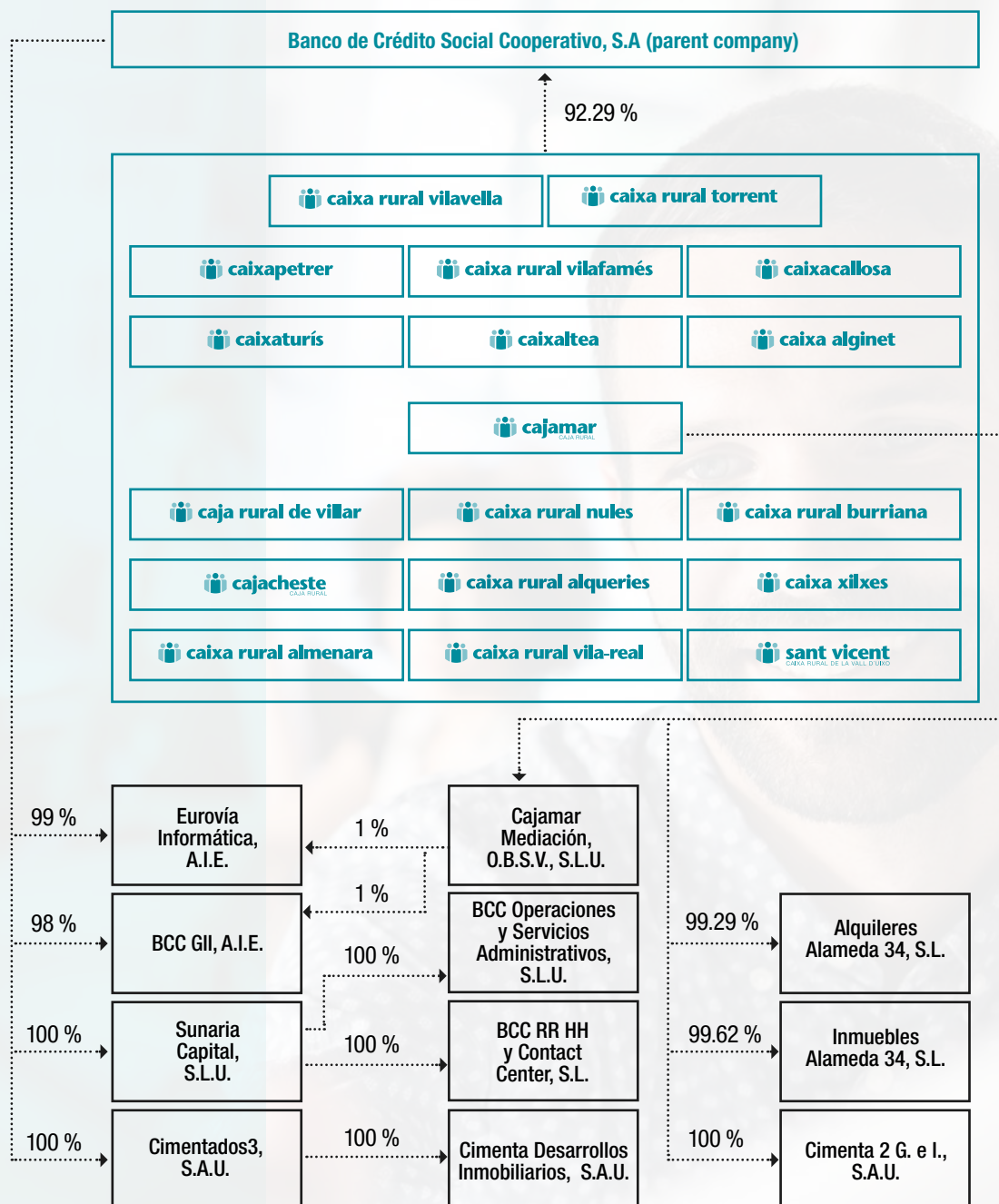
Presentation

The Sustainability Report 2019 collates relevant financial and non-financial information with a view to evaluating the overall economic-financial, social and environmental performance of Grupo Cooperativo Cajamar for the year 2019. The information provided in this report has been approved by the Board of Directors of Banco de Crédito Social Cooperativo, S.A. (hereinafter BCC), the Group's parent company, and complies with the Non-Financial Information Reporting requirements set out in Act 11/2018, of 28 December.

The non-financial information provided in this report has been verified by an independent auditor, PwC, in accordance with the terms set out in its audit report. This year, the reporting perimeter for non-financial information has been expanded to incorporate all the Group's entities, in other words, 19 financial institutions (financial group) together with a further 11 non-financial entities that are also part of the Group (non-financial group). The economic and financial information contained in the report is taken from the audited **2019 annual accounts** for Grupo Cooperativo Cajamar, in accordance with the consolidation perimeter established therein (Consolidated Group). Throughout the report, in order to avoid unnecessary repetitions, links are included to the corporate webpages (www.bcc.es and www.grupocooperativocajamar.es), as well as to other relevant webpages that provide supplementary information on the topics covered here (e.g.: compromisosocial.es).

This report has been drafted in accordance with the criteria established by the *International Integrated Reporting Council* (IIRC) - Integrated Reporting, by the *Global Reporting Initiative* (GRI Standards, GSSB) and by the principles of the AA1000 AccountAbility Standard (AA1000AA).

Perimeter of the Consolidated group (financial and non-financial)



- Consolidated Group global integration: Financial Group
- Consolidated Group global integration: Non-Financial Group

Letter from the President

2019 was a crucial year within the banking industry as it transitioned towards new economies, conditioned by three key macro-trends that are also affecting the whole production sector to a greater or lesser extent: the digitalisation, *automation* and *decarbonisation* of our economy. All of these trends, which are closely interrelated, will lead us towards a more efficient, more *dematerialised*, low-carbon economic structure, in which intangible assets and knowledge will be crucial when it comes to improving business competitiveness within an environment of sustainability and collective responsibility.

A firm understanding of these trends - their scope and consequences, their risks and opportunities - is essential if banking is to fulfil its role providing support to businesses and families in this transition, always moving towards the attainment of the Sustainable Development Goals and the Agenda 2030, reducing uncertainty and improving the management and control of our risks

The regulatory framework is reducing the *externalities* of businesses, i.e. costs that are not assumed by them but by society as a whole in terms of pollution or lower quality of life. Today, businesses are shifting more risks than costs onto society, and these are becoming increasingly systemic. Our performance as banking institutions must be overhauled and respond to this new situation. Financial institutions, in our capacity as risk managers, must help alleviate these effects through our activity.

The entire regulatory framework that is being developed with regard to sustainable finance aims to achieve exactly this. Banks and financial entities are working close on the ground, side by side with the social economy and local production systems, and we must fully throw our weight behind the idea of involving finance in sustainable development to a much greater extent. And here at Grupo Cooperativo Cajamar, that is our understanding of sustainability: people, ideas and a strong local focus. In other words, we understand that sustainability involves ensuring the wellbeing and progress of individuals, generating ideas and innovation capable of integrating and coordinating regions and local areas.

We firmly believe that the digital transformation is necessary, but we are concerned about what might get left by the wayside. We must strive to ensure the humanisation of digitalisation, ensuring a better management of natural resources; improving the wellbeing and development of people; and, of course, in the way we self-govern and relate to one another. A triple objective that the digital economy and new technologies can also help to make a reality.

Always remembering that the automation of jobs must not lead to fewer jobs but instead should promote more skilled and high quality employment, guaranteeing the role and dignity of people involved in the production process. Similarly, we must work to ensure that the plethora of collaborative platforms available does not break their implied promises and this transformation does not create more precarious employment and a slump in people's quality of life. Finally, we need to make sure that new consumption platforms do not stoke monopolistic practices, over-exploiting the supply chain and neglecting fiscal responsibility to the local areas and regions in which profits are generated.

By signing up to the Principles of Responsible Banking in 2019, we can continue to promote a model of banking that is more committed to our surroundings in terms of ethics and sustainability. Similarly, we must continue to strengthen our cooperative basis, our local focus and commitment, our relationship with local production systems, to the rural environment and, above all, to the people who are at the very heart of our cooperative banking model. We shall continue to work towards achieving financial inclusion, fighting against depopulation, coordinating and integrating local areas and regions, and promoting the social economy.

We must face up to new global risks, with new probabilities of occurrence and new impacts, including the physical and transitional risks associated with climate change. We must identify the challenges and opportunities linked to our transition towards a low-carbon economy, based on the fundamental pillars of the circular economy, digital transformation, industry 4.0 and the outsourcing of our economy. We need to understand how emerging risks will impact on the traditional risks of our financial institutions. We must understand, too, that economic-financial, social, environmental and governance risks must not be dealt with on an individual basis. They are all part of the complex reality I am talking about; a reality that affects all of us together.

The *Sustainability Report* presented here sets out our commitment to transparency with society and our stakeholders, submitting our economic-financial, social and environmental performance for public scrutiny, conveying the ways in which we are contributing to sustainability and the Sustainable Development Goals. Similarly, it shall provide a foundation for our Global Compact *Progress Report*, shoring up the commitment we made 12 years ago to the 10 principles of the Compact relating to social and environmental issues, and the fight against corruption in all its forms.

All our work and efforts are achieved through open and constructive dialogue with our stakeholders. In this respect, we have the economic, financial, technological and human resources needed to face the challenges of the future, always with the support and involvement of our shareholders, members, and customers, who are at the very heart of our activity and our very *raison d'être*. And, of course, with all of our professionals who, every day, make our cooperative social banking endeavour an exciting project, one with a bright future and opportunities for all.

Luis Rodríguez González
President
BCC-Grupo Cooperativo Cajamar



Luis Rodríguez González

Major ESG¹ milestones in 2019

In 2019, Grupo Cooperativo Cajamar continued to work towards forging a more responsible and sustainable approach to banking with regard to its customers, society as a whole, and the environment. This model is grounded in a series of values based on the social economy and local production systems. As one of our major milestones in 2019, we signed up to the UNEP FI (Financial Initiative of the UN Environment Programme) and the principles of Responsible Banking, reflecting our commitment to move progressively towards a model of sustainable banking, which integrates economic/financial, social and environmental performance in a balanced way.

The 'TREA Cajamar Crecimiento FI' investment fund, with 152 MM in assets under management, was awarded the **highest sustainability rating** by Morningstar.

Further recognition from the Carbon Disclosure Project (CDP), which awarded the Group **a B rating for its carbon footprint and climate change management.**

Socially Responsible Company: Fundación Diversidad, promoted by Fundación Alares, recognised the **social responsibility policies** of our Group

Launch of Cajamar InnovaCenter: An incubator for high tech firms working in the areas of water and sustainable water management.

Development of a **new range of sustainable products** for our customers and members

Conclusion of the IV edition of our Financial Education Programme "**Finance that helps you grow**", which involved 16,200 school children.

Creation of the **Sustainability Committee** and approval of the Sustainability Policy

Principles of Socially Responsible Banking: we signed up to the principles of Responsible Banking in New York. The Group was a founding signatory.

Launch of the **new CORE banking** system as a tool to improve efficiency within the Group

We offset 100 % of our CO₂ emissions emitted in 2018 through a project to Conserve the Amazon Rainforest in Peru.

Proposal for a €1M subscription in the social impact venture capital fund promoted by AFI and the participatory finance platform La Bolsa Social

¹ Environmental, Social and Governance

Contextual Analysis

Analysis of our surroundings and context allows us to identify the major macro-trends that affect or may affect Grupo Cooperativo Cajamar and its business. Based on this analysis, we can identify risk factors and relevant opportunities facing the Group from a strategic point of view, minimising risks and taking advantage of the scope for opportunities. Evaluating these strategic factors is hugely important when mapping out the risks facing our Group and defining the expectations of our various stakeholders.

The global political context presents significant uncertainties promoted by the *new post- globalisation order*, the rise of protectionist measures and the proliferation of nationalist ideologies. The UK's departure from the European Union is shaping an unprecedented situation in the continent's history that opens up a new economic and political playing field. In Spain, political instability and the existence of an interim Government for a long period of time further exacerbated the situation of political and economic uncertainty, which set the tone in the country, marked by parliamentary fragmentation that can slow down the implementation of economic and structural reforms necessary to sustain recovery.

From an economic point of view, in 2019 we witnessed a faster downturn than initially expected. This deceleration was seen in most regions of the global economy. Weaker growth has been the result, among other factors, of this uncertainty surrounding international trade and problems of socio-political stability. All this has shaken confidence in investment,

as well as in international trade. In addition, monetary policy has played a significant role in relation to growth. The absence of inflationary pressures and the weakening of economic activity have led central banks to adopt expansionary measures. Furthermore, the downturn in employment figures, along with the gradual decline in consumer confidence, point to a more modest expansion of private consumption.

With regard to regulatory requirements, 2019 was yet another very intense year, and the protection of investors and customers once again took centre stage, an area in which banking institutions continue to make great efforts to promote more competitive markets that are more secure for all. In this regard, *the European Union Sustainable Finance Action Plan* sets out a series of recommendations that would allow the financial sector to make a real contribution to mitigating or adapting to climate change.

In addition, one of the main challenges faced by banks is associated with technological change. In this regard, new technologies bring new opportunities in terms of reducing costs and creating value for customers. However, they also bring potential threats, because they promote the emergence of new competitors such as the so-called *fintech*, *bigtech* *regtech firms*.

The introduction of new technologies improves the efficiency of financial institutions and offers significant advances to society both in terms of savings and financial inclusion. To do this, financial

institutions will require greater effort and investment, not forgetting the key area of *cyber security*, which involves anticipating and dealing with new and complex security problems relating to technology networks and a more open banking environment.

In relation to climate change, there is still great concern about environmental issues arising from high levels of greenhouse gas emissions. In recent years, several summits have been held in order to continue along the course charted at the Paris summit in 2015 (COP 21), which has continued over consecutive years. In 2019, at Chile's climate summit (COP 25), which eventually took place in Madrid, climate change became a key social topic gaining major media coverage, particularly with regard to negotiations, crucial agreements were not reached to deal with the urgent need to reverse the current emissions trend, according to data included in the *UN Emissions Gap report 2019*, and not even the demands of the business sector set out in the *WBCSD* were met. We also need greater determination to comply with the Paris Agreement and align with the objectives set by the Intergovernmental Panel on Climate Change (IPCC). Countries need to set more ambitious targets for the reduction of emissions in order to respond to the climate emergency before the end of 2020.

In this regard, the Member States of the EU reached an agreement to become *carbon neutral* by the year 2050, and launched an action plan containing measures to be developed over the next few years to put the issue of climate change at the very heart of European policy formulation and economic growth. In addition, banking institutions recognise the important role they play in financing and in the channelling of financial flows towards the mitigation of climate change and the *decarbonisation of the economy*.

The current rules on climate change demand significant reductions in greenhouse gas emissions,

fostering the transition to a low carbon economy. In addition, two years after its launch, the report drawn up by the *Task Force on Climate-Related Financial Disclosures* (TCFD) made public the concern that there are still not enough companies taking account of recommendations in relation to the risks and opportunities related to climate change. Identifying, quantifying and mitigating these risks will require a great deal of effort in the coming years on the part of all economic agents.

In relation to the social environment, there has been an increase in inequality in most regions, exacerbated by the phenomenon of *depopulation in Spain*. Inequality is increasing between the different regions of advanced economies, and the poorest regions are not advancing. Over the last 40 years, inequality has followed a complex path. Since 2008, high incomes have benefited from growth much more than lower incomes. In addition, advanced economies, such as Spain, are having to deal with an ageing population, caused by declining birth rates, longer lifespans, and the effect of the *baby boom* generation.

Spain has been severely affected by population ageing, generating doubt and uncertainty about the future of the public system of social protection. As regards the employment market, gradual moderation of growth is predicted in employment, in line with the projected downturn in economic activity.

In short, looking ahead to the future, the financial sector must continue to transform in response to new requirements and needs within this complex situation, in which the three macro-processes that will affect the production sector, as well as the lives of individuals, are the *digitalisation*, *automation* and *decarbonisation* of economies. These three processes, which are closely interrelated, present great opportunities, but also risks.

Macro-trends in the context of Grupo Cooperativo Cajamar

POLITICAL

- Uncertainty surrounding international trade and rise of protectionist measures
- Geopolitical tensions and the rise of nationalism
- New Government and parliamentary fragmentation

ECONOMIC

- Weakening of economic activity
- Downturn in the global economy
- The absence of inflationary pressures in the major economies.

SECTOR / SPECIFIC

- Accommodative monetary policy by central banks
- Low interest rates and reduced margins persist
- Greater commitment in the management of sustainable and responsible finance

LEGAL REGULATORY

- Greater regulatory demands (security and transparency)
- Second European Payment Services Directive PSD2
- Law regulating real estate lending contracts

TECHNOLOGICAL

- Digitalisation, privacy and *cyber-security*
- Automation, artificial intelligence, *Bigdata*, *blockchain*
- New disruptive competitors (*FinTech*, *RegTech*, *BigTech*)

ENVIRONMENTAL

- Greater commitment, integration and regulation of climate change and environmental conservation in the economic and financial sector
- Reconversion towards a low carbon economy
- Increase in the environmental demands of stakeholders

SOCIAL

- Increased inequalities within regions/*Depopulation of Spain*
- Ageing populations in advanced economies
- Progressive moderation in employment growth.

1. Grupo Cooperativo Cajamar



Related Information

- Corporate Culture and Ethical Management System
- Sustainability Policy

Grupo Cooperativo Cajamar encompasses a group of cooperative financial entities, dedicated to providing financial support to families and local production systems, and to promoting the social and solidarity economy. In addition, the Group guarantees the solvency and liquidity of each and every one of its member entities. Historically, it has developed a model of genuine integration geared towards the search for common goals, whilst respecting and preserving the specificity

and diversity of local areas and regions, the potential of organisations within the social and solidarity economy, as well as the synergies of the production sector. Its area of influence and action is fundamental to promote the coordination and integration of local areas and regions, and contribute to genuine sustainable local development based on three pillars: people, ideas and a local focus.



It is the leading cooperative financial group in Spain by volume of assets, and a leading example of cooperative lending in southern Europe. In addition, it is **11th** in the ranking of financial entities by assets.



It is one of the 12 Spanish entities **supervised by the Single Supervisory Mechanism (MUS)**, and is a member of the **European Association of Co-operative Banks (EACB)**.



Made up of 18 credit cooperatives and one bank (Banco de Credito Cooperativo¹), which is the parent company in the Group, responsible for strategic management, the functions of risk control, human resources management, treasury management, business planning, control and internal audits.



It is a dynamic group **that has spearheaded the union of cooperative credit institutions, through the successive integration of more than 40 rural savings banks ('cajas rurales') throughout its history**, establishing itself as one of Spain's leading financial and banking institutions.



3.4 million customers



1.4 million cooperative members



47,406 million euros in assets



79,523 million euros total in business managed



6,221 employees (average)



956 branches and 121 agencies

¹ Corporation with headquarters in Madrid, Paseo de la Castellana, 87

Cooperative banking and Grupo Cooperativo Cajamar

Over 150 years ago, the world's **first ever cooperative credit experience** was launched; from that moment on, this approach to lending spread across the planet.

This movement evolved toward two differentiated models:

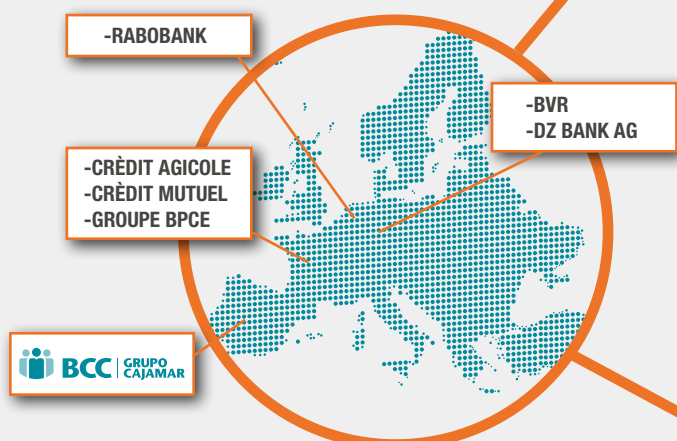
- **European cooperative banking:** providing services to members and non-members, this is the main model used in Europe, Japan and French-speaking Canada.
- **Savings and Credit Cooperatives:** these only serve their members and are more prevalent in North America, the Caribbean and Oceania.



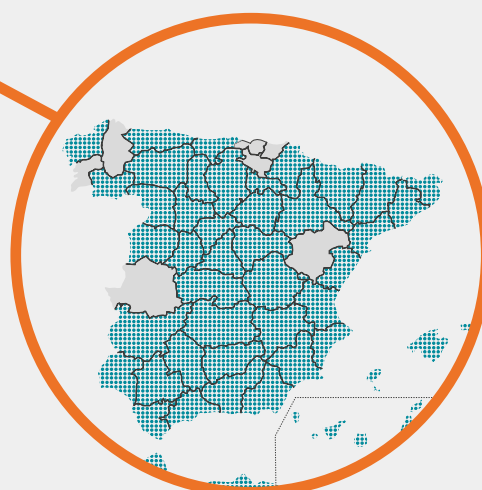
These types of financial institutions, unfettered by the overriding need to maximise profits, have been more successful in overcoming the various financial crises.



Cooperative banks are key actors in European society. They provide access to local finance and have **53,000 branches** that offer a unique and close relationship with customers, employing some **720,000 people** in Europe.

BCC, representing Grupo Cooperativo Cajamar, is a **member of the EACB**, an association responsible for representing cooperative banks within Europe.



- Grupo Cooperativo Cajamar is the largest cooperative financial group in Spain. It is present in almost all provinces throughout the country, with a global market share of **2.27 % in deposits, 2.90 % in investments and 14.63% in the agricultural sector**.
- In countries such as **France, Holland and Germany**, cooperative banking has an even stronger presence, according its **market share in deposits: 61 %, 34 % and 21 %** respectively.
- This indicates that there is still potential for **growth and development for cooperative banking** in our country.



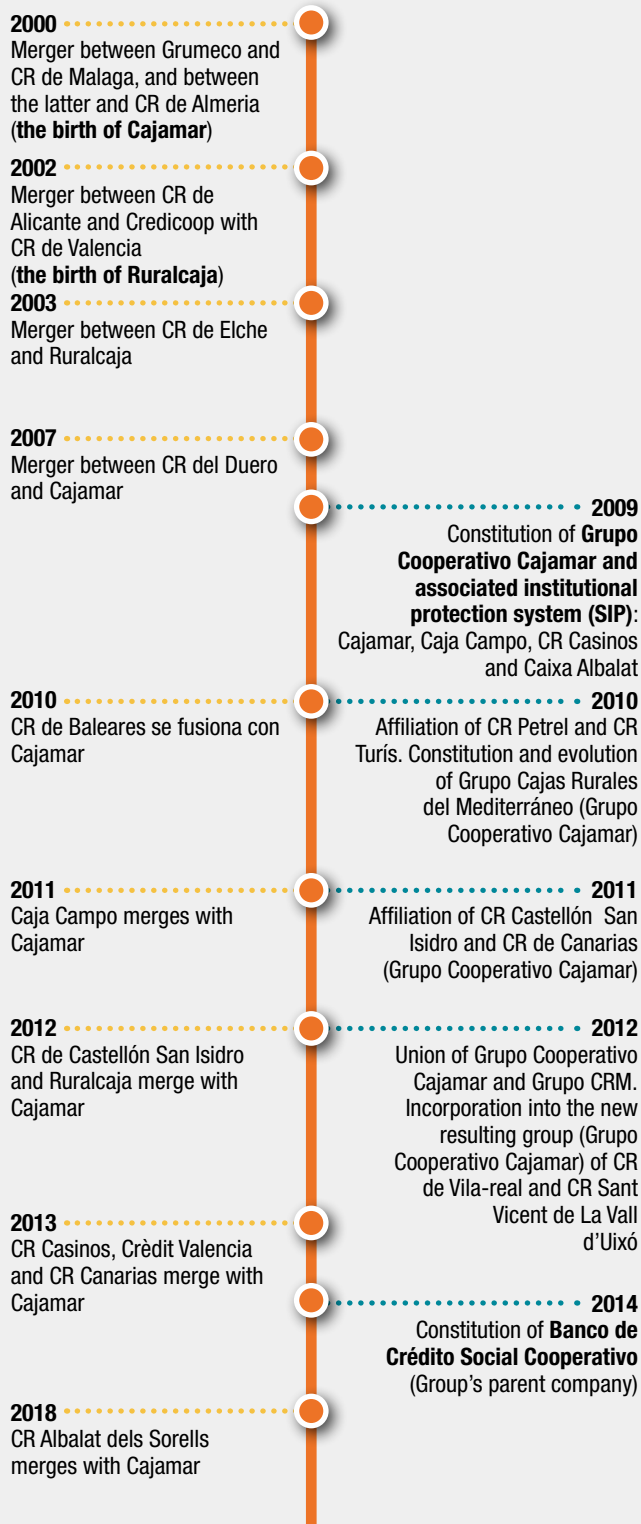
 Provinces in which the Group operates
 Provinces in which the Group does not operate

Cooperative banking and Grupo Cooperativo Cajamar

Start of activity

1913 → CR del Duero
1917 → CR de Cheste and CR del Círculo Católico
1923 → Credicoop Castellón
1926 → CR de Nules
1931 → CR de Burriana
1935 → CR de Vilafamés and CR de Almenara
1938 → CR de Vilavella
1946 → CR de Valencia y CR de Chilches
1951 → CR de Alicante
1959 → CR de Petrer
1961 → CR de Málaga
1963 → CR de Almería y CR de Turís
1964 → CR La Unión-Caja Campo (Requena)
1968 → CR de Altea
1969 → Grumeco, CR de Villar, CR de Torrent y CR de Callosa
1970 → CR de Casinos
1972 → CR de Baleares y CR de Sant Vicent de La Vall d'Uixó
1978 → CR de Canarias
1981 → CR de Alginet
1982 → CR Elche
1989 → Merger between Cooperativa A. and CR del Campo de Cartagena with CR de Almería.
1999 → CR Albalat dels Sorells
2001 → Credit Valencia

Timeline of Grupo Cooperativo Cajamar. Background and history



..... Mergers between entities

..... Milestones in the formation of Grupo Cooperativo Cajamar

Milestones in Spanish cooperative banking

1865 → First cooperative credit unions appear. "Manantial de crédito"(Madrid)

1906 → Enactment of the Agricultural and Granary Trade Unions Act of 20 January 1906

1931 → Credit cooperatives decree

1942 → Enactment of the Cooperatives Act

1957 → CRUNA is created, first national body established to promote cooperative credit

1978 → Enactment of the General Cooperatives Act and RD 2860/1978, of 3 November, regulating cooperative credit unions

1986 → Pursuant to Royal Legislative Decree No. 1298/1986 of 28 June, cooperative credit unions are granted the status of credit institutions, as are private banks, savings banks and official credit entities

2008 → Circular 3/2008 issued by the Bank of Spain on 22 May sets forth the conditions for the existence and authorisation of institutional systems of protection (SIP)

2012 → Publication of Royal Decrees on the restructuring and reorganisation of the Spanish financial system

2017 → Reform of the legal framework for cooperative credit unions by virtue of the measures set out in RD-Act 11/2017, of 23 June, on urgent measures governing financial matters

Integration Model of Grupo Cooperativo Cajamar

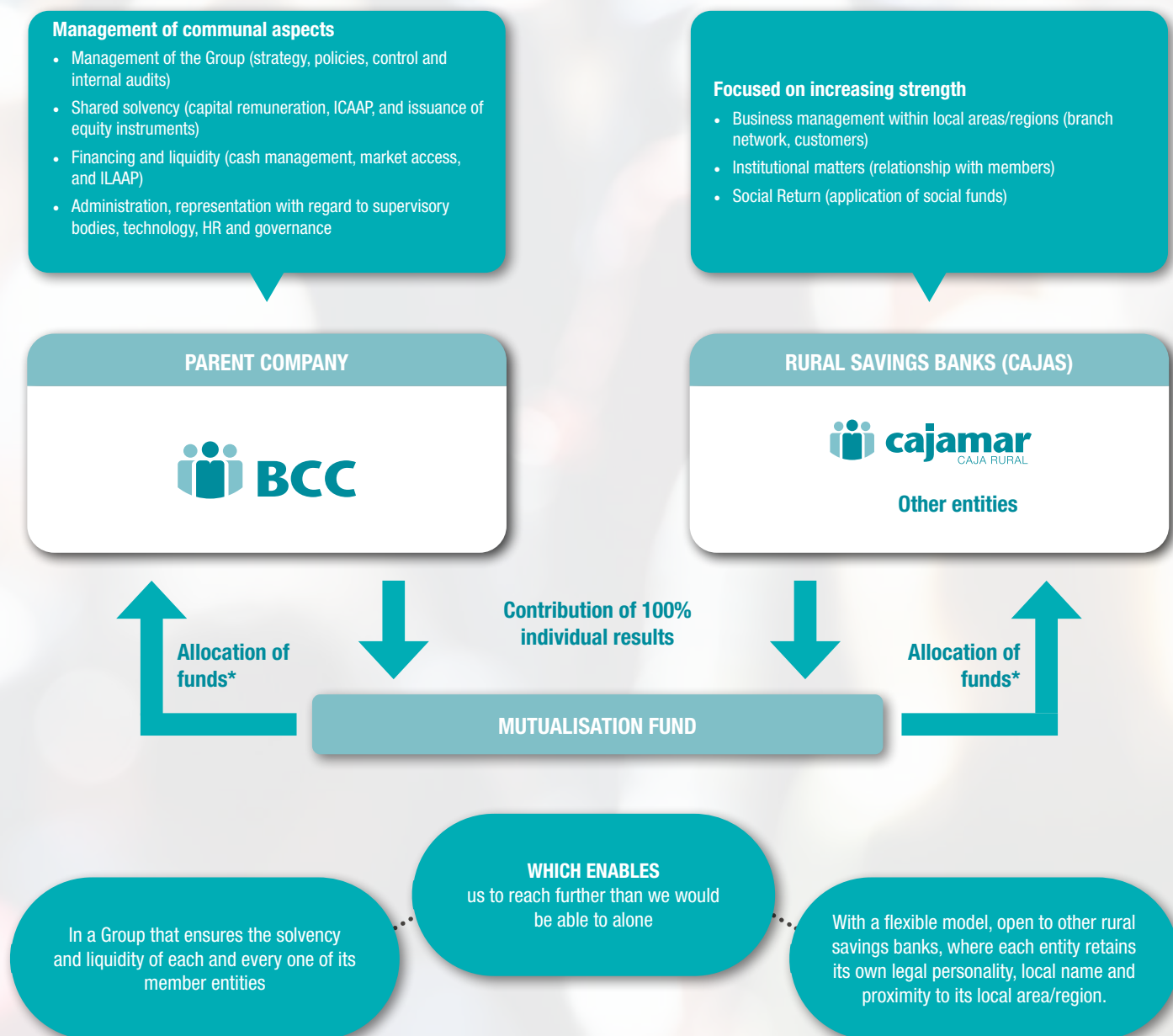
Grupo Cooperativo Cajamar is structured through a genuine system of alliances (Institutional System of Protection: SIP) adapted to its cooperative business model, which has demonstrated its continued ability to tie capital into local areas and regions, promoting the social economy and improving the competitiveness of local production systems. In short, creating local/regional capital through mutualisation strategies based on people, ideas and a strong local focus: the three pillars on which Grupo Cooperativo Cajamar bases its sustainability strategy.

The Group pioneered this model of integration in Spain, which allows, in this case, cooperative unions and institutions to combine their proximity and their ties to local communities with the pursuit of greater efficiency, better management of risks, greater technological competence and a more adequate sustainability strategy. All this whilst safeguarding banking diversity in Spain with modern formulas of social and cooperative banking, able to cope with the process of digital transformation and the transition toward a *decarbonised* economy, without sacrificing the goal of financial inclusion, the preservation of natural capital linked to local areas/regions, as well as the promotion of local production systems that are essential for this model of cooperative banking in order to promote local/regional capital.

This institutional figure (SIP) was created through Directive 2006/48/EC of 14 June, transposed to the Spanish legal system through various regulations. This model of integration allows banking entities to promote a system of support and mutual protection based on common risk management, which aims to share certain solid levels of solvency, assurance, and liquidity. Its effectiveness depends on various factors, such as the establishment of an entity that leads the group and coordinates the activity and business model between the different member entities. Bearing in their regional and local dimension, the practice of a dominant model of retail banking shared by cooperative credit unions in Spain, as well as their deeply rooted culture of cooperation and solidarity, these were the ideal candidates to implement this model.

Cajamar Caja Rural, Caja Campo, Caja Rural de Casinos and Caixa Albalat pioneered the application of these unique alliance formulas, which would later be promoted generically by the Sustainable Development Goals, setting up the first SIP authorised by the Bank of Spain (December 2009) through the creation of Grupo Cooperativo Cajamar. Since then, new rural savings banks (*cajas rurales*) have joined the group, and the model first put into practice in 2009 has spread, leading the way for many other entities to follow.

Integration Model of Grupo Cooperativo Cajamar



*According to the equity contribution of each entity within the Group (net of cross-holdings)

Alliances, acknowledgements, and affiliations to Grupo Cooperativo Cajamar



It promotes the principles of Responsible Banking, of which the Group is a founding signatory.



The Group leads the Social Impact Cluster. Initiative that deals with how companies are developing initiatives to understand, measure, assess and improve their impact on society and employees.



The Group is a member and leader of the Forética Transparency, Good Governance and Integrity Cluster.



It promotes the integration of social, environmental and good governance aspects within the strategy and management of companies.



Evaluation and ratings agency in matters of sustainability. The Group is evaluated for its performance in the implementation of ESG criteria (environmental, social and governance).



It compiles information on the carbon footprint management and disclosure of companies from different sectors.



Forum in the field of sustainable and responsible investment in Spain.



Voluntary commitment to enforce current legislation on equal opportunities and anti-discrimination, implementing the basic principles set forth.



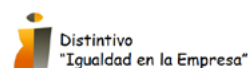
Working group that seeks to identify the risks and opportunities arising from climate change.



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



International tool used to account for GHG emissions.



Badge of excellence that recognises the Group's work with regard to gender equality.



International Environmental Management Standard that allows the Group to demonstrate its permanent commitment to improving environmental performance.



It improves and maintains an Energy Management System to achieve greater efficiency.



Socially Responsible Enterprise insignia awarded by Fundación Alares and Fundación para la Diversidad.



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



Every year, the Group voluntarily records its carbon footprint through the Spanish Climate Change Office within the Ministry for the Ecological Transition. The seal recognises organisations that calculate their carbon footprint and commit to its reduction.



The Group has signed up to the United Nations Global Compact and is a member of the Spanish Network of the UN Global Compact, implementing Ethics, Corporate Social Responsibility and Sustainability Principles, as well as reporting annually on its performance in relation to the 10 Principles.



The Group supports the Women's Empowerment Principles, an initiative promoted by the United Nations for Gender Equality, UN Women and the United Nations Global Compact.

2. Corporate Governance



Related Information

- ▶ [BCC Corporate Bylaws](#)
- ▶ [Corporate governance and Remuneration Policy](#)
- ▶ [Annual Corporate Governance Report](#)

Grupo Cooperativo Cajamar understands corporate governance as the set of policies, instruments and measures that lay the foundations for the rules regulating its governing bodies, which are necessary in order to ensure proper decision-making procedures.

In addition, Corporate Governance ensures ethical and organised behaviour that contributes to the creation of shared value, sustainable development and the promotion of the social economy and strong local bonds.



BCC accepts its obligations derived from **relationships with supervisors and markets**, and also complies with applicable corporate governance legislation. It also takes into consideration the requirements derived from the following documents and practices:

- **EBA Guidelines** on internal governance (GL11).
- **CNMV good governance code for listed companies**
- **Corporate Governance Principles** issued by the Basel Committee on Banking Supervision.



The **fundamental principles** of corporate governance implemented within the Group are **transparency and information**, which are reflected throughout the entire Group.

- Elements of governance arising from **cooperative principles**:

- One member, one vote.
- Internal democracy.
- Primacy of people over capital.
- Freedom of affiliation.

- Elements of **corporations**:

- Access to markets.
- Protection of minority shareholders.
- Capital stability.

Corporate Governance Best Practices

Board of Directors and committees

- Committees³ chaired by independent directors.
- Functional separation of President and CEO.
- Board Diversity: gender, geographical origin, age, knowledge and experience.
- Important presence of independent directors, helping to ensure an impartial assessment of corporate affairs.
- The presence of directors linked to the real and productive economy.
- Culture of due diligence within the Board's remit.
- *Multi-stakeholder* culture.
- Risk management is at the heart of corporate governance.
- Established procedures to estimate the dedication and performance of directors.
- Suitability policy, which includes, among other elements, the procedure for selecting and appointing directors, integration policy and director training.
- General policy governing conflicts of interest.
- Remuneration policy that is based on criteria of transparency, moderation and appropriateness in line with results.

Members and shareholders

- Shares with equal rights: one share, one vote.
- In cooperatives, in relation to the right to vote, there is limited weighting of capital through the cooperative principle of *one member, one vote*.
- Promotion of duly informed participation.
- Representativeness through direct or general meetings, depending on the size of the entities in the Group, preparatory meetings that are strongly present and rooted in the local area/region.

Promotion of Corporate governance

- Member and *leader of the Transparency, Good Governance and Integrity Cluster* set up by Forética.



³ Except for the Business Strategy Committee

2.1 Governing Bodies: Structure and Composition⁴

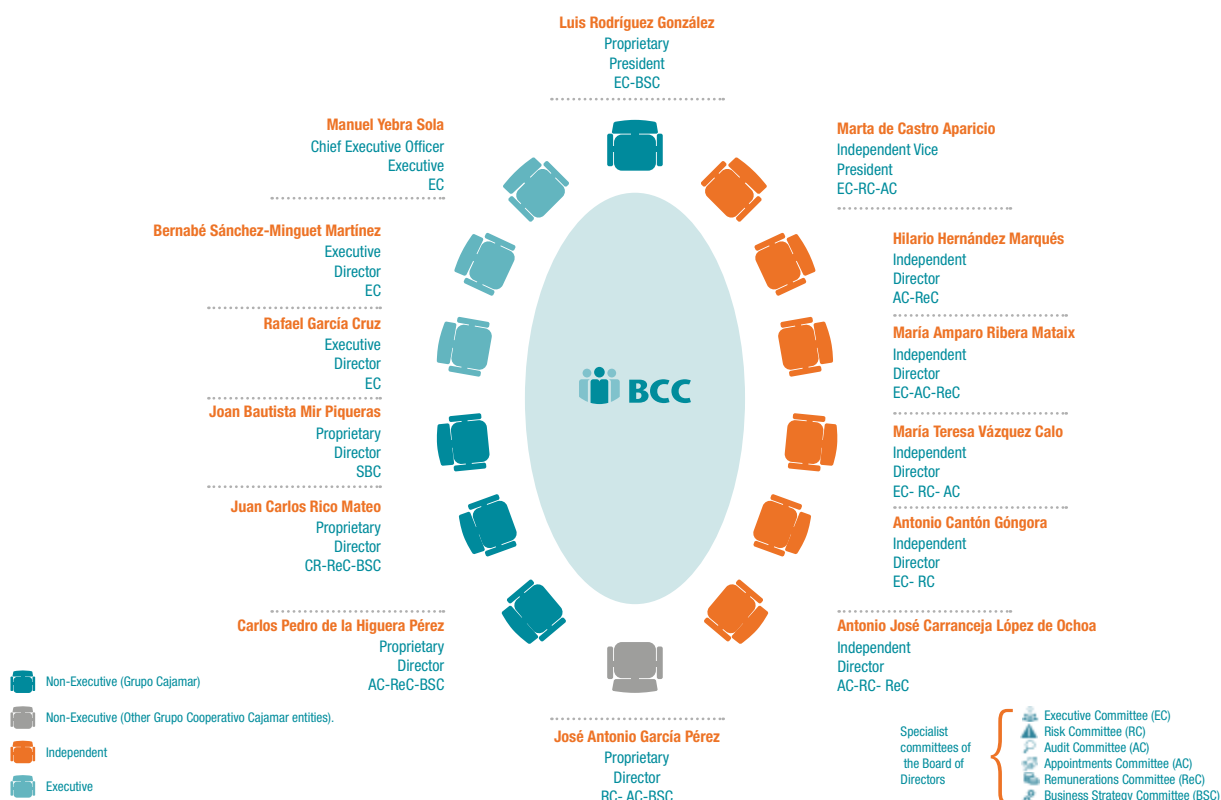
The sovereign body within BCC is the General Assembly of Shareholders. The Board of Directors, its Executive Committee and its various other committees are the governing bodies responsible for representation, administration, management and monitoring. The management areas of Internal Audits, Global Risk Control,

Regulatory Compliance, Communication and Sustainability report directly to the Board of Directors. To prevent the commission of offences within the organisation, the entity has a Plan for the *Prevention of Criminal Risks*. Finally, the Group has a procedure for the annual self-assessment of its Board of Directors.

Structure of the Board of Directors

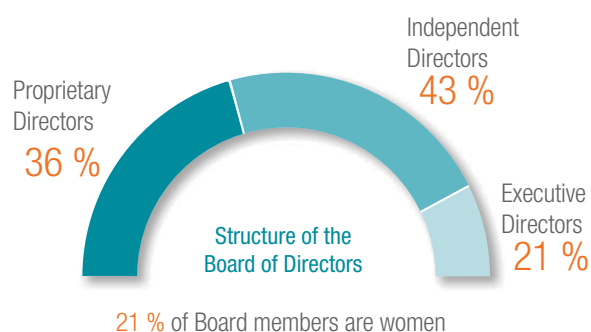


Composition of the Board of Directors



⁴ All information related to the composition and members of the Board of Directors is public and can be viewed at www.bcc.es/

Corporate Governance Indicators



Remuneration of BCC's Board members in 2019 (thousands of euros)

Fees	1,228.32	Social Security	49.01
Fixed remuneration	1,190.31	Attendance premiums	417.00
Other remuneration	103.84	Post-employment allowances	1,816.26
Total	4,804.74		

Composition of corporate governance and management bodies broken down by age and gender

Governing Body	35 and under				36 to 55				Over 55				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board of Directors	0	0 %	0	0 %	3	21.4 %	2	14.3 %	8	57.1 %	1	7.1 %	11	78.6 %	3	21.4 %
Steering Committee	0	0 %	0	0 %	13	76.5 %	2	11.8 %	2	11.8 %	0	0 %	15	88.2 %	2	11.8 %
Total	0	0 %	0	0 %	16	51.6 %	4	12.9 %	10	32.3 %	1	3.2 %	26	83.9 %	5	16.1 %

Average remuneration of BCC's Board of Directors and Steering Committee in 2019 (thousands of euros)

	No. of people	Fees	Premiums	Fixed remuneration	Post-employment allowances	Social Security	Other Remuneration	Total
Executive Director	3	55.21	32.25	305.77	596.71	11.28	24.20	1,025.43
Male	3	55.21	32.25	305.77	596.71	11.28	24.20	1,025.43
Non-Exec Director	11	96.61	29.11	24.82	2.38	1.38	2.84	157.13
Male	8	90.21	25.41	34.12	3.27	1.90	3.90	158.81
Female	3	113.67	39.00	0.00	0.00	0.00	0.00	152.67
Steering Committee	17	0.00	0.00	164.73	29.33	14.59	17.22	225.86
Male	15*	0.00	0.00	167.90	32.04	14.51	18.07	232.52
Female	2*	0.00	0.00	139.35	7.61	15.18	10.41	172.54

*Average length of employment within the Group is 19.50 years for men and 13 years for women

Note: There is an increase compared to the previous year in the average total remuneration of Executive Directors, caused by the 160 per cent increase in post-employment allowances, mainly due to the lower yield of instruments created to cover pension commitments. There has also been an increase over the previous year in the average total remuneration of non-executive directors; in this case, 9.8%. Finally, there has been a reduction compared to the previous year in the total average remuneration of the Steering Committee, which has been reduced by 3%.

2.2 Internal regulation



Related Information

- ▶ [Code of Conduct](#)
- ▶ [Anti-corruption policy](#)
- ▶ [Anti-Money Laundering and Counter Terrorist Finance](#)
- ▶ [Internal Code of Conduct in the Securities Market](#)

Grupo Cooperativo Cajamar has a number of policies, ethical codes and instruments in place that regulate the behaviour of its staff members within its Ethical System of Management. One of these is the *Code of Conduct*, the entity's most transversal internal code of ethics, which collates a series of standards, ethical principles and values that must be known, understood and enforced.

Regulatory Compliance and Audits are the two management areas responsible for ensuring compliance with the Code and submitting proposals to the Control Committee, in coordination with HR, regarding the adoption of corrective measures and appropriate sanctions. This Code of Conduct is supplemented with other tools and policies, including:



Anti-corruption policy:

- This sets out the Group's position and commitment with regard to any form of corruption.
- It defines the guidelines and measures required to prevent and correct such behaviour, which is contrary to the principles and ethical values of the Group and current legislation.

In 2019, **no signs** of corruption were detected within the organisation.



The Committee of Essential Rights:

- This body is responsible for ensuring the preservation of essential rights for all the Group's members of staff, acting as a channel for complaints and claims in this matter.
- It is the starting point to create a context of loyalty, mutual respect and a good working atmosphere within the Group.

In 2019, **no violations** of essential rights were identified.



The **Code of Good Taxation Practices** promoted by the Spanish State Agency for Tax Administration encompasses:

- The promotion of good taxation practices on the part of the companies to achieve greater legal certainty.

In 2019, the Group complied with all the recommendations contained in this Code. In addition, the Board of Directors has been duly informed of the fiscal policies applied



General Policy Governing Conflicts of Interest

- This is a global policy.
- It aims to prevent and establish the mechanisms and procedures required to identify, mitigate and manage potential conflicts of interest arising from the Group's relations with other entities of the same, with customers or third parties with interests in the Group.

Grupo Cooperativo Cajamar does not have any finance operations in place for political parties nor does it offer any special conditions more favourable than market conditions to political parties.

3. The business model: Social economy and creating shared value

3.1 A model of cooperative banking: people-ideas-local focus

Grupo Cooperativo Cajamar's business model is characterised by its cooperative nature and its broad social and societal base. This endows the model with a series of characteristics, primarily related to the principles of cooperation, the primacy of people over capital, a model of governance and the pursuit of profits not as an end in themselves but as a means for the creation of shared value. These features have allowed the Group, right from the outset and throughout its history, to be an integral part of the social economy and make a remarkable contribution to boost the communities in which it operates.

This prioritisation of **PEOPLE** has always been one of the hallmarks of a cooperative banking model that has carved out a strong and sustained path, broadening the diversity of the financial sector and offering greater stability to this sector in times of uncertainty.

Another key feature of Grupo Cooperativo Cajamar's cooperative banking model has always been its commitment to **IDEAS**. By working closely with members and customers, the Group has been better able to understand their needs, which has allowed it to reduce risk and, especially within the agro-

food sector, a central and strategic sector for the entity, to offer more efficient financial assistance, through more competitive products that enhance productivity, and the necessary technical advice. Therefore, within Grupo Cooperativo Cajamar, the generation of useful knowledge and the vocation to share this knowledge has been a constant feature, working to bring people and fresh ideas together so as to generate innovation in any field, but especially the agricultural sector, by promoting the transfer of knowledge.

Finally, it is precisely this cooperative nature that drives the Group's **LOCAL FOCUS**, concentrating on providing resources to support the *agricultural* sector, but also on providing financial support to families, entrepreneurs, micro, **SMALL AND MEDIUM SIZED BUSINESSES**, and local production systems. By generating shared value, the aim is to contribute to economic development and social progress through local and regional integration and coordination, the creation of employment and the promotion of the social economy, seeking to create the best possible positive impact for communities within the scope of the Group's activities, incorporating the necessary tools and methodologies to enhance, promote, and monitor them.

Committed to operating locally and enhancing the rural world

Committed to operating locally and enhancing the rural world. As set out in its model of cooperative banking, Grupo Cooperativo Cajamar's driving motivation is provided by people and the communities to which it belongs. And so, decades ago, the Group was created to provide a solution to the financial exclusion that affected part of the population, often on account of their social position or because of where they lived.

These firm convictions are still strongly present in the day-to-day running of Grupo Cooperativo Cajamar, which is keenly aware of its responsibility on account of the important work it has done in the past and indeed continues through local and regional integration and coordination; especially in these current times, when it is exceedingly important to find ways of tying capital into local areas, creating capital in order to make local areas more competitive, and providing solutions to problems such as rural depopulation.

A tour of Grupo Cooperativo Cajamar's local and regional integration and coordination

We are present in...

45/52 provinces throughout Spain.
Both urban and rural areas.
Present in 348 towns and villages with <5,000 inhabitants.

When pursuing local and regional integration and coordination, our main pillars are...

Support for the real economy and production based on people.
Both urban and rural areas.
Support for local production systems.
Support for the social and solidarity economy.
Support for rural areas and the economic activities carried out there.



We especially focus our support on...

Families.
Micro-businesses.
SMEs.
The agricultural sector.

We achieve this by means of...

Financing and financial brokerage.
R&D, innovation and knowledge transfer through experimentation centres.
Partnerships with institutions and other local agents.
Reinvesting profits into local communities: social capital, FEP and social work.
Promoting financial inclusion in the rural world: mobile branches, financial agents, correspondents.

3.2 The creation of shared value through the transformation of capital as a fundamental pillar of Grupo Cooperativo Cajamar’s business model



The creation of shared value through the transformation of capital as a fundamental pillar of Grupo Cooperativo Cajamar’s business model. Here at Grupo Cooperativo Cajamar, we view the creation of shared value as a key goal in the development of our business model based on **PEOPLE, IDEAS and LOCAL FOCUS**. Using initial resources (financial, industrial, human, relational and natural capital), it develops its main activities (retail banking, asset management and insurance and *agro* innovation) with the close involvement of members, customers and partners.

On the basis of all these elements, a process of transformation is developed, based on the characteristics of its own model of cooperative banking, its social vocation, and responsible management that is committed to sustainability; characteristics that are in perfect alignment with the Group’s mission, vision and core values.

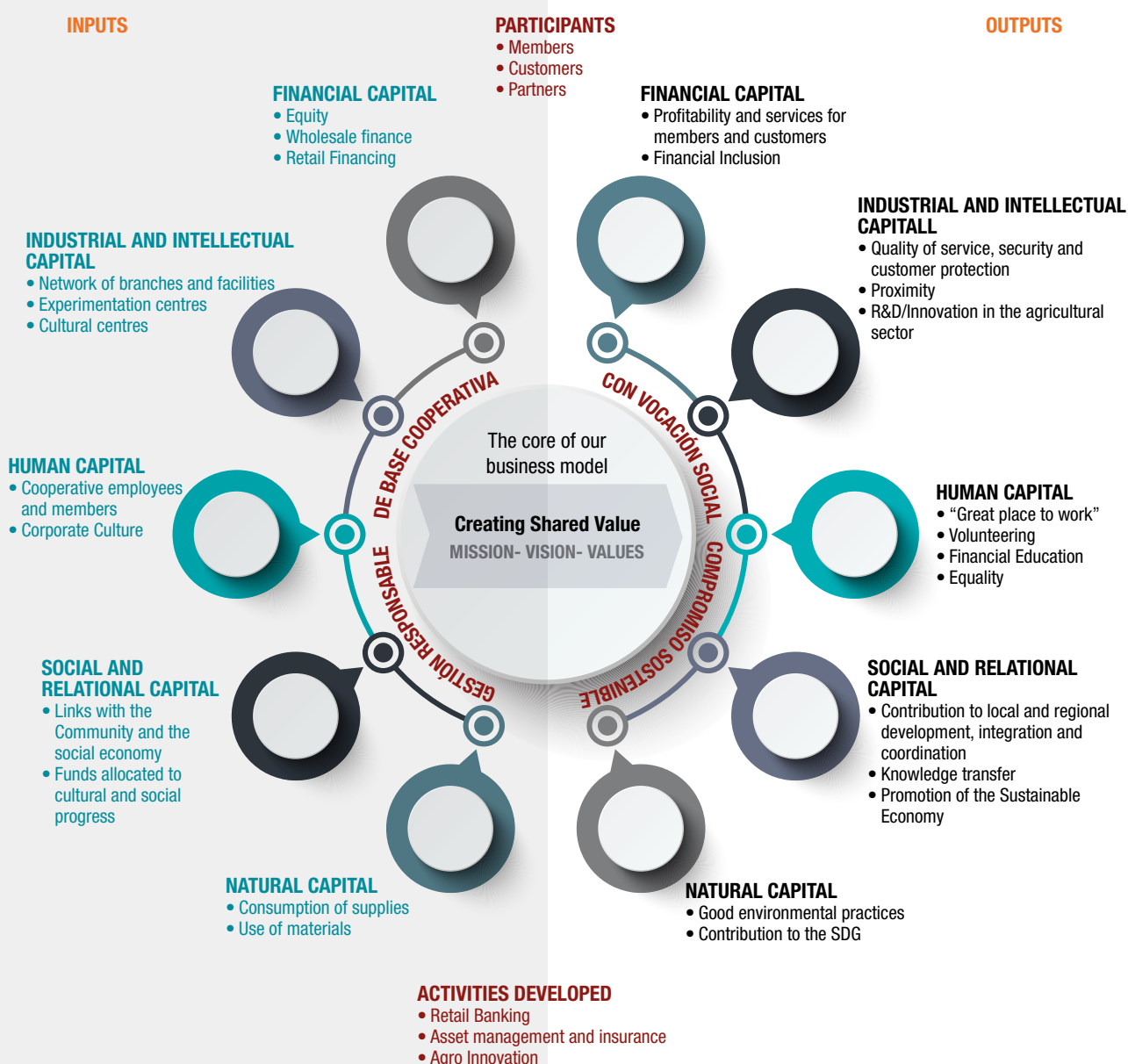
Capital transformation model of Grupo Cooperativo Cajamar



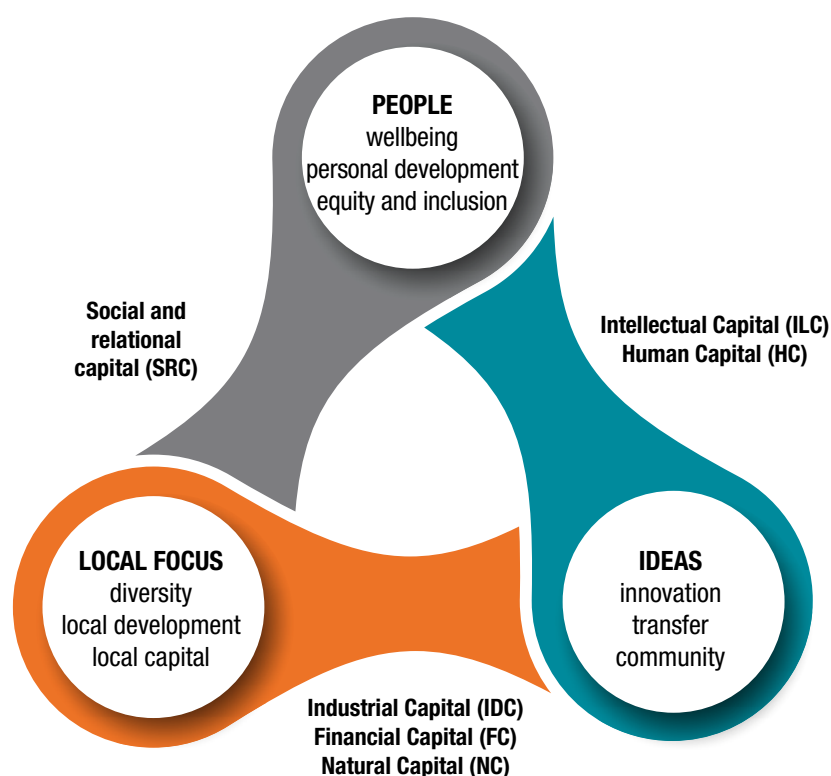
Through this model, the initial capital resources appreciate in value in the short, medium and long term, a process of revaluation that is not confined to profit-making, but instead

generates end capital resources that shape our proposal for differential value and which are placed at the service of society so that they can once again appreciate in value.

A different model of Banking



Transformation of capital and sustainability



PREMISES AND RESTRICTIONS

$\Delta NC \geq (\text{absolute})$ Preservation of ecosystems and strong idea of sustainability. Natural capital cannot be offset by any other kind of capital. It must be maintained or grown.

$\Delta HC \geq \Delta FC$ Principles of the social economy and the primacy of people over capital.

$\Delta ILC \geq \Delta IDC$ Digitalisation and decarbonisation of the economy. Economics of intangibles.

$\Delta (ILC+HC +IDC+FC+NC+SRC) \geq 0$ Positive impact on society and the environment, and improvement in the provision of capital.

$\Delta HC \geq \Delta IDC$ Wellbeing and employment.

$\Delta IDC \geq \Delta FC$ The financial economy at the service of local areas and production systems.

Through its *Sustainability Policy*, Grupo Cooperativo Cajamar implements a strong concept of sustainability, whereby natural capital cannot be offset by any other kind of capital. Based on this *absolute restriction*, the Group's goal is to increase the amount of socially available capital through the process of financial transformation and the creation of shared value. In addition, due to its nature and social vocation, it sets out a series of *relative restrictions* such as: 1) prioritising human capital over financial capital through mechanisms of subordination such as

financial inclusion and sustainable local development, which are inherent to the **SOCIAL ECONOMY**; 2) the subordination of industrial capital to intellectual capital, which is characteristic of the **KNOWLEDGE SOCIETY**; 3) the subordination of industrial capital to human capital, which is the hallmark of a **WELFARE SOCIETY**; and 4) the subordination of financial capital to industrial capital, a trait of **LOCAL PRODUCTION SYSTEMS**.

3.3 Generation and distribution of value: A model of growth with the environment

The Group's strong commitment to its surrounding environment and to local and regional integration and coordination, as well as the generation of shared value, make the distribution of this value particularly relevant.

Staff costs and payments to suppliers, the payment of taxes* and the payment of interest to cooperative members define the way in which the economic value generated is directly distributed:

(thousands of euros)

Calculation of the economic value generated, distributed and retained ¹	FY 2018	FY 2019
Economic value generated		
Gross Margin	934,076	1,147,654
Result of disposal of assets	(97,320)	(27,338)
Profit/loss non-current assets	(12,134)	(9,575)
Total Economic value generated	824,622	1,110,742
Economic value distributed		
Employees: Staff costs	320,209	331,707
Suppliers: General administrative expenses	190,826	185,566
Public Administrations: corporation tax	(13,148)	20,917
Cooperative members: Interest on capital contributions	18,083	19,648
Community (exc, Foundations)	14,386	15,209
Total Economic value distributed	530,356	573,047
Total economic value distributed		
Commitment to society (Foundations)	142	518
Total economic value distributed	530,498	573,565
Economic value retained (EVG-EVD)	294,124	537,177

(thousands of euros)

Calculation of Economic Value Added (EVA) ¹ Breakdown by stakeholder groups	FY 2018	FY 2019
Shareholders (if applicable)		
Interest on capital contributions	18,083	19,648
Employees		
Staff costs	320,209	331,707
Customers		
Interest payable and similar liabilities ²	122,650	114,497
Suppliers		
Other general administrative expenses ³	190,826	185,566
Society		
Tax on profits	(13,148)	20,917
Resources allocated by the Group	-	-
Resources allocated by the Foundation	142	518
Total Economic Value Added (EVA)	638,762	672,853

¹ Calculated according to the SPI model of the GRI, Scope.

² Interest payable and similar financial liabilities, Excluding fees and commissions.

³ Approximation in line with payments made to third parties by way of purchases and services rendered.
Scope: Grupo Cooperativo Cajamar and its foundations.

* * Taxes on profits paid by all Group entities totalled €37,037.03 in 2019, and €15,405,345.52 in 2018

3.4 Stakeholder expectations: Materiality assessment



Related information

- ▶ Main channels of interaction with strategic stakeholders
- ▶ Sources of information used to conduct the materiality assessment

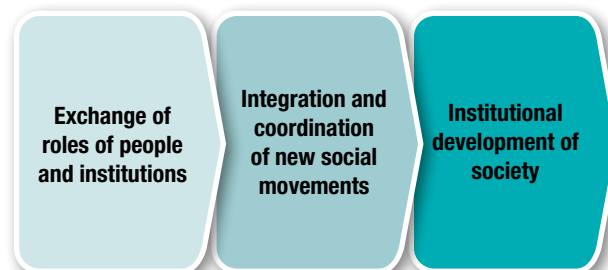
Grupo Cooperativo Cajamar understands the term *stakeholders* to encompass institutions or groups of people, organised or otherwise, which interact with the Group in the performance of its business activity, understanding the latter in its broadest sense. For Grupo Cooperativo Cajamar, it is essential to maintain a on-going constructive dialogue with

society in general and particularly with local communities. The different channels of interaction defined will be central to calibrating the different expectations of these stakeholders, which will be employed in the materiality assessment carried out by the Group.

Stakeholders and Grupo Cooperativo Cajamar's business model



Keys to identifying and understanding stakeholders



Expectations of our main stakeholders

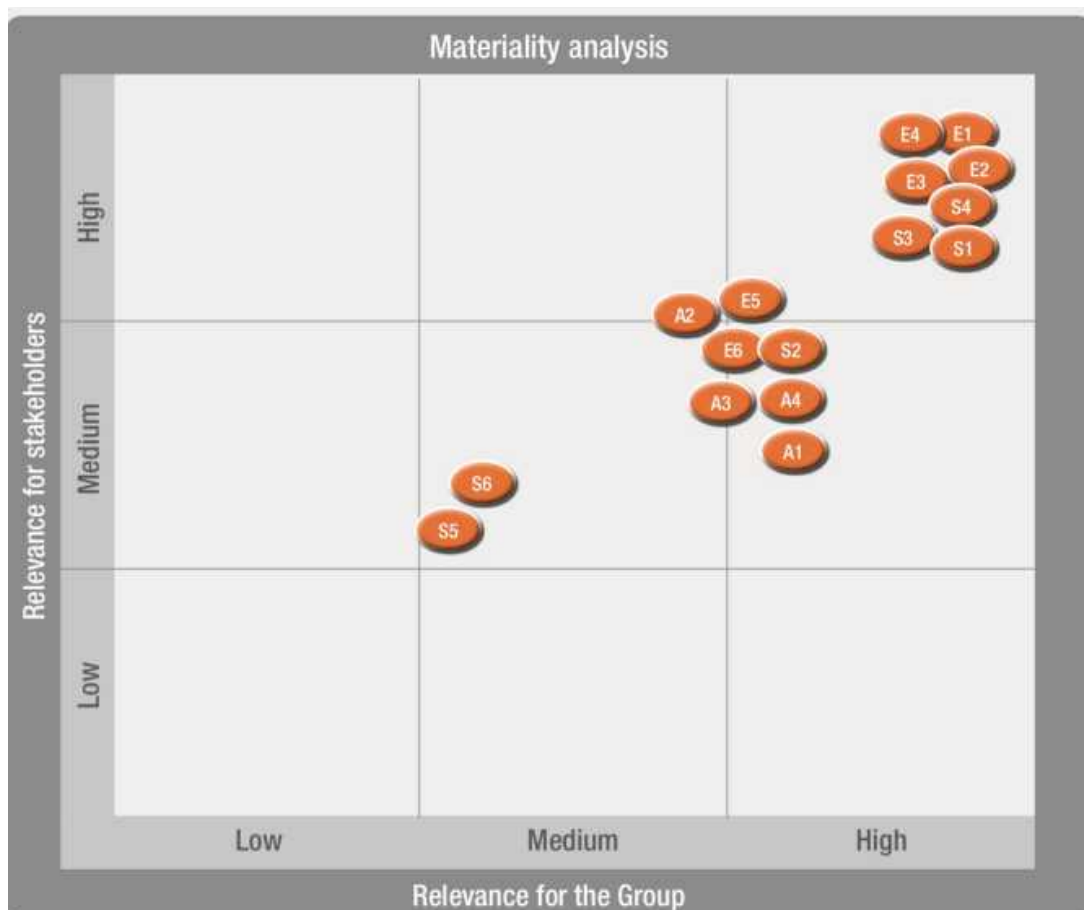
	Expectations	Stakeholders	Coverage	Level
Economic	E.1 Transparency, good governance, compliance and control	All	Mixed	●
	E.2 Business model and the economic and financial situation	Regulator, Shareholders, Cooperative members, Employees, Unions	Internal	●
	E.3 Global Risk Management	Regulator, Shareholders, Customers	Internal	●
	E.4 Protection, security, service quality, guidance and customer education	Regulator, Cooperative members, Customers	Mixed	●
	E.5 Management of technological change	Regulator, Shareholders, Cooperative members, Employees, Customers, Agri-food sector	Mixed	●
	E.6 Global management of suppliers	Suppliers	Mixed	●
Social	S.1 Financial solutions to foster economic development and social progress	Cooperative members, Customers, Society	Mixed	●
	S.2 Financial solutions adapted to different life cycles	Cooperative members, Customers	External	●
	S.3 People management and adaptation to change	Employees, Unions	Internal	●
	S.4 Avoid financial exclusion	Regulator, Customer, Society	External	●
	S.5 Social and cultural action	Employees, Society	External	●
	S.6 Contribute to the Sustainable Development Goals	Sociedad	External	●
Environmental	A.1 Commitment to the environment	Customers, Agri-food sector, Society	External	●
	A.2 Risks and opportunities arising from climate change	Customers, Agrifood sector, Society	External	●
	A.3 Support for innovation and research	Customers, Agri-food sector	External	●
	A.4 Transfer of Knowledge	Customers, Agri-food sector	External	●

Level of expectations

- High
- Medium

The relevance for stakeholders is related to their level of influence in the Group's decision-making. In turn, the relevance for the Group relates to the importance of each of the material matters with regard to the long-term sustainability of the Group. Each of the different sources of information or channels used

are incorporated into the materiality assessment with differing weightings or degrees of relevance. The result was drawn up by the Sustainability department taking into account the strategic approaches of the Group, reflected visually in a two-dimensional way by means of a matrix or materiality map.



4. Risk management

An ever-changing context, the evolution of markets, emerging risk factors and growing regulatory pressure have made the management and control of risks increasingly relevant to any banking organisation. Risk management

requires responsible organisation, global management and commitment on the part of all its members.

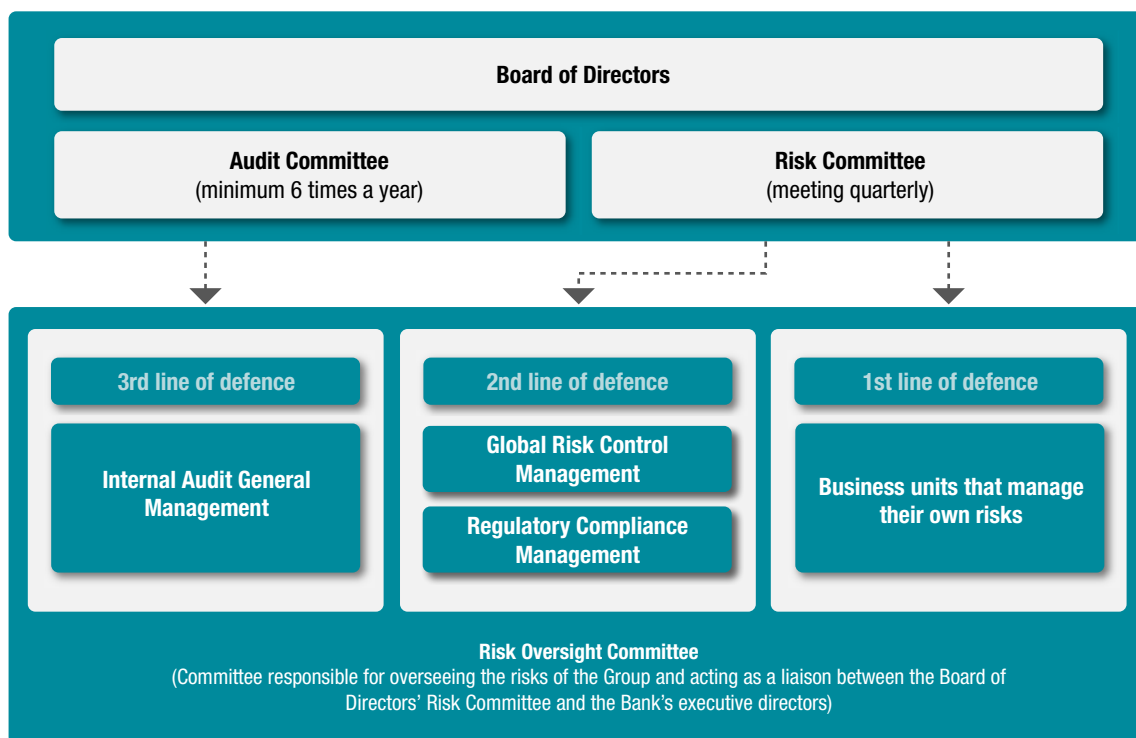
4.1 Main pillars of Grupo Cooperativo Cajamar's risk management

Risk management is one of the fundamental pillars for Grupo Cooperativo Cajamar. The main objective is to safeguard the financial solvency and soundness of the Group, as well as to comply with current legislation. To achieve its purpose, the Group's risk management policy is based on the principle of prudence referred to in its Ethical System of Management.

The ultimate responsibility for the management of risks lies with the Board of Directors of Banco de Crédito Social Cooperativo, which, as the head of

Grupo Cooperativo Cajamar, supervises and oversees this aspect through the Audit Committee and Risk Committee, chaired in both cases by independent directors.

Hence, and on the basis of regulatory standards and the most widespread recommendations, the Group has a system of internal risk control in place, based on three lines of defence.



Risk Appetite Framework

Another fundamental component of Grupo Cooperativo Cajamar's approach to risk is defined by the Risk Appetite Framework (RAF). This tool has been developed as an initiative of the Financial Stability Board (FSB) to promote quality in the management and control of risks in credit institutions, seeking to avoid repeating the mistakes of the past. On the basis of its formulation, each entity must define the types of risks and thresholds it is prepared to assume and tolerate to achieve its strategic objectives and business plans. Additionally, a series of metrics are determined in order to monitor and manage risk, with certain limits in place that trigger corrective measures if exceeded.

This tool, which is becoming increasingly relevant for the supervisory body, has been adopted by Grupo Cooperativo Cajamar and is defined as a key reference

for the Group within the scope of risk governance, taking a step further towards the best standards of governance and acquiring a new internal tool for the management and control of risk

On the basis of this framework, every year Grupo Cooperativo Cajamar reviews and updates its guidelines about the type and amount of risk the Group is willing to assume, which is set out in a *Risk Appetite Statement* made by BCC's Board of Directors, charting a course in terms of risks for the whole organisation.

In its statement, the Board of Directors defines the four possible levels of risk appetite: high, medium-high, medium-low, low. In 2019, the Group carried out its annual review ([see page 45 of this report](#)).

4.2 Factors and risk map

It is essential in the current environment for organisations to be able to identify the risks and opportunities that may affect them in their ability to create value in the short, medium and long term, which will give them the opportunity to design measures and actions to deal with them. These risks and opportunities include those derived from the external environment as well as those arising internally from the nature of the organisation's activity itself.

With regard to the latter type, it should be noted Grupo Cooperativo Cajamar's model of retail banking is strongly rooted to its local area and is a low-risk traditional activity, consisting essentially of taking deposits from its customers and investing its loan portfolio, focusing chiefly on private individual customers, the self-employed, micro-businesses, SMEs and large companies, prioritising the broader *agricultural* sector and the social economy.

It also strives fundamentally to meet the financing requirements of its main activity, and to make excess liquidity. To this end, the Group participates in the wholesale financial markets, although activity within these markets

as a means to finance retail activity must be kept within prudent limits.

In addition, investments are made in financial assets with market risk in order to complement and diversify the profit and loss account.

Accordingly, this investment is and should be moderate, beyond those that are necessary in order to comply with regulatory demands.

For all these reasons, and although the activity inherent to any credit institution entails exposure to different risks such as liquidity, interest rates, reputational or operational risk, the greatest risk to which Grupo Cooperativo Cajamar is exposed is credit risk.

The Group's *Credit Risk Handbook* sets out a number of applicable principles and guidelines in relation to credit risk. The Group manages to mitigate this type of risk through the application of criteria regarding diversification, credit quality and guarantees in the admission of risk; anticipation with regard to monitoring risk; and decisive management and economic efficiency in recovery.

Principles of credit risk

Commitments

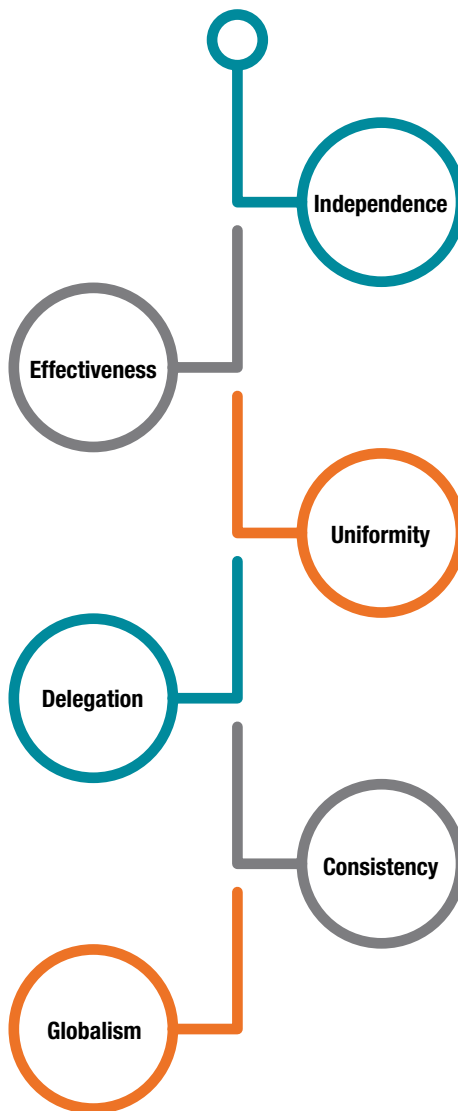
- Offer an effective response to the needs of the network and customers
- Balance strict risk selection practices with quick and firm responses to customers
- Ensure efficiency in processes, automating and standardising procedures as much as possible

Responsibilities of the Board of Directors

- Assume its responsibility as the highest governing body within the system of credit risk management and control
- Delegate to its Executive Committee the approval of loans that cannot be resolved by lower management bodies
- Delegate to the CEO the approval of operations raised by the Investment Committee

Risk management

- Move towards acting with regard to the loan portfolio as an aggregate
- Contemplate both the correlation of operations with regard to joint non-compliance, and as the evolution of its credit rating over time



Fundamental pillars

- Admission, monitoring and recovery of credit risk
- Hierarchy of operations through scoring and rating models
- Independent verification of compliance with credit policy

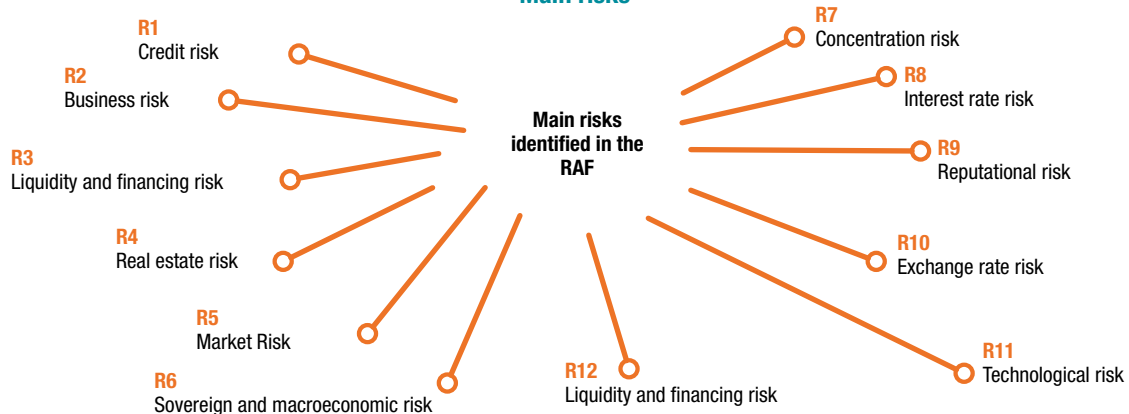
Competencies

- Board of Directors and its Executive Committee: establish criteria and policies for the management and control of credit risk
- Chief Executive Officer: define the bodies responsible for the management and control of credit risk and management procedures
- Global Risk Control Management: define procedures to control such risks.

Guidelines

- Have ratings and scoring tools in place
- Periodically estimate the values of credit exposure and the severity of loss in case of non-compliance
- Adjust, estimate and cover losses, with a confidence level that is consistent with the goal of solvency
- Establish a criterion for the assignment of economic capital

Main risks



Risk factors



Map of risks

(Materiality Assessment conducted by Global Risk Management)

R1= Credit Risk

R2= Business Risk

R3= Liquidity and financing risk

R4= Real estate risk

R5= Market Risk

R6= Sovereign and macroeconomic risk

R7= Concentration risk

R8= Interest rate risk

R9= Reputational risk

R10= Operational Risk

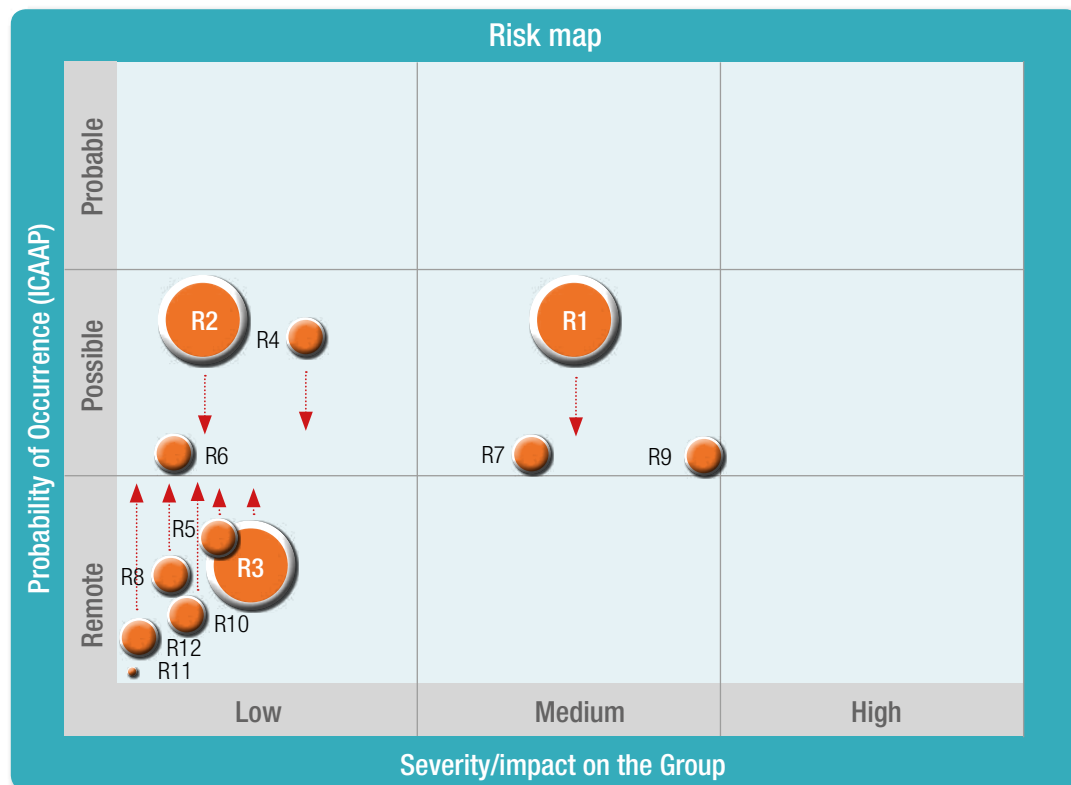
R11= Exchange rate risk

R12= Technological Risk

→ Risk Appetite



Size: Weight of risk within the Group's risks as a whole



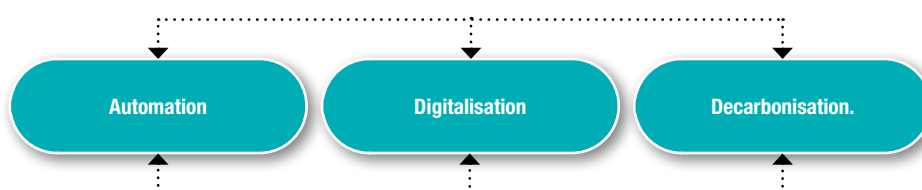
(Impact in terms of capital: capital required in accordance with Pillar II-Basel)

Emerging risks

In its latest report of global risks, the World Economic Forum highlights the increasing importance, both in terms of probability and impact, of risks related to technological and environmental aspects, replacing more traditional socio-economic risks that have traditionally been most prominent based on their importance.

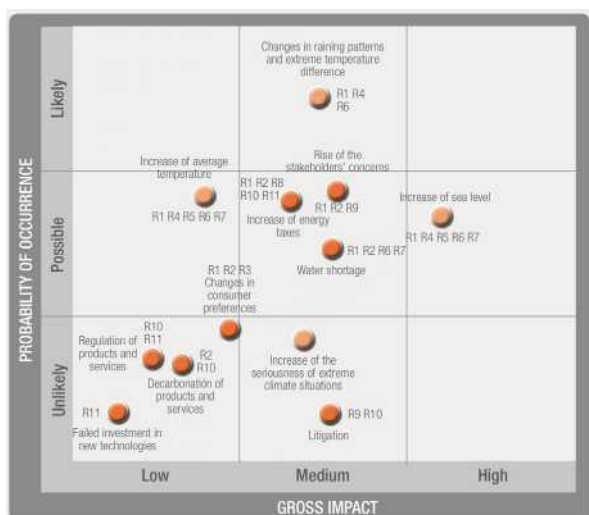
These types of risks are reflected in the macro-processes identified in the contextual analysis conducted and they affect Grupo Cooperativo Cajamar and the rest of the banking sector: digitalisation and automation specifically would be included within such technological aspects, and the decarbonisation of the economy, a process that is in full swing at the moment, would be classed within the environmental aspects.

Macro-trends in the context of the Group



With regard to the environmental aspect, for years now Grupo Cooperativo Cajamar has been identifying climate change as one of the most relevant risks and opportunities related to its business and performance, especially considering the importance of the primary sector, which is strategic to the Group's business, in the impact and

possible solutions for the resolution of this global problem. In particular, it has developed the following map of risks associated with climate change, linking them with the material risks identified, which could have an impact on the Group in terms of capital.



- Transition risks
- Physical risks

The probability of occurrence in the medium to long term has been determined, taking as a reference the time horizon of the banking business, along with the severity in terms of gross impact. In the same way, risks have been classified according to whether they are risks of transitioning to a low carbon economy, or physical risks.

Source: KPMG and Grupo Cooperativo Cajamar

In addition, the Group is working on evaluating the carbonisation of its portfolio and its climate rating, taking into account the risk of corporate carbon leakage, climatic variables that may affect it (water, wind, soil and temperature) and whether the activities carried out by these companies are included in the taxonomy published by the

European Commission (for more details, refer to [page 85 of the report](#)). At the same time, the Group is continuing to develop its ECorating tool, updating the algorithms used and incorporating aspects related to climate change, providing greater knowledge of the exposure of its credit operations to regulatory risk regarding the environment.

5. Strategy



Related Information

► Strategic partnerships

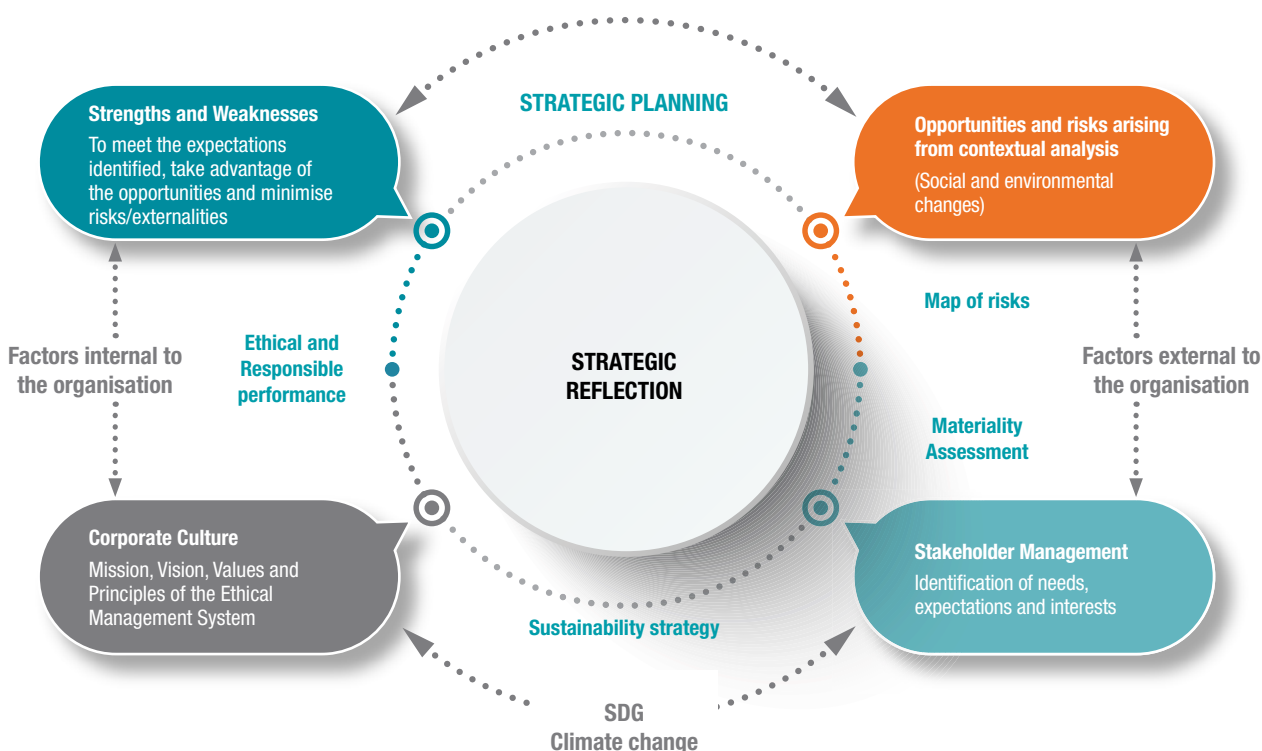
5.1 Strategic reflection

For Grupo Cooperativo Cajamar, the strategic planning process allows it to define how to integrate its fundamental mission and objectives, such as the creation of shared value and the generation of a positive impact on society, through co-operative principles, sustainable development and the ability of financial activity to create wealth, generate employment and fix capital locally.

In order to achieve this, Grupo Cooperativo Cajamar is aware of the need to promote dialogue and constant communication with all of its stakeholders,

allowing the Group to correctly identify their interests, demands and expectations. At the same time the Group must identify its strengths and weaknesses to undertake this objective, along with the associated opportunities and risks.

To this end, Grupo Cajamar is committed to acting responsibly in the performance of its activity, a commitment that is materialised through its ethical system of management and global risk management based on the principle of prudence.



5.2 Sustainability and *Strategic Plan 2018-2020*

Grupo Cooperativo Cajamar completed the second year of its Strategic Plan 2018-2020 having achieved important milestones in each of the seven pillars included in the plan.

In 2019, the Group continued to promote its value-added proposal for companies, the self-employed and private individuals. In addition, throughout 2019, Grupo Cooperativo Cajamar maintained its support for the agri-food sector, consolidating once again its position as a leading financial services provider in Spain.

Over the course of 2019, Grupo Cooperativo Cajamar continued to develop its advisory model, as well as different channels through which customers interact with the Group. In this regard,

the Group has taken great strides with regard to digitalisation, both in mobile banking and *online* banking, offering customers new products, services and features. All whilst focusing on ensuring the best experience for our customers.

Sustainability in its multiple aspects plays a crucial role with regard to strategy, grounded in the Group's determination to set itself apart in accordance with its Vision 2025.

To achieve this, the Group follows its principles of cooperation, its on-going commitment to the social economy, and a set of ethical values derived from its social nature as a cooperative endeavour and its ethical system of management.

5.3 Strategic pillars

Having planned the horizon and positioning of the Group, seven strategic pillars were designed, which seek to establish and pave the way for the achievement of its objectives. This process has all the necessary monitoring and control mechanisms in place, as well as the commitment of all the people who make up this organisation.

Grupo Cooperativo Cajamar has also identified the different capitals and risks related to each

strategic pillar, as well as the stakeholders involved and the expectations associated with it.

From the specific perspective of sustainability, each strategic pillar also encompasses various different initiatives, which together form a specific route map in this area, grouped into three main blocks. These in turn make up Grupo Cooperativo Cajamar's sustainability strategy.

STRATEGIC PILLARS 102-15; 102-41	Related capital	Stakeholders	Expectations	Related risks	Sustainability route map	
Improving customer experience	Financial Industrial Intellectual Human Social Relational	Shareholders Members Customers Employees	E.1, E.2, E.4 S.1, S.2, S.4, S.5, S.6 A.2, A.3, A.4	R9 Re2, Re4, Re5, Re6, Re7	Enhancing transparency and disclosure of non-financial information	ETHICAL MANAGEMENT AND CORPORATE CULTURE
Optimisation of the operating model	Financial Industrial Intellectual Human	Shareholders Members Employees Suppliers Regulator	E.4, E.5, E.6 A.1, A.3, A.4	R10, R12 Re2, Re3, Re4, Re5	Strengthening the Ethical Management System	
Change management and development of talent	Intellectual Human Social Relational Natural	Members Customers Employees	E.1, E.2, E.4, E.5 S.3, S.6, S.5 A.1, A.3, A.4	R9 Re1, Re2, Re3	Developing the corporate culture through the corporate volunteering programme	
Developing the commercial and distribution model	Financial Industrial Intellectual Human	All	E.1, E.2, E.3, E.5 S.1, S.2, S.4 A.2	R5, R7, R10, R12 Re2, Re3, Re4, Re5	Promoting socially responsible investment and sustainable finance	SOCIAL ECONOMY AND SUSTAINABLE FINANCE
Developing singularity in the target segments	Financial Industrial Intellectual Human Social Relational	Shareholders Members Customers Employees	E.1, E.2, E.4 S.1, S.2, S.4, S.5, S.6 A.2, A.3, A.4	R2, R9 Re1, Re2, Re5, Re7	<ul style="list-style-type: none"> Supporting the Group's strategy to strengthen its presence in the social economy Contributing to local and regional development, coordination and integration 	
Risk management	Financial Industrial Intellectual Human	Shareholders Members Customers Employees Regulator Analysts	E.3, E.4, E.5, E.6 A.1, A.2	All	Managing risks and opportunities linked to the SDG	SUSTAINABLE DEVELOPMENT
Developing the new technology model	Industrial Intellectual Human Natural	Shareholders Members Customers Employees Suppliers Regulator	E.1, E.2, E.3, E.4, E.5, E.6 S.1, S.3, S.6 A.1, A.3, A.4	R12 Re2, Re5, Re6	Implementing TCFD recommendations on climate change	

6. Performance

6.1 Economic Dimension



Related Information
► [Consolidated Annual Accounts](#)

6.1.1 Transparency, good governance, compliance and control (expectation E1)



Related Information
► [Annual Corporate Governance Report](#)

Transparency

For Grupo Cooperativo Cajamar, transparency is a key pillar in its relationship with stakeholders and underpins its ethical conduct. The proper combination of these two facets is central to the implementation of good corporate governance practices and to the avoidance of asymmetrical information and moral hazard.

As part of its commitment to transparency, the Group has gone a step further by publishing non-financial information together with its consolidated accounts, in response to Act 11/2018 of December regarding non-financial information and diversity. In this regard, every

year, the Group compiles this *integrated report* pursuant to European and international standards, principles and criteria.

The Group is a current member of and ambassador for the Transparency, Good Governance and Integrity Cluster led by Forética. It is a leading member of this Platform, which aims to establish common ground with regard to business leadership, knowledge, exchange and dialogue in this area.

Internal Governance

In addition to complying with legal requirements regarding internal governance, the Group also takes into consideration:

- The Guidelines on Internal Governance (EBA/GL/2017/11).
- The recommendations included in the CNMV Good Governance Code for Listed Companies, published in February 2015.
- The Corporate Governance Principles for Banks, drawn up by the Basel Committee on Banking Supervision, published in June 2015.
- Best practices in the field of Corporate Governance.

Although Grupo Cooperativo Cajamar closely follows the Guidelines, the Code and the Principles mentioned in the previous paragraph, it continues to work towards identifying opportunities for improvement in line with on-going regulatory developments in the field and the best corporate governance standards and practices.

Suitability

In accordance with its Suitability Policy, the Group adopts the following criteria when selecting directors:



In 2019, work was completed to adapt the Guidelines for assessing the suitability of board members and key post holders (EBA/GL/2017/12). In relation to these Guidelines, individual reviews were conducted to assess

the suitability of all the Group's Board members, as well as the Board as a whole. Continuing Professional Development and Integration Programmes were also approved and developed.

Compliance and control

The Group is taking great strides in the fight against corruption, anticipating and preventing its possible occurrence by training its staff members and continually updating the instruments available. In accordance with the supervision and monitoring model defined in the Criminal Risk Plan, in 2019 the Group reviewed the checks and controls in place to prevent the commission of offenses referred to in this Plan, including individual corruption.

In addition, the Group has a confidential whistleblowing channel available to employees to report possible infractions of the *Code of Conduct*, as well as any other type of irregularities or fraudulent activities within the organisation. In 2019, an anonymous tip-off option was also incorporated into this channel.

Finally, the Group is committed and works closely with national and international authorities to prevent money laundering and the financing of terrorism (AML/CTF). Hence, one of its strategic objectives is to have an effective, advanced and dynamic anti-money laundering (AML) system in place that can change with the times, and to ensure that all its staff members are duly informed, trained and aware of this reality, in which financial institutions and their corporate groups play a crucial and essential part in the fight against and prevention thereof.

Key anti-money laundering and counter terrorist financing measures:

1. Improving the detection of suspicious transactions. In order to strengthen the operations monitoring system available to the Group, we have developed an innovative tool that includes new scenarios and mathematical models of data analysis (predictive, segmentation and social media).
2. Outsourcing AML/CFT tasks, thereby increasing the resources allocated to this area.
3. Reviewing and updating the list of high-risk jurisdictions as part of the FATF reviews in the plenary sessions held during the year, reviewing the list of EU non-cooperative tax jurisdictions.
4. Introducing and developing procedures designed to improve efficient branch management by minimising administrative tasks.
5. Steering samples towards groups deemed to be most at risk according to the checks and controls defined, within the Group's control plan, in order to achieve greater accuracy and ensure proper compliance with established regulations and procedures.

6.1.2 The business model and the economic and financial situation (expectation E2)



Related Information

- ▶ Financial Information
- ▶ Rating

To fulfil its corporate mission to “contribute by means of financial solutions to the economic and social progress of its customers and members, as well as the environment where it operates”, Grupo Cooperativo Cajamar must maintain and further strengthen its economic and financial solidity. This is extremely important to the group as a whole and its stakeholders, as highlighted by different materiality assessments. Only responsible diligent management in this area will make it possible to guarantee the interests of all

members, customers and employees, whilst also fostering the creation of shared value and the generation of a positive impact on society. The Group understands that successful economic-financial performance is the means to achieve this and not an end in itself.

2019 was another positive year for the Group, achieving a strong performance in terms of profitability, business, liquidity and solvency.

Key aspects of the financial year

Profitability

- Increase in the interest margin, in spite of negative developments in interest rates.
- Increase in the gross margin and the result
- Progressive increase in profitability (ROA and ROE)

Business

- Year-on-year growth of customer funds under management
- Slight increase in healthy credit investment

Liquidity

- Continuous improvement of liquidity ratios: LCR and NSFR
- Maturities covered for the next few years, high bond issuance capacity, high discountable portfolio volumes

Solvency

- Continuous improvement of solvency ratios
- Improvement of CET1 (phase-in and fully-loaded)
- Ample compliance with minimum requirements imposed by the supervisor

The most significant figures in 2019

(Thousands of euros)

	31/12/2019	31/12/2018	Year-on-year	
			Abs,	%
RESULTS				
Interest margin	589,796	586,041	3,755	0.6
Gross Margin	1,147,654	934,076	213,578	22.9
Recurring Gross Margin	935,222	892,322	42,901	4.8
Operating margin	573,542	367,763	205,781	56.0
Recurring operating margin	361,109	326,007	35,103	10.8
Earnings before tax	113,412	69,104	44,308	64.1
Consolidated earnings for the financial year	92,495	82,252	10,243	12.5
Turnover				
Total assets on the balance sheet	47,406,455	44,078,805	3,327,650	7.5
Own funds	3,304,672	3,075,758	228,913	7.4
Retail resources on the balance sheet	30,561,447	28,498,653	2,062,794	7.2
Off-balance sheet resources	4,850,569	4,293,159	557,410	13.0
Healthy Credit Investment	29,574,566	29,126,027	448,538	1.5
Risk management				
Gross Credit Investment	31,522,642	31,584,988	(62,347)	(0.2)
Contingent Risks	706,355	728,419	(22,064)	(3.0)
Credit Investment Doubtful Assets	1,948,076	2,458,961	(510,885)	(20.8)
Doubtful Contingent Risks	7,862	6,257	1,605	25.7
NPL ratio (%)	6.07 %	7.63 %	(1.56)	
NPL coverage ratio (%)	49.10 %	43.60 %	5.50	
Liquidity				
LTD (%)	95.05 %	101.65 %	(6.6)	
LCR (%)*	212.33 %	207.49 %	4.84	
NSFR (%)	124.03 %	118.51 %	5.52	
Business gap	1,569,745	(491,371)	2,061,116	419.5
Phased In Solvency (*)				
CET 1 (%)	13.03 %	12.52 %	0.52	
Tier 2 (%)	1.66 %	1.74 %	(0.08)	
Solvency ratio (%)	14.69 %	14.25 %	0.44	
Leverage ratio (%)	6.25 %	6.39 %	(0.14)	
Fully loaded solvency (*)				
CET 1 (%)	12.32 %	11.55 %	0.78	
Tier 2 (%)	1.67 %	1.74 %	(0.08)	
Solvency ratio (%)	13.98 %	13.29 %	0.70	
Leverage ratio (%)	5.91 %	5.89 %	0.02	
Profitability and efficiency				
ROA (%)	0.20 %	0.19 %	0.01	
RORWA (%)	0.40 %	0.35 %	0.05	
ROE (%)	2.89 %	2.74 %	0.15	
Efficiency ratio (%)	50.02 %	60.63 %	(10.61)	
Recurrent Cost-Income Ratio (%)	61.39 %	63.47 %	(2.08)	

* Year-on-year variation compared to 01/01/2019

6.1.3 Global risk management (expectation E3)

In recent years, regulatory authorities have rolled out a series of mechanisms and regulations that seek to improve the capacity of entities to assess, control and adequately monitor managed risks, as well as to promote the recovery and management of unpaid risks.

Risk management is one of the pillars of Grupo Cooperativo Cajamar's Strategic Plan, and at the end of last year, the Group decided to strengthen its capacity in the overall management of risk by incorporating a new General Control Management that

would strengthen the functions and tasks required of this area to ensure the identification and measurement of significant risks within the Group. This new organisational unit will report to the management areas of Regulatory Compliance and Global Risk Control. Global Risk Control will still be responsible for monitoring and evaluating the Group's risk activities, always operating independently of the different business units, ensuring the correct identification and measurement of the risks facing the Group, in addition to compliance with the limits and policies established internally and by the supervisor.

Main actions developed in 2019 to strengthen global risk control

In accordance with Grupo Cooperativo Cajamar's Stress Test Governance Handbook, in relation to the single risk scenarios applicable to each of the material risks identified, the respective levels of Credit risk, Sovereign Risk, Reputational Risk, Concentration Risk, Market risk, Real Estate Risk, Operational Risk and Technological Risk have been defined.

The risk information used to generate FLESB files, files reported to the supervisor, has been streamlined.

Dry runs were held to ensure the success of the escalation process and decision-making in the activation of Grupo Cooperativo Cajamar's Recovery Plan. These dry runs focused on simulating:

- The escalation of information following the breach of a recovery indicator.
- Preparation of reports to support decision-making.
- Convening responsible bodies in the process.
- Communication with supervisors.

Credit Risk Control Reporting Systems. Automation project for recurring reports that are currently being drawn up by Credit Risk Control.

Updating the Collateral Risk Management Handbook to incorporate the use of public sector finance, in response to section 34 of the ECB guide to ILAAP; and the development of reverse stress tests on the supervisory net stable funding ratio.

Updating the Risk Appetite Framework

Grupo Cooperativo Cajamar's Risk Appetite Framework (RAF) is a dynamic framework, updated at least once a year, which is also adapted to improve its utility within the internal context, and comply with the expectations of regulators and supervisors. The RAF aims to:

1. Ensure that the Board of Directors issues guidelines about the type and amount of risk assumed by the Group. These guidelines are set forth in the "Risk Appetite Statement" drawn up by the Board of Directors, and they set the tone for the whole organisation with regard to risk. This approach is known as *"tone from the top"*.
2. This Risk Appetite Statement is materialised in the

form of different risk indicators and benchmark values. To this end:

- a. A limited number of metrics should be used.
 - b. The metrics must be properly defined to ensure correct interpretation.
3. The Risk Appetite Statement, its materialisation by means of indicators, and its evolution must be known and understood by the heads of risk management, control and audit, who must be involved in defining and updating the Risk Appetite Framework.
 4. These metrics must incorporate the minimum values set by the EBA for the activation of the Recovery Plan (RP) in cases of extreme difficulty.

Continuous improvement in the restructuring of the balance sheet

As a result of the Group constant efforts with regard to risk management, based on the principle of prudence defined in its Ethical Management System, and a model of retail banking business that is closely linked to local territory, focusing particularly on private individuals, the self-employed, SMES and large enterprises, and prioritising the broader agricultural sector and the social economy, the Group has been able to overcome the adversity stemming from the last economic crisis without the need for a public bailout. In addition, on the

basis of these market objectives and on account of its size, the Group does not engage in monopolistic practices, nor has it received sanctions for non-compliance violations in this area.

As a result, and thanks to the more favourable economic circumstances of recent years, the Group has been able to continuously improve the management of its balance sheet and reduce its irregular assets.

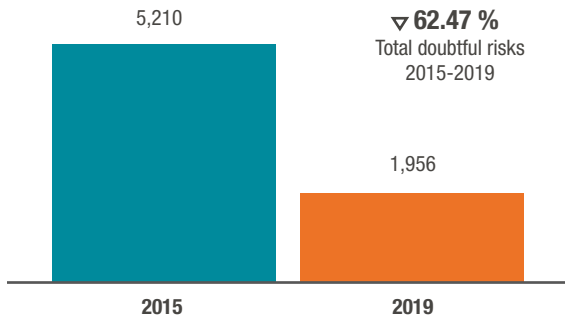
CREDIT INVESTMENT

(Figures in thousands of €)

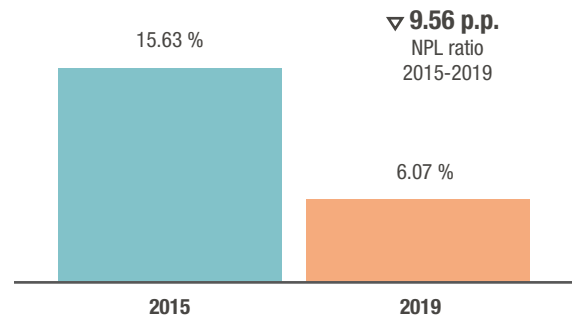
	31/12/19	31/12/18	Year-on-Year	
			Abs,	%
Public administrations	469,030	715,007	(245,977)	(34.4%)
Other financial companies	1,157,366	1,137,699	19,667	1.7%
Non-financial companies	11,838,270	11,268,888	569,382	5.1%
Homes	17,657,434	18,154,917	(497,483)	(2.7%)
Loans to retail customers (gross)	31,122,100	31,276,511	(154,411)	(0.5%)
Of which:				
Real estate developers	852,469	1,108,232	(255,763)	(23.1%)
Healthy credit to retail customers	29,174,024	28,817,550	356,474	1.2%
Credit Investment doubtful assets	1,948,076	2,458,961	(510,885)	(20.8%)
Other loans and credits *	-	-	-	-
Fixed income customer portfolio	400,542	308,478	92,064	29.8%
Gross Credit Investment	31,522,642	31,584,989	(62,347)	(0.2%)
Healthy Credit Investment	29,574,566	29,126,028	448,538	1.5%
Correction by Customer Credit Risk	(956,524)	(1,072,032)	115,508	(10.8%)
Total Credit Investment	30,566,117	30,512,957	53,160	0.2%
Off-balance sheet risks				
Contingent Risks	706,355	728,419	(22,064)	(3.0%)
of which: doubtful contingent risks	7,862	6,257	1,605	25.7%
Total risks	32,228,997	32,313,408	(84,411)	(0.3%)
Total doubtful risks	1,955,938	2,465,218	(509,280)	(20.7%)

* Mainly temporary acquisition of assets.

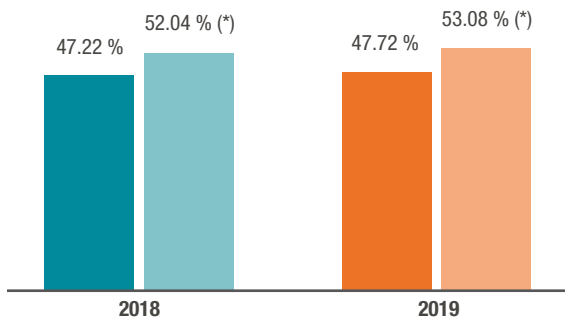
Total doubtful risks (millions)



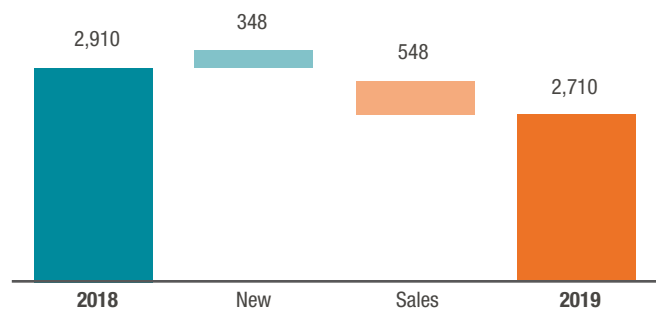
NPL ratio



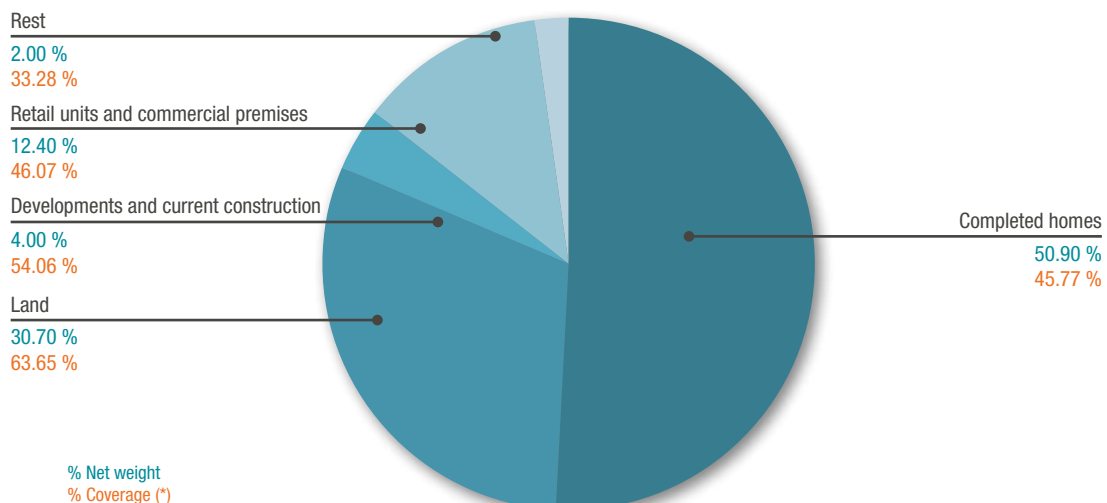
Foreclosed assets coverage ratio



Evolution of gross foreclosed assets (millions of euros)



Distribution of foreclosed assets by type according to net accounting value (and coverage ratio)



(*) Includes assets removed in the foreclosure process.

6.1.4 Protection, security, service quality, guidance and customer education

(expectation E4)



Related Information

- ▶ Customer Service
- ▶ Complaints and Claims
- ▶ MiFID Directive
- ▶ Conflict of Interest Management Policy
- ▶ Online Banking Security
- ▶ Global Quality Policy
- ▶ Order execution and management policy
- ▶ Accessibility Policy

Improving customer experience is a key strategic pillar for Grupo Cooperativo Cajamar, placing customers at the very centre of its business model. The Group is committed to delivering the best possible customer service, and to do so it applies a unique strategy based on the

principles of cooperation, the social economy and sustainable development, allowing it to continually improve its levels of transparency and the quality of products and services offered.

Grupo Cooperativo Cajamar is performing better than the sector average with regards to overall satisfaction



Grupo Cooperativo Cajamar has received the EMOTional Friendly Bank award presented by the consultancy firm EMO Insights, with the second highest number of fans of any banking organisation.



The Group is leading the banking field in terms of customer recommendations.

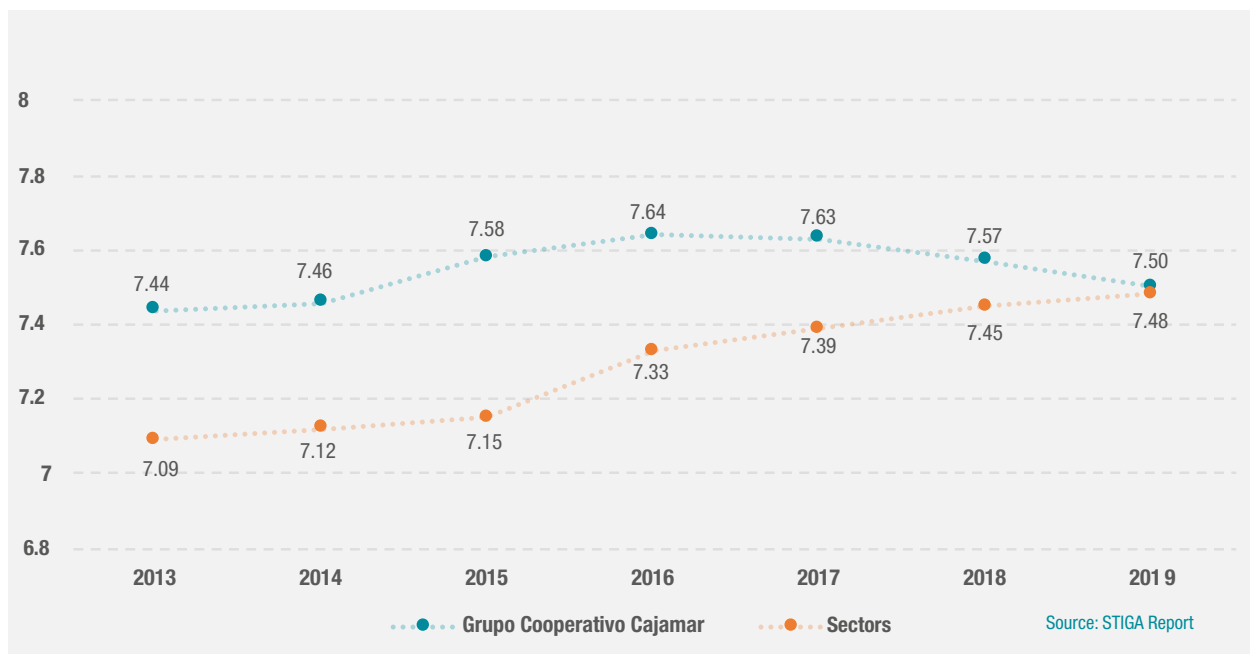
	Grupo Cajamar	Market average 2019
NPS (Net Promoter Score)	7.5 %	4.0 %
Satisfaction	7.50	7.48
Satisfaction with the manager	8.46	8.41

Source: STIGA Report

Explanatory notes:

1. The Net Promoter Score is an index created on the basis of willingness to recommend a service provider, on a scale from 0 to 10. Based on their responses, Customers can be classed as promoters (scores of 9 and 10) and Detractors (scores of between 0 and 6). So, $NPS = \%promoters - \%detractors$, so that the indicator scale ranges from -100 to +100.
2. Satisfaction is measured in average values and is related to overall satisfaction with regard to the entity.
3. Satisfaction is measured in average values and is related to satisfaction with regard to the manager.

Overall satisfaction of customers with the Group



Improving internal quality

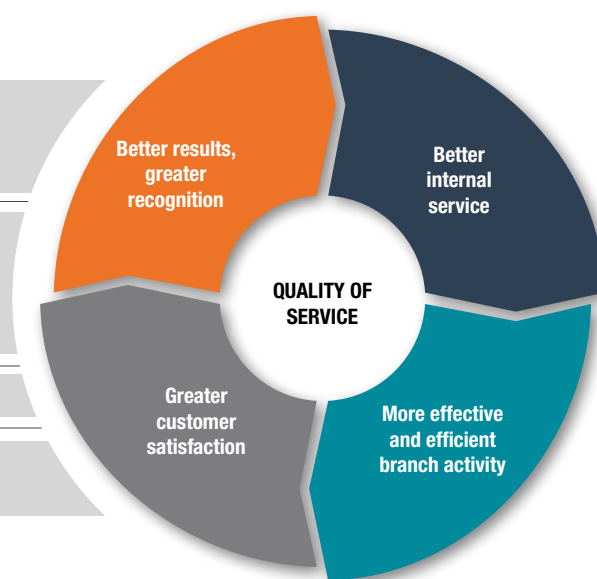
The Group has been working hard in recent years to improve the internal quality of service delivered to the branch network, focusing on four integrated pillars of activity:

Improving the service provided to the network, through action plans, following the results of the internal customer satisfaction survey.

Maintaining the quality of service provided to branches, with the same quality standards applied to external customer service, through the establishment of Service Level Agreements (SLA) between the network and the various departments.

Setting objectives in Central Services.

Deploying training and communication measures in Central Services.



Main pillars for customer protection

The Group has an Accessibility Policy in place that sets out criteria and guidelines for developing measures to improve accessibility for all, especially members, customers and employees.

This policy ensures the adaptation of all its physical facilities, the phasing out of architectural barriers, the progressive renovation and renewal of furniture to suit people with functional diversity, the progressive application of Web accessibility.

The Group has been working with the Bank of Spain and the National Securities Market Commission for more than 10 years on an initiative that involves financial entities in the promotion of financial education and financial culture aimed at different groups, focusing chiefly on young people. Throughout all these years, the Group has expanded on the concepts of Financial Education taught in schools. Specifically, in 2019, it included a new session on mobile banking and cyber security.

As part of the Group's programme 'Finances that allow you to grow' 2018/2019, a total of 480 sessions were taught in 127 schools to over 6,000 students from all over Spain.

In the area of customer protection, in 2019 new legislation was passed, specifically the *Payment Services Directive* (PSD2). This law is associated with additional security measures and

The Code of Conduct is a determining factor in matters related to customer security and protection, the management of conflicts of interest, as well as the security and confidentiality of processes. In 2019, there were no substantiated claims in relation to the duty of secrecy regarding customers' personal data.



In order to ensure customer protection, Grupo Cooperativo Cajamar has developed a Commercial Policy, ensuring that all the products and services commercialised by the Group have been assessed with the aim of guaranteeing consumer protection. In 2019, there were no breaches of regulations or voluntary codes relating to product information and labelling, or regulations on marketing, including advertising, promotion and sponsorship.

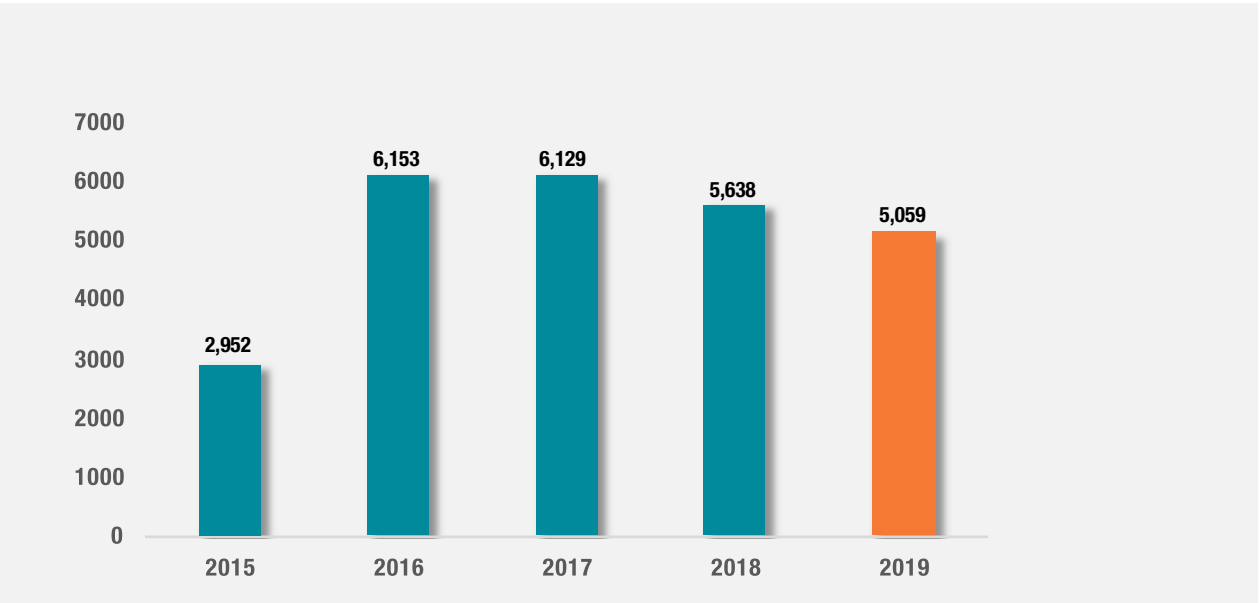
the implementation of *strong customer authentication*, further reducing fraud in remote transactions.

Customer Protection

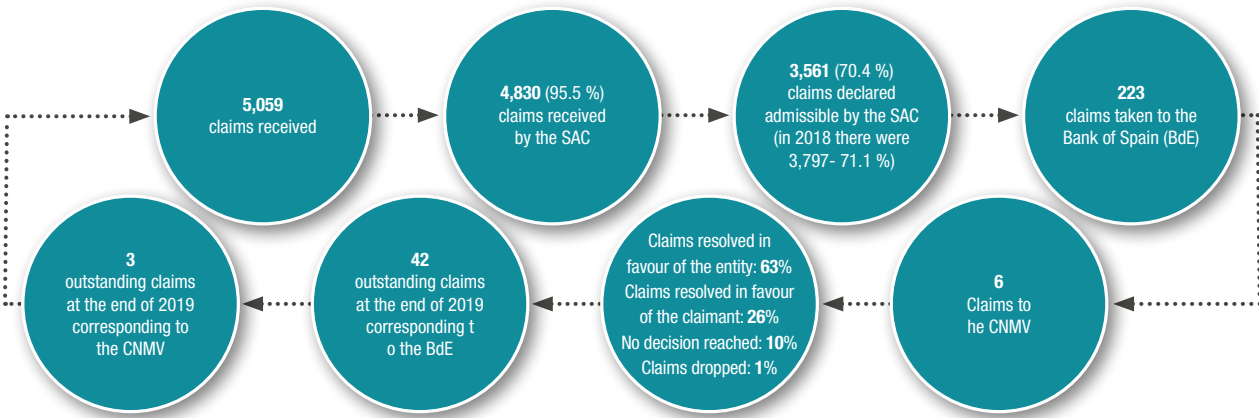
To further strengthen customer protection, the Group has a Customer Protection Regulation in place, regulating its Customer Service (SAC) activity, governed by the provisions of Act 44/2002 of 22 November. The main goals of the Customer Service department are to address and resolve any complaints and claims lodged by customers of the Group. With

regard to legislation, this year Act 05/2019 entered into force, regulating real estate credit contracts, strengthening consumer protection and increasing transparency in contracts.

Numbers of claims submitted*



*Statistical information relating to claims for charges (2,138, including 26 raised with the Bank of Spain) have been removed to avoid comparative bias with the figures from previous years.



6.1.5 Management of technological change (expectation E5)

Grupo Cooperativo Cajamar is continuing to work to build a better and stronger financial group every day, reaffirmed in the values of cooperative banking, one that is innovative, technologically advanced, and people-centred. In this respect, the

Group is implementing a new model of customer advice and service in its branch network and through digital channels, with a competent professional team in receipt of constant training.

Achieving local and regional coordination and integration through Grupo Cooperativo Cajamar's branch model

The Group's branch model allows it to strengthen the bond between the population and their local area, thus combating depopulation and favouring the development of local communities. In addition, more and more branches

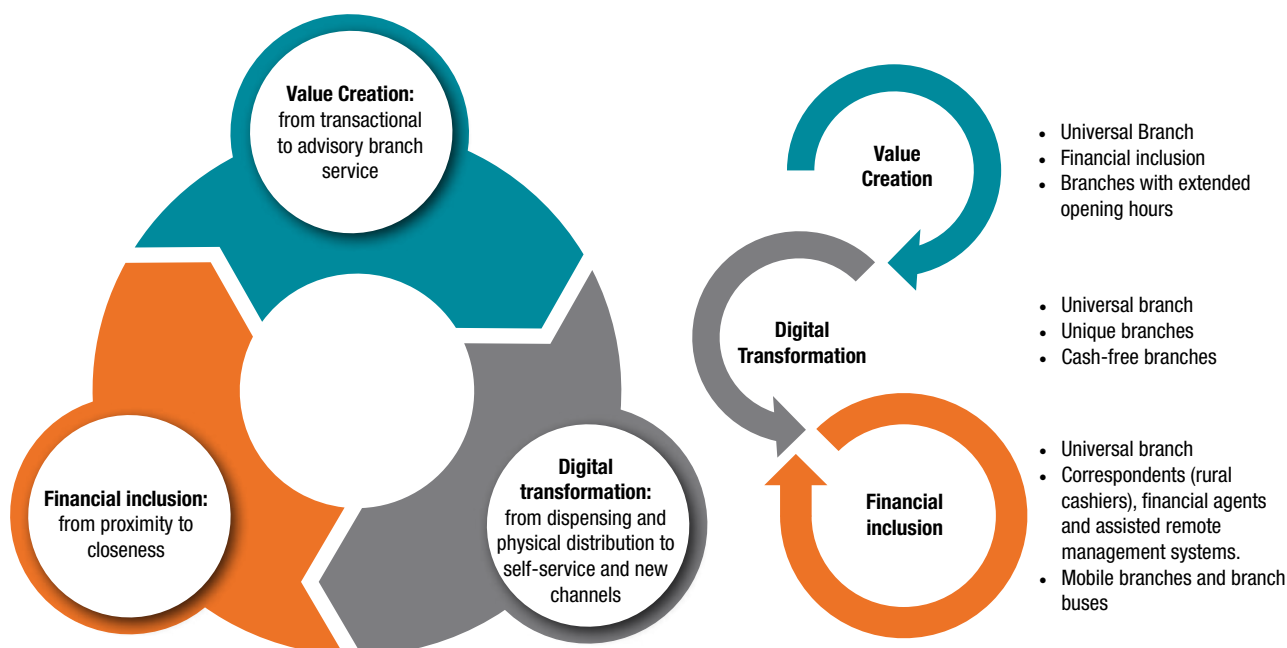
now have a 'full equip' ATM so that customers can carry out all their banking operations digitally, reducing in-branch cashier activity



Inclusion of mobile payment and Apple Pay at ATMs.



Reduction in the number of cashier transactions carried out in branch by more than 9.5 million in three years.

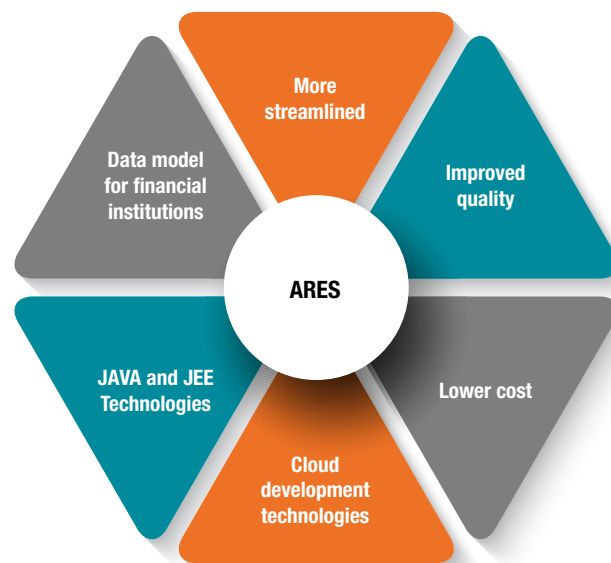


The digital transformation is already here

The Group is engaged in a process of digitalisation, renewing and continually improving its channels with regards to the customer service available via mobile banking as well as in branch. This on-going process of technological change is

allowing the Group to gain market share, which is increasing turnover and allowing it to be better prepared to cope with the new technological challenges that lie ahead.

New core banking, “ARES”, set up to deal with the new needs of the Group



Digital ambassadors: “Representatives of digitalisation”

‘Digital ambassadors’ is the Group’s flagship project in the field of digital culture. The idea is that certain employees promote innovation and the potential of new technologies within the Group, passing on their digital knowledge and attitudes to their colleagues.



Meeting of Grupo Cooperativo Cajamar’s Digital Ambassadors

Digital channels and initiatives driven by digital ambassadors:

- LinkedIn: as a new way to reach customers and attract business.
- Challenges GCC: this is a new *gaming* dynamic, creating an environment that is familiar with new digital tools (LinkedIn, mobile payment, *push* notifications, *cybersecurity*, online banking, Grupo Cajamar App, etc.).

New features of the Grupo Cajamar app:

- Incorporation of Bizum in the *app*.
- Credit card application through the *app*.
- Simpler procedure to take out a Wefferent Pack
- Switching accounts for direct debit payments in a new “Direct Debit” option.
- Improvements in performance, security and error correction.
- New MOBILE SIGNATURE activation system.

In 2019, the Group approved its new *cyber-resilience and information security policy*

This policy sets clear guidelines to assure the Group’s processes, business and organisation in the face of adverse conditions, stress, or cyber attacks.

Objectives of the *Cyber-Resilience and Information Security Policy*

ANTICIPATE

RESIST

RECOVER

EVOLVE

Acknowledgement of a job well done

In 2019, the Group’s *gaming* experience received a Product Hacker Award for best digital product in the “Corporate” category (business initiative).



6.1.6 Global supplier management (expectation E6)

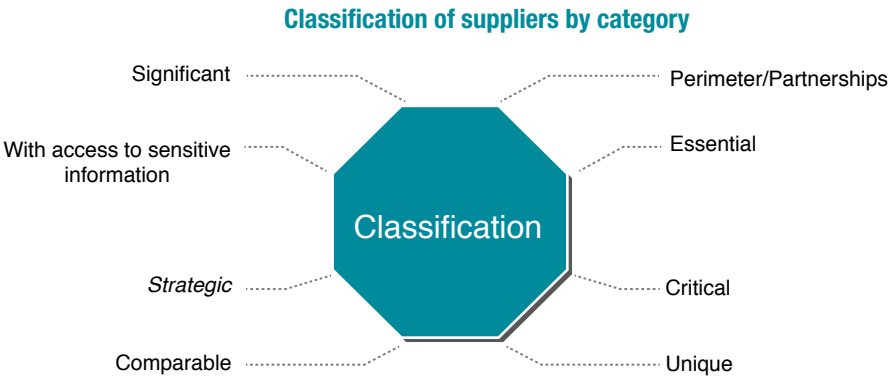


Related Information:

- ▶ Code of ethics and good practices with suppliers, collaborators and subcontractors
- ▶ Commitment in the approval of suppliers

To ensure the Group complies with the 10 principles of the Global Compact and the Sustainable Development Goals (SDG), to which it is fully committed, the collaboration and commitment of

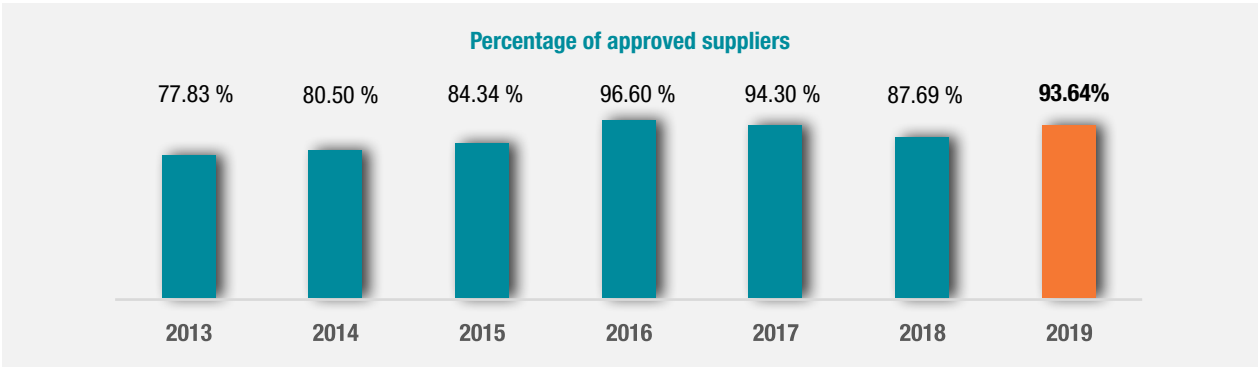
all agents in the supply chain is essential, in order to create a framework conducive to sustainability, reduce risks and be able to share good practices that positively affect the environment and society.



Supplier approval process and fundamental commitments

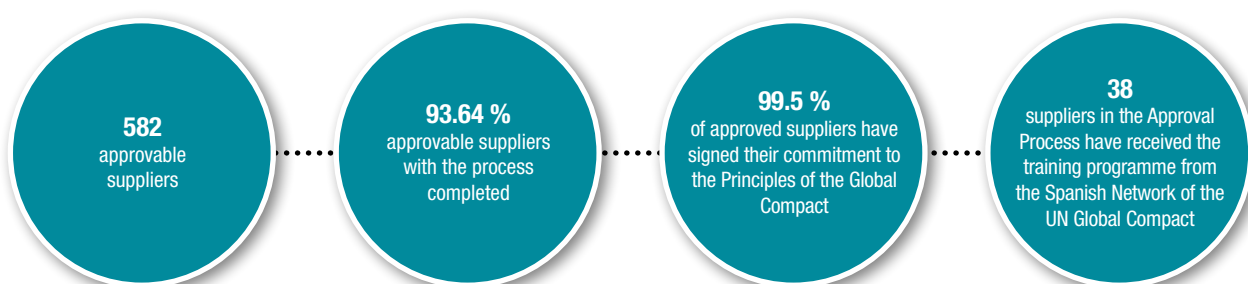
The purpose of the supplier approval process is to establish optimum levels to ensure that a supplier meets Grupo Cooperativo Cajamar’s requirements in terms of quality and suitability.

- Fundamental commitments
-Human and workers’ rights
 -Corruption and conflict of interest
 -Environment
 -Product/Service quality and security
 -Confidentiality
 -Outsourcing and transfer of the value/supply chain

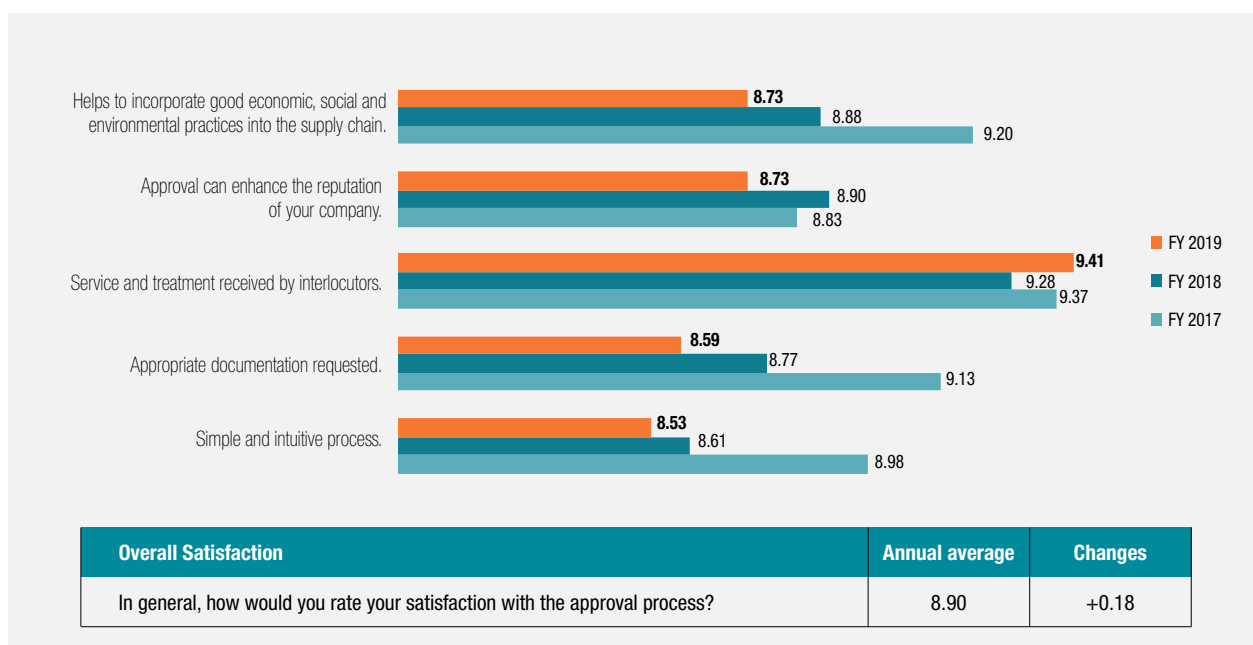


In 2019, the Group continued to work with the Spanish Global Compact Network on the pioneering supplier training programme throughout the approval process.

Turnover	FY 2019
Total turnover (thousands of euros)	261,275.76
Turnover of resident companies (thousands of euros)	257,396.38
Percentage of turnover from resident companies on total turnover	98.52 %
Turnover of non-resident companies (thousands of euros)	3,879.39
Percentage of turnover from non-resident companies on total turnover	1.48 %



Approval process satisfaction



In 2019, there were no significant negative impacts registered in terms of environmental, social or working practices in the supply chain, or any problems related to Human

Rights. In addition, during the financial year, 28 suppliers were ruled out as they did not meet the requirements of the approval process.

6.2 Social Dimension

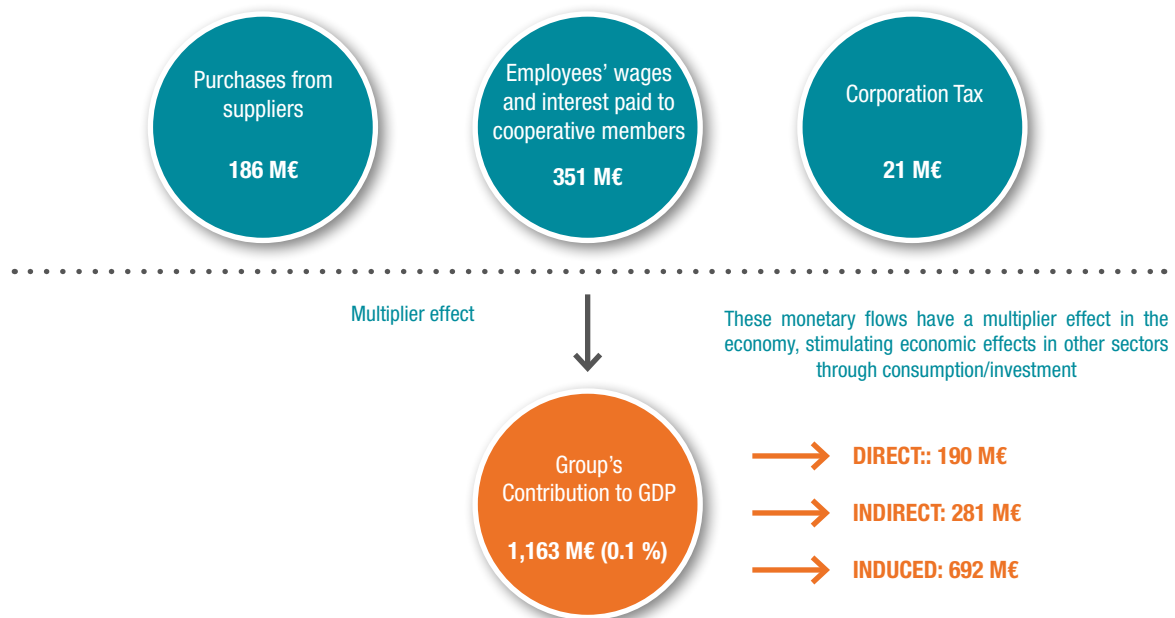
6.2.1 Financial solutions to foster economic development and social progress (expectation S1)

The Group's *raison d'être* is to support its members and customers in their economic development and contribute to local social progress, thereby also contributing towards the achievement of the Sustainable Development Goals.

Grupo Cooperativo Cajamar creates tremendous economic value nationally in order to support local economies in particular and the Spanish economy in general.

To calculate the positive effect generated by the Group within its operational territory, its major outputs and expenditures have been taken into account (wages, purchases from suppliers, cooperative returns and payment of the most significant taxes). The Group's direct and indirect contributions to Spain's GDP have also been fixed, using the *input-output* framework of the Spanish economy (INE).

Contribution of economic value distributed to Spain's GDP



By identifying the economic impacts arising from credit activity, we can see the generation and distribution of economic value generated by Grupo Cooperativo Cajamar. So,

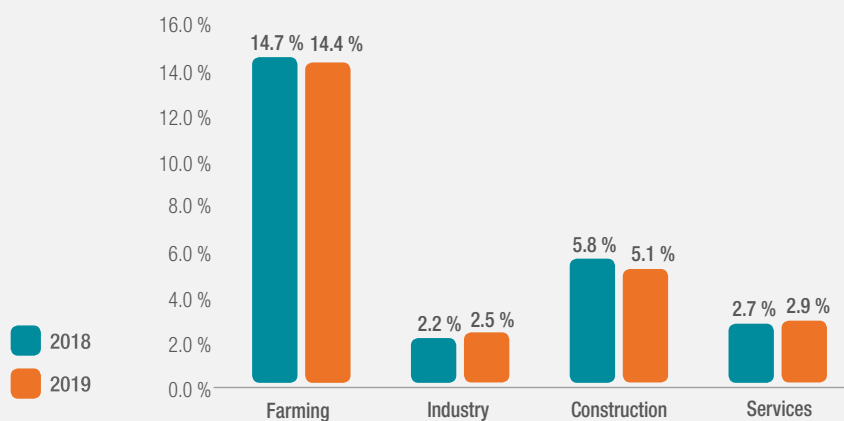
we have calculated the weight of the Group's credit activity in the country as a whole, measuring the leverage effect created with regard to the generation of wealth in terms of GDP.

Productive Sector	Financing provided by financial institutions to productive sectors (M€)*	Weight in total productive activities in Spain (%)	Financing provided by Grupo Cajamar to productive sectors (M€)	Total weight of the financing of productive activities in the Group (%)
Agriculture	21,777	4.0	3,143	17.3
Industry	104,304	19.3	2,561	14.1
Construction	27,670	5.2	1,398	7.7
Services	386,040	71.5	11,086	60.9
Total	539,792	100	18,188	100

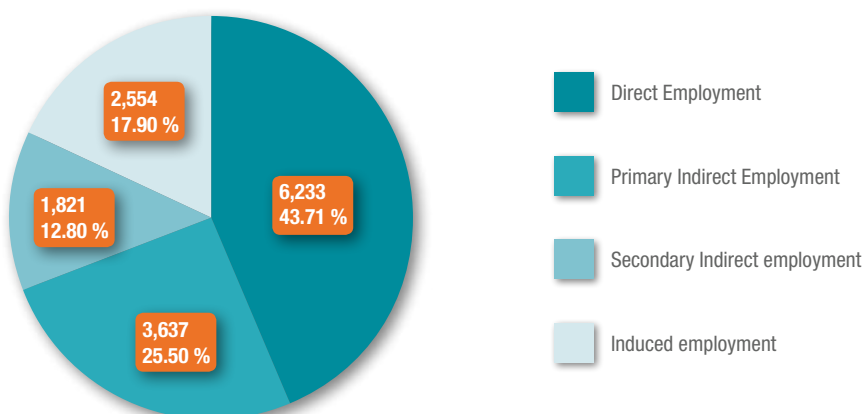
* Source: Own data based on figures produced by the INE, Banco de España and Grupo Cooperativo Cajamar.

Through its financing activity, the Group helped the productive sectors to contribute 10.766 million euros to the country's GDP.

Weight of the financing provided by the Group to productive sectors in the sector total in Spain (%)



Total contribution to employment in Spain through the main items of expenditure:



6.2.2 Financial solutions adapted to different life cycles (expectation S2)

Grupo Cooperativo Cajamar works to provide its customers with various financial options that will meet their needs on the basis of each life cycle and specific

situation. In doing so, the Group aims to support its members and customers in the materialisation of their ideas and projects.

Financial solutions for families and individuals	FY 2019
Number of operations	30,765
Amount (thousands of euros)	73,648

Financial solutions for home purchases	FY 2019
Number of operations	9,135
Amount (thousands of euros)	890,944

Financial solutions for studies and education	FY 2019
Number of operations	2,266
Amount (thousands of euros)	41,369

Financial solutions for the self-employed	FY 2019
Number of operations	10,057
Amount (thousands of euros)	271,083

Financial solutions geared towards young entrepreneurs in the agri-food sector	FY 2019
Number of operations	527
Amount (thousands of euros)	37,393

Financial solutions geared towards sustainable development (green products)	FY 2019
Number of operations	109
Amount (thousands of euros)	9,241

Note: The amounts and number of operations correspond to the total number of contracts formalised in the year 2019.

6.2.3 People management and adaptation to change (expectation S3)



Related Information

- ▶ Non-discrimination and gender equality in the labour market
- ▶ Work/life balance
- ▶ BCC Framework policy on Equal Opportunities and Non-Discrimination
- ▶ People Management
- ▶ Professional development and training
- ▶ Protocol for the prevention of bullying, sexual and gender harassment
- ▶ Code of Conduct

The Group understands that human resources management is key to maintaining its competitive advantage and ability to set itself apart. For this reason, it works towards providing its staff members with processes, procedures and policies

that guarantee optimum knowledge management within a healthy and motivating work environment, promoting professional development, diversity and talent among all the people who make up the Group.

Knowing opinions about the working environment in order to improve it



The Group's HR Management has decided to implement new ways of ascertaining the perceptions and opinions of staff members. To achieve this, it is working with Great Place to Work, a consultancy firm that specialises in evaluating organisations as places of work. Based on the analysis of results, appropriate

action plans will be developed to enhance values associated with corporate culture such as: trust, cooperation, and closeness, among others, with the aim of improving and making it a more attractive working environment and, in short, a better place to work.

A firm commitment to equality

Grupo Cajamar's commitment to equal rights and opportunities and non-discrimination has been established through the development of policies that integrate equal treatment, rights and opportunities between women and men, without discriminating directly or indirectly on the

grounds of gender. With the aim of creating a stable and committed framework for human and working relationships within Grupo Cajamar, the principles of equal opportunities and non-discrimination are one of the strategic pillars in the Group's approach to people management.

COMMITMENT AND EQUALITY FRAMEWORK POLICY

- Commitment of HR General Management
- Grupo Cooperativo Cajamar's framework policy and equality plans



PREVENTION OF GENDER HARASSMENT AND VIOLENCE

- Protocol for the prevention of workplace harassment, sexual harassment and gender violence
- Gender violence
- Equality Committee
- Harassment Protocol Team

WORK-LIFE BALANCE AND CO-RESPONSIBILITY

- *Guide for parents*
- *Maternity Guide*
(suspension of contract on account of birth and childcare by the biological mother)
- *Parental Guide*
(suspension of contract on account of birth and childcare by someone other than the biological mother)
- WORK/LIFE BALANCE Plan
- Decalogue of Co-Responsibility for the Egalitarian Man

PROXIMITY TO EMPLOYEES

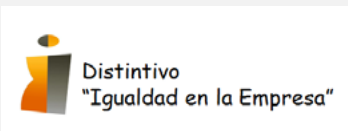
- News
- Events
- Useful links
- Decalogue for non-sexist communication in business
- Suggestion Box

Human Resources General Management is responsible for ensuring strict compliance with the Equality Act and all the measures established in the different equality plans, agreements and protocols, to achieve an appropriate balance and better compatibility between work responsibilities and the personal and family life of Grupo Cajamar employees. The Group guarantees the right to disconnect from work and from digital media, and negotiations are being held in accordance with the law to ensure effective policies and measures are in place in this regard.

The Equality Committee is responsible for overseeing equality and the work/life balance within Grupo Cooperativo

Cajamar. It is made up of representatives of the company and trade unions, and is governed by a series of internal regulations.

In 2019, the Group updated certain aspects of the *Protocol for action in response to sexual and gender harassment* in line with the changes proposed by the harassment team, to ensure the reporting and complaints handling procedure is more effective. In 2019, no lawsuits were filed by employees related to attitudes of discrimination, nor were there any significant judicial claims lodged regarding working conditions.



The Spanish Government Department responsible for Equality granted the "Equality in Enterprise" seal to Cajamar and to Banco de Crédito Social Cooperativo, in recognition of excellence in the implementation and development of equal opportunities measures, within the framework of their corporate equality plans and policies.

Strengthening diversity within the Group

Integration is a key issue in Grupo Cooperativo Cajamar

The proper management of diversity is a very important step in the integration of people with functional diversity as well as those with other cultural backgrounds. For this reason, the Group places special emphasis on these issues, collaborating with various organisations such as ALARES, the majority of

whose workforce (70%) is made up by people with some kind of functional diversity, and assisting in the organisation of activities and charity events aimed at helping groups who face greater difficulties in terms of social integration.

Acknowledgements and commitments in the field of diversity in 2019



The Spanish Red Cross (Cruz Roja) awarded the Group its "Company committed to occupational integration" seal.



"Socially Responsible Employer" certificate, awarded by Fundación Diversidad



Renewal of its commitment to the Diversity Charter for the period 2019-2020

No. of nationalities	No. of employees with functional diversity
30	119

Managing staff knowledge

CULTIVA, the Group's major talent management programme

CULTIVA provides a great opportunity to know the potential of each employee, facilitating their professional development within the organisation.



Self-evaluation		Top-down		Bottom-up	
Completed	% of Total	Completed	% of Total	Completed	% of Total
5,262	85.9%	5,502	89.8%	11,446	87.9%

Cultiva - MCD	BCC	Cajamar	Rest of Group	Holdings	Total Group
Self-evaluation	87.5%	83.8%	95.7%	92.1%	85.9%
Top-down	85.0%	90.0%	94.3%	92.5%	89.8%
Bottom-up	92.2%	86.7%	95.3%	86.9%	87.9%

Note: The percentage of employees assessed (top-down assessments) in relation to the number of employees at 31/12/2019 was 83.8%. Furthermore, in 2018, the percentage of top-down assessments was 5,254, 93.87% of the total.

Continuing Professional Development remains one of the fundamental pillars in Grupo Cooperativo Cajamar's approach to training and adaptation to change.

Hours of employee training by professional category and gender (404-2)

	Professional category (No. of participants)						Gender		Training expenditure over PAT*
	Board	Senior management	Type 1 Executive	Type 2 Executive	Middle managers	Others	Male	Female	
Number of employees	3	35	169	1,166	1,040	3,940	3,164	3,189	3.37 %
Hours received**	61	2,718	11,812	114,006	107,974	267,746	242,208	262,970	
Average number of hours	20.17	77.66	69.89	97.78	103.82	67.96	76.55	82.24	

* Profits after tax.

** The total hours of training received in 2018 was 692,973 and 504,315 in 2019.

Number of employees trained via skills management and continuing professional development programmes

Finance School (Savings)	FY 2018		FY 2019	
	Employees	% of total	Employees	% of total
EFF Savings-Basic level-MiFID II	652	10.81 %	155	2.44 %
EFF Savings - Intermediate level - MiFID II	934	15.48 %	505	7.95 %
EFF Savings - Advanced level - MiFID II	112	1.86 %	152	2.39 %
Total	1,698	28.15 %	812	12.78 %
Recertification	3,853	63.87 %	4,241	66.76 %

Finance School (Financing)	FY 2018		FY 2019	
	Employees	% of total	Employees	% of total
Level I	421	6.98 %	334	5.26 %
Level II	283	4.69 %	195	3.07 %
Level I+II	714	11.83 %	602	9.47 %
Total	1,418	23.50 %	1,131	17.80 %

Note: The ratio compared to the total number of employees has been calculated bearing in mind the number of employees who have received training (6,353 in 2019 and 6,033 in 2018), regardless of whether they are still active staff members by the end of the year.

Main courses delivered regarding regulatory compliance

Courses	FY 2018		FY 2019	
	Employees	% of total	Employees	% of total
Data Protection (GDPR)	1,309	21.70 %	3,006	47.32 %
Money laundering	1,796	29.77 %	2,100	33.05 %
Health and Safety in the Workplace	1,092	18.10 %	2,694	42.41 %
Market abuse	5,572	92.39 %	316	4.97 %
Code of Conduct and conflict of interest	5,733	95.03 %	1,749	27.53 %
Criminal Risks	3,404	56.42 %	191	3.05 %
Security of Information	5,570	92.33 %	6,178	97.25 %
Equal opportunities and work/life balance	5,674	94.05 %	543	8.55 %
Security in branches	4,419	73.25 %	310	4.88 %
Real Estate Lending Contracts Legislation	-	-	2,833	44.59 %

Note: The ratio compared to the total number of employees has been calculated bearing in mind the number of employees who have received training (6,353 in 2019 and 6,033 in 2018), regardless of whether they are still staff members by the end of the year.

FUNDAE Grants

FUNDAE Grants	FY 2018	FY 2019
Grants awarded (euros)	789,935.14	770,640.61
Grants spent (euros)	482,701.97	427,511.48
Training actions	369	357
Students	4,824	4,267
Employees	2,424	2,195

6.2.4 Avoiding financial exclusion (expectation S4)



Related Information

► [Financial Inclusion Policy](#)

Striving to achieve financial inclusion in rural areas is one of the hallmarks of Grupo Cooperativo Cajamar's identity. To do this, the Group is committed

to delivering financial products and services in line with the needs of rural communities.

Striving to achieve financial inclusion in rural areas

In addition to providing products and services in areas where traditionally they are hard to access, the Group reinvests its profits back into the places where they were generated, fostering job creation and slowing down rural depopulation. In doing so, it helps to strengthen economic, social and local bonds, thereby also contributing to the development of

the agri-food sector, which has a strong presence in these communities, and to the agri-food industry.

Looking for innovative ways to combat financial exclusion

Mobile branches that allows the Group to offer financial solutions to sparsely populated areas of Almería, Alicante, Valencia and Castellón

5 mobile branches
39 towns and villages
28,231 inhabitants

A management model that is based on improving efficiency and maintaining service and closeness in areas at risk of financial exclusion

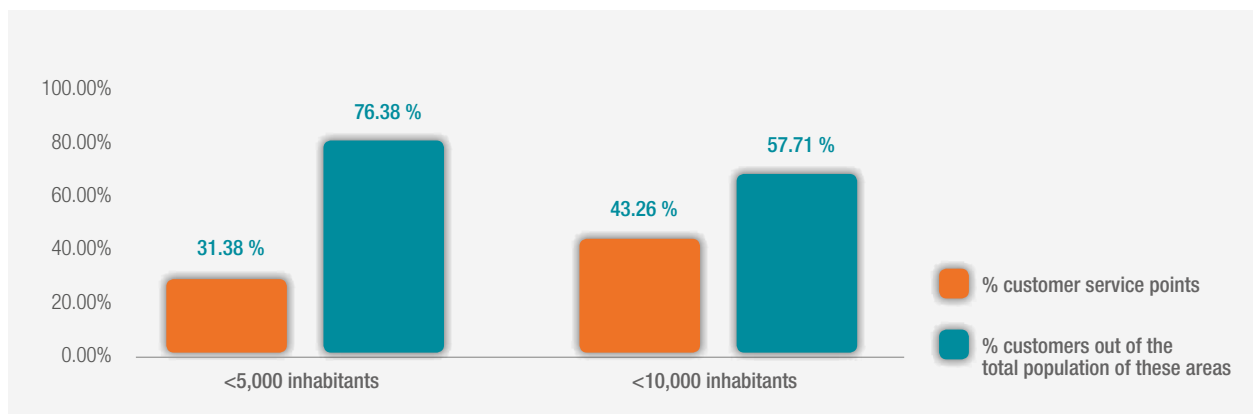
85 agent contracts for
121 localities

A model of branch banking based on proximity and closeness, which allows the Group to reconcile efficiency with its founding social commitment to the development of communities

31.38 %
of points of sale located
in villages with <5,000
inhabitants

76.38 %
coverage for the population
living in these areas

Presence of Grupo Cooperativo Cajamar in 2019



Note:

Customer service points include: branches, correspondents, agencies and mobile branches. For customers, only branches. The figure for customers is not allocated to correspondents, agencies, or mobile branches, but only to the main branch that oversees all these other customer service points. Source: Grupo Cooperativo Cajamar and INE.

Protecting mortgage holders

During the economic crisis, many people found it hard to keep up with their mortgage payments and rent due to a lack of income. Consequently, the Group sought to develop generic

and specific solutions and measures in an attempt to stop customers being evicted from their homes.

Measures to protect mortgage holders

Taking proactive measures to protect mortgage holders who are enduring financial hardship and are at risk of financial exclusion (refinancing, rent, dation in payment, etc.)

As soon as Royal Decree Law 6/2012 was enacted, the Group signed up to its Best Practices Code for viable debt restructuring

80 homes assigned to the social housing fund

212 operations for purchases/sales/dations in payment (primary residence)
94 of these operations involved rented properties

6.2.5 Social and cultural action (expectation S5)



Related Information

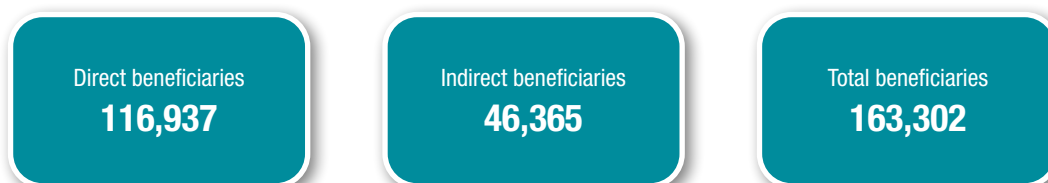
► [Financial Education Programme](#)

Socio-cultural programmes

The Group contributes to local sustainable development through a model of social action grounded in the very foundations of solidarity and social responsibility, inherent to its cooperative principles and values and the social economy. In

2019, through the Fund for Education, Training and Promotion, the Group contributed €163,050 to social and cultural action (€150,958 in 2018).

Beneficiaries of Grupo Cooperativo Cajamar's social and cultural action



Corporate volunteering

In 2019, Grupo Cooperativo Cajamar continued to promote corporate volunteering as an instrument to mobilise the talent and sensitivity of its employees. This is all channelled through the Corporate Volunteer Programme (Provoca), which the Group has been running since 2006, as well as through the Solidarity Team, an initiative whereby employees make micro-donations in order to support, jointly and democratically, different social, welfare and environmental initiatives.





Corporate Volunteer Programme (Provoca)

- 546 members
- Two charity trips awarded to employees who had won the “Suma en Positivo” points club, an initiative that involves adding up the number of hours each employee dedicates to volunteering.
- €4,000 donated to the Spanish Red Cross for the prevention of malnutrition and poverty among families at risk of social exclusion through the km of need campaign run by the Group: donating 3 euros per km run by a Group employee in a charity fun run.

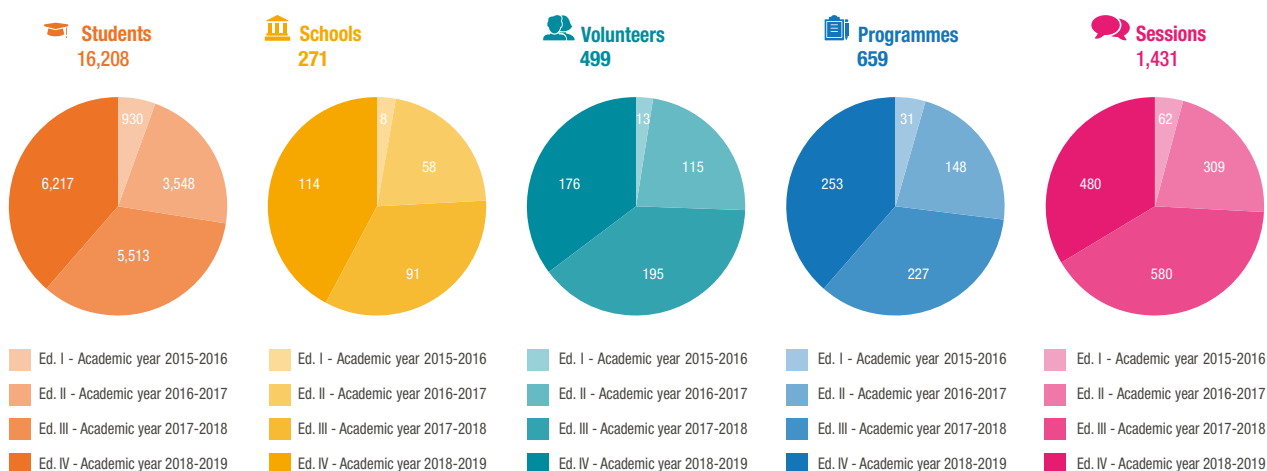
Solidarity Team

- 1,990 members
- Amount raised in 2019: € 33,530
- Accumulated amount raised (2008-2019): € 443,340
- No. of beneficiary projects (2008-2019): 37

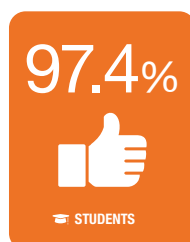
Financial Education

Since 2015, Grupo Cooperativo Cajamar has been running a specific financial education programme called “Finance that allows you to grow,” taught by volunteer employees whose purpose is to improve financial culture among students aged 14-16, and to promote its values within a culture of hard work and

education. The importance of saving to achieve a balanced and more equitable economy, along with the sustainable economy with its relevant social and environmental implications, form the core of the programme.



Programme Satisfaction



6.2.6 Contribution to the Sustainable Development Goals (expectation S6)



Related Information

- ▶ [Human Rights Policy](#)
- ▶ [Undesirable Connections](#)

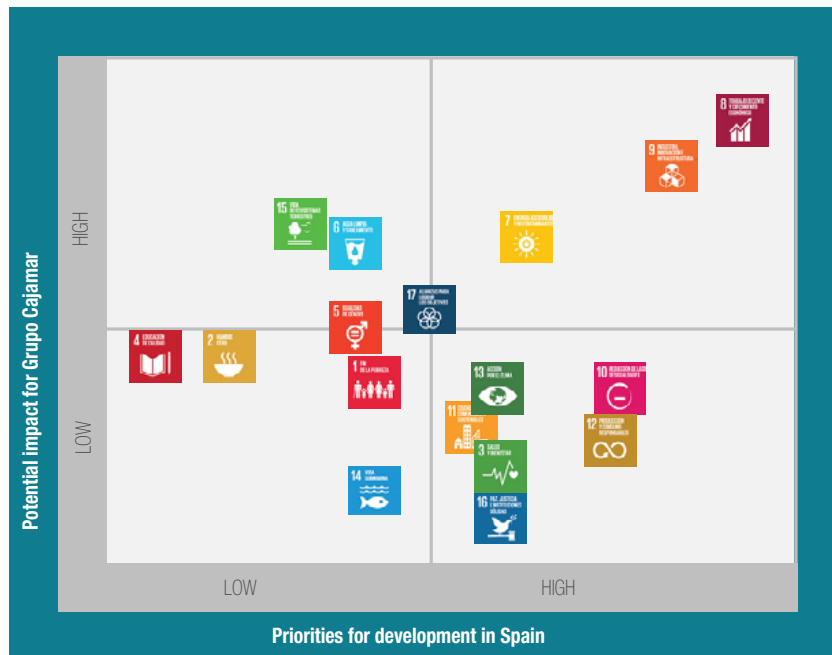
Grupo Cooperativo Cajamar is committed to the achievement of the Agenda 2030 and the 17 Sustainable Development Goals (SDGs), which are aligned and integrated into its strategy and business model.

Although all the SDGs are important and are indeed interconnected, the possibility of influencing each of them varies on the basis of the Group's own capacities and characteristics.

So, Grupo Cooperativo Cajamar has created its own materiality map in relation with the SDGs. To this end,

it has identified priorities within its sphere of action (Spain), taking into consideration the Agenda 2030 progress report drawn up by the Spanish Government, the evaluation of Spain's performance by the United Nations in its report (*SDG Index and Dashboards*) and the relationship found between the SDG and the main problems for Spaniards identified in the latest CIS survey published. The relevance for the Group's business model and its potential impact for each of these SDGs have also been taken into consideration.

SDG Materiality Map in Grupo Cooperativo Cajamar



Considering this materiality map, the Group is prioritising SDGs that are a priority for Spain as a whole, and in relation to

which the Group can potentially have the biggest impact.



PROMOTE SUSTAINED, INCLUSIVE, AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

14,236 jobs generated

1,163 M€ contribution to GDP (based on economic value distributed)

10,766 M€ (based on the productive sectors financed)

Grupo Cooperativo Cajamar is an organisation that is part of the social economy, and its activity is capable of generating and distributing value for local economies. The leverage effect of its lending is able to make a significant impact in terms of contribution to GDP and job creation.



ENSURE THE AVAILABILITY OF WATER AND ITS SUSTAINABLE MANAGEMENT, AND SANITATION FOR ALL

19,749 operations

2,399 M€ in finance to improve efficiency in the agricultural sector

Water management is a key factor in the agri-food sector and is strategic to Grupo Cooperativo Cajamar. Accordingly, the Group offers finance for projects to improve efficiency in the *agricultural* sector.

In addition, the Group has launched an Incubator for High Tech Companies specialising in Technological Innovation and Sustainable Water Management, which will host both entrepreneurs and small and medium-sized companies developing projects and new initiatives in this field.



MANAGE FORESTS SUSTAINABILITY, FIGHT DESERTIFICATION, HALT AND REVERSE LAND DEGRADATION AND END THE LOSS OF BIODIVERSITY

39 research projects to:

- Fight desertification
- Reduce the degradation of habitats that help to halt the loss of biodiversity
- Investigate different genetic varieties

The fight against desertification and soil degradation is also essential for this sector. In this regard, the Group set up various experimental stations, working to prevent overexploitation of the soil by looking for new more efficient, competitive and sustainable ways to grow.



BUILD RESILIENT INFRASTRUCTURES, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

9,545 operations

1,739 M€ to finance improvements to make SMEs more competitive

527 operations

37.3 M€ to finance entrepreneurs within the agri-food sector

Grupo Cooperativo Cajamar supports the real and productive economy that is people-centred. One example of this commitment would be the credit facilities available to improve the competitiveness of SMES and entrepreneurs in the agri-food sector.



ENSURE ACCESS TO AFFORDABLE, SAFE, SUSTAINABLE AND MODERN ENERGY FOR ALL

In 2019, **100 %** of the Group's electricity consumption came from renewable energy sources

21 operations and more than

2 M€ allocated to finance photovoltaic self-supply

Fully aligned with its commitment to more sustainable energy, for years now, the Group has only used renewable energy sources for its electricity supply.

Other initiatives aimed at strengthening this commitment include the launch in 2019 of a new finance facility for photovoltaic energy installations.



REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

The Group, as a cooperative entity, understands that collaboration and building partnerships with other institutions facilitates the exchange of knowledge and skills that favour the achievement of the SDGs. Hence, the Group is currently involved in numerous projects together with other organisations, including the following, which are closely linked to the achievement of the SDGs:

- It is involved in the Campaign **#COMPANIES4SDGs**, contributing training, information and corporate volunteering.
- Promoting the **principles of Responsible Banking**, to which the Group is a founding signatory.
- It is a member of **Spainsif**, leading SRI platform in Spain.
- The Group is also a member and leads various initiatives promoted by Forética in the area of Sustainability.
- Commitment to the **Global Compact**.
- For more information about the Group's other affiliations and partnerships in this field, [see page 17 of this report](#).

In addition, the activity of Grupo Cooperativo Cajamar itself and in conjunction with different projects generates an impact on other SDGs, thereby contributing to their achievement

Sustainable Development Goals		Initiatives
	PUT AN END TO POVERTY IN ALL ITS FORMS THROUGHOUT THE WORLD	<ul style="list-style-type: none"> Proactively implement measures to protect mortgage borrowers enduring financial hardship who are at risk of financial exclusion (refinancing, rental, dation in payment). Allocation of housing to the Social Fund
	END HUNGER, ACHIEVE FOOD SECURITY, IMPROVE NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE	<ul style="list-style-type: none"> "Km of need" initiative in collaboration with the Spanish Red Cross to help people in situations of extreme vulnerability so that they can buy basic goods. Finance facility for agriculture and livestock farming
	ENSURE HEALTHY LIVING AND PROMOTE LIFE-LONG WELL-BEING FOR ALL	<ul style="list-style-type: none"> Work/Life Balance Plan "Healthy Company" Programme with the aim of caring for and improving well-being in the company (campaign for the prevention of glaucoma, medical assistance for employees and their families, etc.)
	GUARANTEE AN INCLUSIVE, FAIR AND QUALITY EDUCATION, AND PROMOTE OPPORTUNITIES FOR LIFELONG LEARNING FOR ALL	<ul style="list-style-type: none"> Corporate volunteering programme "Finance That Allows You to Grow" AEB Programme and <i>Junior Achievement</i> "Your Finances, Your Future" Management Development School and Finance School <i>Agro-Food</i> DNA Training
	ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS	<ul style="list-style-type: none"> Training capsules to raise awareness about gender equality Decalogue for non-sexist communication in business Decalogue of Co-Responsibility for Egalitarian Men Update the protocol for action in response to sexual or gender harassment
	REDUCE INEQUALITY WITHIN AND BETWEEN COUNTRIES BY AIDING ECONOMIC, SOCIAL AND ENVIRONMENTAL DEVELOPMENT	<ul style="list-style-type: none"> Digital culture session aimed at bridging the digital gap affecting women in rural areas Mobile branches and agreements with financial agents to combat financial exclusion in rural areas Collaboration with the Red Cross on the "Employment" project favouring the inclusion of people at risk of exclusion
	ENSURE THAT CITIES AND HUMAN SETTLEMENTS ARE INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE	<ul style="list-style-type: none"> Energy efficiency and savings measures (LED lighting, presence detector, twilight switch, timed push buttons, windows with solar filters, etc.) The construction of the new central services facility in Almeria will comply with the highest standards in environmental sustainability and energy certification, along with the LEED and WELL building standards.
	ENSURE CONSUMPTION AND PRODUCTION PATTERNS	<ul style="list-style-type: none"> 100% of the Group's energy comes from renewable sources Design of green products (Wefferent variable rate mortgage, photovoltaic self-supply, organic farming and sustainable renting) Pilot projects for sustainable production in the agri-food sector
	ADOPT URGENT MEASURES TO COMBAT CLIMATE CHANGE AND ITS EFFECTS	<ul style="list-style-type: none"> The achievement of Carbon Neutral status by offsetting our CO₂ emissions through the support of projects with a high social and environmental impact Eco-Efficiency Plan 2018-2020 designed to minimise aspects that may have a negative environmental impact
	PROMOTE FAIR, PEACEFUL AND INCLUSIVE SOCIETIES	<ul style="list-style-type: none"> Policy on Human Rights and implementation of the 10 principles of the Global Compact The Group has an <i>Anti-corruption policy</i> in place to prevent corruption in all its forms, including extortion and bribery Affiliation to the Code of Good Taxation Practices promoted by the Spanish State Agency for Tax Administration encompasses:

Socially Responsible Investment (SRI) as a strategy for the achievement of the SDGs

Socially Responsible Investment (SRI) as a strategy for the achievement of the SDGs. Socially Responsible Investments represent a very important step forward in the achievement of the SDGs. For this reason, in recent years the Group has been implementing new strategies and approaches that have allowed it to develop a series of processes and its own methodology. Thanks to this methodology, in 2019, its investment management firm TREA managed to channel 97.8 %

of the total equity managed into investment funds that take into account ESG criteria (environmental, social and governance).

This further strengthens Grupo Cooperativo Cajamar's 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 criteria.



Assessment Strategies (best-in-class)

Selection of companies/projects that, having passed the financial analysis, offer greater value in terms of environmental, social and governance (ESG) criteria, in accordance with the main classifications of sustainability.



Exclusion strategies

Exclusions for behaviours that are contrary to international standards and basic rights.

Finally, in 2019 the Group compiled a series of undesirable connections, directly related to SRI, which it applies throughout the Group's credit and finance activity. This initiative demonstrates the Group's firm commitment not to

finance companies and/or projects related to controversial activities. When making such decisions, it takes into account international standards and agreements, its own Ethical System of Management, and fundamental principles of sustainability.

Undesirable Connections established by Grupo Cooperativo Cajamar in the field of SRI



CONTROVERSIAL WEAPONS

Manufacture and distribution of a specific type of weaponry that entail a high degree of cruelty to health and human life



NUCLEAR ENERGY (*)

Activities geared towards energy production based on nuclear fission. Controversy is associated with two areas, one of which is the problem of nuclear waste, the other refers to the variable severity/impact on risk management



COAL (*)

Activities geared towards the production of electrical, thermal or automotive energy through the combustion of coal, as the most polluting fossil fuel with the highest impact on climate change



PORNOGRAPHY AND PROSTITUTION

Activities involving the production and distribution of sexual images or content. Other activities that promote and/or profit through the exercise of sexual practices in exchange for money or other economic remuneration



GAMBLING (*)

Activities that promote gambling or betting: casinos, betting, bingo, etc. The main controversy lies in the negative effects these activities can have on health, associated with the different forms of gambling addiction



LOCATED IN TAX HAVENS

Companies or organisations whose headquarters are located specifically for the purposes of tax avoidance or evasion. Countries included on the OECD grey list are classed as tax havens



MULTI-LEVEL PYRAMID SCHEMES

Companies or organisations whose income and/or profits are derived directly from new members (partners, distributors, etc.). We include in this category companies or organisations with multilevel schemes that can be equated with pyramid schemes through *ad hoc* analysis



AT RISK OF CONTROVERSY

Companies or organisations charged with and/or convicted of corruption or criminal offences (including their administrators), as well as those affected by relevant controversies pertaining to social, environmental and ethical matters, detected by means of *ad hoc* analysis

(*) SMEs are not excluded

6.3 Environmental Dimension



Related Information

► [Environmental Policy](#)

6.3.1 Commitment to the environment (expectation A1)

Grupo Cooperativo Cajamar's environmental commitment is reflected in general terms through its *Environmental Policy*, which lays down the principles and criteria for sustainability within the Group. It defines the environmental management system as the set of interrelated tools and resources available to the organisation that aim to improve efficiency and sustainability within the Group.

Grupo Cooperativo Cajamar's commitment goes beyond legal obligations, taking on voluntary commitments by implementing an environmental and energy management system, as well as developing principles and good environmental practices in all its activities.



ECO-EFFICIENCY PLAN

The Environmental Sustainability of the Group is developed on the basis of *the Eco-Efficiency Plan 2018-2020*.



Energy Saving and Efficiency Plan

This plan seeks to make the Group more competitive by reducing costs and minimising the negative environmental impacts of its activity.



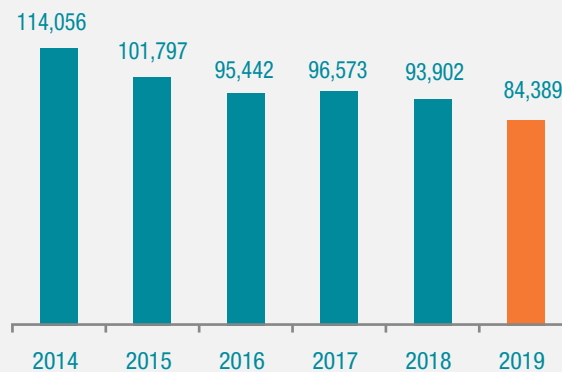
¹ Diesel consumption is not considered significant.

² The intensity of consumption was calculated based on the number of employees at 31/12/2019. GJ is a unit of power equal to 1 million joules.

Energy saving and efficiency measures

- Insulation measures.
- Optimising the operation of heating and ventilation systems.
- Optimising lighting on our premises.
- Cost-saving measures implemented in our office automation systems.
- Installation of smart printers.
- Installation of automatons.
- Fluorescent and incandescent bulbs swapped for LED technology.
- Use of windows with solar filters.
- Use of energy efficient equipment.
- Optimisation of air conditioning.
- Staff awareness about energy savings on our premises.

Changes in internal energy consumption (GJ)



Investment and energy saving in 2019 (Eco-Efficiency Plan)

Lines of energy savings	Annual actions (units)	Investment (€)	Energy savings (GJ)
Air conditioning	23	247,858.37	193.78
Renew LED	25	43,787.42	214.91
Installation of automatons	79	256,750	367.01
Total	127	548,395.79	775.70

Other Investment and Energy Savings Actions in 2019 (Eco-Efficiency Plan)

Lines of energy savings	Annual actions (units)	Investment (€)	Energy savings (GJ)
Photovoltaic installations for self-supply	1	21,700	76.58
Freecooling/Recuperators	1	3,809.76	N/A
Total	2	25,509.76	76.58

N/A: Data not available

Planned Investment and Energy Savings Actions in 2020 (Eco-Efficiency Plan)

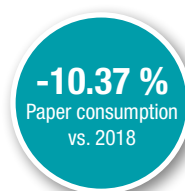
Lines of energy savings	Annual actions (units)	Investment (€)	Energy savings (GJ)
Installation of automatons	70	227,500	325
LED lighting	50	75,000	430
Renew R22 Climate Control	20	270,000	168
Total	140	572,500	923

External energy consumption (GJ)	FY 2019	Year-on-year variation
Employee secondment	9,308	4.64 %
Business Travel (train and plane)	15,026	37.97 %
Vehicles	10,888	30.13 %
Total consumption	35,222	25.11 %

Consumption of paper, cardboard, printer ink and other consumables

Grupo Cooperativo Cajamar encourages efficiency in the consumption of resources such as paper. The different actions implemented are positively affecting this aspect through the digitalisation of processes, as well as through the “paperless

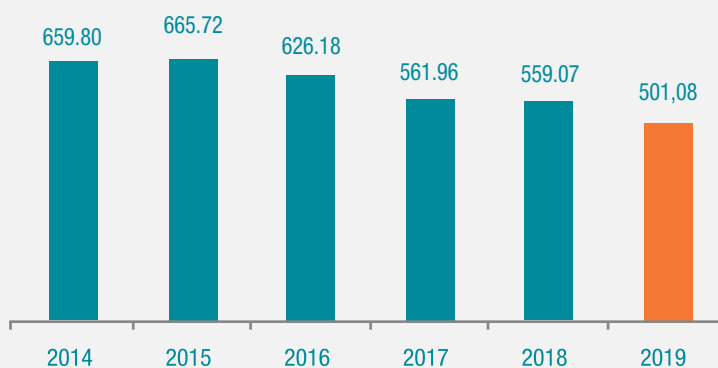
office” initiative, which aims to change the way employees work at Central Services and Regional Management Units, with a direct and indirect impact on branch staff.



Cost-saving and efficiency measures in resource consumption

- Signature digitalisation.
- Installation of dual monitors in offices.
- Plan to renew old printers in branches.
- Use of recycled paper at Central Services and in the branch network.
- Migration of devices to mobile devices.
- Review of processes to avoid printing and optimise operational efficiency.
- Printer centralisation.
- Elimination of plastic cups in offices and branches.
- Awareness of double-sided printing, multiple pages per sheet, colour, etc.

Changes in paper consumption (t)



In addition, the Group's commitment extends to the management of all natural resources and, of course, any raw material that has a negative impact on the environment, striving to respond in accordance with the same principles of sustainability.

Hazardous waste managed	FY 2019	Var % vs. 2018
Printer cartridges (units)	16,706	-10.67 %
Electrical Equipment (Kg)	1,119.49	+21.68 %
Tubes and bulbs (units)	685	-18.55 %
Electronic equipment (t)	104.70	-27.89 %

Water consumption

In general, the steps being undertaken to reduce water consumption are geared towards tightening efficiency in

existing systems and facilities, as well as promoting good practices to optimise its use on a daily basis.

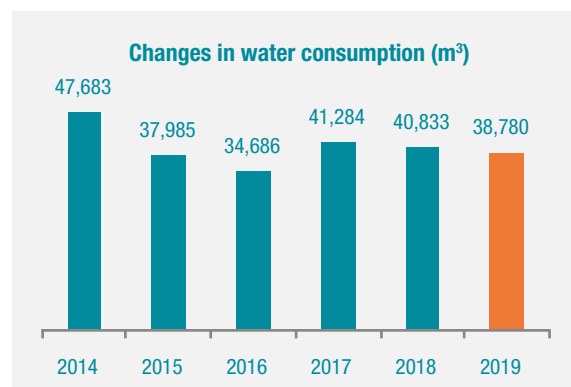


*All water consumed comes from the public water supply.

** The intensity of consumption was calculated based on the number of employees at 31/12/2019.

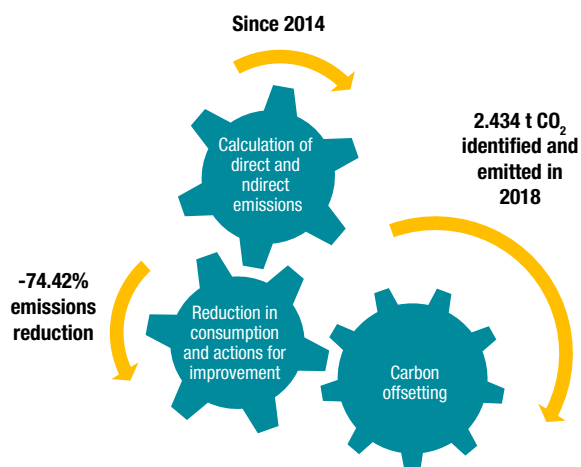
Actions aimed at reducing water consumption

- Replacement of conventional toilet cistern for dual flush models.
- Installation of water-saving devices.
- Adjusting flush volumes.
- Incorporation of irrigation systems aimed at promoting water savings and efficiency in green areas.
- Installation of electrical shut-off valves.
- Staff awareness campaigns.



For several years, Grupo Cooperativo Cajamar has been calculating its carbon footprint in accordance with each of the three areas, taking as a reference. *The Greenhouse Gas*

Protocol, the international standard developed by the *World Business Council for Sustainable Development (WBCSD)* and the *World Resources Institute (WRI)*.



2,434 tonnes of CO₂ were offset in 2019 by purchasing credits for the Conservation of Madre de Dios project in the Amazon, helping to reduce deforestation in the area, allowing for sustainable forest management and generating benefits for local communities.



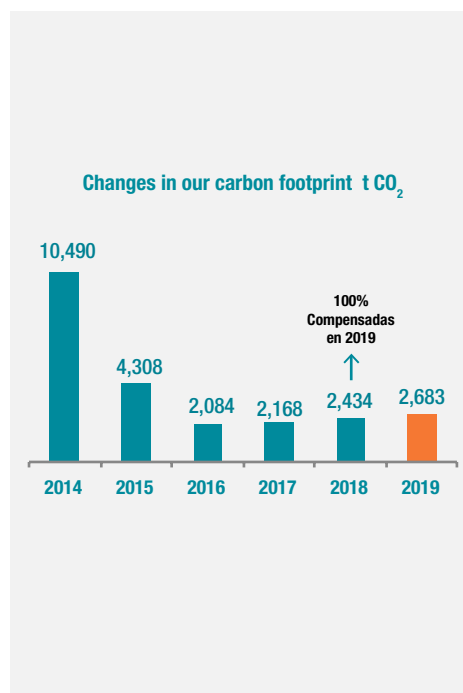
Emissions from refrigerant leaks in 2019

Refrigerant Gas	Recharges (kg)	t CO ₂ equivalent*
R407C	77.98	138.27
R410A	110.37	230.46
R427A	5	10.71
R407A	0	0
R434A	0	0
R422D	19.70	53.76
R422A	0	0
Total	213.06	433.20

(*) Using gas equivalences, calculated on the basis of the 100 year GWP, according to the data in Annex I, of AR4, in the 4th IPCC report.

Direct-Scope 1	t CO ₂ e
Vehicles	380
Refrigerant Gases	433
Total direct emissions	813
Indirect-Scope 2	t CO ₂ e
Electricity	0
Indirect-Scope 3	t CO ₂ e
Employee secondment	695
Business Travel (train and plane)	1,175
Total indirect emissions	1,870
Total emissions	2,683

Intensity of CO ₂ emissions/ 2019 t CO ₂ e	t CO ₂ e
Direct Scope 1	0.13
Indirect-Scope 2	0
Indirect-Scope 3	0.30
Total emissions	0.43



In 2019, the Group received no fines or sanctions for non-compliance with environmental laws or regulations, in relation to actions within society, or the supply and use of products and

services, which could be significant in relation to assets, financial position and consolidated results.

Environmental Certifications, initiatives and platforms



International Standard for Environmental Management, which enables us to demonstrate the Group's on-going commitment to improving environmental performance.



Energy Management System in accordance with the ISO 50001 standard.



The Group voluntarily reports its carbon footprint management to CDP. In this area, it achieved a **B rating in 2019**.



Every year, the Group voluntarily records its carbon footprint through the Spanish Office for Climate Change within the Department for the Ecological Transition. The seal awarded distinguishes organisations that calculate their carbon footprint and commit to its reduction.



The Group leads the Social Impact Cluster, a leading business platform in Spain, which seeks to drive strategic positioning in the face of climate change.



Every year, the Group takes part participates in the "Earth Hour" campaign, organised by the World Wildlife Fund (WWF); an international initiative of environmental mobilisation.



A platform that is striving to mobilise society as a whole to tackle the climate emergency.

6.3.2 Risks and opportunities arising from climate change (expectation A2)

Climate change has become one of the priority challenges our society must tackle. This is a problem that we must address without any further delay and by taking a global approach.

The financial sector must play a prominent and essential role in order to deal with this challenge successfully, as reflected in the Principles of Responsible Banking promoted by UNEP FI, ratified in 2019 by Grupo Cooperativo Cajamar as a founding signatory, along with other banking institutions around the world.

Grupo Cooperativo Cajamar is particularly sensitive to the implications of climate change. This is due to the

fact that the primary sector is strategic to the Group, for which climate change represents both a risk for its own activity and that of its members and customers, as well as an opportunity, considering the unique capacity of this sector to contribute possible solutions.

In this regard, Grupo Cooperativo Cajamar follows the recommendations established by the *Task Force on Climate-related Financial Disclosures* (TCFD) in order to deal with potential impacts related to climate risks both in terms of transition risks and physical risks. Following a thorough review process and internal planning, its risk map serves to identify the possible consequences (risks) and climate opportunities.

Potential consequences of climate change for Grupo Cooperativo Cajamar

Possible consequences	Timeframe (1)	Impact on financial strategy			
		A	B	C	D
Political and Legal <ul style="list-style-type: none"> Increase in operating costs due to the increase in electricity and fuel prices Depreciation of the assets of companies in the investment portfolio that require a high consumption of energy 	1-3 years	X X	X	X	
Technological <ul style="list-style-type: none"> Costs and investments associated with more efficient technologies 	3-5 years	X	X		
Market <ul style="list-style-type: none"> Increase in operating cost for customers due to the increased cost of raw materials Cost of adaptation for customers 	1-3 years	X			
Reputation <ul style="list-style-type: none"> Reduction of income and associated costs resulting from a reputational crisis. 	1-3 years	X			X
Acute physical risks <ul style="list-style-type: none"> Reduction in income due to the negative impacts on companies in the investment portfolio, or on customers, whose solvency and payment capacity has been affected 	1-3 years	X			
Chronic physical risks <ul style="list-style-type: none"> Increase in the costs of those customers to deal with damages or losses in their assets caused by weather incidents, thus affecting their solvency or payment capacity. 	1-3 years	X			

Potential consequences of climate change for Grupo Cooperativo Cajamar

Relevant climate opportunities	Timeframe (1)	Potential financial impacts				
		Description	A	B	C	D
Resource efficiency						
1. Use of more efficient production and distribution processes	1-3 years	1A. Cost reduction due to improvements in operational eco-efficiency (use and management of energy, water, paper, etc.).	X	X		
	1-3 years	1B. Greater contribution of revenue from new opportunities for credit and investment related to new more efficient forms of production and distribution systems.	X			
	3-6 years	1C. Greater contribution of revenue from advice on risks and opportunities in the agricultural sector.	X			
1. Use of more efficient production and distribution processes	3-6 years	2A. Greater contribution of revenue from new lending opportunities for customers who will adapt their properties to reduce their energy consumption.	X			
Energy sources						
3. Use of new technologies	<1 year	3.A New finance opportunities with customers who promote the use of new technologies such as drones in precision agriculture, irrigation sensors, etc.				
Products and Services						
4. Development and/or expansion of low emission goods and services	3-6 years	4A. Increase in the number of investors demanding green bonds.	X			X
	3-6 years	4B. Greater contribution of revenue from the financing of low-carbon and low water consumption technology and infrastructure projects, sustainable mobility projects, etc.	X			
5. Developing solutions for climate adaptation and the assurance of risks	3-6 years	5A. Greater contribution of revenue from solutions delivered to companies with a high environmental profile	X			
	3-6 years	5B. Greater contribution of revenue from more specific insurance solutions tailored to customers exposed to ROCC.	X			
6. Changes in consumer preferences	3-6 years	6A. Greater contribution of revenue from securing a competitive position that reflects changing consumer preferences	X			

Relevant climate opportunities	Timeframe	Potential financial impacts				
		Description	A	B	C	D
Markets						
7. Use of public sector incentives	1-3 years	7A. Greater contribution of revenue from participation and agreements with public sector initiatives and investors and public agents (collaborations with banks such as the European Investment Bank to promote efficiency in the agricultural sector)		X		X
8. Access to new insurance coverage	3-6 years	8A. Greater contribution of revenues from new insurance and reinsurance solutions as a result of the forecast of natural disasters.	X			
Resilience						
9. Participation in renewable energy programmes and adoption of energy efficiency measures	> 6 years	9A. Increase in market valuation through resilience planning and the ability to adapt. For example, through research and development in more efficient technologies in the agricultural sector		X		
	1-3 years	9B. Increase in market valuation through resilience planning in project finance. For example, focusing on projects to develop drought-tolerant crops.		X		

EXPLANATORY NOTES

Timeframe (1): Estimated time horizon

A: Operational costs and revenues

B: Capital investment and allocation of costs

C: Acquisitions or sales

D: Access to capital

Innovating in the development of methodologies and tools that contemplate climate change and other environmental aspects

For years now, Grupo Cooperativo Cajamar has been developing methodologies capable of including environmental variables when quantifying risk (solvency, liquidity) in addition to the variables traditionally used in this area. Over the past few years, the Group has implemented a tool that provides greater knowledge of the environmental regulatory risk exposure of customers, and, consequently, allows it to focus on providing appropriate risk management for customers that might also present a weaker financial position. In 2019, this tool was updated to include new environmental criteria related to climate change and the taxonomy published recently by the European Commission.

Alongside the development of this ECOrating tool,

in 2019, Grupo Cooperativo Cajamar also carried out an internal analysis of its portfolio, drawing up a classification of each activity carried out by its customers, on the basis of the CNAE classification of economic activities registered and the different thresholds set out within the European Commission taxonomy, their exposure to physical risks and transition risks, as well as their links to mitigation activities. This has enabled the Group to assess the carbonisation of its risk portfolio and climate classification, which is a big step for the Group in its ambition to remain at the forefront of this field, ready, willing and able to tackle the consequences of climate change in its sector, as well as to meet the needs and demands of its members, customers, shareholders, regulators and other stakeholders in the immediate future.

Advantages of having a portfolio rated and classified in times of climate



Analysis of the results obtained and reflected in the following tables should enable the Group to exploit potential business opportunities and be ready to respond to the demand for financing that companies affected by climate

risks may require in their transition toward activities that are compatible with the decarbonisation of the economy. This is a path that Grupo Cooperativo Cajamar has decided to facilitate and take alongside its members and customers.

Climate classification of the Grupo Cooperativo Cajamar portfolio

Results	Abs. (million €)*	%**
Volume of the portfolio exposed to the risk of carbon leakage	2,746.64	12.47 %
Volume of the portfolio exposed to at least one physical risk factor (temperature, wind, water or soil)	3,894.58	17.68 %
Volume of the portfolio associated with mitigation activities	5,634.38	25.58 %
Volume of the portfolio exposed to the risk of carbon leakage and associated with mitigation activities	1,500.43	6.81 %
Volume of the portfolio exposed to the risk of carbon leakage and not associated with mitigation activities	1,245.21	5.65 %
Volume of the portfolio without risk of carbon leakage and associated with mitigation activities	4,133.95	18.77 %
Volume of the portfolio not exposed to the risk of carbon leakage and not associated with mitigation activities	15,146.90	68.76 %
Volume of the portfolio exposed to the risk of carbon leakage or at least one physical risk factor	6,640.22	30.15 %
Total volume of the portfolio	22,026.49	100.00 %

*Data as of September 2019

**Percentage calculated on the basis of the volume of the total portfolio

Classification by climate risks according to sectors in the Grupo Cooperativo Cajamar portfolio

Breakdown of climate risks by sector	Abs. (million €)*	%**	%***
Primary sector	3,887.59	95.12 %	17.65 %
Exposure to risk of carbon leakage in the primary sector	5.95	0.14 %	0.03 %
Exposure to physical risks in the primary sector	3,881.64	94.98 %	17.62 %
Secondary Sector	2,753.63	47 %	12.50 %
*Exposure to risk of carbon leakage in the secondary sector	2,740.69	47.11 %	12.44 %
Exposure to physical risks in the secondary sector	12.94	0.22 %	0.06 %
Tertiary Sector	---	0 %	0 %
Exposure to risk of carbon leakage in the tertiary sector	---	0.00 %	0.00 %
Exposure to physical risks in the tertiary sector	---	0.00 %	0.00 %
Portfolio exposure to climate risks (both physical and carbon leakage) taking into account all sectors	6,640.22	---	30.15%

*Data as of September 2019

**Percentage calculated in relation to the sector total

*** Percentage calculated with regard to the total portfolio

Concepts/clarifications:

- **POTENTIALLY MITIGATING ACTIVITIES** refer to activities that contribute to the reduction of CO₂ emissions in accordance with certain thresholds. So, a potentially mitigating activity would be green if it is within the thresholds established by the taxonomy. Activities not classed as mitigation activities either do not have any mitigating potential, or the taxonomy has not yet set thresholds for various reasons.
- The **TAXONOMY** identifies sectors with activities that are considered potentially aimed at climate change mitigation: agriculture, forestry, manufacturing, electricity supply, etc.
- **CARBON LEAKAGE** refers to the situation that can occur when, for reasons of costs derived from climate policies, companies move their production to other countries with less stringent emission limits. This can lead to an increase in total emissions. The risk of carbon leakage may be greater in certain industries with high energy consumption. These are companies whose production is highly carbon-intensive, in other words, their transition is going to be more difficult or costly. (List of sectors at risk of carbon leakage in accordance with EC Directive 2003/87/EC of the European Parliament and of the Council of Europe with regard to the determination of sectors and sub-sectors considered to be at risk of carbon leakage for the period 2021-2030).

6.3.3 Support for innovation and research (expectation A3)



Related Information

- Fundación Cajamar
- Agro Innovation
- Las Palmerillas Experimental Station
- Experimental Station in Paiporta

Grupo Cooperativo Cajamar's commitment to the agri-food sector is rooted in its own origins, offering and specialising in specific products and services for the sector. For this reason, for more than 40 years, Grupo Cooperativo Cajamar has been contributing to technological development and innovation through its experimentation and training centres, as well as through numerous collaborations with universities, public research

institutes and companies.

The innovation, research and training activity promoted by the Group is geared towards the promotion of entrepreneurial culture within the dynamic agro-food sector, applying knowledge to value creation and improving the profitability of our agriculture with sustainable, environmentally friendly practices.



The Group is committed to knowledge as a key part of socio-economic development. Technical and professional training is the core of its model, permanently linking research to the *agri-food* sector, from a technical and socio-economic perspective.



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



The Group analyses the different variables that influence the *agricultural* sector. In addition, it has a department specialising in the analysis of different variables that influence the situation and development of the sector with the aim of providing responses to its constant evolution.

Strands of research



Agro-Sustainability

40 research projects



Food and Health

4 research projects



Bioeconomics

5 research projects



Greenhouse technology

10 research projects

6.3.4 Knowledge transfer (expectation A4)



Related Information

- ▶ Training
- ▶ Studies and publications
- ▶ Agro-Analysis

The Group's support for the generation of knowledge relevant to productive activities, and, in general, to the whole of society, as well as the

promotion of innovation and research in the agri-food sector, require appropriate channels in order to transfer the results obtained.



The Group transfers knowledge directly by passing on the latest developments in research to producers and technicians with a view to translating knowledge into profitability and competitiveness.

This is why the Group regularly organises knowledge transfer activities (conferences, seminars, workshops) and training courses for directors and senior executives

from agri-food companies, in addition to courses for young people with a view to their joining the agri-food sector and developing their professional activity.

Knowledge transfer and dissemination events held in 2019



104 in-house events
and 33
collaborations

5,580
participants

265 visits to
experimentation
centres

2,988
visitors

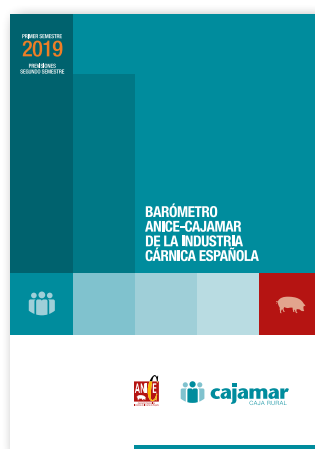
The Group shares knowledge through the publication of books, magazines, newsletters, reports and studies, which contribute to the advancement and promotion of agri-food sector. In 2019, a new issue of the Mediterráneo Económico collection was published, a multidisciplinary publication aimed at

spreading knowledge with regard to issues that are particularly relevant to the Group's surroundings and to public opinion. As part of the Series Temáticas collection, several studies were published in 2019 that tackle various issues related to the agri-food system.



Observatory on the Spanish agri-food sector within the European context.

Authors:
Joaquín Maudos (dir.), Jimena Salamanca.



ANICE- Cajamar barometer of the Spanish meat industry

Author(s):
Cajamar Studies Service



Tackling the challenge of climate change in the wine sector.

Coordinators:
Raúl Compés López, Vicente Sotés Ruiz.



Irrigation in the Spanish Mediterranean.

Coordinators:
Alberto Garrido, Alejandro Pérez-Pastor.



Driving talent within agri-food cooperatives.

Authors:
Narciso Arcas Lario, Raquel Sanz valle, M^a Isabel Barba Aragón, Erasmo Isidro López Becerra, Jorge Luis Sánchez Navarro, M^a del Carmen Martínez Victoria.



Analysis of the horticulture growing season. 2018/2019 growing season

Authors:
Cajamar Agri-Food Studies Service.

7. Future outlook for Grupo Cooperativo Cajamar

The banking sector is becoming involved as never before in accelerating the shift towards a more sustainable economy, providing financial instruments for companies to adapt to the unprecedented ecological-productive transition we are witnessing.

New risks, new costs, new capital needs, and, above all, new opportunities are appearing. And sustainability must undoubtedly be understood in this sense: as an opportunity. When we talk about sustainability, we must erase any feelings of guilt and restore the concepts of responsibility and opportunity. In short, you have to think about future generations and find ways not to jeopardise their future, or to leave them a better world than the one we have at the moment.

The scientific community has already flagged up several environmental alerts. The most important one is climate change, which brings new risks for businesses and for society as a whole: physical risks, transition risks, adaptation risks and litigation risks. Climate change is a systemic risk, that is to say, it cannot be mitigated through diversification, since we have only one planet we can live on. Therefore, we are not talking about diversification strategies for the future, but instead about redirecting our economy towards a new model characterised by dematerialisation, digitalisation and decarbonisation, as well as the intensification of knowledge, which will profoundly transform productive factors and the final product. And the banking sector, as reflected in the regulatory framework, must act as a catalyst and a driver for this change, facilitating and redirecting financial flows and attempting to identify science-based objectives. In short, it must be committed to developing sustainable finance, guided necessarily by economic, environmental, social and governance criteria.

Technological change and digitalisation will continue to make fundamental changes to the banking sector. This will undoubtedly allow the sector to reduce its costs, make its activity more efficient and sustainable, and make life easier for our members and customers. But we must not give in to the temptation to overvalue change or yield to technological determinism, generating new forms of exclusion, including financial and technological exclusion. Behind any change or technological advance there must be a human need to attend to. That has always been our approach: technology at the service of people, and not the other way around. We also firmly believe that technology should serve the location of businesses, helping to fix capital locally and to develop local economies. Globalisation is undoubtedly compatible with local development; and local development is our strongest guarantee in the fight against business relocation, speculation, the deterioration of ecosystems, the disruption of production chains, tax evasion and avoidance, depopulation and unemployment. Cooperative banking, banking for the social economy, is ready, willing and able to take on these challenges and approaches.

Indeed, cooperative banking is spearheading banking differentiation and diversification in Spain, following one of the biggest shifts in banking in living memory. A reconversion that forces us to be more competitive, to manage new risks effectively and responsibly, to strengthen our cooperative outlook and to value the principles of the social economy; essential for ensuring sustainable local development.

All by formulating a new equation - our business model - which encompasses the generation of credit, the protection of customer interests and financial inclusion, optimal risk management, adequate levels of regulatory capital, and, obviously, covering the cost of capital. The formulation of this equation will allow us to grow with our surroundings. The result is a kind of banking that has a great future ahead of it; one based on closeness, identifying with the needs of our members and customers, able to take on the principles of responsible and sustainable banking, and meeting the needs of the productive economy and local integration and coordination.

We also need to continue applying best banking practices, based on ethical criteria, corporate social responsibility and sustainability. Put simply, we intend to do things properly, applying the highest standards of governance, abiding by and promoting the Global Compact Principles, adhering to the principles of responsible banking, fostering the development of sustainable finance, and ensuring that we report on our performance in a rigorous, transparent and appropriate way. So that society will know our impact and demand higher standards of quality and reliability each and every day.

All of this is only possible with the commitment of our shareholders, members, and customers as well as the executive and professional team at Grupo Cooperativo Cajamar. We all come together to form the foundations that underpin a business model based on what we believe are the essential elements of sustainability: people, ideas and a local focus.



Manuel Yebra Sola

Manuel Yebra Sola
Chief Executive Officer
BCC-Grupo Cooperativo Cajamar

8. Contents of the report

Category	Management Approach	Corporate material aspect	Coverage	Scope
Impact of products and services	Impact of products and services	E.4, S.1, S.2, A.2, A.3	Mixed	G.C.C
	Audit	E.1, A.1	Mixed	G.C.C
	Active ownership	E.1, S.1, S.5	Mixed	G.C.C
	Labelling of products and services	E.4, S.4	Mixed	G.C.C
Economic dimension	Economic performance	E.2, E.3, S.3	Internal	G.C.C
	Presence in the market	E.1, S.3	Mixed	G.C.C
	Indirect economic consequences	E.2, S.1, S.2, S.4, S.5, S.6, A.2	Mixed	G.C.C
	Procurement Practices	E.5	Mixed	G.C.C
Environmental dimension	Materials	A.1	External	G.C.C
	Energy	A.1	External	G.C.C
	Water	A.1	External	G.C.C
	Biodiversity	No Applicable	No Applicable	No Applicable
	Emissions	A.1	External	G.C.C
	Effluents and Waste	A.1	External	G.C.C
	Environmental compliance	A.1	External	G.C.C
	Environmental assessment of suppliers	E.5	Mixed	G.C.C
Labour practices and decent work	Employment	S.3	Internal	G.C.C
	Employer-employee relations	S.3	Internal	G.C.C
	Health and safety at work	S.3	Internal	G.C.C
	Education and Training	S.3	Internal	G.C.C
	Diversity and equal opportunities	S.3	Internal	G.C.C
	Evaluation of suppliers' labour practices	E.5	Mixed	G.C.C
Human rights	Evaluation of human rights	E.1	Mixed	G.C.C
	Non-discrimination	S.2, S.4	External	G.C.C
	Freedom of association and collective bargaining	S.3	Internal	G.C.C
	Child labour	Non material	No Applicable	No Applicable
	Forced labour	Non material	No Applicable	No Applicable
	Security measures	Non material	No Applicable	No Applicable
	Rights of the indigenous population	Non material	No Applicable	No Applicable
Society	Social assessment of suppliers	E.5	Mixed	G.C.C
	Local communities	S.4, S.5, S.6	External	G.C.C
	Anti-corruption	E.1	Mixed	G.C.C
	Public policy	E.1	Mixed	G.C.C
	Unfair competition	E.1	Mixed	G.C.C
	Socio-economic compliance	E.1	Mixed	G.C.C
	Social assessment of suppliers	E.5	Mixed	G.C.C
Product Responsibility	Health and safety of customers	E.4	Mixed	G.C.C
	Labelling of products and services	E.4	Mixed	G.C.C
	Marketing communications	E.1, E.4	Mixed	G.C.C
	Customer privacy	E.1, E.4	Mixed	G.C.C
	Regulatory compliance	E.1, E.4	Mixed	G.C.C

8.1 International framework for integrated reporting

Grupo Cooperativo Cajamar understands the need to report on relevant aspects that affect its ability to create value in the short, medium and long term. To this end, the Group has adopted the international reporting framework drawn up by

the International Integrated Reporting Council. Integrated reporting is the most advanced and comprehensive model for integrating and reporting financial and non-financial information.

Aspects included in the integrated report, according to IIRC content requirements

Aspects requested		Pages
Description of the organisation and environment.	General Description	12
	Vision, mission and values	12
	Structure	5
	Positioning in the financial sector	12
	Description of the environment	9-11
Corporate Governance	Governing bodies and mechanisms	20-22
	Decision-making process	18-22
	Reflection of culture in the use of capital and its effect	25-27
	Remuneration and value creation	18-19, 40-42
Business model	Value chain	23-28
	Materiality	31
	Stakeholders: identification, selection and management	29-30
	Shared value creation	23
Opportunities and Risks	Identification of opportunities and risks	36, 81-83
	Likelihood of occurrence and opportunity for improvement	35-36
Strategy and resource allocation: performance	Objectives and actions taken to achieve them	37-39
	Allocation of resources	37-39
	Measuring achievement and goals	37-39
Future outlook	Expectations of the organisation regarding its surroundings and effect on the organisation	89-90
	Readiness of the organisation with respect to the future outlook	89-90

8.2 The Global Compact and GRI













Banco de Crédito Cooperativo, as the head of Grupo Cooperativo Cajamar, signed up to the United Nations Global Compact in 2006 and is committed to implementing ethics, corporate social responsibility and sustainability principles, as

well as to reporting every year on its performance in relation to the ten principles. Through this report, Grupo Cooperativo Cajamar responds to the reporting requirements set out in the Progress Report for 2018.

Aspects included in the integrated report, according to IIRC content requirements

Aspects requested		Equivalence in GRI Standards
Human Rights	Principle 1 Business and Human Rights Businesses should support and respect the protection of internationally proclaimed human rights	406-1; 407-1; 408-1; 409-1; 413-1
	Principle 2 Business and Human Rights Abuses Business should make sure that they are not complicit in human rights abuses	406-1; 407-1; 408-1; 409-1
Labour	Principle 3 Business and freedom of association Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	102-41, 402-1; 407-1
	Principle 4 Businesses and forced labour and coercion Businesses should uphold the elimination of all forms of forced and compulsory labour	409-1
	Principle 5 Elimination of Child Labour Businesses should uphold the elimination of child labour	408-1
	Principle 6 Discrimination in employment Businesses should uphold the elimination of discrimination in respect of employment and occupation	102-8; 406-1; 414-1 and 414-2
Environment	Principle 7 Business and Environment Businesses should support a precautionary approach to environmental challenges	301-1 and 301-3; from 302-1 to 302-5 from 303-1 to 303-3; from 304-1 to 304-4; from 305-1 to 305-7; from 306-1 to 306-5; 307-1; 308-1 and 308-2
	Principle 8 Initiatives to respect the environment Businesses should undertake initiatives to promote greater environmental responsibility	301-1 and 301-3; from 302-1 to 302-5 from 303-1 to 303-3; from 304-1 to 304-4; from 305-1 to 305-7; from 306-1 to 306-5; 307-1; 308-1 and 308-2
	Principle 9 Diffusion of environmentally friendly technologies Businesses should encourage the development and diffusion of environmentally friendly technologies	301-1 and 301-3; from 302-1 to 302-5 from 303-1 to 303-3; from 304-1 to 304-4; from 305-1 to 305-7; from 306-1 to 306-5; 307-1; 308-1 and 308-2
Anti-corruption	Principle 10 Business and corruption, extortion and bribery Businesses should work against corruption in all its forms, including extortion and bribery	from 205-1 to 205-3; and 415-1

8.3 Sustainable Development Goals and the GRI

Objective	Correspondences with GRI
	202-1; 203-2; FS3; FS6; FS7; 413-1
	201-1; 203-1; 203-2; 413-1
	203-2; 305-1; 305-2; 305-3; 305-6; 305-7; 306-1; 306-2; 306-3; 306-4; 403-2; 404-1
	102-27; 403-3; 404-1
	102-22; 102-24; 201-1; 202-1; 203-1; 406-1; 401-1; 401-3; 403-1; 404-1; 404-3; 405-1; 405-2; 414-1
	303-1; 303-2; 303-3; 306-1; 306-2; 306-3; 306-4; 306-5; 307-1
	201-1; 203-1; 302-1; 302-2; 302-3; 302-4; 302-5
	102-8; 102-41; 201-1; 202-1; 202-2; 203-2; 301-1; 301-2; 301-3; 302-1; 302-4; 302-5; 303-3; 401-1; 401-2; 401-3; 402-1; 403-1; 403-2; 403-3; 403-4; 404-1; 404-2; 404-3; 405-1; 405-2; 406-1; 407-1; 412-1; 412-2; 412-3; 414-1; 414-2; 413-1; 413-2; FS6; FS7
	201-1; 203-1; FS7; FS8
	203-2; FS1; FS2; FS3; FS4; FS5; FS7; FS10; FS11; FS15; FS16
	203-1; 301-2; 301-3; 302-4; 304-3; 305-5; 306-1; 308-1; 413-1; 414-1; FS7; FS8; FS13
	301-1; 301-2; 301-3; 302-1; 302-2; 302-3; 302-4; 302-5; 303-3; 304-3; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; 413-1; 414-1; 417-1; FS10; FS7; FS8; FS11; FS13
	201-2; 301-2; 301-3; 302-1; 302-2; 302-3; 302-4; 302-5; 303-1; 303-2; 303-3; 304-3; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; 306-1; 306-2; 306-3; 306-4; 306-5; 308-1; FS8
	304-3; 304-4; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; 306-1; 306-3; 306-4; 306-5
	304-3; 304-4; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; 306-1; 306-3; 306-4; 306-5
	102-16; 102-17; 102-21; 102-22; 102-23; 102-24; 102-25; 102-29; 102-37; 205-1; 205-2; 206-1; 307-1; 406-1; 408-1; 410-1; 414-1; 414-2; 415-1; 416-2; 417-2; 417-3; 418-1; 419-1;
	102-12; 102-13; 102-14; 102-41; 203-2

8.4 Correspondence between non-financial information legislation and the GRI

Aspects included in the integrated report on the basis of Act 11/2018, of 28 December 28, amending the Code of Commerce, the revised Capital Corporations Act approved

by Royal Legislative Decree 1/2010, of 2 July, and the Accounts Auditing Act 22/2015, of 20 July, in the field of non-financial information and diversity.

Aspects requested		Correspondences with GRI Standards
Information about the business model	Brief description of the Group's business model Business environment, organisation, structure, markets in which it operates, objectives and strategies, and the main factors and trends that may affect its future evolution.	102-1; 102-2; 102-3; 102-4; 102-5; 102-6; 102-7; 102-8; 102-9; 102-10; 102-14; 102-15; 102-18; 103-1; 103-2; 103-3
Information about environmental issues	Pollution and contamination Measures to prevent, reduce or repair carbon emissions that seriously affect the environment; taking into account any form of specific air pollution generated by an activity, including noise and light pollution.	103-1; 103-2; 103-3; 301-1; 301-2; 301-3; 302-1; 302-2; 302-3; 302-4; 302-5; 305-1; 305-2; 305-3; 305-4; 305-5; 306-2; 307-1; FS8
	Circular Economy and prevention and management of waste Measures of prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste.	103-1; 103-2; 103-3; 301-1; 301-2; 301-3; 303-1; 306-1; 306-2; 306-3; 306-4; 306-5
	Sustainable use of resources: water consumption and water supply in accordance with local constraints Consumption of raw materials and measures taken to improve the efficiency of their use; direct and indirect consumption of energy, measures taken to improve energy efficiency and use of renewable energies.	103-1; 103-2; 103-3; 302-1; 302-2; 302-3; 302-4; 302-5
	Climate change The important elements of greenhouse gases emissions generated as a result of the company's activities, including the use of goods and services it produces; measures to adapt to the consequences of climate change; reduction targets established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose.	103-1; 103-2; 103-3; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7
	Protection of biodiversity Measures taken to preserve or restore biodiversity; impacts caused by activities or operations in protected areas.	Non material
Information about social and staff issues	Employment Total number and distribution of employees by gender, age, country and occupational classification; total number and distribution of types of employment contract, average annual permanent contracts, temporary contracts and part-time contracts by gender, age and occupational classification, number of dismissals by gender, age and occupational classification or equal value; wage gap, the remuneration of equal or average jobs in society, the average remuneration of directors and executives, including variable remuneration, allowances, compensation, payments into long-term retirement savings and any other amounts received, disaggregated by gender, implementation of work disconnection policies, employees with disabilities.	102-8; 103-1; 103-2; 103-3; 401-1; 401-2; 401-3
	Organisation of work Organisation of working time; number of hours of absenteeism; measures to facilitate a work/life balance and to encourage joint parental responsibility.	103-1; 103-2; 103-3; 401-3; 403-2
	Health and safety Health and safety conditions in the workplace; accidents at work, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender.	102-8; 103-1; 103-2; 103-3; 403-2

Aspects requested		Correspondences with GRI Standards
Information about social and staff issues	Social Relations Organisation of the social dialogue, including procedures for informing, consulting and negotiating with staff; percentage of employees covered by collective bargaining agreements by country; the balance of collective agreements, particularly in the field of health and safety at work.	102-8; 102-41; 103-1; 103-2; 103-3; 402-1; 403-1; 403-4; 412-3
	Training: policies implemented in the field of training; total number of hours of training by professional categories.	102-8; 103-1; 103-2; 103-3; 404-1; 404-2; 404-3; 412-2
	Universal accessibility of persons with disabilities	102-8; FS14
	Equality Measures taken to promote equal treatment and opportunities between women and men; Plans for equality (Chapter III of Organic Law 3/2007, of 22 March, for effective equality between women and men), measures taken to promote employment, protocols against sexual and gender harassment, integration and universal accessibility of persons with disabilities; policy against all forms of discrimination and, where appropriate, management of diversity.	102-8; 103-1; 103-2; 103-3; 405-1; 405-2; 406-1
Information about respect for human rights	Application of due diligence procedures in the field of human rights; prevention of human rights violations risks and, where appropriate, measures to mitigate, manage and repair possible abuses; human rights violations reported; human rights; promotion and enforcement of the fundamental conventions of the International Labor Organization related to respect for freedom of association and to the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour.	102-8; 102-41; 402-1; 406-1; 407-1; 408-1; 409-1; 412-1; 412-2; 412-3; 413-1; 414-1; 414-2
Information relating to the fight against corruption and bribery	Measures taken to prevent corruption and bribery; measures to fight money laundering, contributions to foundations and non-profit organisations.	103-1; 103-2; 102-3; 205-1; 205-2; 205-3; 415-1
Other relevant information about society	The company's commitments to sustainable development The impact of the company's activity on employment and local development; the impact of the company's activity on local populations and areas; relationships with local agents and types of dialogue held with them; actions of association or sponsorship.	102-2; 103-1; 103-2; 103-3; 413-1; 413-2; FS13; FS16
	Subcontracting and suppliers Incorporation of social issues, gender equality and environmental concerns in procurement policy; consideration of social and environmental responsibility in relationships with suppliers and subcontractors; monitoring systems and audits, and the results of these.	103-1; 103-2; 103-3; 414-1; 414-2; FS1; FS3; FS9
	Consumers Measures for the health and safety of consumers; claims systems, complaints received and their resolution.	103-1; 103-2; 103-3; 416-1; 416-2
	Tax information Profits by country; taxes on profits paid and public subsidies received.	103-1; 103-2; 103-3; 102-5; 201-1; 201-4

Annex I – Index of GRI Contents

GENERAL BASIC CONTENTS

GRI Standard	Content	Pages/Omission	Scope	Revision:
GRI 101: Foundations, 2016				
Profile of the organisation				
GRI 102: General Contents, 2016	102-1 Name of the organisation	12, 14	GCC	120-121
	102-2 Activities, brands, products and services	12-13, 23-24	GCC	120-121
	102-3 Location of headquarters	12	GCC	120-121
	102-4 Location of operations	12-13	GCC	120-121
	102-5 Ownership and legal form	12	GCC	120-121
	102-6 Markets served	23-24, 57-58	GCC	120-121
	102-7 Size of the organisation	5, 12	GCC	120-121
	102-8 Information about employees and other workers	61-64, 68, 78, 104-118	GCC	120-121
	102-9 Supply chain	55-56	GCC	120-121
	102-10 Significant changes in the organisation and its supply chain	12	GCC	120-121
	102-11 Precaution principle or precautionary approach	12	GCC	120-121
	102-12 External initiatives	12, 17, 40, 80-81	GCC	120-121
	102-13 Affiliation to associations	8, 12, 17, 40, 80-81	GCC	120-121
Strategy				
GRI 102: General Contents, 2016	102-14 Declaration of senior decision-makers	6-7, 89-90	GCC	120-121
	102-15 Main impacts, risks and opportunities	8-11, 25-27, 33-39	GCC	120-121
Ethics and Integrity				
GRI 102: General Contents, 2016	102-16 Values, principles, standards and rules of conduct	12, 18-19, 22, 40-41	GCC	120-121
	102-17 Advisory mechanisms and ethical concerns	18-19, 22, 48, 69	GCC	120-121
Governance				
GRI 102: General Contents, 2016	102-18 Governance Structure	18-20, 32	GCC	120-121
	102-19 Delegation of authority	18, 20, 32	GCC	120-121
	102-20 Executive responsibility regarding economic, environmental and social issues	18-20, 22, 32	GCC	120-121
	102-21 Stakeholder consultation regarding economic, environmental and social issues	29		
	102-22 Composition of the highest governing body	18-20, 22	GCC	120-121
	102-23 Chair of the highest governing body	18, 20	GCC	120-121
	102-24 Nomination and selection of the highest governing body	18-19, 22, 41	GCC	120-121
	102-25 Conflict of Interest	18-19, 22, 48	GCC	120-121
	102-26 Function of the highest governing body in the selection of targets, values and strategy	18-19, 22		
	102-27 Collective knowledge of the highest governing body	18-19, 22	GCC	120-121
	102-28 Performance evaluation of the highest governing body	18-19, 22, 41	GCC	120-121
	102-29 Identification and management of economic, environmental and social impacts	18-19, 22, 25-27, 40-42, 81-83, 85	GCC	120-121
	102-30 Effectiveness of risk management processes	18-19, 22, 45	GCC	120-121
	102-31 Evaluation of economic, environmental and social issues	15-16, 18-19, 22, 32	GCC	120-121
	102-32 Function of the highest governing body in sustainability reporting	18-19	GCC	120-121
	102-33 Communication of critical concerns	18-19, 22, 69	GCC	120-121
	102-34 Nature and total number of critical concerns	29-31, 69	GCC	120-121
	102-35 Remuneration policies	18	GCC	120-121
	102-36 Process for determining remuneration	18	GCC	120-121
	102-37 Stakeholder involvement in remuneration	30	GCC	120-121
	102-38 Total annual compensation ratio	114-115	GCC	120-121
	102-39 Percentage increase ratio of total annual compensation	114-115	GCC	120-121
Stakeholder participation				
GRI 102: General Contents, 2016	102-40 List of stakeholders	29, 38	GCC	120-121
	102-41 Collective bargaining agreements	37-39, 119	GCC	120-121
	102-42 Identification and selection of stakeholders	29-30	GCC	120-121
	102-43 Approach to stakeholder participation	29, 48	GCC	120-121
	102-44 Key issues and concerns mentioned	29-31, 48	GCC	120-121

* For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. / The service was performed in the Spanish version of the report.

GRI Standard	Content	Pages/Omission	Scope	Revision
Reporting practices				
GRI 102: General Contents, 2016	102-45 Entities included in the consolidated financial statements	5	GCC	120-121
	102-46 Definition of the report contents and coverage of the issue	4, 30-31, 92-96	GCC	120-121
	102-47 List of material issues	30, 69, 71, 91	GCC	120-121
	102-48 Re-stating of information	4	GCC	120-121
	102-49 Changes in reporting	4	GCC	120-121
	102-50 Reporting period.	4	GCC	120-121
	102-51 Date of last report	4	GCC	120-121
	102-52 Reporting cycle	4	GCC	120-121
	102-53 Point of contact for questions about the report	120-121	GCC	120-121
	102-54 Reporting declaration in accordance with GRI standards	103		
	102-55 Index of GRI Contents	4, 97-103	GCC	120-121
	102-56 External verification	120-121	GCC	120-121
Economic Dimension				
Economic performance				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	28, 29, 92	GCC	120-121
	103-2 Management approach and its components	28, 29, 92	GCC	120-121
	103-3 Evaluation of the management approach	28, 29, 92	GCC	120-121
GRI 201: Economic Performance, 2016	201-1 Direct economic value generated and distributed	28, 70, 72-73	GCC	120-121
	201-2 Financial implications and other risks and opportunities arising from climate change	33-36, 70, 72, 81-85	GCC	120-121
	201-3 Obligations of defined benefits plan and other retirement plans	118	GCC	120-121
	201-4 Financial assistance received from the government	64	GCC	120-121
Presence in the market				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	104-118	GCC	120-121
	103-2 Management approach and its components	104-118	GCC	120-121
	103-3 Evaluation of the management approach	104-118	GCC	120-121
GRI 202: Presence in the market, 2016	202-1: Wage ratio of standard initial category by gender compared to local minimum wage	114	GCC	120-121
	202-2: Proportion of senior executives recruited from the local community	111	GCC	120-121
Indirect economic impacts				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	57-59	GCC	120-121
	103-2 Management approach and its components	57-59	GCC	120-121
	103-3 Evaluation of the management approach	57-59	GCC	120-121
GRI 203: Indirect economic impacts, 2016	203-1: Investments in infrastructure and services supported	57-59, 86	GCC	120-121
	203-2: Significant indirect economic impacts	28, 57-58, 70, 72-73, 86	GCC	120-121
Procurement Practices				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	55-56	GCC	120-121
	103-2 Management approach and its components	55-56	GCC	120-121
	103-3 Evaluation of the management approach	55-56	GCC	120-121
GRI 204: Procurement practices, 2016	204-1: Proportion of expenditure on local suppliers	56	GCC	120-121
Anti-corruption				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	22	GCC	120-121
	103-2 Management approach and its components	22	GCC	120-121
	103-3 Evaluation of the management approach	22	GCC	120-121
GRI 205: Anti-corruption, 2016	205-1: Operations evaluated for risks related to corruption	22	GCC	120-121
	205-2: Communication and training on anti-corruption policies and procedures	22	GCC	120-121
	205-3: Confirmed cases of corruption and measures taken	22	GCC	120-121
Unfair Competition				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	46	GCC	120-121
	103-2 Management approach and its components	46	GCC	120-121
	103-3 Evaluation of the management approach	46	GCC	120-121
GRI 206: Unfair Competition, 2016	206-1: Legal actions related to unfair competition, monopolistic practices and practices against free competition	46	GCC	120-121

GRI Standard	Content	Pages/Omission	Scope	Revision
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Materials				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	77	GCC	120-121
	103-2 Management approach and its components	77	GCC	120-121
	103-3 Evaluation of the management approach	77	GCC	120-121
GRI 301: Materials, 2016	301-1: Materials used by weight or volume	77	GCC	120-121
	301-2: Recycled Inputs	77, see note (a) p. 103	GCC	120-121
	301-3: Reused products and packaging materials	77	GCC	120-121
Energy				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	70-76	GCC	120-121
	103-2 Management approach and its components	70-76	GCC	120-121
	103-3 Evaluation of the management approach	70-76	GCC	120-121
GRI 302: Energy, 2016	302-1: Energy consumption within the organisation	70, 74-75	GCC	120-121
	302-2: Energy consumption outside the organisation	76	GCC	120-121
	302-3: Energy intensity	74	GCC	120-121
	302-4: Reduction of energy consumption	74, 76	GCC	120-121
	302-5: Reduction of the energy requirements of products and services	76	GCC	120-121
Water				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	78	GCC	120-121
	103-2 Management approach and its components	78	GCC	120-121
	103-3 Evaluation of the management approach	78, see note (b) p. 103	GCC	120-121
GRI 303: Water, 2016	303-1: Extraction of water by source	78	GCC	120-121
	303-2: Water sources significantly affected by water extraction	see note (b) p. 103	GCC	120-121
	303-3: Water recycled and reused	see note (b) p. 103	GCC	120-121
Biodiversity				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	see note (i) p. 103	GCC	120-121
	103-2 Management approach and its components	see note (i) p. 103	GCC	120-121
	103-3 Evaluation of the management approach	see note (i) p. 103	GCC	120-121
GRI 304: Biodiversity, 2016	304-1: Operations centres owned, leased or managed, located within or adjacent to protected areas or areas of great value for biodiversity outside of protected areas	see note (i) p. 103	GCC	120-121
	304-2: Significant impacts of activities, products and services on biodiversity	see note (i) p. 103	GCC	120-121
	304-3: Habitats protected or restored	see note (i) p. 103	GCC	120-121
	304-4: Species that appear on the of the IUCN Red List and in national conservation listings whose habitats are in areas affected by operations	see note (i) p. 103	GCC	120-121
Emissions				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	79	GCC	120-121
	103-2 Management approach and its components	79	GCC	120-121
	103-3 Evaluation of the management approach	79	GCC	120-121
GRI 305: Emissions, 2016	305-1: Direct GHG emissions (scope 1)	79	GCC	120-121
	305-2: Indirect GHG emissions when generating energy (scope 2)	79	GCC	120-121
	305-3: Other indirect GHG emissions (scope 3)	79	GCC	120-121
	305-4: Intensity of GHG emissions	79	GCC	120-121
	305-5: Reduction of GHG emissions	see note (c) p. 103	GCC	120-121
	305-6: Emissions of ozone-depleting substances (ODS)	see note (d) p. 103	GCC	120-121
	305-7: Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions.	see note (e) p. 103	GCC	120-121
Effluents and Waste				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	77	GCC	120-121
	103-2 Management approach and its components	77	GCC	120-121
	103-3 Evaluation of the management approach	77, see note (j) p. 103	GCC	120-121
GRI 306: Effluents and Waste, 2016	306-1: Water discharge according to quality and destination	see note (f) p.103	GCC	120-121
	306-2: Waste by type and method of disposal	77	GCC	120-121
	306-3: Significant Spills	ver nota (g) pág. 103	GCC	120-121
	306-4: Transportation of hazardous waste	see note (h) p. 103	GCC	120-121
	306-5: Bodies of water affected by discharges of water and/or runoff	see note (i) p.103	GCC	120-121

GRI Standard	Content	Pages/Omission	Scope	Revision
Environmental Dimension.				
Environmental Compliance				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	79	GCC	120-121
	103-2 Management approach and its components	79	GCC	120-121
	103-3 Evaluation of the management approach	79	GCC	120-121
GRI 307: Environmental Compliance, 2016	307-1: Failure to comply with environmental legislation and regulations	79	GCC	120-121
Environmental assessment of suppliers				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	55-56	GCC	120-121
	103-2 Management approach and its components	55-56	GCC	120-121
	103-3 Evaluation of the management approach	55-56	GCC	120-121
GRI 308: Environmental assessment of suppliers, 2016	308-1: New suppliers that have passed evaluation and screening according to environmental criteria	55-56	GCC	120-121
	308-2: Negative environmental impacts in the supply chain and measures taken	55-56	GCC	120-121

GRI Standard	Content	Pages/Omission	Scope	Revision
Social Dimension				
Employment				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	105-117	GCC	120-121
	103-2 Management approach and its components	105-117	GCC	120-121
	103-3 Evaluation of the management approach	105-117	GCC	120-121
GRI 401: Employment, 2016	401-1: New employees and staff turnover	105-111	GCC	120-121
	401-2: Benefits for full-time employees not given to part-time or temporary employees	118	GCC	120-121
	401-3: Parental leave	60, 117	GCC	120-121
Employer-Employee relations				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	104	GCC	120-121
	103-2 Management approach and its components	104	GCC	120-121
	103-3 Evaluation of the management approach	104	GCC	120-121
GRI 402: Employer – Employee Relations, 2016	402-1: Minimum notice periods on operational changes	55-56, 104	GCC	120-121
Health and safety at work				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	116	GCC	120-121
	103-2 Management approach and its components	116	GCC	120-121
	103-3 Evaluation of the management approach	116	GCC	120-121
GRI 403: Health and safety at work, 2016	403-1: Workers' representation on formal employer-employee health and safety committees	116	GCC	120-121
	403-2: Types of accidents and accident frequency rates, occupational diseases, lost days, and absenteeism, and number of deaths from injury or occupational disease	116	GCC	120-121
	403-3: Workers with high incidence or high risk of diseases related to their occupational activity	116	GCC	120-121
	403-4: Health and safety issues addressed in formal agreements with trade unions	116	GCC	120-121
Education and Training				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	62-64	GCC	120-121
	103-2 Management approach and its components	62-64	GCC	120-121
	103-3 Evaluation of the management approach	62-64	GCC	120-121
GRI 404: Education and Training, 2016	404-1: Average hours of training per year per employee	63	GCC	120-121
	404-2: Programmes to improve the skills of employees and programmes to facilitate transition	62-64	GCC	120-121
	404-3: Percentage of employees receiving periodic performance evaluations and professional development	62, see note (h) p. 103	GCC	120-121

GRI Standard	Content	Pages/Omission	Scope	Revision
Social Dimension				
Diversity and Equal Opportunities				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	112-115	GCC	120-121
	103-2 Management approach and its components	112-115	GCC	120-121
	103-3 Evaluation of the management approach	21, 112-115	GCC	120-121
GRI 405: Diversity and Equal Opportunities, 2016	405-1: Diversity among governing bodies and employees	112-115	GCC	120-121
	405-2: Ratio between the basic salary and remuneration of women versus men	21, 112-115	GCC	120-121
Non-discrimination				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	60-61	GCC	120-121
	103-2 Management approach and its components	60-61	GCC	120-121
	103-3 Evaluation of the management approach	60-61	GCC	120-121
GRI 406: Non-Discrimination, 2016	406-1: Cases of discrimination and corrective actions taken	61	GCC	120-121
Freedom of association and collective bargaining				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	119	GCC	120-121
	103-2 Management approach and its components	119	GCC	120-121
	103-3 Evaluation of the management approach	119	GCC	120-121
GRI 407: Freedom of association and collective bargaining, 2016	407-1: Operations and suppliers whose right to freedom of association and collective bargaining may be at risk	119	GCC	120-121
Evaluation of human rights				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	55-56	GCC	120-121
	103-2 Management approach and its components	55-56	GCC	120-121
	103-3 Evaluation of the management approach	55-56	GCC	120-121
GRI 412: Evaluation of human rights, 2016	412-1: Operations subject to reviews or assessments of impact on human rights	55-56, 72	GCC	120-121
	412-2: Training of employees in policies or procedures on human rights	64	GCC	120-121
	412-3: Significant investment agreements and contracts with clauses on human rights or subjected to human rights assessment	55-56	GCC	120-121
Local communities				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	65-68, 86	GCC	120-121
	103-2 Management approach and its components	65-68, 86	GCC	120-121
	103-3 Evaluation of the management approach	65-68, 86	GCC	120-121
GRI 413: Local Communities, 2016	413-1: Operations involving the local community, impact assessments and development programmes	65-68, 86	GCC	120-121
	413-2: Operations with significant negative impacts - real and potential- on local communities	65-66	GCC	120-121
Social assessment of suppliers				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	56	GCC	120-121
	103-2 Management approach and its components	56	GCC	120-121
	103-3 Evaluation of the management approach	56	GCC	120-121
GRI 414: Social assessment of suppliers, 2016	414-1: New suppliers that have passed screening in accordance with social criteria	56	GCC	120-121
	414-2: Negative social impacts in the supply chain and measures taken	56	GCC	120-121
Public Policy				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	22	GCC	120-121
	103-2 Management approach and its components	22	GCC	120-121
	103-3 Evaluation of the management approach	22	GCC	120-121
GRI 415: Public Policy, 2016	415-1: Contributions to political parties and/or political representatives	22	GCC	120-121

GRI Standard	Content	Pages/Omission	Scope	Revision
Social Dimension				
Health and safety of customers				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	50-51	GCC	120-121
	103-2 Management approach and its components	50-51	GCC	120-121
	103-3 Evaluation of the management approach	50-51	GCC	120-121
GRI 416: Health and safety of customers, 2016	416-1: Assessment of the health and safety impacts of different categories of products or services	50-51	GCC	120-121
	416-2: Cases of non-compliance related to health and safety impacts of different categories of products or services	51	GCC	120-121
Marketing and Labelling				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	50-51	GCC	120-121
	103-2 Management approach and its components	50-51	GCC	120-121
	103-3 Evaluation of the management approach	50-51	GCC	120-121
GRI 417: Marketing and Labelling, 2016	417-1: Requirements for information and labelling of products and services	51	GCC	120-121
	417-2: Cases of non-compliance related to information and the labelling of products and services	50-51	GCC	120-121
	417-3: Cases of non-compliance related to Marketing Communications	50-51	GCC	120-121
Customer privacy				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	50-51	GCC	120-121
	103-2 Management approach and its components	50-51	GCC	120-121
	103-3 Evaluation of the management approach	50-51	GCC	120-121
GRI 418: Customer privacy, 2016	418-1: Substantiated complaints concerning violations of customer privacy and loss of customer data	50-51	GCC	120-121
Socio-economic compliance				
GRI 103: Management Approach, 2016	103-1 Explanation of the material issue and its coverage	50-51	GCC	120-121
	103-2 Management approach and its components	50-51	GCC	120-121
	103-3 Evaluation of the management approach	50-51	GCC	120-121
GRI 419: Socio-economic compliance, 2016	419-1: Non-compliance with social and economic laws and regulations	50-51	GCC	120-121

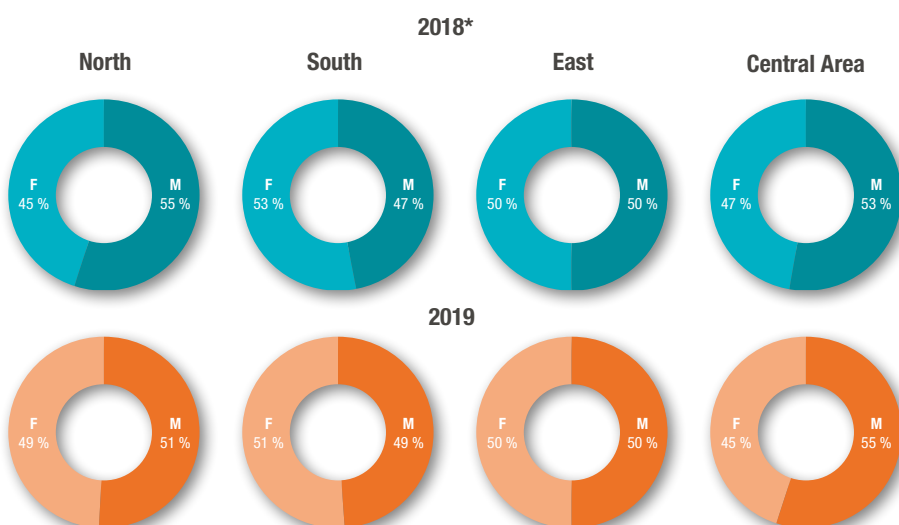
GRI Standard	Content	Páginas/Omisión	Scope	Revision
SPECIFIC CONTENTS OF THE FINANCIAL SECTOR				
Impact of products and services				
FS1	Policies with specific environmental and social aspects applied to lines of business	18, 22, 52, 54-56, 60, 74	GCC	120-121
FS2	Procedures for the evaluation and monitoring of social and environmental risk in lines of business	33-36, 45, 81-85	GCC	120-121
FS3	Processes to monitor customer implementation of social and environmental requirements included in contracts or transactions	33-36, 45	GCC	120-121
FS4	Processes to improve the competence of employees to implement environmental and social policies and procedures in lines of business	62	GCC	120-121
FS5	Interactions with customers/holdings/business partners in relation to social and environmental risks and opportunities	29, 48-49, 51, 71, 85-88	GCC	120-121
FS6	Percentage of the portfolio for lines of business	46-47, see note (l) p. 103	GCC	120-121
FS7	Monetary value of products and services designed to provide a specific social benefit for each business line, broken down according to purpose	59, 70, 86	GCC	120-121
FS8	Monetary value of the products and services designed to provide a specific environmental benefit to each business line, broken down according to purpose	59, 70, 72, 76	GCC	120-121
Audits				
FS9	Scope and frequency of audits to assess the implementation of social and environmental policies and risk assessment procedures	see note (m) p. 103	GCC	120-121
Active ownership				
FS10	Percentage and number of companies within the Group's portfolio with which the organisation has interacted in environmental and social issues	85	GCC	120-121
FS11	Percentage of assets subject to environmental or social controls, both positive and negative	85	GCC	120-121
FS12	Voting policies on environmental or social matters in holdings in which the organisation has the right to vote or voting recommendation	73, see note (n) p. 103	GCC	120-121
Local communities				
FS13	Access to financial services in depopulated/disadvantaged areas by type of access	65-66	GCC	120-121
FS14	Initiatives to improve access for people with disabilities and impairments	50, 52-54, 62, 65	GCC	120-121
Labelling of products and services				
FS15	Fair marketing policies of financial products and services	50	GCC	120-121
FS16	Initiatives to broaden financial culture, broken down by types of beneficiaries	50, 65-66, 68, 87	GCC	120-121

Notes

- (a) This indicator is reported at a qualitative level.
- (b) The Group's premises are located in urban areas, therefore all water supplied and removed is done so through the urban water network.
- (c) In 2019, Grupo Cooperativo Cajamar did not determine the reduction in greenhouse gas emissions so the data is not available. It will be determined during the three-year period covered by the Eco-Efficiency Plan.
- (d) The Group's activity does not generate substances that destroy the ozone layer.
- (e) The Group's financial activity does not produce significant air emissions.
- (f) The Group's water is supplied and taken away by the urban water network.
- (g) The Group's premises are located in urban areas, and its activity does not generate spills.
- (h) On account of its activity, the Group's does not transport waste.
- (i) The Group's premises are in urban areas and, therefore, it does not impact on protected natural spaces and/or on biodiversity.
- (j) This information is irrelevant given the Group's financial activity.
- (k) The information broken down by professional category is not available. The Group will establish in the medium term the internal procedures required to provide this information.
- (l) Information related to the breakdown of the portfolio for the lines of business by region is not disclosed for reasons of confidentiality.
- (m) Not currently available - Grupo Cooperativo Cajamar is working to identify social and environmental risks, and to develop actions aimed at auditing and assessing these risks. The Group shall establish in the medium term procedures to provide this information.
- (n) In relation to the voting intention of Grupo Cooperativo Cajamar regarding environmental issues, any decisions to be taken, internally, and within the Group's entities and holdings, will continue to be the guidelines for action set out by the Group's Environmental Policy.

Annex II - Staff profile

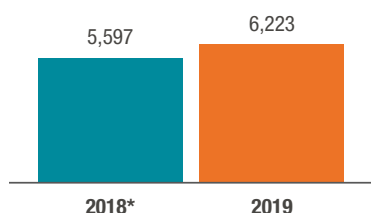
Grupo Cooperativo Cajamar Staff Profile



Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

The Northern Area includes data from Galicia, Asturias, Cantabria, the Basque Country and Navarra; the Central Area includes data for La Rioja, Aragon, Castilla y León, Madrid, La Mancha, Extremadura; the Eastern area encompasses data for Catalonia, Valencia, Murcia, the Balearic Islands; and the Southern Area includes the data for Andalusia, the Canary Islands, Ceuta and Melilla.

Number of Employees



Job Stability

Employees		
	2018*	2019
With a permanent contract	97.48 %	97.43 %
Full-time	98.09 %	97.86 %

Staff at 31 December.

The data for 2018 does not include staff in the Group's holdings, which in 2019 totalled 662 people.

Geographical distribution of staff

Area	2018*		2019	
	M	F	M	F
North	21	17	23	22
South	999	1,127	1,320	1,360
East	1,428	1,425	1,430	1,437
Centre	309	271	346	285
Total	5,597		6,223	

Mobility: In the case of secondment lasting more than three months, notice is no less than 5 working days. The private insurance brokerage agreement establishes that secondments of less than 3 months require notice of 5 working days, and secondments lasting longer than 3 months require notice of 15 calendar days. In addition, in the event of a transfer or a substantial modification of working conditions, notice shall no be less than 30 days.

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Staff numbers broken down by age group, gender and geographical area (401-1)

Area	35 and under			36 to 55			Over 55			Total		
2018*	M	F	Total	M	F	Total	M	F	Total	M	F	Total
North	5	7	12	16	10	26	0	0	0	21	17	38
South	83	152	235	872	969	1,841	44	6	50	999	1,127	2,126
East	92	177	269	1,315	1,247	2,562	21	1	22	1,428	1,425	2,853
Centre	41	58	99	263	211	474	5	2	7	309	271	580
Total	221	394	615	2,466	2,437	4,903	70	9	79	2,757	2,840	5,597

Area	35 and under			36 to 55			Over 55			Total		
2019	M	F	Total	M	F	Total	M	F	Total	M	F	Total
North	3	8	11	20	14	34	0	0	0	23	22	45
South	149	203	352	1,120	1,148	2,268	51	9	60	1,320	1,360	2,680
East	70	132	202	1,329	1,300	2,629	31	5	36	1,430	1,437	2,867
Centre	36	52	88	301	230	531	9	3	12	346	285	631
Total	258	395	653	2,770	2,692	5,462	91	17	108	3,119	3,104	6,223

Distribution by employment contract and gender

Gender	2018*		2019	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Men	2,701	56	3,066	53
Women	2,755	85	2,997	107
Total	5,456	141	6,063	160

Distribution by type of working day

Gender	2018*		2019	
	Full time	Reduced hours	Full time	Reduced hours
Men	2,744	13	3,107	12
Women	2,746	94	2,983	121
Total	5,490	107	6,090	133

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Breakdown by gender, age and occupational classification according to the different types of contract and type of working day

Temporary Full-time (fixed period)

Jobs	35 and under				36 to 55				Over 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	20	44.4 %	25	55.6 %	2	100.0 %	0	0.0 %	0	0.0 %	0	0.0 %	22	46.8 %	25	53.2 %
Total	20	44.4 %	25	55.6 %	2	100.0 %	0	0.0 %	0	0.0 %	0	0.0 %	22	46.8 %	25	53.2 %

Temporary Full-time (interim)

Jobs	35 and under				36 to 55				Over 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	30	35.3 %	55	64.7 %	0	0.0 %	3	100.0 %	0	0.0 %	0	0.0 %	30	34.1 %	58	65.9 %
Total	30	35.3 %	55	64.7 %	0	0.0 %	3	100.0 %	0	0.0 %	0	0.0 %	30	34.1 %	58	65.9 %

Full-time permanent (regular)

Jobs	35 and under				36 to 55				Over 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	2	100.0 %	0	0.0 %	4	100.0 %	0	0.0 %	6	100.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	30	83.3 %	6	16.7 %	1	100.0 %	0	0.0 %	31	83.8 %	6	16.2 %
Type 1 Executive	1	50.0 %	1	50.0 %	108	76.1 %	34	23.9 %	4	100.0 %	0	0.0 %	113	76.4 %	35	23.6 %
Type 2 Executive	40	61.5 %	25	38.5 %	746	72.4 %	284	27.6 %	4	57.1 %	3	42.9 %	790	71.7 %	312	28.3 %
Middle managers	35	36.8 %	60	63.2 %	416	43.7 %	535	56.3 %	6	100.0 %	0	0.0 %	457	43.4 %	595	56.6 %
Others	95	29.5 %	227	70.5 %	1,162	42.5 %	1,574	57.5 %	47	90.4 %	5	9.6 %	1,304	41.9 %	1,806	58.1 %
Total	171	35.3 %	313	64.7 %	2,464	50.3 %	2,433	49.7 %	66	89.2 %	8	10.8 %	2,701	49.5 %	2,754	50.5 %

Other types of contracts

Jobs	35 and under				36 to 55				Over 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	0	0.0 %	1	100.0 %	0	0.0 %	1	100.0 %	4	80.0 %	1	20.0 %	4	57.1 %	3	42.9 %
Total	0	0.0 %	1	100.0 %	0	0.0 %	1	100.0 %	4	80.0 %	1	20.0 %	4	57.1 %	3	42.9 %

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Temporary Full-time (fixed period)

Jobs	35 and under				36 to 55				Over 55				Total			
2019	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	15	30.6 %	34	69.4 %	6	37.5 %	10	62.5 %	0	0.0 %	0	0.0 %	21	32.3 %	44	67.7 %
Total	15	30.6 %	34	69.4 %	6	37.5 %	10	62.5 %	0	0.0 %	0	0.0 %	21	32.3 %	44	67.7 %

Temporary Full-time (interim)

Jobs	35 and under				36 to 55				Over 55				Total			
2019	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	26	34.7 %	49	65.3 %	0	0.0 %	6	100.0 %	0	0.0 %	0	0.0 %	26	32.1 %	55	67.9 %
Total	26	34.7 %	49	65.3 %	0	0.0 %	6	100.0 %	0	0.0 %	0	0.0 %	26	32.1 %	55	67.9 %

Full-time permanent (regular)

Jobs	35 and under				36 to 55				Over 55				Total			
2019	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	3	100.0 %	0	0.0 %	4	100.0 %	0	0.0 %	7	100.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	27	81.8 %	6	18.2 %	3	100.0 %	0	0.0 %	30	83.3 %	6	16.7 %
Type 1 Executive	0	0.0 %	1	100.0 %	114	75.5 %	37	24.5 %	11	100.0 %	0	0.0 %	125	76.7 %	38	23.3 %
Type 2 Executive	26	55.3 %	21	44.7 %	741	71.3 %	299	28.8 %	4	80.0 %	1	20.0 %	771	70.6 %	321	29.4 %
Middle managers	28	35.4 %	51	64.6 %	466	45.2 %	566	54.8 %	9	90.0 %	1	10.0 %	503	44.9 %	618	55.1 %
Others	163	41.2 %	233	58.8 %	1,410	44.4 %	1,765	55.6 %	57	80.3 %	14	19.7 %	1,630	44.8 %	2,012	55.2 %
Total	217	41.5 %	306	58.5 %	2,761	50.8 %	2,673	49.2 %	88	84.6 %	16	15.4 %	3,066	50.6 %	2,995	49.4 %

Other types of contracts

Jobs	35 and under				36 to 55				Over 55				Total			
2019	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	0	0.0 %	6	100.0 %	3	50.0 %	3	50.0 %	3	75.0 %	1	25.0 %	6	37.5 %	10	62.5 %
Total	0	0.0 %	6	100.0 %	3	50.0 %	3	50.0 %	3	75.0 %	1	25.0 %	6	37.5 %	10	62.5 %

Breakdown by professional category, age and gender of staff dismissals

Jobs	35 and under				36 to 55				Over 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	3	100.0 %	0	0.0 %	0	0.0 %	0	0.0 %	3	100.0 %	0	0.0 %
Middle managers	1	100.0 %	0	0.0 %	1	0.0 %	1	0.0 %	0	0.0 %	0	0.0 %	2	66.7 %	1	33.3 %
Others	1	33.3 %	2	66.7 %	9	90.0 %	1	10.0 %	0	0.0 %	0	0.0 %	10	76.9 %	3	23.1 %
Total	2	50.0 %	2	50.0 %	13	86.7 %	2	13.3 %	0	0.0 %	0	0.0 %	15	78.9 %	4	21.1 %

Jobs	35 and under				36 to 55				Over 55				Total			
2019	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	5	83.3 %	1	16.7 %	1	100.0 %	0	0.0 %	6	85.7 %	1	14.3 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	1	100.0 %	0	0.0 %	0	0.0 %	0	0.0 %	1	100.0 %
Others	0	0.0 %	0	0.0 %	9	37.5 %	15	62.5 %	2	100.0 %	0	0.0 %	11	42.3 %	15	57.7 %
Total	0	0.0 %	0	0.0 %	14	45.2 %	17	54.8 %	3	100.0 %	0	0.0 %	17	50.0 %	17	50.0 %

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.



Breakdown by gender, age and occupational classification of new employees¹ according to the different types of contract and type of working day

Temporary full time (fixed period)

Jobs	35 and under				36 to 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	7	41.2 %	10	58.8 %	2	100.0 %	0	0.0 %	9	47.4 %	10	52.6 %
Total	7	41.2 %	10	58.8 %	2	100.0 %	0	0.0 %	9	47.4 %	10	52.6 %

Temporary Full-time (interim)

Jobs	35 and under				36 to 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	5	62.5 %	3	37.5 %	0	0.0 %	0	0.0 %	5	62.5 %	3	37.5 %
Total	5	62.5 %	3	37.5 %	0	0.0 %	0	0.0 %	5	62.5 %	3	37.5 %

Permanent full time

Jobs	35 and under				36 to 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	1	100.0 %	0	0.0 %	1	100.0 %	0	0.0 %
Type 2 Executive	1	0.0 %	0	0.0 %	3	100.0 %	0	0.0 %	4	100.0 %	0	0.0 %
Middle managers	1	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	1	100.0 %	0	0.0 %
Others	5	50.0 %	5	50.0 %	8	80.0 %	2	20.0 %	13	65.0 %	7	35.0 %
Total	7	58.3 %	5	41.7 %	12	85.7 %	2	14.3 %	19	73.1 %	7	26.9 %

Others

Jobs	35 and under				36 to 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Total	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %

¹ To calculate new employee numbers in 2019, the criterion used has been revised, now considering all staff recruited as new employees. For 2018, all staff recruited who had no previous employment relationship with the Group were considered.

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Temporary Full-time (fixed period)

Jobs	35 and under				36 to 55				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
2019												
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	21	36.8 %	36	63.2 %	12	54.5 %	10	45.5 %	33	41.8 %	46	58.2 %
Total	21	36.8 %	36	63.2 %	12	54.5 %	10	45.5 %	33	41.8 %	46	58.2 %

Temporary full-time (interim)

Jobs	35 and under				36 to 55				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
2019												
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	52	28.4 %	131	71.6 %	0	0.0 %	15	100.0 %	52	26.3 %	146	73.7 %
Total	52	28.4 %	131	71.6 %	0	0.0 %	15	100.0 %	52	26.3 %	146	73.7 %

Permanent full time

Jobs	35 and under				36 to 55				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
2019												
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	3	100.0 %	0	0.0 %	3	100.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	9	64.3 %	5	35.7 %	9	64.3 %	5	35.7 %
Middle managers	0	0.0 %	2	100.0 %	5	45.5 %	6	54.5 %	5	38.5 %	8	61.5 %
Others	12	44.4 %	15	55.6 %	43	44.8 %	53	55.2 %	55	44.7 %	68	55.3 %
Total	12	41.4 %	17	58.6 %	60	48.4 %	64	51.6 %	72	47.1 %	81	52.9 %

Others

Jobs	35 and under				36 to 55				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
2019												
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Middle managers	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Others	0	0.0 %	8	100.0 %	3	27.3 %	8	72.7 %	3	15.8 %	16	84.2 %
Total	0	0.0 %	8	100.0 %	3	27.3 %	8	72.7 %	3	15.8 %	16	84.2 %

Changes in new employee numbers

	2018*		2019	
New recruits that continue working	50	94.34 %	272	73.91 %
New recruits that stop working	3	5.66 %	96	26.09 %

To calculate new employee numbers in 2019, the criterion used has been revised, now considering all staff recruited as new employees. For 2018, all staff recruited who had no previous employment relationship with the Group were considered.

Number and % of new recruits¹ compared to the total number of employees distributed by age, gender and geographical area (401-1)

Area	35 and under				36 to 55				Over 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
North	0	0.0 %	3	42.9 %	1	6.3 %	0	0.0 %	0	0.0 %	0	0.0 %	1	4.8 %	3	17.6 %
South	5	6.0 %	6	3.9 %	9	1.0 %	0	0.0 %	0	0.0 %	0	0.0 %	14	1.4 %	6	0.5 %
East	5	5.4 %	6	3.4 %	1	0.1 %	0	0.0 %	0	0.0 %	0	0.0 %	6	0.4 %	6	0.4 %
Centre	9	22.0 %	3	5.2 %	3	1.1 %	2	0.9 %	0	0.0 %	0	0.0 %	12	3.9 %	5	1.8 %
Total	19	8.6 %	18	4.6 %	14	0.6 %	2	0.1 %	0	0.0 %	0	0.0 %	33	1.2 %	20	0.7 %

Area	35 and under				36 to 55				Over 55				Total			
2019	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
North	1	33.3 %	6	75.0 %	4	20.0 %	3	21.4 %	0	0.0 %	0	0.0 %	5	21.7 %	9	40.9 %
South	51	34.2 %	100	49.3 %	19	1.7 %	23	2.0 %	0	0.0 %	0	0.0 %	70	5.3 %	123	9.0 %
East	32	45.7 %	61	46.2 %	5	0.4 %	7	0.5 %	0	0.0 %	0	0.0 %	37	2.6 %	68	4.7 %
Centre	15	41.7 %	17	32.7 %	19	6.3 %	5	2.2 %	0	0.0 %	0	0.0 %	34	9.8 %	22	7.7 %
Total	99	38.4 %	184	46.6 %	47	1.7 %	38	1.4 %	0	0.0 %	0	0.0 %	146	4.7 %	222	7.2 %

¹ Employees whose employ did not continue within the Group were classed as new employees.

Number and % of staff departures compared to the total number of employees distributed by age, gender and geographical area (401-1)

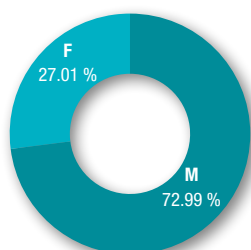
Area	35 and under				36 to 55				Over 55				Total			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
North	1	20.0 %	1	14.3 %	0	0.0 %	3	30.0 %	0	0.0 %	0	0.0 %	1	4.8 %	4	23.5 %
South	19	22.9 %	32	21.1 %	33	3.8 %	21	2.2 %	28	63.6 %	8	133.3 %	80	8.0 %	61	5.4 %
East	16	17.4 %	47	26.6 %	55	4.2 %	63	5.1 %	21	100.0 %	10	1000.0 %	92	6.4 %	120	8.4 %
Centre	9	22.0 %	14	24.1 %	12	4.6 %	10	4.7 %	11	220.0 %	1	50.0 %	32	10.4 %	25	9.2 %
Total	45	20.4 %	94	23.9 %	100	4.1 %	97	4.0 %	60	85.7 %	19	211.1 %	205	7.4 %	210	7.4 %

Area	35 and under				36 to 55				Over 55				Total			
2019	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
North	2	66.7 %	2	25.0 %	1	5.0 %	0	0.0 %	0	0.0 %	0	0.0 %	3	13.0 %	2	9.1 %
South	33	22.1 %	61	30.0 %	10	0.9 %	36	3.1 %	2	3.9 %	1	11.1 %	45	3.4 %	98	7.2 %
East	28	40.0 %	71	53.8 %	18	1.4 %	57	4.4 %	1	3.2 %	0	0.0 %	47	3.3 %	128	8.9 %
Centre	4	11.1 %	15	28.8 %	5	1.7 %	12	5.2 %	2	22.2 %	0	0.0 %	11	3.2 %	27	9.5 %
Total	67	26.0 %	149	37.7 %	34	1.2 %	105	3.9 %	5	5.5 %	1	5.9 %	106	3.4 %	255	8.2 %

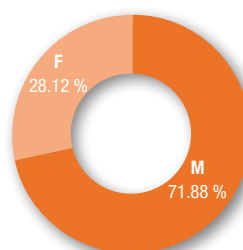
* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Management of diversity and equal opportunities (405-1)

Women Executives 2018*



Women Executives 2019



Taking into account positions on the Board, Senior Executives and type 1 and 2 Executives

Breakdown by professional category, age and gender (405-1)

Jobs	35 and under				36 to 55				Over 55				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
2018*																
Board (with contract)	0	0.0 %	0	0.0 %	2	100.0 %	0	0.0 %	4	100.0 %	0	0.0 %	6	100.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	30	83.3 %	6	16.6 %	1	100.0 %	0	0.0 %	31	83.8 %	6	16.2 %
Type 1 Executive	1	50.0 %	1	50.0 %	108	76.1 %	34	23.9 %	4	100.0 %	0	0.0 %	113	76.4 %	35	23.6 %
Type 2 Executive	40	61.5 %	25	38.5 %	746	72.4 %	284	27.6 %	4	57.1 %	3	42.9 %	790	71.7 %	312	28.3 %
Middle managers	35	36.8 %	60	63.2 %	416	43.7 %	535	56.3 %	6	100.0 %	0	0.0 %	457	43.4 %	595	56.6 %
Others	145	32.0 %	308	68.0 %	1,164	42.5 %	1,578	57.5 %	51	89.5 %	6	11.8 %	1,360	41.9 %	1,892	58.1 %
Total	221	35.9 %	394	64.1 %	2,466	50.3 %	2,437	49.7 %	70	88.6 %	9	11.4 %	2,757	49.3 %	2,840	50.7 %

Jobs	35 and under				36 to 55				Over 55				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
2019																
Board (with contract)	0	0.0 %	0	0.0 %	3	100.0 %	0	0.0 %	4	100.0 %	0	0.0 %	7	100.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	27	81.8 %	6	18.2 %	3	100.0 %	0	0.0 %	30	83.3 %	6	16.7 %
Type 1 Executive	0	0.0 %	1	100.0 %	114	75.5 %	37	24.5 %	11	100.0 %	0	0.0 %	125	76.7 %	38	23.3 %
Type 2 Executive	26	55.3 %	21	44.7 %	741	71.3 %	299	28.8 %	4	80.0 %	1	20.0 %	771	70.6 %	321	29.4 %
Middle managers	28	35.4 %	51	64.6 %	466	45.2 %	566	54.8 %	9	90.0 %	1	10.0 %	503	44.9 %	618	55.1 %
Others	204	38.8 %	322	61.2 %	1,419	44.3 %	1,784	55.7 %	60	80.0 %	15	20.0 %	1,683	44.2 %	2,121	55.8 %
Total	258	39.5 %	395	60.5 %	2,770	50.7 %	2,692	49.3 %	91	84.3 %	17	15.7 %	3,119	50.1 %	3,104	49.9 %

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Appointments

Jobs	2018				2019			
2018*	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	1	100.0 %	0	0.0 %
Senior management	4	80.0 %	1	20.0 %	0	0.0 %	1	100.0 %
Type 1 Executive	14	56.0 %	11	44.0 %	10	71.0 %	4	29.0 %
Type 2 Executive	85	64.0 %	48	36.0 %	61	58.0 %	44	42.0 %
Middle managers	61	39.0 %	96	61.0 %	34	33.0 %	70	67.0 %
Total	164	51.0 %	156	49.0 %	106	47.0 %	119	53.0 %

Cessation

Jobs	2018				2019			
2018*	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	1	100.0 %	0	0.0 %	1	50.0 %	1	50.0 %
Type 2 Executive	6	86.0 %	1	14.0 %	8	89.0 %	1	11.0 %
Middle managers	19	53.0 %	17	47.0 %	19	53.0 %	17	47.0 %
Total	26	59.0 %	18	41.0 %	28	60.0 %	19	40.0 %

Other indicators of staff diversity (405-1)

Jobs	Foreign Nationals				Integration of disability in BCC ¹				Integration of disability in Cajamar Caja Rural ¹			
2018*	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	1	0.1 %	1	0.1 %	0	0.0 %	1	0.1 %	11	0.3 %	1	0.0 %
Middle managers	1	0.1 %	3	0.3 %	1	0.1 %	0	0.0 %	7	0.2 %	14	0.3 %
Others	12	0.3 %	9	0.2 %	2	0.2 %	6	0.7 %	23	0.5 %	29	0.7 %
Total	14	0.2 %	13	0.2 %	3	0.4 %	7	0.8 %	41	0.9 %	44	1.0 %

Employees BCC 856
Employees Cajamar Caja Rural 4,379

¹ The Group implements alternative measures laid down in the legislation.

Jobs	Foreign Nationals				Integration of Disability GCC Holdings (only >50 workers) ²			
2019	M	Rate	F	Rate	M	Rate	F	Rate
Board (with contract)	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Senior management	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 1 Executive	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Type 2 Executive	1	0.1 %	1	0.1 %	11	0.2 %	3	0.1 %
Middle managers	1	0.1 %	3	0.3 %	9	0.2 %	11	0.2 %
Others	13	0.3 %	11	0.3 %	35	0.6 %	52	0.9 %
Total	15	0.2 %	15	0.2 %	55	1.0 %	66	1.2 %

Employees Grupo Cooperativo Cajamar 5,903

² Data corresponding to Entities/Companies with more than 50 workers. At an individual level, the 2% figure is not achieved in Banco, Cajamar and Eurovia Informática, but there are alternative measures in place laid down in the legislation.

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Average wage gap**16.90 %**

The average remuneration of men is 16.90% higher than that of women considering all the remuneration, and 15.83% considering only fixed remuneration



The wage gap (average) shows the difference between the annual remuneration of women and men within Grupo Cajamar.

Average wage gap (excluding variable remuneration)**15.83 %****Median wage gap****10.31 %**

The median remuneration of men is 10.31% higher than that of women considering all remuneration, and 9.38% considering only fixed remuneration

Median wage gap (excluding variable remuneration)**9.38 %**

The median represents the mid-point of the population. Separating men and women in the Group, the wage gap (Median) shows the wage difference between women and men who are at the mid-point.

It is important to note that, within the category of Type 1 and 2 executives, middle managers and Others, the wage gap (average) falls to 13.32 %. This shows that the gap is higher due to the lower presence of women on the Board and in Senior Management positions, and for this reason the Group has been promoting training, selection and development policies and practices that will allow a better gender balance to be progressively achieved, with a view to promoting the advancement of women towards these areas of greatest responsibility.

Female/Male wage ratio by professional category and entity (405-2)

Jobs	BCC		Cajamar Caja Rural			Other entities		
2018*	%	Length of employment M F	%	Length of employment M F	%	Length of employment M F		
Board (with contract)	-	28.10	-	23.54	-	- -		
Senior management	71.88 %	18.99 12.42	-	26.59	89.96 %	23.60 22.37		
Type 1 Executive	80.98 %	18.91 17.25	88.58 %	20.09 20.24	-	- -		
Type 2 Executive	97.18 %	16.85 17.26	92.29 %	17.45 16.16	99.33 %	19.36 20.65		
Middle managers	87.76 %	21.29 15.60	94.11 %	17.74 16.12	97.64 %	21.90 22.06		
Others	92.46 %	16.86 14.49	92.71 %	18.23 15.50	95.39 %	18.49 17.80		

Jobs	BCC			Cajamar Caja Rural			Other financial entities			Holdings		
2019	%	Length of employment		%	Length of employment		%			%	Length of employment	
		M	F		M	F		M	F		M	F
Board (with contract)	0.00 %	28.37	0.00	0.00 %	24.54	0.00	0.00 %	0.00	0.00	0.00 %	0.00	0.00
Senior management	79.02 %	19.58	13.42	0.00 %	27.59	0.00	88.99 %	24.60	23.37	0.00 %	0.00	0.00
Type 1 Executive	78.30 %	19.27	17.72	86.22 %	20.57	20.87	0.00 %	22.42	0.00	85.02 %	19.38	23.65
Type 2 Executive	94.33 %	17.75	17.53	91.61 %	18.08	16.86	95.73 %	19.91	20.67	80.81 %	22.67	16.19
Middle managers	87.21 %	20.93	16.37	94.79 %	18.63	16.90	100.33 %	23.01	22.29	91.28 %	16.30	17.71
Others	93.86 %	17.37	15.17	92.24 %	18.82	16.17	95.49 %	19.52	19.05	91.01 %	11.43	12.78

The difference in wages earned by men/women is directly related to their length of employment or seniority within their Professional category. Hence, the wage difference is derived from add-ons and not the basic salary, since the basic salary for men and women in each professional category is the same. This equal relationship is maintained in all the entities that make up Grupo Cooperativo Cajamar.

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Breakdown by gender, age and occupational classification of average remuneration (including variable remuneration)

Jobs	35 and under			36 to 55			Over 55			Total		
2018*	M	F	Gap	M	F	Gap	M	F	Gap	M	F	Gap
Board (with contract)	-	-	-	377,493.0	-	-	196,992.8	-	-	257,159.5	-	-
Senior management	-	-	-	131,737.5	88,190.8	33.1 %	331,211.4	-	-	138,172.1	88,190.8	36.1 %
Type 1 Executive	68,315.5	58,865.4	13.8 %	72,383.4	60,810.9	16.0 %	92,455.6	-	-	73,057.8	60,755.2	16.8 %
Type 2 Executive	43,873.5	43,244.5	1.4 %	50,883.1	47,272.2	7.1 %	58,989.6	52,516.2	11.0 %	50,569.2	46,998.1	7.0 %
Middle managers	36,253.7	36,496.2	-0.7 %	43,146.4	39,762.2	7.8 %	50,022.2	-	-	42,708.7	39,436.1	7.7 %
Others	27,138.6	27,730.1	-2.2 %	38,240.7	35,705.3	6.6 %	46,167.1	43,039.8	6.8 %	37,269.2	34,282.4	7.7 %
Total	31,797.4	30,149.1	5.1 %	45,800.6	38,505.4	15.9 %	66,306.0	47,778.0	27.9 %	45,098.8	37,348.0	17.1 %

In 2018, only full-time employees were taken into account.

Jobs	35 and under			36 to 55			Over 55			Total		
2019	M	F	Gap	M	F	Gap	M	F	Gap	M	F	Gap
Board (with contract)	-	-	-	341,662.0	-	-	196,992.8	-	-	258,993.9	-	-
Senior management	-	-	-	131,725.2	91,828.8	30.3 %	170,545.3	-	-	135,607.2	91,828.8	32.3 %
Type 1 Executive	-	60,823.8	-	76,626.1	63,416.7	17.2 %	89,472.9	-	-	77,756.6	63,348.4	18.5 %
Type 2 Executive	45,642.7	44,531.7	2.4 %	52,317.6	48,119.9	8.0 %	70,044.7	49,030.9	30.0 %	52,184.4	47,888.0	8.2 %
Middle managers	37,140.5	37,325.6	-0.5 %	44,846.6	41,029.6	8.5 %	56,215.0	43,820.6	22.0 %	44,621.0	40,728.4	8.7 %
Others	26,151.1	26,430.8	-1.1 %	37,969.1	35,625.2	6.2 %	55,634.8	60,391.7	-8.5 %	37,166.4	34,404.5	7.4 %
Total	29,308.0	28,886.9	1.4 %	45,798.2	38,656.6	15.6 %	70,417.7	58,748.6	16.6 %	45,152.4	37,523.3	16.9 %

Distribution of promoted employees broken down by gender

Gender	Staff		Promotions	
2018*	Number	%	Number	%
Men	2,757	49.26 %	335	47.59 %
Women	2,840	50.74 %	369	52.41 %
Total	5,597	100.00 %	704	100.00 %

Gender	Staff		Promotions	
2019	Number	%	Number	%
Men	3,119	50.12 %	305	44.08 %
Women	3,104	49.88 %	387	55.92 %
Total	6,223	100.00 %	692	100.00 %

Starting salary for new employees in 2018*	Minimum Wage	Ratio
€ 18.536,16	€ 10.302,60	1.80

Total annual fixed remuneration for the best paid position within the Group is 13.8 times the average total annual fixed remuneration for all Group staff. The percentage increase in the total annual fixed remuneration for the best paid position within the Group is 11.12 times the percentage increase in the average total annual fixed remuneration for all Group staff.

Starting salary for new employees in 2019	Minimum Wage	Ratio
€ 18.288,73	€ 12.600,00	1.45

Total annual fixed remuneration for the best paid position within the Group is 13.93 times the average total annual fixed remuneration for all Grupo Cajamar (GCC + Holdings) staff. There has been no percentage increase in the total annual fixed remuneration for the best paid position within Grupo GCC in 2019 with respect to the percentage increase of the average total annual fixed remuneration for all staff since there was no percentage increase in the salary of the best paid position. The average increase for all Grupo Cooperativo Cajamar staff members was 1.16%.

Bearing in mind that 92.14% of staff members at Grupo Cajamar are covered by the Collective Agreement for Cooperative Credit Institutions, the standard initial salary for new employees set out in that Agreement is taken into consideration, since the salary for other employees not covered by the agreement would be €14,845.

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Health and Safety (403-2)

Medical check-ups carried out within Grupo Cooperativo Cajamar entities.

Number of check-ups	2018*	2019
Total	3,754	3,889

None of the professionals working at Grupo Cooperativo Cajamar is exposed to occupational diseases, since Royal Decree 1299/2006 of 10 November does not recognise any occupational diseases in Grupo Cooperativo Cajamar's sector of business activity.

100 per cent of the Group's staff members signed up to the SPM health and safety service are represented on the various occupational health and safety committees, as well as by workers' representatives who act as health and safety officers on committees.

Employee accidents at work broken down by gender and region (403-2)

	Men					Women					Total
2018*	North	South	East	Centre	Total	North	South	East	Centre	Total	
Total Accidents	0	11	16	4	31	0	23	29	4	56	87
Accidents without leave	0	8	11	1	20	0	5	15	1	21	41
Accidents with leave	0	3	5	3	11	0	18	14	3	35	46
Total days lost with leave	0	107	99	24	230	0	247	161	127	535	765

	Men					Women					Total
2019	North	South	East	Centre	Total	North	South	East	Centre	Total	
Total Accidents	0	12	10	3	25	0	31	32	6	69	94
Accidents without leave	0	8	7	2	17	0	17	9	3	29	46
Accidents with leave	0	4	3	1	8	0	14	23	3	40	48
Total days lost with leave	0	158	54	7	219	0	237	464	57	758	977

All accidents recorded in 2019 were non-serious. The total number of days lost through leave resulting from an accident at work accounted for 0.06% of the total number of working days for all staff members.

Volume and type of employee absenteeism by gender and region (403-2)

	Men					Women					Total
2018*	North	South	East	Centre	Total	North	South	East	Centre	Total	
Total leave ⁽¹⁾	7	219	302	61	589	15	460	518	109	1,102	1,691
New leave	7	203	281	56	547	12	422	474	97	1,005	1,552
Incorporations	6	203	278	54	541	14	427	472	98	1,011	1,552
Total days lost	259	5,285	6,224	1,815	13,583	365	10,625	13,705	3,706	27,771	41,354
Total hours lost	-	-	-	-	95,081	-	-	-	-	194,397	289,478
Rate of accidents	0.000	0.011	0.011	0.013	0.011	0.000	0.020	0.020	0.015	0.020	0.015
Rate of days lost due to accidents ⁽¹⁾	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.002	0.001	0.000
Rate of absenteeism ⁽²⁾	0.046	0.018	0.015	0.021	0.017	0.087	0.036	0.036	0.045	0.037	0.027
Total working days for all staff members	5,624	285,738	420,435	84,594	796,391	4,179	292,956	382,620	68,944	748,699	1,545,090

	Men					Women					Total
2019	North	South	East	Centre	Total	North	South	East	Centre	Total	
Total leave ⁽¹⁾	5	317	317	58	697	9	500	504	112	1,125	1,822
New leave	4	297	292	51	644	8	464	456	101	1,029	1,673
Incorporations	5	288	299	55	647	9	460	453	99	1,021	1,668
Total days lost	165	7,447	7,124	1,597	16,333	103	13,012	14,620	3,535	31,270	47,603
Total hours lost	-	-	-	-	114,331	-	-	-	-	218,890	333,221
Rate of accidents	0.000	0.009	0.007	0.009	0.008	0.000	0.023	0.022	0.021	0.022	0.015
Rate of days lost due to accidents ⁽¹⁾	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
Rate of absenteeism ⁽²⁾	0.029	0.020	0.017	0.017	0.018	0.020	0.037	0.037	0.048	0.038	0.028
Total working days for all staff members	5,787	367,886	430,552	92,443	896,668	5,069	354,572	390,722	73,641	824,004	1,720,672

Note 1: Days lost due to accidents/No. of staff working days in the area.

Note 2: Total days lost/No. of staff working days in the area.

Note 3: It is estimated that 9.99 % of the leave taken in 2018 and 8.50% in 2019 were pre-maternity.

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

Employees entitled to maternity or parental leave (401-3)

2018*	Men	Women
No. of employees entitled to leave	95	133
No. of employees who exercised that right	93	133
No. of employees still on leave	8	40
No. of employees who, after their statutory leave finished, are on a leave of absence ¹	0	22
No. of employees who, after their statutory leave finished, returned to work	84	62
% of staff members who returned to work after taking statutory leave	98.82 %	87.32 %

2019	Men	Women
No. of employees entitled to leave	105	159
No. of employees who exercised that right	104	159
No. of employees still on leave	9	37
No. of employees who, after their statutory leave finished, are on a leave of absence ¹	0	31
No. of employees who, after their statutory leave finished, returned	95	75
% of staff members who returned to work after taking statutory leave	100.00 %	82.42 %

% of employee retention after maternity or paternity leave, broken down by gender (401-3)

2018*	Men	Women
Maternity/paternity leave taken previous year	102	154
No. of employees who returned to work	91	90
No. of employees who are still working in the Group 12 months later ²	101	127
% of retention	99.02 %	82.47 %

2019	Men	Women
Maternity/paternity leave taken previous year	93	133
No. of employees who returned to work	84	62
No. of employees who are still working in the Group 12 months later ²	89	122
% of retention	97.85 %	91.73 %

¹ Within Grupo Cajamar, leaves of absence to take care of children up to the age of 3, as well as entitling the employee to keep their job, in the terms established by law, also offer a number of significant improvements in terms of pension contributions, remuneration, social finance, as well as study, training and development grants.

² To ascertain employees' working situation 12 months later, the date taken into account is 31/12/2019.

* Regarding the comparability of the information reported, it should be noted that the data for 2018 do not include information for the Group's holdings (as reported in the Integrated Report for 2018, in which they were not material with regard to the Group total), while data from 2019 do include this information.

In 2019, there were no claims lodged about labour practices submitted, addressed and resolved through formal complaints procedures.

Social benefits (401-2)

Social benefits	Fixed (full or part-time)	Temporary	Observations
Life Insurance	Yes	Yes	
Medical insurance	No	No	Not paid by the entity. Included in flexible remuneration payable by the employee
Incapacity or disability cover	Yes	Yes	
Child care leave of absence	Yes	Yes	
(*) Pension fund	Yes	Yes (minimum 2 years working)	
Shares/Holdings	Yes	Yes	Possibility of making contributions to the entity's equity capital
Study grants	Yes	Yes	
Flexible remuneration	Yes	Yes	In the case of temporary employees, provided the duration of the contract is at least equal to the duration of service (nursery, insurance...)
Training and Professional Development	Yes	Yes	
Holiday and leaves of absence (paid and unpaid)	Yes	Yes	
Flexible working day	Yes	Yes	
Social finance	Yes	No	
Corporate Culture	Yes	Yes	
Equality plan	Yes	Yes	
Plan to help employees whose children have disabilities	Yes	No	

(*) The Employment Pension Plan Oversight Committee agreed as a mandate for the management of the Employment Fund to apply ethical, social, environmental and corporate governance criteria to investments made. In addition, the Fund must comply at all times with the UN's Principles for Responsible Investment. At 31 December 2019, the Pension Plan encompassed 7,191 members, 591 beneficiaries, and the total assets managed amounted to €170,635,790.48. The plans offer defined benefits and defined contributions, including some groups with defined benefits only, and other mixed groups (defined contributions and benefits). All obligations are outsourced, either in the employment pension plan or through insurance policies.

Annex III - Trade union relations

Grupo Cooperativo Cajamar understands that freedom of association and labour representation are a right that needs to be preserved by ensuring that the functions of worker representation and defence can be carried out in an appropriate environment that enables, through negotiation, the improvement of workers' conditions through the approach of creating shared value. In this regard, Human Resources Management provides all the necessary information for social agents to represent and defend the interests of Grupo Cooperativo Cajamar workers swiftly and effectively, through on-going dialogue between the different entities that make up the Group and trade union representatives.

In accordance with labour regulations, employees are represented by unions and they are kept constantly informed of any changes and agreements made within the organisation itself. Equally, Grupo Cooperativo Cajamar provides union representatives with all the appropriate resources to carry out their activity. Furthermore, internal channels of communication are kept up to date so as to provide information to all the Group's staff members.

At present, with regard to trade union representation, Grupo Cooperativo Cajamar has a structure comprising four group-wide union sections, empowered to represent and negotiate on behalf of any Group employee.

In terms of representative bodies, taking into account all the entities and companies that make up the Group as well as the parent company, BCC, **there are a total of 291 workers' representatives operating in 37 provinces**, and sitting on 22 company committees present in 14 provinces, and 53 representative bodies with a staff representative, distributed in 33 provinces.

92.14 % of Group staff members are covered by the XXI Collective Agreement for Cooperate Credit Unions and Institutions. Published in Spain's Official Bulletin (BOE) issue **10**, 20 December 2016, as well as by the **labour agreements signed** with union representatives in **Grupo Cooperativo Cajamar**, since social dialogue is taken into consideration at all times.

7.83 % of all Group staff members are covered by the **Almeria Branch and Office Agreement**. Published in the Almeria BOP Issue **17**, 26 January 2017, as well as by the **labour agreements signed** with the union representatives of each company.

0.03 % of all Group staff members are covered by the **Private Insurance Brokerage Agreement**. Published in Spain's Official Bulletin (BOE), Issue **261**, 28 October 2016.

In **2019**, there were no situations that jeopardised workers' rights to freedom of association within the Group or within significant suppliers linked to the Group's activity.

The entities that make up Grupo Cooperativo Cajamar are members of the employers' organisation ASEMECC, an associative organisation established to protect members' interests and represent them in collective bargaining and labour relations. The purpose of this association is to represent its members in collective bargaining and labour relations, and to engage in related or complementary activities required to achieve this purpose.

Annex IV – PwC Audit Report



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

Independent verification report

To the shareholders of Banco de Crédito Social Cooperativo, S.A.,

Pursuant to Article 49 of the Code of Commerce, we have verified, under a limited assurance scope, the accompanying Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2019 of Banco de Crédito Social Cooperativo, S.A. (the Parent Company) and subsidiaries (hereinafter BCC or the Group) which forms part of BCC's Consolidated Directors' Report.

The content of the NFIS includes additional information to that required by the current commercial legislation on non-financial information reporting which has not been covered by our verification work. In this respect, our work has been restricted solely to verifying the information identified in the tables included in section "8.4 Correspondence between non-financial information legislation and the GRI" and in the table included "Annex I – Index of GRI Contents" of the accompanying NFIS.

Responsibility of the Board of Directors of the Parent Company

The preparation of the NFIS included in BCC's Consolidated Directors' Report and the content thereof are the responsibility of the Board of Directors of Banco de Crédito Social Cooperativo, S.A. The NFIS has been drawn up in accordance with the provisions of current commercial legislation and with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) in accordance with Comprehensive Option and Financial Services Sector Disclosures of the GRI G4 Guidelines (hereinafter Financial Services Sector Disclosures), in line with the details provided for each matter in section "8.4 Correspondence between non-financial information legislation and the GRI" and in the table included "Annex I – Index of GRI Contents" of the mentioned NFIS.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to ensure that the NFIS is free of any immaterial misstatement due to fraud or error.

The directors of Banco de Crédito Social Cooperativo, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Inscripción en el R.O.A.C. con el número S0242 - CIF: B-79 031290



Our firm applies the International Standard on Quality Control 1 (ISQC 1) and therefore has in place a global quality control system, which includes documented policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team has been formed by professionals specialising in non-financial information reviews and specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance verification report based on the work carried out. Our work has been carried out in accordance with the requirements set by the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for verification engagements on non-financial statements issued by the Spanish Institute of Auditors (Instituto de Censores Jurados de Cuentas de España).

In a limited assurance engagement, the procedures performed vary in terms of their nature and timing of execution, and are less extensive than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted of posing questions to Management and several BCC's units that were involved in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with BCC personnel to ascertain the business model, policies and management approaches applied, the main risks related to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the contents included in the NFIS for 2019, based on the materiality analysis carried by BCC and described in section "3.4 Stakeholder expectations: materiality assessment", considering the content required under current commercial legislation.
- Analysis of the procedures used to compile and validate the information presented in NFIS for 2019.
- Review of information concerning risks, policies and management approaches applied in relation to material issues presented in the NFIS for 2019.
- Verification, through sample testing, of the information relating to the content of the NFIS for 2019 and its adequate compilation using data supplied by the BCC's information sources.
- Obtainment of a management representation letter from the Parent company's Directors and Management.



Conclusions

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that BCC's NFIS for the year ended 31 December 2019 has not been prepared, in all its significant aspects, in accordance with the provisions of current commercial legislation and the GRI Standard in accordance with the Comprehensive Option, and Financial Services Sector Disclosures, in line with the details provided for each matter in section "8.4 Correspondence between non-financial information legislation and the GRI" and in the table included "Annex I – Index of GRI Contents" of the mentioned NFIS.

Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish commercial legislation and therefore might not be suitable for other purposes or jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by
Marga de Rosselló

10 March 2020