

2014

Cooperative Group Cajamar's Integrated Report



Introduction

Welcome to the first Cooperative Group Cajamar's integrated report, corresponding to the financial year ended on December 31, 2014. This report has been performed under the criteria established by the International Integrated Reporting Council (IIRC), the Global Reporting Initiative (GRI 4.0) and the principles of the standard AA1000 (AccountAbility Principles AA1000APS).

The scope of this report (G4-18, G4-22, G4-23) is limited to Cooperative Group Cajamar on a consolidated basis. This integrated report includes financial and non-financial information from a long term perspective, designed to help our stakeholders to understand all the components of the business value and how this value may be affected by future risks and opportunities.

Banco de Credito Cooperativo (BCC)¹, as leading entity of Cooperative Group Cajamar, has submitted the report to an external independent company for its verification, enclosing herein such verification report. Likewise, the Integrated Report has been submitted for approval of the Board of Directors of Banco de Credito Corporativo, as head of the Group.

Report's Verification PwC has performed an external verification process of the Report, according to the "International Standard on Assurance Engagement 3000" (ISAE 3000) and to the action guide of the Spanish Institute of Chartered Accountants, based on the criteria established on the guide GRI-G4-0 and on the Accountability Principles AA1000APS. Its work has been performed under the independence rules required by the Code of Ethics of the International Federation of Accountants (IFAC).

Index		Page	
Introduction		2	
Letter from the Chairman		3	
Cooperative Group Cajamar		5	Description and structure.
Corporate Governance		9	Bodies and mechanisms of corporate governance.
Business Model		17	Management of stakeholders. Creation of shared value. Opportunities and risks.
Strategy and Performance		36	Materiality analysis. Business strategy.
Triple dimension	Economic dimension	42	Economic-financial situation. Global risk management. Consumer protection. Responsible purchasing.
	Social dimension	68	HR management. Commitment to society.
	Environmental dimension	101	Environmental management. Commitment to environment.
Future Prospects		131	Preparation of the organization regarding future prospects.
Report's Contents		133	Indexed tables linked to GRI, IIRC and Global Compact.
Verification Report		140	External verification report independent by PwC.

¹ Banco de Credito Cooperativo is the trade name of Banco de Credito Social Cooperativo, being the leading entity of Cooperative Group Cajamar.

Letter from the Chairman



2014 has proved a complex year and with many challenges for Cooperative Group Cajamar as for other Spanish entities, and the most important and fundamental one is to have overcome the revision of asset quality and the exercise of stressing the balance, prior to the incorporation to the Supervisory Single Mechanism.

It also has been a year of radical changes to adapt us to a new environment and to strengthen us to the new demands imposed to the financial sector. In this sense, it has to be emphasized the creation of Banco de Credito Cooperativo (BCC), constituted by 32 rural banks with Cajamar as main shareholder, which acts as leading entity of the Group since July, 1st.

All these changes have been carried out by maintaining the cooperative principles and values that form part of our business philosophy, and jointly with the Principles of the Global Compact of the United Nations, with which we feel committed, have enabled us to develop and implement an Ethical Management System for the entire Group, which constitutes a framework of mandatory compliance in the performance of our activity.

This cooperative nature is just what keeps the Group's commitment to its territory, specialised in financial support to families, entrepreneurs and local production systems; likewise it generates shared value by contributing to economic development and social progress through job creation, social economy promotion and, mainly, by supporting thousands of small and medium farmers and livestock breeders in an increasingly technical and competitive agro-food sector.

Through this integrated report I am presenting you, we aim to go one step further in the communication with our stakeholders and to share in a clear manner the most relevant aspects of the Group's strategy, besides of its governance, performance and prospects in a changing and increasingly complex environment. A strategy oriented to value creation in short, medium and long term; to Group sustainability, and to achieve our mission always with due prudence and responsibility in our performance.

From an economic perspective, I consider important to emphasize the leadership of our Group in the sector of Spanish credit cooperatives with nearly 4 million customers and 1.4 million partners. Cooperative Group Cajamar is the only cooperative financial group in Spain that has been involved in the solvency revision process carried out by the European Central Bank, having successfully overcome this test, and thus having its solvency and financial strength duly accredited by the ECB. Our group has overcome these tests with a CET1 ratio of 7.99%, 2.49 percentage points higher than the 5.5% established in the adverse scenario and a CET1 ratio of 10.17%, compared with the 8% set as reference value in the baseline scenario, all this without receiving state aids.

The impact of the activity performed by the Group is mainly described in economic terms but also in terms of efficiency, resource conservation, environmental protection and investment in R&D.

The Group has sought to act responsibly in all of those terms. Regarding people management, we have continued working to maintain a good working environment and to develop the talent of the professionals working in the organization. As a result of this, we have succeeded to maintain jobs and a high level of commitment and professionalism that it is fair to acknowledge and to thank for their important contribution.

Our commitment to local suppliers is not less important, since we are aware that many small and medium companies largely depend on the continuity of their relationship with the Group and therefore there are thousands of families that depend on it in a direct or indirect way. The approval process aims to maintain such relationship and hence we continue developing it with extreme transparency, objectivity and responsibility.

Regarding environmental management, we have expanded our environmental oriented commitment by considering climate change as an element to be taken into account in our management from a perspective of risk and business opportunity. In this sense, we have continued developing mechanisms aimed at minimizing economic and financial risks of environmental nature and the development of financial solutions aimed at generating positive impacts has been encouraged. To all this, we should add the energy saving and efficiency program that the Group has developed and the high level of consumption efficiency that has been achieved throughout the entire organization.

Our commitment to the agro-food sector also leads to promote a significant effort in research and innovation aimed at improving the competitiveness and sustainability of the sector, which culminates in a comprehensive program of knowledge transfer. In this regard, it should be emphasized the work performed by our two experimental centres in Almeria and Valencia, which have become a national and international reference.

To all our partners and customers, I appreciate the confidence and support they always have given to Cooperative Group Cajamar, and I hope we will be able to continue responding to their confidence with the same integrity, transparency and responsibility with which we have always tried to accompany our performance.

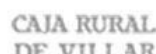
Luis Rodríguez

Chairman

1. Cooperative Group Cajamar

Cooperative Group Cajamar is a consolidated group of credit entities, authorised and qualified as institutional protection scheme (SIP) by the Bank of Spain.

Entities comprising Cooperative Group Cajamar



It is the first Spanish credit cooperative group, with 4 million customers and 1.4 million partners, 1,314 branches and 6,582 employees. It is present in 41 provinces of Andalusia, Aragon, Asturias, Balearic Islands, Canary Islands, Cantabria, Castile-La Mancha, Castilla y Leon, Catalonia, Valencian Community, La Rioja, Madrid, Navarra and Region of Murcia, as well as the autonomous cities of Ceuta and Melilla.



Cooperative Group Cajamar serves to any economic sector and population group, although its action is aimed at financing needs, savings and investment the economy of families, professionals and self-employed and also small and medium companies. As a credit cooperative, it pays special attention to social economy companies, to productive sectors and especially to the agro-food sector.

The Group's activities meet the needs and demands of financing, savings and investment of its partners and customers. It carries out all kind of asset, liability and services operations, including retail banking through its network of branches, corporate banking, mortgage financing, online and telephone banking, financial transactions with non-residents, management of funds and property, financial leasing, insurance and other by-products to obtain resources or finance the customers.

The reality of this commitment, along with an adequate strategy of diversification, growth and expansion, has made Cooperative Group Cajamar is considered innovative, efficient and entrepreneurial, with a multi-channel management model combining the most advanced technologies and direct personalised attention in its network of branches.

In the new European Banking Union, Cooperative Group Cajamar, due to its size and volume of assets, is considered one of the 14 most significant entities in the Spanish financial system, and for that reason its supervision corresponds to the Single Monitoring Mechanism (MUS), which comprises the European Central Bank and the national competent authorities of the participating countries.

The leading entity of Cooperative Group Cajamar is Banco de Credito Social Cooperativo, S.A., which acts with the trade name of Banco de Credito Cooperativo (BCC).

Banco de Credito Cooperativo is constituted by 32 rural banks with Cajamar as main shareholder:

- ❖ 19 rural banks of the Cooperative Group Cajamar are: Cajamar, Caixa Rural Torrent, Caixa Rural de Vila-real, Caixaltea, Caixa Rural Burriana, Caixacallosa, Caixapetrer, Caixa Rural Nules, Caixa San Vicent de Vall d'Uixo, Caja Rural de Cheste, Caixalqueries, Caixa Rural d'Alginet, Caja Rural de Villar, Caixa Rural Vilavella, Caixaturis, Caixa Albalat, Caixa Rural de Almenara, Caixa Rural Vilafames and Caixa Rural Xilxes.
- ❖ And 13 other rural banks from Extremadura, Andalusia, Castile-La Mancha, Catalonia and Valencian Community which despite of not being integrated into Cooperative Group Cajamar, are shareholders of BCC and thus receive from it the same financial services required by them: Cajalmendralejo, Caja Rural de Utrera, Caja Rural Baena, Caja Rural de Cañete, Caja Rural Nueva Carteya, Caja Rural Adamuz, Caja Rural de Castilla-La Mancha, Caixa Guissona, Caixa Rural La Vall, CaixaAlmassora, Caixa Benicarlo, Caixa Vinaros and Caixa Rural Les Coves.

Banco de Credito Cooperativo holds the management of Cooperative Group Cajamar, being responsible for its operation, establishment of trade policies, procedures and risk controls, treasury management, as well as the issuing of financial instruments, business plan and budget elaboration.

To this purpose, BCC prepares and submits the consolidated financial statements, and assumes the duties arising from the relationships with supervisory bodies and markets. Likewise, it ensures the compliance and improvement of the standards of corporate governance of the Group adapting them to the best practices.

Due to its linking to the shareholder rural banks that have led to its establishment, Banco de Credito Cooperativo is an entity that is framed within the scope of social economy, paying special attention to rural areas and agro-food sector.

According to its articles of association, the purpose of Banco de Credito Cooperativo is specified in the performing of all kind of activities, operations and services of banking business in general, that are in accordance with the applicable law.

The leading entity is responsible for monitoring the solvency and liquidity of the Group and all of its member entities.

Banco de Credito Cooperativo's Functions



List of companies considered as part of Group at 31/12/14. For these purposes it is considered that there is control over them at such date.

Companies dependent on Cajamar:

- | | |
|--|----------------------------------|
| • Cajamar Intermediadora OBSV, S.L.U. | Insurance intermediation |
| • Cimenta2 Gestion e Inversiones, S.A.U. | Real Estate Development |
| • Eurovia Informatica, A.I.E. | Provision of technology services |
| • Sunaria Capital, S.L.U. | Holdings of shares/investments |
| • Tarket Gestion, A.I.E. | Provision of general services |
| • Inmuebles Alameda 34, S.L. | Real Estate Development |
| • Alquileres Alameda 34, S.L. | Real Estate Development |
| • Parque Industrial Acceso Sur, S.L. | Real Estate Development |
| • Sumando Recursos, S.L. | Real Estate Development |

Companies dependent on Sunaria:

- | | |
|---------------------------|----------------------------------|
| • Eurovia Tecnologia S.L. | Provision of technology services |
| • Talia Formacion, S.L. | Human resources consultancy |

Companies dependent on Cimenta2:

- | | |
|----------------------------|-------------------------------------|
| • Giesmed Parking, S.L.U. | Real Estate Development |
| • Hotel Envia Golf, S.L.U. | Provision of accommodation services |

1.1 Vision, mission and values

Through a unique strategy based on the principles of cooperation, social economy and sustainable development, Cooperative Group Cajamar aims to be a reference group in the field of credit cooperatives, leader in the agro-food sector and relevant agent for the economic development and social progress in the territorial scope where it performs its activity.

Principle of cooperation

The Group understands cooperation as the sharing of efforts, knowledge and resources by all stakeholders, aimed at achieving greater mutual benefit, greater efficiency and greater equity.

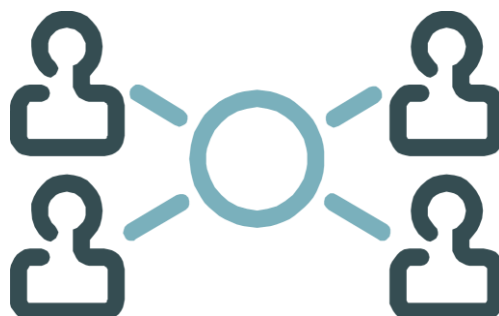


To these general principles, those particularly developed by the Ethical Management System of the Cooperative Group Cajamar comprising its corporate culture should be added.

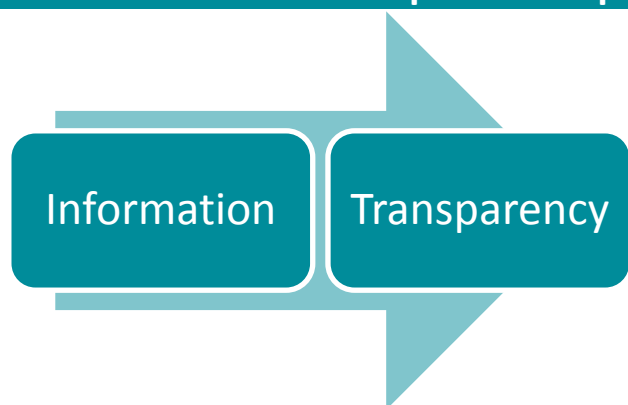
Values	Principles	
Transparency	Prudence	• Aimed at supporting safety, solvency and strength of the Group
Integrity	Ethics and social responsibility	• Aimed at generating shared value
Diversity	Efficiency	• Aimed at maintaining competitiveness with the highest quality
Responsability	Sustainability	• Aimed at developing economy, environmental conservation and social welfare

2. Corporate Governance

Cooperative Group Cajamar conceives corporate governance as the set of policies, measures and instruments, both internal (protection of partners' rights, composition and functioning of the Board, corporate information, etc.) and external (behaviour in capital markets, in labour market, etc.), whose primary objective is to protect shareholders and investors, maintaining the objective of minimizing the agency costs in terms of ethics and efficiency, always keeping in mind the ongoing dialogue with stakeholders as a fundamental element of the principle of cooperation.



Principles of Corporate Governance



Fundamental principles of corporate governance are information and transparency. The appropriate combination of both is the key to the implementation of good practices and to avoid information asymmetry.

Cooperative Group Cajamar understands corporate governance as the assurance of an orderly and ethical corporate behaviour, ensuring the interests of partners, shareholders and investors, through the concept of creating shared value and the Group's cooperative vocation.

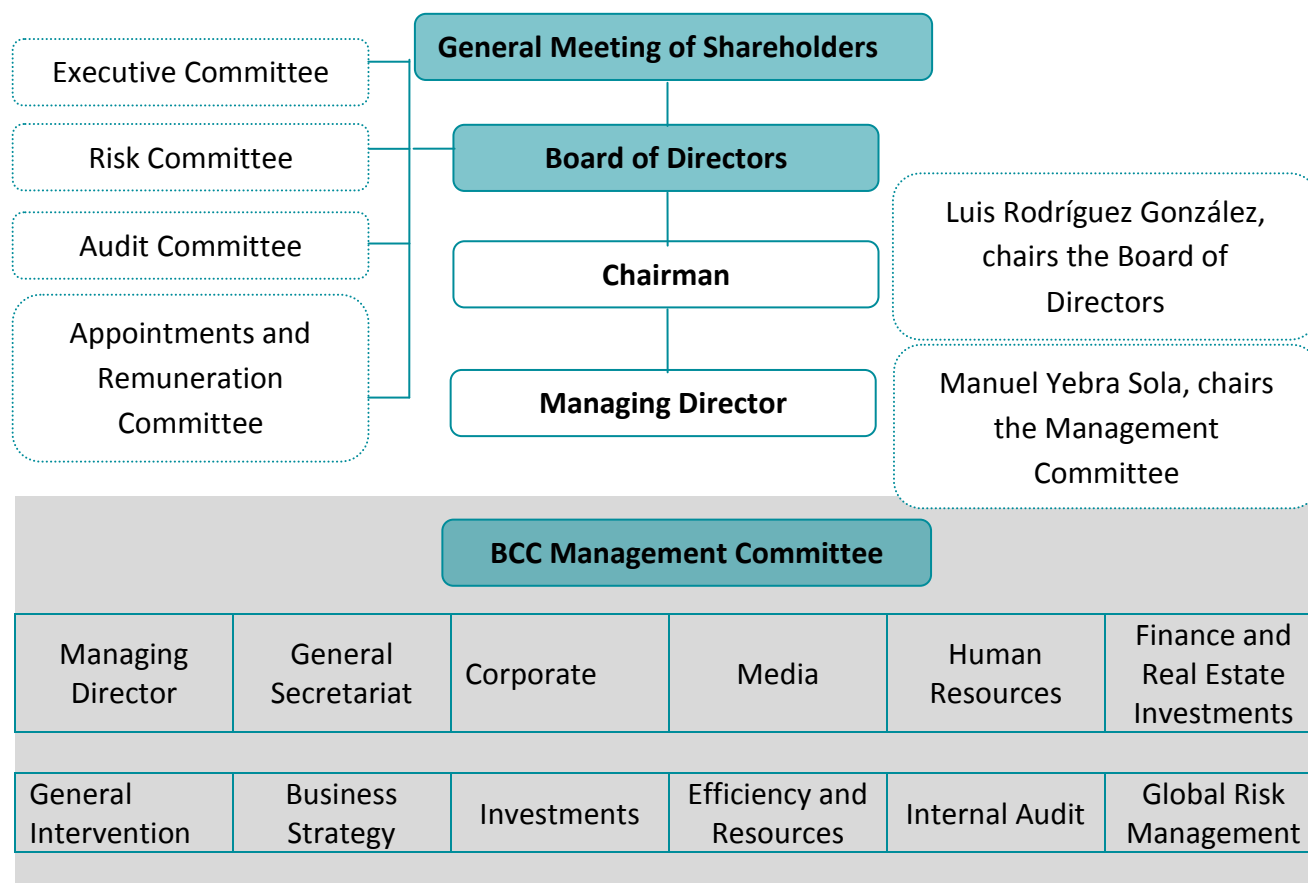
These two principles ensure an adequate and timely disclosure of all relevant information about the Group, including its financial situation, performance, shareholding and management.

2.1 Bodies and mechanisms of Corporate Governance

Cooperative Group Cajamar is provided with the General Board of Member Entities of the Group for its operation and monitoring, which consists of each and every one of the constituent entities of the Group. Represented by their respective chairpersons, their main function is the approval of the regulatory agreement of the Group, in addition to report the leading entity on all those matters considered essential for the development of such agreement.

Government bodies and Management of Banco de Credito Cooperativo

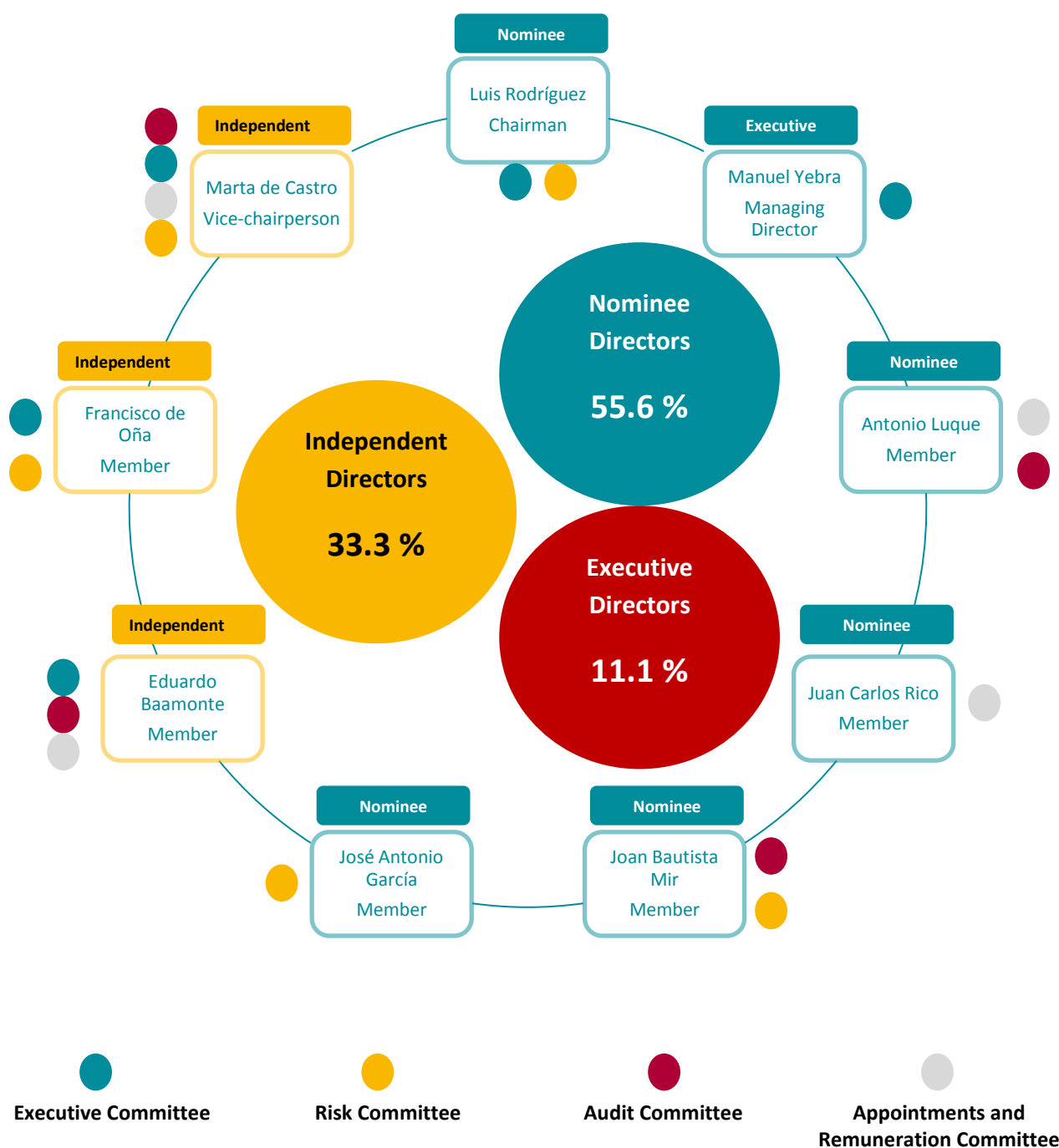
The General Meeting of Shareholders is the supreme body of Banco de Credito Cooperativo, being the Board of Directors and its three Committees the natural bodies of representation, administration, management and supervision of the Entity.



The functions of the General Meeting of Shareholders in regard to the control and monitoring of the entity are:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Approval of annual statements, distribution of the profit and approval of corporate management. • Appointment, reappointment and removal of Directors, besides of the ratification of themselves by means of co-optation. • Appointment, reappointment and removal of statutory auditors. • Modification of Articles of Association. • Increase and reduction of share capital. • Exclusion or limitation of pre-emptive subscription rights. • Transformation, merger, spin-off or global assignment of assets and liabilities and transfer of the ownership abroad. | <ul style="list-style-type: none"> • Dissolution of the Company. • Approval of final liquidation balance sheet. • Approval of the establishment of remuneration systems for Directors and senior executives of BCC consisting of the delivery of shares or rights thereto or that are linked to the value of such shares. • Issuance of debentures and other negotiable securities and delegation to the Board of Directors of the power for their issuing. • Authorization to derivative acquisition of own shares. • Approval and modification of the Rules of the General Meeting of Shareholders. |
|---|---|

Banco de Credito Cooperativo's Board of Directors



Composition of governance bodies and management broken down by age and gender (LA12)

Governance Body	From 36 to 55 years old															
	Up to 35 years old												> 55 years old			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Board of Directors	0	0.0%	0	0.0%	3	33.3%	1	11.1%	5	55.6%	0	0.0%	8	88.9%	1	11.1%
Management Committee	0	0.0%	0	0.0%	10	83.3%	2	16.7%	0	0.0%	0	0.0%	10	83.3%	2	16.7%
Total	0	0.0%	0	0.0%	13	61.9%	3	14.3%	5	23.8%	0	0.0%	18	85.7%	3	14.3%

Board of Directors' Functions:

The Board of Directors has the broadest powers of representation, administration, management and monitoring, besides of performing all kind of acts and agreements of ownership and management.

BCC's Board of Directors is responsible for ensuring the compliance with its ethical duties and any additional principles of social responsibility that it may voluntarily have accepted.

According to the provisions of the Council Regulation, the Board of Directors has set up, as decision-making committee, an Executive Committee, with delegation of general decision-making powers.

Likewise, the Council has also established the following Committees of advisory status: Audit, Appointment and Remuneration, and Risks.

Main functions of each of the committees

Executive

- It has all the powers inherent to the Board of Directors, except legal, either statutory or according to the agreement of non-delegable shareholders .
- In a particular way, all those matters requiring an enhanced majority for their approval shall be exempted from the knowledge of the Executive Committee.

Audit

- Supervise the effectiveness of internal control as well as its risk control systems.
- Supervise the preparation, presentation and integrity of financial information.
- Propose the appointment of statutory auditors.
- Supervise the independence and effectiveness of the internal audit activity.
- Report to the Board of Directors, prior to the adoption by it of the decision on the creation or acquisition of shares in special purpose entities or domiciled in tax heavens.

Appointment and y Remuneration

- Assessment of skills, knowledge and experience necessary on the Board of Directors.
- Participate in the annual performance assessment process of the Chairman of the Board of Directors and the Executive Director.
- Propose the separation of directors in case of incompatibility, structural conflict of interests or any other cause of resignation or dismissal.
- Report to the Board of Directors on matters of gender diversity.
- Propose to the Board of Directors the remuneration policy for Directors and Senior executives.
- Ensure the compliance of the remuneration policy of Directors and Senior Management.

Risks

- Assessment of Credit, Market, Liquidity, Operational and Reputational risks.
- Examine whether the prices of the assets and liabilities offered to customers take full account of the business model and risk strategy of the Bank. Otherwise, the Risk Committee shall submit to the Board of Directors a plan to amend it.
- Collaborate in the establishment of policies and practices of rational remuneration. To this end, the Risks Committee shall, without prejudice to the functions of the Remuneration Committee, examine whether the incentives provided in the remuneration system take into consideration risk, capital, liquidity and probability and opportunity of benefits.

Selection and assessment of directors

Criteria for selecting candidates for directors are reviewed by the Appointment and Remuneration Committee that takes its proposals to the Board of Directors. In this sense, the Committee has the following responsibilities among others:

- a) Ensure the compliance with current regulations regarding commercial and professional honourability, experience requirements including theoretical training and assessment of the suitability throughout the administrative body and conflicts of interest.
- b) Verify the concurrence of general requirements enforceable to all candidates for Directors of the Company in accordance with the provisions of its corporate governance system.
- c) Check the compliance with the specific requirements applicable to independent directors in law and in the system of corporate governance of the Company and gather adequate information regarding their personal qualities, experience, knowledge and effective availability.

BCC's Board of Directors has approved a procedure for assessing the suitability of the members of the administrative body, general managers or similar functions and responsible for internal control functions and other key positions for the daily development of the activity in the Group. The aforementioned procedure is to establish the steps to be followed and the criteria established in the Group in accordance with regulations on suitability to carry out the selection and ongoing assessment of the aforementioned people.

During financial year 2014, Cooperative Group Cajamar has conducted a revision on the suitability of directors, general managers and other key staff who had not been assessed during such year.

Training and experience of directors

In compliance with the rules on suitability, all directors have been subject to a process of internal assessment on their suitability that has concluded favourably and which has taken especially into account commercial and professional honourability, willingness to exercise good governance and professional background including training, knowledge and professional expertise.

Aggregate remuneration of BCC's Directors (thousands of Euros)					
Fixed remuneration	Other remuneration	Cost of Social Security	Allowances and fees	Post-employment benefits and Compensations	Total
475	35	21	603	0	1,134

2.2 Principles of action

The corporate governance model is based on the mission, vision, values and principles of Cooperative Group Cajamar and the axes of its social responsibility policy approved by the BCC's Directors.

Corporate social responsibility represents the voluntary commitment of Cooperative Group Cajamar to contribute to the improvement of social and economic sectors with which it interacts, and in general to the improvement of society, economy and environment.

Main axes of corporate social responsibility policy are:

- Maintain and promote the involvement of the different stakeholders in order to be aware of their expectations and to respond in a balanced and prudent manner to the issues considered most important.
- Promote social economy and sustainable local development.
- Specifically support the agro-food sector and those projects related to the optimization of the use of energy and water resources.
- Encourage the Socially Responsible Investment (SRI).
- Serve entrepreneurs and those segments of population with difficulties of access to the necessary financial resources to launch their projects.

Given the cross-sectional nature of corporate social responsibility, social responsibility policy and its ethical guidelines are applicable to all businesses and to all employees of the entities of Cooperative Group Cajamar.

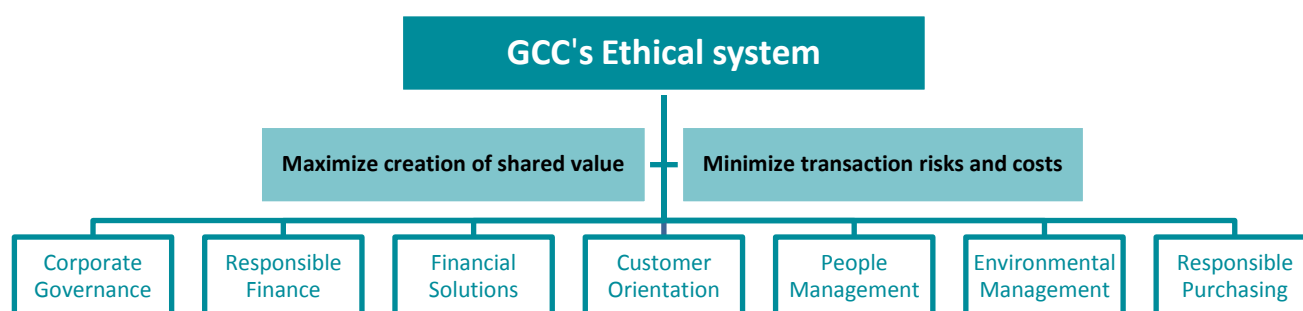
Corporate social responsibility is the pillar on which the Ethics Management System of the Group is based. Its application is coordinated by the Committee of Ethics Management and Social Responsibility chaired by the Managing Director, and supervised by the Board of Directors.

Its management is entrusted mainly to the area of CSR which reports directly to the Chairman and to the Managing Director of the BCC, being its essential function to plan and implement the policy of corporate social responsibility of the Group in accordance with its Mission, and to contribute to its improvement in ethical, reputational and governance terms, as well as to its economic-financial, social and environmental sustainability.

The Ethical System of Cooperative Group Cajamar aims to be the reference framework for its business and for those of its members regarding the several stakeholders with which it relates, interacts and links.

Ethical System is a set of values, principles and goals developed and implemented through a system of policies, measures and instruments that in a jointly, coherent and interrelated manner, set the ethical framework for action of Cooperative Group Cajamar's entities as a whole, as well as that of each of its members in the performance of their professional activity.

It is a voluntary and self-imposed system that aims to complement the legal system, establishing strong and lasting relationships, as well as ethical and equitable, to our environment in order to promote measurable, stable and reliable socio-economic development, reducing transaction costs and improving in an indirect manner economic-financial, social and environmental efficiency of the Group.



The Code of Conduct of Cooperative Group Cajamar regulates the daily performance of the work of employees, managers and members of the governing bodies, collecting a series of standards, ethical principles and values of required knowledge and compliance.

The Internal Code of Conduct in the Stock Market contributes to the compliance of current regulations by implementing measures and procedures in the field of stock market.

The Directorate for Regulatory Compliance along with the Directorate for Audit ensure the compliance of the Code of Conduct, know the non-compliance thereof and propose to the Control Committee for their possible adoption in a coordinated and agreed manner with the Directorate for Human Resources, the corrective measures and sanctions that may be applicable.

Meanwhile, the Essential Rights Committee is the empowered channel to safeguard the essential rights of people working in the Group, acting as channel for last resort complaints in this matter and making sure that no reprisals against those employees going to the CDE are taken.

During 2014, no case of violation of basic rights and/or the Code of Conduct has been identified.

2.3 Good practices of corporate governance

Cooperative Group Cajamar is convinced that transparency and good management in the development of good corporate governance practices are essential factors to the creation of value in the organization, to the improvement of economic efficiency and to the strengthen of trust on their stakeholders. Therefore, and although Banco de Credito Cooperativo is not subject to the provisions laid down by Law 31/2014, amending the Capital Companies Act to improve the corporate governance, it has decided to adopt the best practices on corporate social responsibility and it has developed the following actions:

- ❖ Supervise and approve the corporate social responsibility policy, the ethical management system and the internal code of conduct of GCC.
- ❖ Supervise and approve the integrated report of GCC.

Likewise, the following agreements have been taken:

- ❖ Assessment of the Board of Directors' Performance. As provided in the EBA Guideline on internal government (GL 44), BCC' Board of Directors has approved a procedure for the assessment of its performance.
- ❖ As provided in the aforementioned EBA Guideline on internal government (GL 44), BCC' Board of Directors approved a procedure for the externalization or outsourcing of services.

Likewise, the Board of Directors approved to adhere to the following initiatives:	
❖ Principles of the United Nations Global Compact. The Group supports the Global Compact and works to the dissemination of its ten principles, based on human, labour, environmental and fight against corruption rights.	❖ Women's Empowerment Principles: An initiative of UN Women and the Global Compact of the United Nations. With this signature, the Group assumes the public commitment to align its policies to move forward the gender equality.
❖ Caring for Climate: an initiative jointly convened by the Global Compact of the United Nations, the United Nations, the United Nations Environment Programme (UNEP) and the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC). The aim is to prevent the crisis of climate change.	❖ Carbon Disclosure Project (CDP): The CDP is an independent non-profit organization that works for the reduction of greenhouse gas emissions and for a sustainable use of water. According to this accession, and as a demonstration of its commitment to the environment, the Group is committed to measure, make public, manage and share its environmental information.
❖ By the end of the year, the adherence to the Code of Good Tax Practices of the Spanish State Tax Administration Agency (AEAT) was also approved.	

3. Business Model

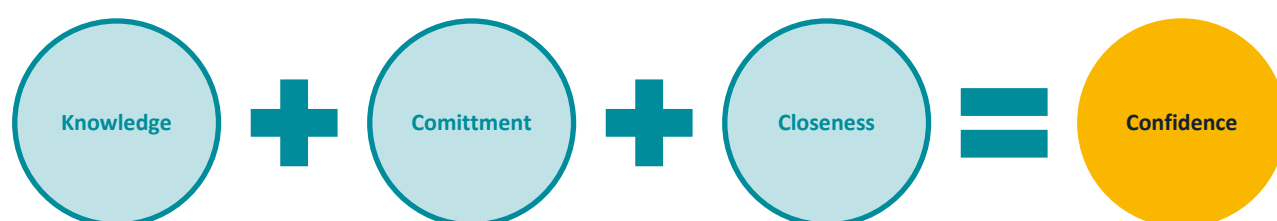
Through a unique strategy based on the principles of cooperation, social economy and sustainable development, Cooperative Group Cajamar aims to be a reference group in the field of credit cooperatives, leader in the agro-food sector and relevant agent for economic development and social progress in the territorial scope where it performs its activity.

In these times of particular difficulty is when it truly makes sense to talk about responsibility, mutual aid and solidarity. All these cooperative values together comprise our corporate culture.

A task that involves acting with special sensitivity to families and small and medium companies, to which Cooperative Group Cajamar intends to respond with honesty, transparency and social responsibility.

3.1 Identity signs

Considering its cooperative nature, the Group aims to be recognized because of its closeness, its socially responsible behaviour, respectful of the ethical principles and values of the society to which it belongs, committed to social and economic environment with which it interacts and responsible in its economic, social and environmental performance.



Cooperative Group Cajamar also intends to be recognized as a solvent Group from an economically and ethically point of view, worthy of the confidence of its employees, customers and suppliers, as well as public institutions and authorities and the society as a whole.

Efficiency, understood as the best assignment of the resources used, together with the professionalism of its employees, the continuous improvement processes and its innovation ability, are the essential pillars that the Group provides to society within the scope of its financial activity.

3.2 Characteristics of the business model

- ❖ Cooperative nature and condition.
- ❖ Wide social base.
- ❖ Benefits are not an end in themselves but a means for economic development and social progress, thus being the creation of a shared value the axis of the business model.
- ❖ Support real economy, which is shown by its commitment to the different productive sectors through its financial activity.
- ❖ Support family economy.
- ❖ Preferential attention to agro-food sector.
- ❖ Commitment to social economy.

3.2.1 Creating shared value

Commercial criteria and the definition of financial solutions are guided by the strategic principle of creating shared value.

This concept is based on that it is not only desirable that those benefits for the Group correspond to the benefits for the whole community, but it is necessary that such compatibility is given to define a sustainable and viable management model in the long term. In short, it means that what is good for the Group has to be good also for society, and vice versa, so that the business strategy should be focuses on combining mutual benefit and value.

Our business proposition should be able to create value for both the Group and society, but also that value must be identifiable and measurable on its two aspects. In addition, within this strategy, the Group designs financial solutions that make easier the implementation of principles and strategies of sustainable development, through products and services whose main objective is the preservation of the environment and the improvement of the quality of life of citizens.

The constant improvement of quality and the commitment to innovation within a framework of safety and confidence are the two transverse axes guiding the creation of shared value.

But beyond the purely commercial aspects, our vocation to promote knowledge and innovation should be emphasized. Through our agricultural experimental centres, the agro-food studies service, the school of cooperative directors and the network of university chairs, we actively participate in the transfer of knowledge and the modernization of agro-food sector.

Leadership is, after all, a commitment. And that commitment to innovation of Cooperative Group Cajamar, being understood as a change that creates value in a new and thus brave attitude, helps us to be better and to grow not only our business but also socially.



A commitment to rural world, family economies and social economy. A leadership that is not only given by the volume, which not only has the merit of the dimension as first Cooperative Group in Spain, but it does involve anticipating the demands of the changing context in which we live and the real needs of the productive sector.

A leading entity is one that really adds value to its environment, not just with the final product of its activity but mainly because it is able to energize the rest of the economic agents which it relates with, to make them part of its impulse and to generate a mutual benefit that, after all, will inevitably affect to the whole sector and territory. This is the conviction of a large team of professionals, trained in the continuous and specialised service: the team of Agro-Food and Cooperative Business of Cooperative Group Cajamar. Hence, this is our field, our Agro DNA.

Product creation and development process: Before their release to the commercial network, new products go through a number of processes that ensure they meet the requirements enforceable for their marketing, in relation to all current regulations regarding risks, operation, customer protection, etc. To do this, it has the support of all the areas involved: Risk Control, Risk Admission, Regulatory Compliance, Legal Advice, Process Management, Asset Operations Management, etc.

The definition of our financial solutions is based on the real needs of our partners and customers, which allow us to design transparent and accessible value proposals to facilitate their life value in the short, medium and long term, bearing in mind their life cycles and the financial needs in each of their stages.

In this sense, in the design of these financial solutions we avoid to transfer unjustified burdens from present to future generations, through inequitable or disproportionate financial mechanisms and insurances.

Elements comprising our financial solutions reflect a fair and equitable price that enables to absorb operating costs, the risk associated with them, as well as ordinary benefits, bearing always in mind the economic-financial viability both from the point of view of our interests and also from that of our partners and customers.

The distribution of our financial solutions includes financial, economic and environmental efficiency, making them accessible to all people in our area of trade influence through different channels. In the field of distribution, and in the most generic of the financial inclusion, the provision of goods and services in rural areas is always in mind.

In 2014, there have been no incidents arising from the non-compliance with legal regulations or voluntary codes concerning the impacts of products and services on health and safety during their life cycle.

Calculation of Economic Value Generated, Distributed and Retained

Calculation of Generated, Distributed and Retained Economic Value

Economic value generated

Gross margin	1,186,076
Results removal of assets	222,270
Gains non-current assets	6,207
Total Economic value generated	1,414,553

Economic value distributed

Employees: Personnel costs	341,958
Suppliers: General administrative expenses	154,340
Public Administration: corporate taxes and duties	(45,125)
Cooperative: Interest on contributions to the capital	57,360
Community (without Foundations)	0
Total Economic value distributed	508,533

Total Economic value distributed

Commitment to the society (Foundations)	16,796
Total Economic value distributed	525,329

Economic Value Retained (VEG-VED)

889,224

Calculation of Economic Value Added (EVA) (1) Breakdown by stakeholder group

Shareholders (where applicable)

Interest on contributions to the capital	57,360
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Employees

Personnel costs	341,958
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Customers

Interest and similar charges (2)	417,037
----------------------------------	---------

Suppliers

Other general administrative expenses (3)	154,340
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Society

Income tax	(45,125)
Resources allocated by the Group	
Resources allocated by the Foundation	16,796

Total Economic value added (EVA)

942,367

(1) Calculated according to GRI 4.0 SPI model

(2) Interest and similar charges from financial activity. Does not include fees.

(3) Approximation adjusted to payments made to third parties under the heading of purchases and services rendered.

Scope: Cooperative Group Cajamar and its foundations

3.2.2 Support for real economy and preferential attention to the agro-food sector

Support for real economy as an engine for local economic development and its social progress is the main line of work to comply with the mission of Cooperative Group Cajamar. The agro-food sector is one of the mainstay that support Spanish economy and its competitiveness largely depends on its modernization and on the fact that it is able to overcome challenges faced by the sector.



Since its beginnings, Cajamar Caja Rural and other entities comprising Cajamar Group have actively participated in this modernization process; not only through financial services that enable the capitalization of production and trading structures, but also as dissemination agents of agronomical innovations and through the training of technicians and managers. This joint evolution over decades has made us aware of a deep understanding on the needs of the sector and has provided us an own sensitivity that can only be provided through the direct contact with agro-food reality.

Our Agro DNA, as own genetic code, help us to identify more clearly what are the strengths of our production system and what weaknesses remain unresolved.

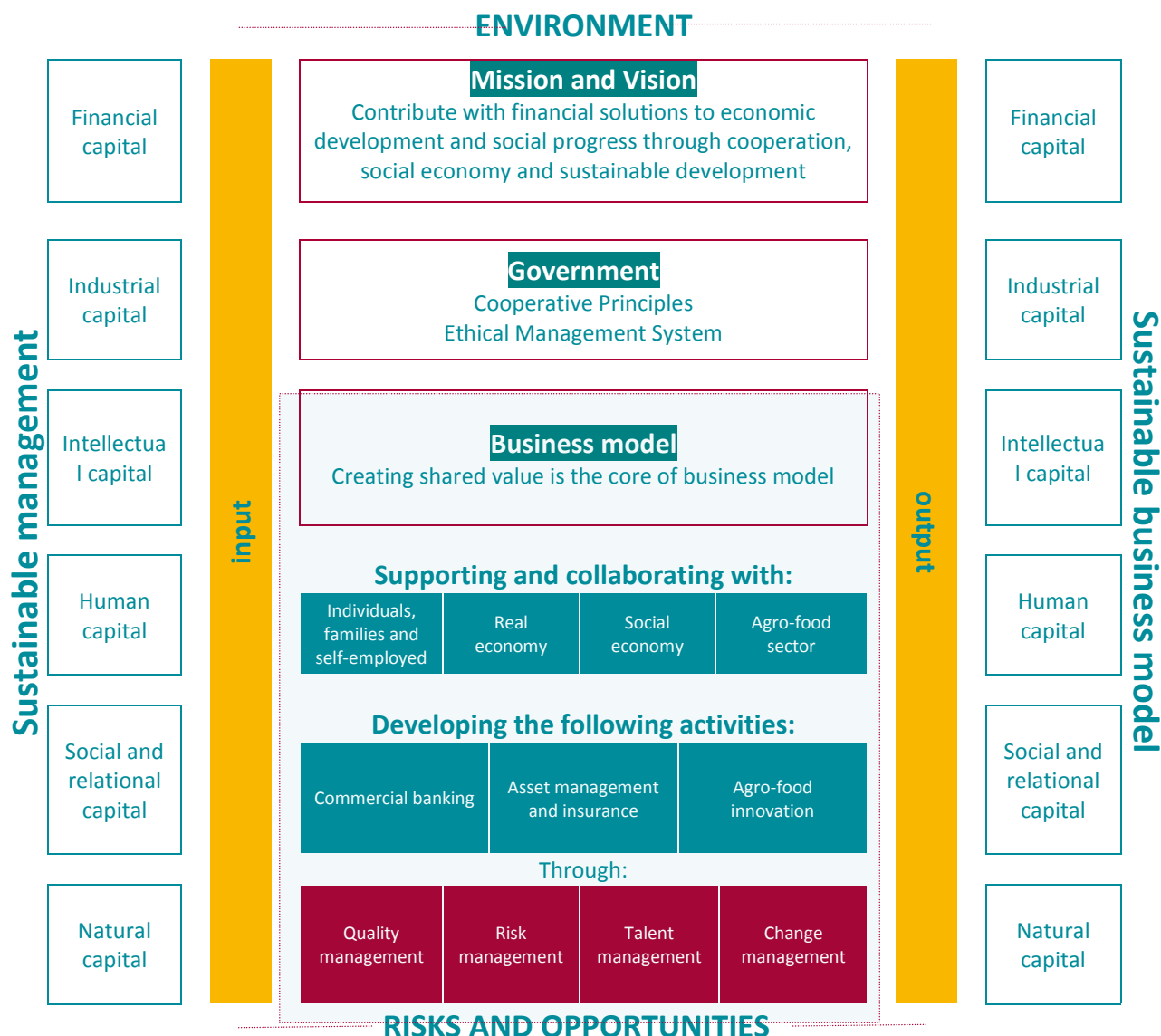
But if we present ourselves as leaders in the agro-food business is not only by tradition, but also by seniority reasons. Currently, such accumulated experience and such permanent contact with real economy enables us to offer our partners and customers a wide range of financial services, which adapts in real time to the new requirements of a constantly changing sector.

3.2.3 Commitment to social economy

Being aware of the importance that social economy has is in the creation and maintenance of employment, as well as its ability to energize rural areas, the business model of Cooperative Group Cajamar provides special support to organizations of social nature as a means to materialize its commitment to local economic development and social progress, by promoting equal opportunities between men and women, reduction of social inequalities, integration of people at risk of social exclusion, creation of stable and quality employment, reconciliation of personal, family and work life and environmental sustainability.

3.3 Business model in accordance with IIRC

Based on the approach provided by the International Integrated Reporting Council (IIRC), Cooperative Group Cajamar defines its management model as follows:



Sustainable management of the different types of capital is fundamental to Cooperative Group Cajamar to deal with an environment that presents new opportunities and challenges. The creation of value is not exclusively limited to the generation of an economic benefit but a set of interrelated capitals that are constantly changing. As established in the IIRC, the classification of capitals for Cooperative Group Cajamar is the following:

FINANCIAL CAPITAL: Set of economic and financial resources that are used by Cooperative Group Cajamar to comply with its mission.

INPUT

- Own funds / Investments
- Wholesale funding
- Retail funding

OUTPUT

- Solvency
- Liquidity
- Financial strength

INDUSTRIAL CAPITAL: Tangible assets available to Cooperative Group Cajamar for the development of its activities.

INPUT

- Network of branches and equipment
- Agro-food experimental centres
- Cultural centres

OUTPUT

- Proximity and closeness
- Personalised attention
- Innovation for our partners and customers in the agro-food sector
- Economic development and social progress

INTELLECTUAL CAPITAL: Organizational intangible assets that are part of the knowledge developed by the Group, which enables to carry out its management in the context of an innovation and continuous improvement process.

INPUT

- Set of processes and management systems
- Architecture and computer system
- Scientific studies and research in the agro-food sector

OUTPUT

- Quality of service
- Safety and customer protection
- Improves the competitiveness of our partners and customers in the agro-food sector
- Strengthen confidence and credibility in the Group

HUMAN CAPITAL: Set of knowledge, skills, abilities and experience of people who are part of the organization besides of their involvement with the business model and its Ethical Management System.

INPUT

- People management and talent development
- Corporate Culture

OUTPUT

- Professionalism and teamwork
- Commitment to the organization
- Collective leadership

SOCIAL AND RELATIONAL CAPITAL: The relationship with our stakeholders and the knowledge of their expectations enables us to respond in a balanced way, being the basis for our business model and the creation of shared value.

INPUT

- Management of stakeholders
- Resources aimed to research, local development and social and cultural progress

OUTPUT

- Creation of shared value
- Commitment to economic development and social progress

NATURAL CAPITAL: the responsible management of materials and environmental resources required by the group to perform its business is one of the commitments made to our natural environment.

INPUT

- Supplies consumption
- Use of materials

OUTPUT

- Improves efficiency
- Commitment to the natural environment

3.4 Involvement of stakeholders (G4-24, G4-25, G4-26)

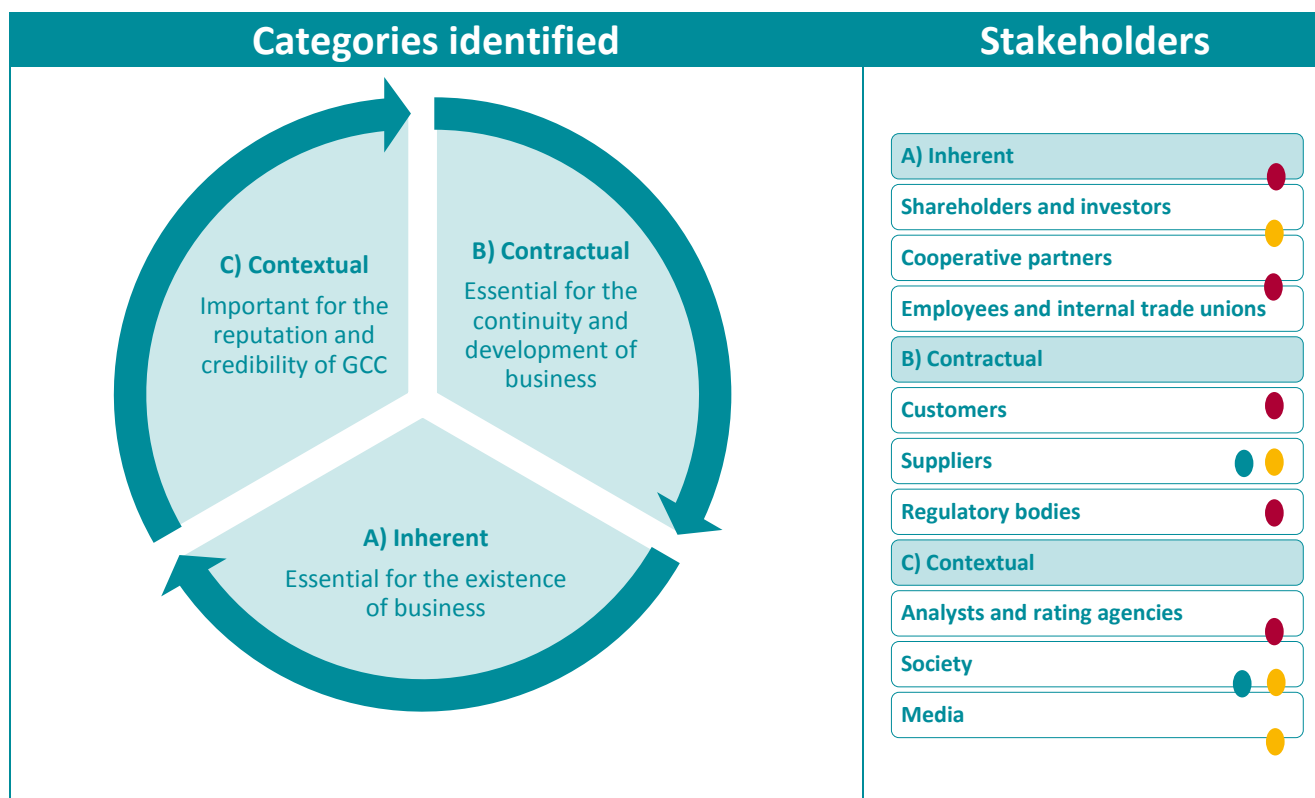
In Cooperative Group Cajamar we consider "stakeholders" to all those people, institutions or groups that may be affected by the services or activities we develop and those other whose opinions or decisions may affect to the economic results or to the reputation of the Group.

During 2014, Cooperative Group Cajamar has reviewed the whole process of identification, categorization, segmentation, prioritization and communication channels with its stakeholders.

The stakeholder map and the communication channels aim to respond, in a balanced and prudent manner, to the issues considered most important and relevant.

With all this, the purpose is to strengthen listening and dialogue aimed at three main objectives:

- A. Improve the knowledge of requirements and expectations of our stakeholders.
- B. Identify and report on relevant aspects in a transparent, clear and concise manner.
- C. Achieve the involvement of our priority stakeholders to maintain and strengthen confidence.



Likewise, three priority levels have been determined in order to set the relationship frameworks that the Group intends to achieve with each of its stakeholders:

Prioritization and relationship frameworks

Critic

- Economic key impact
- Drastically strengthen or reduce reputation
- Grant or limit licenses
- Provide services or limited materials
- With key knowledge, present or future
- Create the sector's future

Basic

- Average economic impact
- Somehow affect the reputation
- Impact on key processes

Additional

- Minimal economic impact
- Low influence on reputation
- Provide additional services or products

Alliances, projects, contracts, agreements and joint improvement teams.

Requirements, expectations, satisfaction, dialogue platforms and regular meetings.

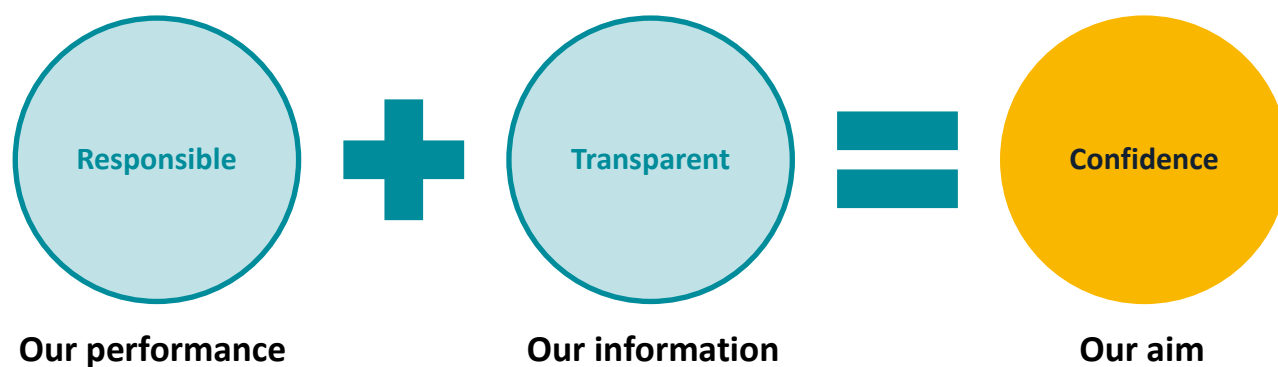
Suggestions and requests management

Claims, complaints and queries processing

Provision of services.

Inform and promote.

Study and research



Open communication channels to all stakeholders

Regular reports and financial statements	Corporate governance report	Integrated report
Corporate website	CSR Blog	Social networks
Queries and suggestions box		
Complaints and claims box		

Specific communication channels

Stakeholders			
Shareholders and investors	Cooperative partners and customers		Suppliers
General Meeting of Shareholders. Meetings with investors.	General assembly of partners. Network of branches. Telephone Banking Service. Assessment of quality and satisfaction. Technical committee of experimental centres.		Regular meetings. Approval processes.
Employees and internal trade unions			
Survey on labour environment. CSR workshops. Corporate intranet and employee portal. Internal communication bulletin. Participation in committees. Trade union space. General Assembly. Regular meetings. Suggestions box.			
External stakeholders			
Regulatory bodies	Analysts and rating agencies	Media	Society
Briefings. Participation in working groups. Specific press releases.	Specific meetings. Reports. Surveys.	Press releases. Interviews and meetings with journalists. Social networks.	Sectoral reports. Training sessions. Forums, seminars and conferences.

3.5 Identification of stakeholders' expectations (G4-27)

The stakeholders' management by Cooperative Group Cajamar aims to identify their expectations in order to offer a balanced response and to maximize the creation of shared value.

Expectations	Stakeholders	Main actions
Full transparency regarding management and financial reporting of the Group.	All.	Ethical Management System. Meetings with investors and analysts.
Strengthen solvency and improve profitability and efficiency of the Group.	Shareholders. Cooperative partners. Employees and internal trade unions.	Take advantage of synergies and economies of scale. Global risk management. Delinquencies management.
Involvement of the member entities in the Group government.	Shareholders members of the Group	Involvement in the "General Meeting of Entities Member of the Group".
Financing for companies and entrepreneurs. Support to international expansion.	Business customers (all sectors).	ICO Line for Companies and Entrepreneurs. International ICO Line. ICO Line for Exporters.
Support to agriculture sector. Agro-food innovation to new challenges arisen.	Agro-food sector companies.	Line for Young Agro-entrepreneurs. Line for rural women. Studies and research in experimental centres.

Expectations	Stakeholders	Main actions
Specific financial solutions for social economy.	Organizations of social economy.	Collaboration agreement with CEPES (Spanish Business Confederation of Social Economy).
Employment stability. Strengthen a social and differential business model. Training and professional development. Promote equality and diversity. Reconcile work and family life. Health and safety.	Employees and internal trade unions.	"Cultivate" Program. Equality Plan. "Mobility" Plan. Plan of prevention of occupational risks and health.
Financial solutions adapted to the different stages of life and to improve their accessibility. Quality service and close and personalised attention. Personalised attention against potential financial difficulties. Contribute to improve financial literacy and to facilitate the organization of personal economy.	Private customers. Customers with special needs.	Development of financial needs Accessibility Plan. Personal banking service "Freedom to choose". Quality management system and customer orientation. Personalised service of notices and shopping. Financial education program. "My finances" Program. "Electronic piggy bank" Program.
Transparency, responsibility, objectivity and accessibility in the recruitment process.	Suppliers.	Approval process of suppliers.
Attention to their information needs.	Analysts.	Meetings and specific partnerships with analysts.
Regulatory compliance and collaboration.	Regulatory bodies.	Control of regulatory compliance and collaboration in their work proposals.
Promote economic development and social and cultural progress. Avoid any kind of financial exclusion.	Society.	Fulfilling our "mission". Rural branches in towns with low population density. Micro-credits to entrepreneurs. Social action through Foundations.
Permanent management of information.	Media.	Press releases, social networks, interviews with executives of the Group.

3.6 Environmental analysis, identification of risks and opportunities

We are in a globalised and interconnected world where environment changes at high speed and where such changes should be identified as a source of new risks and new opportunities that Cooperative Group Cajamar incorporates in its management and in its strategic planning process.

3.6.1 Economic, sectoral and regulatory environment

Forecasts performed by the European Commission in the European Union and for Eurozone show a weak GDP growth, which is expected to reach 1.5% for the EU and 1.1% in the Eurozone in 2015, thanks to a greater demand both external and domestic. In 2016, acceleration in economic activity is expected to reach 2.0% and 1.7%, boosted by the strengthening of the financial sector. Likewise, advances towards a banking union and structural reforms will also start to bear fruits.

As in Spain, inflation will continue at a very low level. Once economic activity recovers and wages rise, an increase in inflation helped by the recent depreciation of the euro is expected. Inflation forecasts for the EU are 1% in 2015 and 1.6% in 2016. Regarding inflation for the Eurozone, measured by HICP (harmonized index of consumer prices), it is estimated to be at 0.8% in 2015 and rise to 1.5% in 2016. Risks of downward revision of growth prospects persist due to geopolitical tensions, fragility of the financial markets and risk of an incomplete implementation of structural reforms.

Forecasts on Spanish economy show GDP growth above the European average and place it above 2% for 2015, supported by employment growth and financing improvements. Regarding unemployment rate, it is estimated to be lowered to 23.5% next year to continue going down to 22.2% in 2016 year. Thus, it seems that employment creation will go redirecting helped by wage moderation. However, this does not mean that Spain will meet the deficit targets set by the European Union, which are expected to be 4.6% in 2015 and 3.9% in 2016, still far short of the target of 3%.

Forecasts for 2015 on Spanish economy	
Moderate growth of Spanish economy, although higher than the European average.	Slight decrease in unemployment rate, although it remains at very high levels.

Regarding public debt, it is expected to overcome the barrier of 100% reaching 101.2% in 2015 and 102.1% in 2016. Meanwhile, inflation will continue very low during this time, but it is not expected to reach deflation.

According to the estimates performed by the European Commission, the improvement of Spain will come through private consumption, which will increase favoured by a reduction in unemployment.

Regulatory environment

Financial system is being subject of an important regulatory adjustment which has gradually increased over the past five years. The new European regulatory framework, Basel III, is the most relevant global initiative seeking to restructure the future scenario of finance.

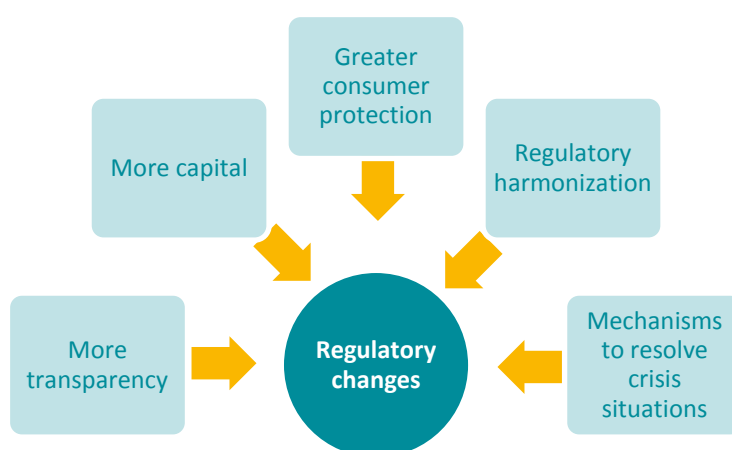
The creation of the Supervisory Single Mechanism (MUS), with which the European Central Bank assumes the supervisory function of 128 entities in the Eurozone, among which is Cooperative Group Cajamar, is the first step towards the so-called "union bank", which is expected to be completed with a resolution single mechanism, an harmonized system of deposit guarantees and the development of a single regulatory framework.

Basel III aims to strengthen capital and liquidity of banks and reduce their leverage. This is done through three main pillars, the first is based on quantitative minimum requirements, the second on qualitative requirements ensuring good internal governance and effective supervision and the third imposes the market discipline through a greater transparency. Likewise, it should be mentioned that Regulation (EU) 575/2013 establishes measures to limit leverage, to improve financing structure and to ensure liquidity in adverse situations.

Other regulatory initiatives that we consider important are the following:

MIFID II adopted by the European Parliament on April 15, 2014, which replaces the previous MIFID I of 2004. After its adoption, the new guideline will enter into force after a transitional period of 30 months. This guideline is centred on equity markets, extending the control regime to fixed income transactions and derivatives, promoting transparency and strengthening protection to investors.

In short, regulatory changes progressively being implemented respond mainly to five main principles that will determine the way of doing business of financial institutions in the coming years:



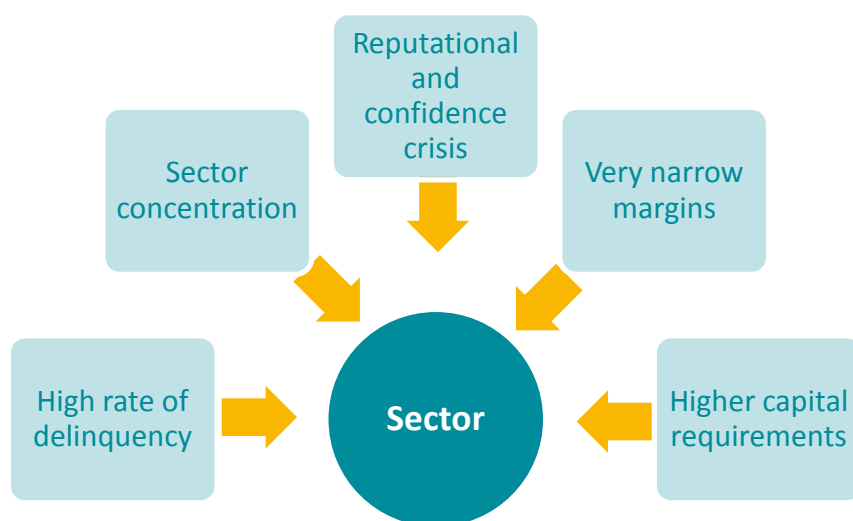
Regulatory changes and new requirements have become an absolute priority for Cooperative Group Cajamar, which maintains an adequate communication with the regulator in order to ensure a constant updating of new rules and measures, analysing the impacts that such changes may involve in the economic and financial situation of the Group and in our transactions, processes, internal controls, and/or structure.

Sectoral environment

The reorganization process of Spanish financial system has described a new scenario with fewer entities as a result of mergers and acquisitions, and higher capital requirements that force the sector to make a major effort in its capitalization.

Among the major challenges faced by the sector in Spain, the reduction of delinquency stands out, although in recent months it has undergone a slight decrease, it should remain being a focus to consolidate its decreasing. It must be taken into account that this goal will be hindered by the macro-economic weakness and the high rate of unemployment in our country.

Simultaneously, the reduction of margins experienced by the sector in a scenario where interest rates are very low, entails the need to improve its efficiency in order to regain profitability.



Although it is very important to give a satisfactory response to economic or financial challenges, so is the recovery of the confidence of investors and citizens. As for investors, the results of the analysis of asset quality and the resistance tests that became known in the last quarter of the year have helped to restore calm and regain their confidence. Quite a different matter is the perception that customers and general public have on the financial sector, considered one of the responsible of the long and deep crisis we have undergone. Malpractices and ongoing negative news which call into question the transparency and good governance of organizations contribute to the negative image of the sector among citizens.

In Cooperative Group Cajamar we understand that one of the keys to this recovery depends on the role that the Group will be able to play in economic development and social progress of the

community where we develop our business. Likewise, we are aware that we have a responsibility to promote the development of financial culture that enables our customers and general public to understand the basic economic concepts.

3.6.2 Technological changes

An increasing number of large technology companies are starting to enter in the financial sector, thus becoming a new competitor. The emergence of new tools (digital banking, mobile payments and virtual money, among others), is radically transforming the business of financial entities.

One of the major challenges regarding the speed of technological change is the difficulty of adaptation and the need to revise the operating model in order to make it more efficient.

Some of the trends we have identified in this process of change are directly related to the advisability of anticipating to customer needs and to adjust the offer of products and services in each period, both in the catalogue content and also in the channel by which the customer wishes to get access to it:

- ❖ In this sense, it is particularly important to enhance the cross-selling capabilities of products and services from interest patterns already proven.
- ❖ Security and fraud control is other of the major challenges we face to minimize risks from a misuse of the means of payment.
- ❖ The improvement of credit rating systems incorporating non-traditional elements such as interactions in social networks.
- ❖ Customer loyalty and retention, to whom products and services tailored to their context and needs may be offered, highlighting the value of user experience at the same level as the variables related to product and customer service: prices, rates, catalogue, etc.

One of the most important aspects of this process of change is the opportunity to leverage technological innovation to facilitate the process of financial inclusion of geographically dispersed population, making them easier the performance of payments and revenues and the contracting of products and services.

Another important aspect arising from technological evolution is the change that occurs in the relationship with customers who become users and which requires us to remove communication barriers that mark the relationship of customers with their entities. Since a long time, the customer is no longer a passive actor, becoming the protagonist in the relationship with his/her entity. In short, the behaviour of customers today is characterised by:



As a result of all this, customers are more likely to change their entity, which entails that Cooperative Group Cajamar has adopted a definite strategy of customer focus and quality of service, developing a model that evolves from the current private multichannel system, offices, internet, phone, email, self-service, etc. to another omni-channel including public social networks like Facebook, Twitter or LinkedIn, so that each customer/user may choose the channel to interact with his/her entity.

3.6.3 Changes in social environment

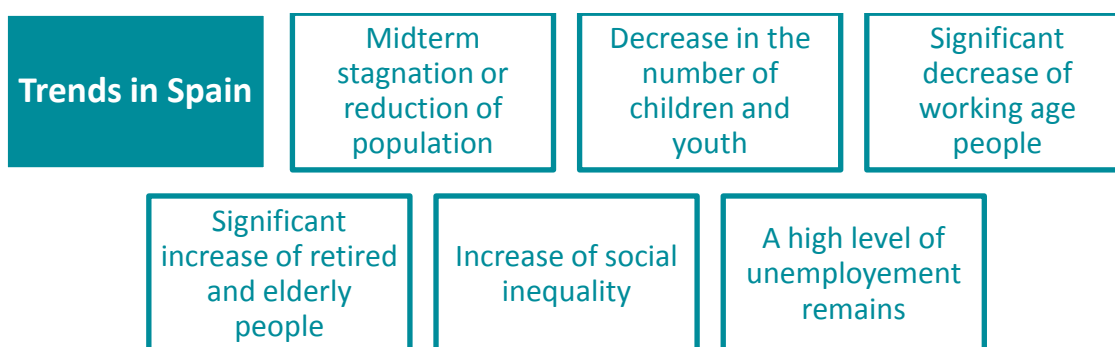
We are witnessing a deep socio-economic change worldwide which has four macro-trends:



According to UN estimates, world population exceeds 7,000 million of inhabitants and forecasts suggest that there will be 9,100 million of inhabitants by 2050. This evolution of the population is distributed in a heterogeneous manner and currently 95% of world population growth is concentrated in developing countries, while the trend is in completely the opposite direction in Europe, so that we can predict stagnation and even a decrease of population.

Another phenomenon that we must take into consideration, due to the pressure exerted on scarce resources, is the migration that is taking place in emerging countries from rural to urban areas. It is therefore an unstoppable migration process that will move millions of people to the cities until 2050 and that will cause, in that year, that the percentage of urban population is 67%, compared with the current 52%. Such phenomenon will be particularly strong in emerging countries and it will be also very important if we add the economic convergence that is taking place in those countries, where millions of people are changing their lifestyles equating to those of more developed countries.

Spain is a typical case of the situation in Europe. Today, it shows a deficit of young people arising from the low fertility in the last 25 years and a strong surplus of people from 35 to 50 years old, resulting from generations born in Spain during the 60s and 70s. The ageing process will continue over the coming years and will be the general trend in the European Union. What awaits us in Spain for the coming years, therefore, are four demographic realities of great impact on economy and society in general:



This situation implies that there are economic policy decisions on important matters such as retirement, savings and investment in financial or human capital. These reforms affect economic growth strategies and, ultimately, the welfare of citizens.

In this context, Spanish citizens have to deal with the imbalances caused by the ageing of population with an increase of savings in order to offset the foreseeable future reduction of public services.

3.6.4 Changes in surrounding environment

From an environmental perspective, socio-economic change triggers a domino effect that results in the phenomenon of climate change. Such climate change not only involves an environmental alert, but also involves relevant social and economic consequences.

Triple dimension of climate change		
Economic	Environmental	Social
- Impact on GDP and economic losses. - Price volatility.	- Extreme meteorological phenomena. - Droughts and floods. - Loss of biodiversity.	- Poverty. - Diseases. - Migration.

The key to understand these three dimensions and their impact on Cooperative Group Cajamar are directly related to global risk management and the Group's ability to take advantage of business opportunities arising from innovative solutions aligned with the expectations of stakeholders.

Within the Group, we are aware that our partners must protect their long-term interests and to this end, it is essential that we are able to minimize the risks arising from climate change.

Likewise, we understand that a solid positioning in the fight against climate change may be the key to access business opportunities arising from the development of financial solutions which responds to the different ways enabling to reduce the reasons that cause the climate change, to limit its impacts and to adapt to changes.

3.7 Risks and opportunities

	Description	Identification:	Group's response
Economic, sectoral and regulatory environment	Economic situation in Spain	• Weak economic growth. • High unemployment rate.	• Prudence in global risk management. • Risk diversification. • Increase in provisions. • Ethical Management System.
	Situation of the financial sector in Spain	• High delinquencies. • Narrowing of business margins. • Loss of confidence and reputational crisis.	
	Regulatory changes in the financial sector	• More transparency and good corporate governance. • More capital. • Greater consumer protection. • Regulatory harmonization. • Mechanisms to resolve crisis situations.	• Update the new rules and measures, analysing the impacts that such changes may involve in the financial and economic situation and in our transactions, processes, internal controls, and/or structure. • Ethical Management System.
Technological	Technological change.	• More information. • Higher expectations of personalised satisfaction. • Use of social networks to share and compare opinions. • Emergence of new competitors. • New tools.	• Enhance the cross-selling capabilities of products and services from interest patterns already proven. • Check security procedures and fraud control to minimize risks from misuse of means of payment. • Enhance multichannel banking. • Adapt the distribution model.
Social	Changes in social environment	• As a result of the crisis, an increase in inequality and an increase in groups at risk of social exclusion are taking place. • The high rate of unemployment is concentrated in young people. • Progressive ageing of population. • Increase of social demands by stakeholders.	• Financial solutions for entrepreneurs. • Financial solutions aimed at promoting social benefit. • Rural network of branches aimed at preventing financial exclusion. • "Accessibility Plan".

Environmental	Changes in surrounding environment	• Greater regulation. • Climate change. • Increase of environmental demands by stakeholders.	• Development of financial solutions aimed at encouraging environmental benefit. • Incorporation of environmental and social variables in risks analysis and assessment. • Research and innovation in agro-food sector.

Risk map

External origin		Internal origin	
E.1	Economic situation	I.1	Credit risks
E.2	Financial sector situation	I.2	Operational risks
E.3	Regulatory changes	I.3	Liquidity and interest risk
E.4	Technological changes	I.4	Risk of regulatory non-compliance
E.5	Changes in social environment	I.5	Market and exchange risk
E.6	Changes in surrounding environment		

Probability of occurrence	High	E4	E2, E1, E3	
	Medium	E5, E6	I1	
	Low	I3, I4, I5	I2	
		Low	Medium	High
Impact on Cooperative Group Cajamar				

4. Strategy and performance

Fundamental principles on which the strategy of Cooperative Group Cajamar is designed are sustainability and the creation of shared value. In this sense, it is particularly important to identify the needs, expectations and interests of our stakeholders, the opportunities and risks arising from the analysis of our environment as well as the strengths and weaknesses of our organization to meet those expectations, to take advantage of the opportunities and to minimize the risks from a perspective in the short, medium and long term.

Strategic principles

Group Sustainability

Creation of Shared Value

Strategic planning process

Opportunities and risks arising from the analysis of our environment

Management of stakeholders: identification of needs, expectations and interests

Materiality analysis

Strengths and weaknesses to meet such expectations, to take advantage of the opportunities and to minimize risks

To these strategic principles it should be added that the own social nature of the Group brings its commitment with a responsible performance, which is materialised through its Ethical Management System and a global risk management based on the principle of prudence.

Responsible performance

Ethical Management System

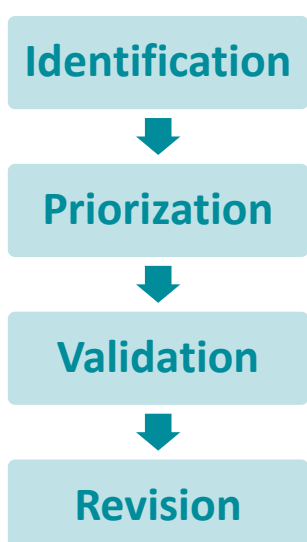
Prudence in global risk management

4.1 Materiality analysis and coverage (G4-18, G4-19, G4-20, G4-21)

The identification of relevant aspects that Cooperative Group Cajamar manages with its stakeholders has been performed based on a materiality analysis which has taken into account the guidelines established by the Global Reporting Initiative (GRI) and the International Reporting Council (IIRC).

The whole process of materiality and the identification of relevant matters have been approved by the Committee on Ethics Management and Social Responsibility and supervised by the BCC's Board of Director, as leader of Cooperative Group Cajamar.

Process performed for the materiality analysis



The process begins with the identification of relevant aspects and their coverage. To this end, principles of sustainability context and involvement of stakeholders have been taken into account.

For each of those matters identified, the importance of economic, environmental and social impacts have been analysed, or whether they substantially influence on the assessments and decisions of stakeholders.

Through validation, it is intended to provide a reasonable and balanced response of the performance of Cooperative Group Cajamar in terms of sustainability, both its positive and its negative impacts.

The revision process will be conducted once the publication of this report is completed in order to prepare the organization for the next financial year.

Identification of relevant aspects

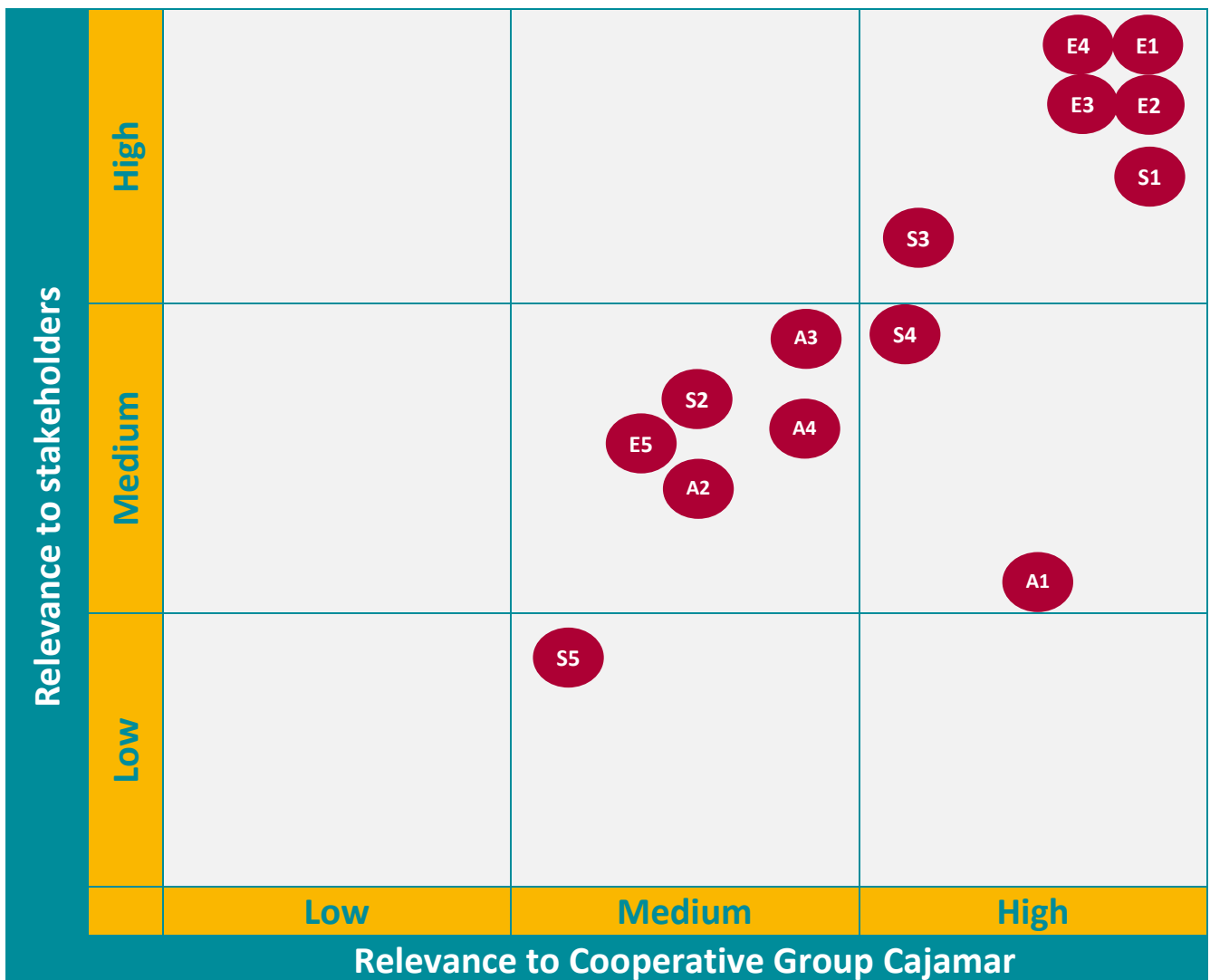
In the broadest context of sustainability we have tried to identify the opportunities and risks associated to the expectations of our stakeholders and to the changes of environmental conditions, as well as economic, environmental and social advances and trends at local, regional and international level:

- ❖ Regulation and expectations of all stakeholders agree on demand greater transparency, good governance and of course a strict compliance and control.

- ❖ An increasingly demanding regulation and the interest of our partners, customers and employees itself agree on the need to continue working in order to strengthen the economic-financial situation of the Group.
- ❖ The weak growth of Spanish economy and the high unemployment rate, combined to the uncertainties of the European economy, draw a scenario that requires the utmost prudence in global risk management and to continue maintaining the effort in the management of predelinquency asset.
- ❖ The loss of confidence and the reputational crisis in the sector has become one of the priorities which has to be responded with a greater visibility of our social business model to be differentiated from other entities, as well as with a total commitment to customer protection.
- ❖ The highest expectations of personalised satisfaction of our customers in a scenario where technological change causes the appearance of new environments, tools and competitors, among others, requires that we continue strengthening our quality of service and our customer orientation and also that we perform an important adaptation effort.
- ❖ Economic development and social progress of our partners, customers and the community where GCC develops its business, are part of our Mission and Vision, and this is undoubtedly the main expectation of our stakeholders. Given that expectation, the response must be financial solutions tailored to the needs of each segment.
- ❖ Our vocation and positioning in the agro-food sector represent an important commitment to the sector, which values the development of financial solutions and the work performed by the Group in the field of research and innovation. It should be noted that the emergence of new competitors makes advisable to remain an important effort which maintains such positioning.
- ❖ Social changes taking place in our environment are source of greater risk of financial exclusion, which combined with an increase of the social demands by our stakeholders, offer business opportunities that require the development of financial solutions with an important social benefit.
- ❖ The responsible management of purchasing processes forces to strengthen processes aimed at transparency, objectivity and responsibility.
- ❖ Changes in our environment surrounding, a greater regulation and the commitment itself that the Group has expressed to the environmental protection require to go further in the assessment of these risks and simultaneously to take advance of the business opportunities linked to savings and energy efficiency.
- ❖ The group's commitment to the management of people who are part of the organization and the need to respond to everyone.

Economic dimension	Social dimension	Environmental dimension
E.1 Transparency, good Corporate Governance, compliance and control. E.2 Strengthen the business model and the economic-financial situation. E.3 Global risk management. E.4 Protection, security, quality of service, customer orientation and training. E.5 Suppliers management.	S.1 Financial solutions aimed at economic development and social progress. S.2 Financial solutions adapted to different life cycles. S.3 People management and adaptation to change. S.4 Avoid financial exclusion. S.5 Social and cultural action.	A.1. Commitment to the environment. A.2 Financial solutions with positive environmental impact. A.3 Support for agro-food innovation and research. A.4 Transfer of knowledge.

Materiality analysis (G4-27)



4.2 Business strategy

The Strategic Plan of Cooperative Group Cajamar intends to respond to the challenges identified, strengthening its competitive advantages and redirecting its weaknesses.

Business strategy of Cooperative Group Cajamar is aimed at strengthening the Group, consolidating its competitive advantages for growth in new economic, social and environmental surroundings.

The ultimate aim is to make the Group more competitive and to generate differentiation elements that enable to identify it with a unique business model by its social nature, its clearly focused work on economic development and social progress of the whole community and its ethical and transparent performance.

Main initiatives of the Strategic Plan

Process optimization and efficiency improvement

Strengthen and differentiate the business model

Innovation and technological development

Strengthen the global risk management

Development of Ethical Management System and CSR

Aim:	Process optimization and efficiency improvement
Main actions:	• Simplification of operational processes in the branches • Streamlining of critical processes • Revision and improvement of credit risk models • Efficiency improvement of the monitoring and recovery process • Improvement of internal management model • Expense optimization plan

Aim:	Strengthen and differentiate the business model
Main actions:	• Revision of value proposal by segment and the experience model of the customer • Revision of distribution model • Revision of business model and brand strategy

Aim:	Innovation and technological development
Main actions:	• (R&D) and innovation in payment methods • Picasso, technological evolution of the Information Centre • Technological development of the Financial Server • Development of technological infrastructures • Computer security

Aim:	Strengthen the global risk management
Main actions:	• Adaptation to the current standard • Reinforcement of control mechanisms • Reinforcement of risk mitigation • Credit risk models: Achievement of IRB standard
Aim:	Development of Ethical Management System and CSR
Main Actions:	• Encourage and promote the creation of shared value • Development of information system and indicators control • Revision and adaptation to the new requirements

Objective / link	Related capital	Stakeholders	Materiality	Related risks
Process optimization and efficiency improvement	• Financial • Intellectual • Human • Natural	• Shareholders • Partners • Customers • Employees	Strengthen the business model and the economic-financial situation.	• Economic situation • Financial sector
Strengthen and differentiate the business model	• Financial • Industrial • Intellectual • Human • Social and relational	• Shareholders • Partners • Customers • Employees	Strengthen the business model and the economic-financial situation. Promote economic development and social progress. Quality of service and customer orientation. People management and adaptation to change.	• Economic situation • Financial sector
Innovation and technological development	• Financial • Industrial • Intellectual	• Customers • Employees	Consumer protection and security.	• Technological changes
Strengthen the global risk management	• Financial • Intellectual	• Regulatory bodies • Shareholders • Partners • Customers	Global risk management. Strengthen the economic-financial situation. Compliance and control.	• Credit • Operational • Regulatory
Development of Ethical Management System and CSR	• Intellectual • Human • Social and relational • Natural	• All	Transparency and good governance. Transfer of knowledge. Social and cultural action. Commitment to the environment. Agro-food innovation and research. Financial solutions	• Social and environmental surroundings changes

4.3 Performance: Economic dimension

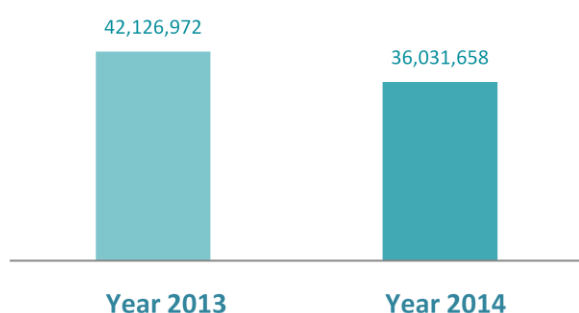
4.3.1 Economic-financial situation

Cooperative Group Cajamar strengthens its leadership in the sector of credit cooperatives with nearly 4 million customers and 1.4 million partners as of 31/12/2014.

Most relevant figures (thousands of Euros)				
Business	Year 2013	Year 2014	Var. Abs.	Var. %
Credit Investment of Customers	33,542,866	32,999,527	-543,339	-1.62%
External resources of Customers	24,512,968	24,967,540	454,572	1.85%
Own Funds	2,700,837	2,733,176	32,339	1.20%
Total Balance	42,126,972	36,031,658	-6,095,314	-14.47%
Results and efficiency	Year 2013	Year 2014	Var. Abs.	Var. %
Net Interest Income	625,695	528,315	-97,380	-15.56%
Gross Margin	1,065,705	1,186,076	120,371	11.29%
Operating Margin	502,793	611,924	109,131	21.70%
Consolidated profit for the financial year	51,576	37,113	-14,463	-28.04%
Efficiency Ratio	52.82%	48.41%	-4.41%	-8.35%

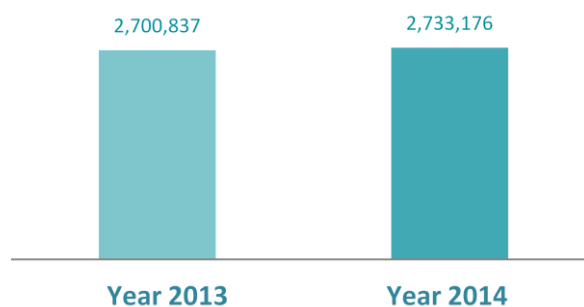
Balance

(thousands of Euros)



Own Funds

(thousands of Euros)



Total Assets Balance (thousands of Euros)

	Year 2013	Year 2014	Var. Abs.	Var. %
Cash and balances in Central Banks	498,759	510,724	11,965	2.40%
Trading Portfolio	607	306	-301	-49.59%
Other financial assets at reasonable value with changes in profits and losses.	19,136	46,173	27,037	141.29%
Available-for-sale financial assets	3,208,204	877,027	-2,331,177	-72.66%
Credit investments	34,530,994	30,522,062	-4,008,932	-11.61%
Held-to-maturity investment portfolio	38,741	15,390	-23,351	-60.27%
Hedging derivatives	127,043	61,045	-65,998	-51.95%
Non-current assets held for sale	394,448	442,309	47,861	12.13%
Investments	54,633	62,887	8,254	15.11%
Tangible asset	887,759	876,177	-11,582	-1.30%
Intangible asset	336,058	311,014	-25,044	-7.45%
Tax assets	946,479	999,647	53,168	5.62%

Other assets	1,084,111	1,306,896	222,785	20.55%
Total Assets	42,126,972	36,031,657	-6,095,315	-14.47%
Total Liabilities Balance (thousands of Euros)				
	Year 2013	Year 2014	Var. Abs.	Var. %
Trading Portfolio	58,258	299	-57,959	-99.49%
Financial liabilities at amortized cost	38,797,639	32,684,075	-6,113,564	-15.76%
Of which:				
Balances of central banks	4,665,282	1,402,509	-3,262,773	-69.94%
Balances of customers	29,106,828	28,305,110	-801,718	-2.75%
Of which:				
External resources of customers	24,512,968	24,967,540	454,572	1.85%
Hedging derivatives	7,251	3,852	-3,399	-46.88%
Provisions	105,431	117,635	12,204	11.58%
Tax liabilities	116,710	116,680	-30	-0.03%
Social welfare fund	14,204	11,953	-2,251	-15.85%
Other liabilities	316,247	336,372	20,125	6.36%
Own funds	2,700,837	2,733,176	32,339	1.20%
Valuation adjustments	9,775	27,021	17,246	176.43%
Minority interest	620	595	-25	-4.03%
Total Liabilities	42,126,972	36,031,658	-6,095,314	-14.47%

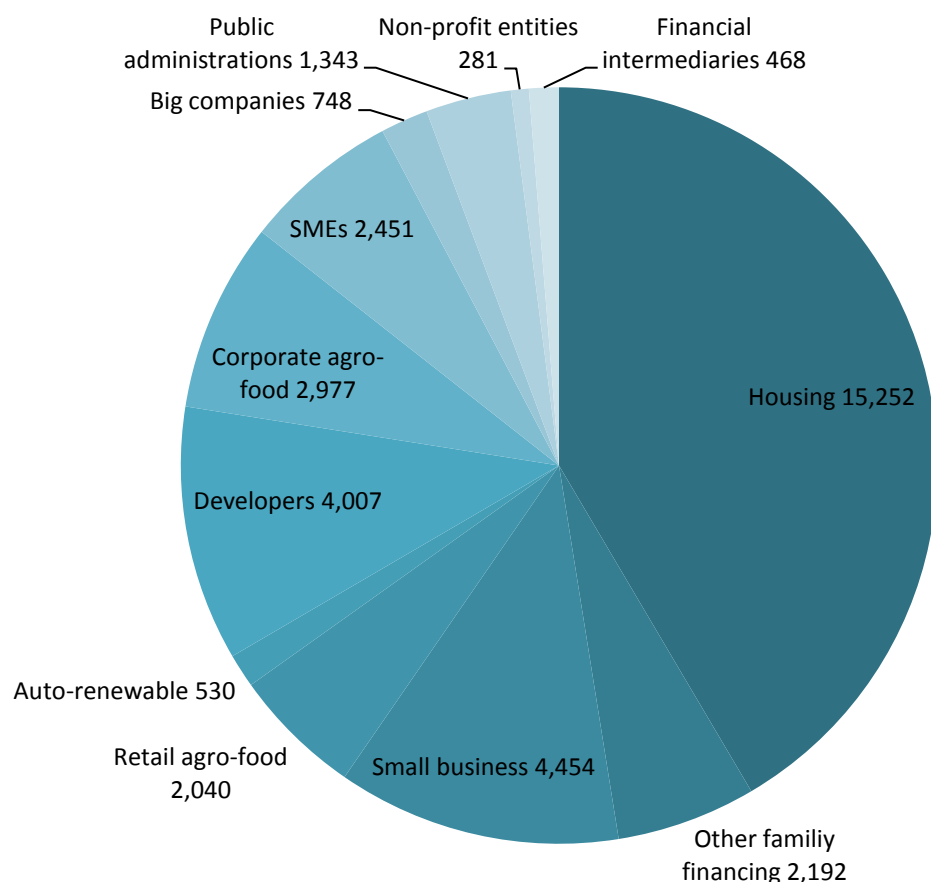
Unlike the previous year, credit investment of customers has been found to undercut by the fall of 469 million euros of doubtful assets reaching almost 33,000 million euros, thus improving the delinquency rate to 1, 11p.p. during 2014, to be placed at 17.73 %.

Credit Investment				
Loans to customers	Year 2013	Year 2014	Var. Abs.	Var. %
Loans to Public Administrations	782,246	959,377	177,131	22.64%
Loans to other Resident Sectors	26,244,720	26,007,455	-237,265	-0.90%
Loans to other Non-resident Sectors	194,225	180,508	-13,717	-7.06%
Doubtful assets	6,321,675	5,852,186	-469,489	-7.43%
Other financial assets	3,318,286	80,896	-3,237,390	-97.56%
Gross Credit Investment	36,861,152	33,080,422	-3,780,730	-10.26%
Valuation adjustments	-2,813,539	-2,933,055	-119,516	4.25%
Loans to customers	34,047,613	30,147,367	-3,900,246	-11.46%
Non-performing loan ratio	18.85%	17.73%	-1.12%	-5.94%
Coverage rate	43.87%	49.43%	5.56%	12.67%
(amounts in thousands euros)				

The credit investment structure maintains its composition compared to previous years, being the most significant changes the decrease of 561 million euros of investment in housing and the increase in agro-food business in 1,004 million euros.

Cooperative Group Cajamar does not maintain credit transactions, guarantee and warranties with political parties with special or different conditions from market conditions.

Credit investment structure (millions of euros)



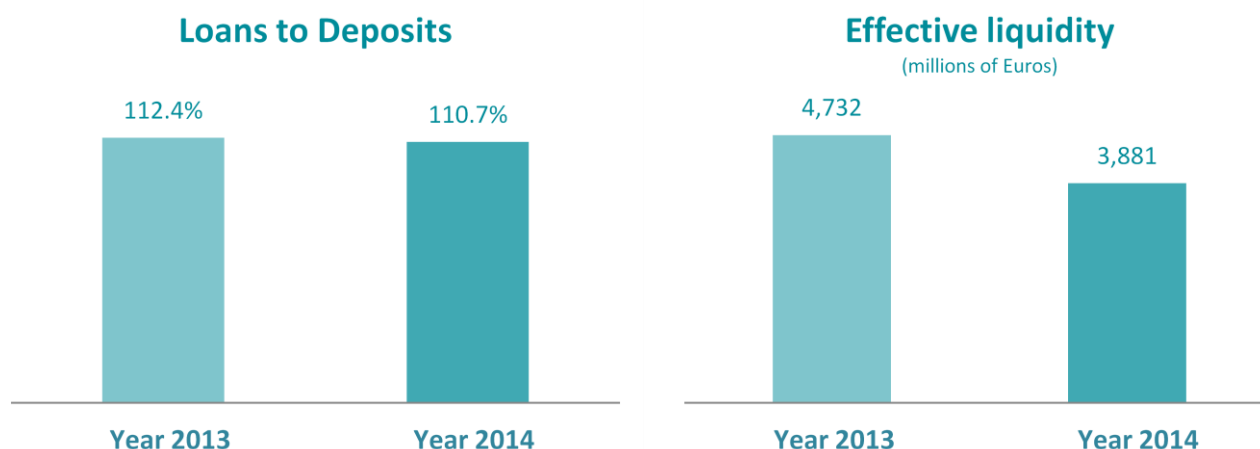
External resources of customers have registered an inter-annual growth of 455 million reaching 24,968 million euros, mainly through demand deposits at the expense of traditional term deposits, which are less attractive to customers in general and which have their interest rates at lows.

Instead, wholesale funds, amounting to 5,927 million euros, have been reduced by nearly half compared to the previous financial year due to the lower appeal to the European Central Bank and to the different maturities of mortgage notes performed during the year.

Balance Funds (amounts in thousands of euros)

	Year 2013	Year 2014	Var. Abs.	Var. %
Public Administrations	1,046,233	996,803	-49,430	-4.72%
Other Resident Sectors	23,213,922	23,710,080	496,158	2.14%
Other Non-resident Sectors	252,813	260,658	7,845	3.10%
External Resources of Customers	24,512,968	24,967,541	454,573	1.85%
Other retail funds		71,165	71,165	
Wholesale funds	11,126,863	5,926,814	-5,200,049	-46.73%
Balance Funds	35,639,831	30,894,355	-4,745,476	-13.32%

Liquidity in the Group improved again in 2014, proof of this is that LTD ratio (Loans to Deposits) comes down 1.7 pp to 110.7%.



According to the new international accounting standard on charges for the accounting of outstanding payments of the Deposit Guarantee Fund (IFRIC 21), on a retroactive basis, the advance accounting recognition of the ordinary and extraordinary contributions made to the Deposit Guarantee Fund in the financial years 2013 and 2014 has been carried out. This involves adjusting and restating, for comparison purposes, the published accounts of 2013. With this new standard, the new result for 2013 is reduced from the 82.8 million published to 51.6 million euros.

The weakness in net interest income still persists throughout the sector due to the low interest rates, the negative volume effect of investment and the sale of fixed income portfolios. However, these factors have been in part absorbed by the measures to limit the financial cost, given the lower requirements of wholesale funding, the highest growth of demand deposits or the proper management of contracting margins.

All this, together with the positive contribution of net fee income and net trading income, as well as lower operating income/expenses, have contributed to obtain a gross margin of 1,186 million euros, 11.3% more than in 2013.

The increase in income more than 5 times higher than operating expenses enables an improvement of the efficiency ratio of the Group of 4.4 p.p., to place it at 48.41% at the end of 2014.

The extraordinary results, both through the sale of fixed income portfolios and the outsourcing business of the management of predelinquency assets and the sale of non-functional assets performed by mid-year, have allowed, by criteria of prudence, higher provisions for losses on impaired assets, which resulted in a profit of 37.1 million euros in 2014.

Results (thousands of Euros)	Year 2013	Year 2014	Var. Abs.	Var. %
Interest and similar revenues	1,179,728	945,352	-234,376	-19.87%
Interest and similar charges	-554,033	-417,037	136,996	-24.73%
Net interest income	625,695	528,315	-97,380	-15.56%
Return on equity instruments	2,503	3,358	855	34.16%
Share of profit or loss of entities accounted for using the equity	9,386	14,332	4,946	52.70%
Net fees	269,887	282,166	12,279	4.55%
Gains on financial transactions (net)	234,823	367,337	132,514	56.43%
Exchange differences (net)	1,795	2,341	546	30.42%
Other operating income and expenses	-78,384	-11,773	66,611	-84.98%
Gross margin	1,065,705	1,186,076	120,371	11.29%
Administrative Expenses	-481,234	-496,298	-15,064	3.13%
Personnel costs	-344,921	-341,958	2,963	-0.86%
Other general administrative expenses	-136,313	-154,340	-18,027	13.22%
Amortization	-81,678	-77,854	3,824	-4.68%
Operating Margin	502,793	611,924	109,131	21.70%
Contributions to provisions (net)	-92,439	-24,793	67,646	-73.18%
Impairment losses on financial assets (net)	-269,420	-605,780	-336,360	124.85%
Net Operating Income	140,934	-18,649	-159,583	-113.23%
Impairment losses on other assets (net)	-101,359	-182,336	-80,977	79.89%
Gains / Losses	-12,594	198,085	210,679	-1672.85%
Income before tax	26,981	-2,900	-29,881	-110.75%
Income tax	25,081	45,125	20,044	79.92%
Mandatory funding to the Education and Promotion Fund	-486	-5,112	-4,626	951.85%
Consolidated Profit for the Financial Year	51,576	37,113	-14,463	-28.04%

The European Central Bank, in collaboration with the European Banking Authority, has measured again the solvency of the banking sector and its capacity to resist to adverse economic scenarios, with the aim of restoring confidence in the system and reactivating the credit before becoming in the single banking supervisor. Cooperative Group Cajamar is the only credit union in Spain that has been involved in this process, having comfortably overcome this test, and therefore it has accredited its solvency and financial stability by the ECB. The Group has overcome these tests with a CET1 ratio of 7.99%, 2.49 percentage points higher than the 5.5% established in the adverse scenario and a CET1 ratio of 10.17%, compared with the 8% fixed as reference value in the baseline scenario, all this without receiving state aids.

Cooperative Group Cajamar has improved its solvency ratio in 2014 to stand it at 11.78%, mainly thanks to the impetus of own funds and to the fall of minimum requirements, which has allowed to increase the surplus by 13.3% to 819 million euros. Meanwhile, the high quality of own funds place the CET 1 Capital ratio at 11.09%.

Solvency	Year 2013	Year 2014	Var. Abs.	Var. %
Solvency ratio	11.28%	11.78%	0.50%	4.43%
Common Equity Tier 1	11.00%	11.09%	0.09%	0.82%
Computable own funds (thousands of euros)	2,485,134	2,552,949	67,815	2.73%
Surplus Computable own funds (thousands of euros)	723,294	819,301	96,007	13.27%

4.3.2 Global risk management

Cooperative Group Cajamar has a clear vocation of retail banking, so its main risks are those typical of that business, i.e., credit, liquidity, interest and regulatory compliance, being the operational risk and market risk of lower relevance but not less important. The Group has been equipped with the necessary instruments to ensure the principle of uniformity in management and risk control. This principle requires that criteria for control and risk management -regarding policies, structures, tools, circuits and processes- are common to all Group entities and not dependent on each entity or on the area in which it develops its business.

Due to its size and its market objectives, Cooperative Group Cajamar does not maintain monopolistic practices and has not been penalised for these reasons or for regulatory non-compliance cases.

Credit risk: Credit risk, understood as the possibility of incurring losses by non-compliance of credit borrowers in a broad sense, is the main exposure of the Group, as corresponds to its character and business model. It is a very well-known, characterised and quantified risk, which is subject both to the regulations applicable to credit entities and to the Group itself. For a better management and control, the Group has a Credit Risk Manual, approved by the BCC's Board of Directors.

Principle of independence

Decisions on credit risk should always be adopted under the framework of the credit policy established and should not be subject to the compliance of business objectives.

Liquidity and Interest Risk: Liquidity risk is the possibility of suffering losses or incurring higher costs due to lack of cash or liquid assets to meet payment obligations timely and in due form. This risk is inherent to banking activity, since the essence of it is the transformation of maturities and structures of interest rates from passive operations to active operations. For a better management of these risks, there is a Manual approved by the Board of Directors that jointly integrates liquidity, interest, market and change risks.

The interest rate risk is the possibility of suffering losses due to the potential impact of changes in interest rates on the Group's profits or the net value of its assets. The policy against this risk is based on performing a commercial and financial policy of minimal exposure to such risk, although the evolution itself of the interest-rate yield curve may place the Group in unwanted exposure levels.

Risk of Regulatory Non-compliance: To address this risk, inherent to the banking business, the Group has a series of policies, manuals, regulations, procedures and codes in areas such as the prevention of money laundering and terrorist financing, protection of personal data, handling of customer complaints, rules of conduct in stock markets or compliance of regulations and best practices in the field of transparency regarding transactions and customer protection. In this regard, there is a Regulatory Compliance Policy approved by the BCC's Board of Directors, which integrate some of such policies, manuals, regulations, procedures and codes.

The general principles underlying the exercise of the regulatory compliance function are responsibility (BCC's Board of Directors is responsible for supervising the management of non-compliance risk in the entity, and senior management is responsible for the effective management of non-compliance risk), comprehensive character (includes all the relevant obligations to such function) and independence (the regulatory compliance function has a formal status within the organization; personnel of regulatory compliance function, and particularly its supervisor, are in a situation where there cannot be conflicts of interest and he/she has access to the necessary information to carry out his/her functions).

Operational Risk: Operational risk is the possibility of suffering losses as a consequence of the inequality of processes, systems, technical and human resources, or by failures on them, as well as external events, including legal risk. The general approach regarding operational risk management, marked by the low tolerance to it, which is adequately documented in the corresponding Manual, is reflected in the principles of unity in policies and processes, global management and control of operational risk, transparency and internal communication and adaptation to change. The axes shaping the management and control of operational risk are the following:

- ❖ Identification, analysis and recording of events.
- ❖ Prevention and mitigation of exposure.
- ❖ Availability of business continuity plans
- ❖ Continuous monitoring of risk.

Market and exchange risk: Regarding these risks, the Group has established in its Market Risks Manual, approved by the BCC's Board of Directors, the basic principle that exposures to market and change risks will never have speculative character, defining such character as the attempt to take advantage of price fluctuations in the short term. Therefore, the exposure to these risks is moderate and not speculative.

Compliance and control systems

In the field of risk control, the leader entity of the Group, BCC, is characterised by a high level of implementation of the principle of independence of functions, which finds its expression in the

existence of the Directorates for General Intervention, Regulatory Compliance and Internal Audit whose functions are detailed below.

General Intervention

Directorate for General Intervention is responsible for designing the strategy for the continuous monitoring of all risks that may be incurred by Cooperative Group Cajamar, either of financial nature such as credit, price, interest, liquidity and operational.



Accounting and Fiscal Control

Define, supervise and apply the accounting controls required to reflect the true image on the financial information of BCC and Cajamar Group Entities, and to ensure the compliance with tax obligations of BCC and Cajamar Group Entities.

Global Risk Management

Ensure the proper identification and measurement of the relevant financial risks that BCC and GCC have to face, and monitor the compliance of the limits and policies established both internally and by the supervisor.

Financial and Management Information

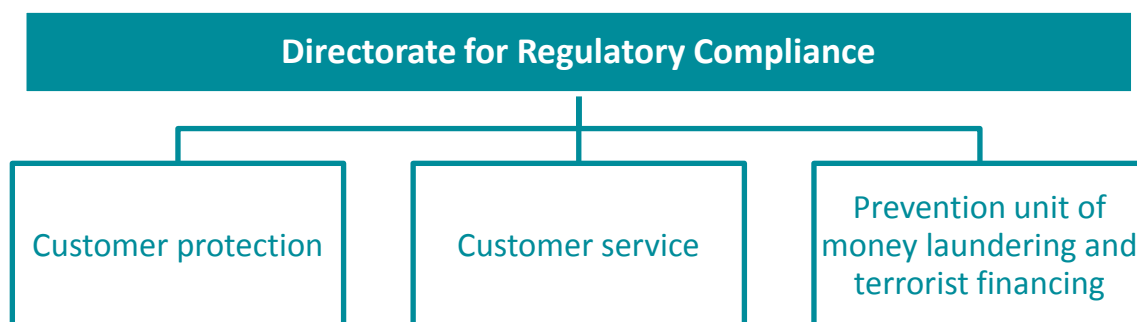
Prepare and present the individual and consolidated accounting statements required by the regulations and entrusted to this area. In addition it must at all times ensure that information systems are properly recording the information required for the preparation of such statements and, if not, it shall propose the necessary corrective measures and supervise the implementation thereof. All this for BCC and Cajamar Group entities.

Budgetary Monitoring

Supervise the management and coordination of the payment process and the accounting of expenses and bills, as well as managing the elaboration and monitoring of annual budgets of operating costs from a perspective of efficiency for BCC and Cooperative Group Cajamar.

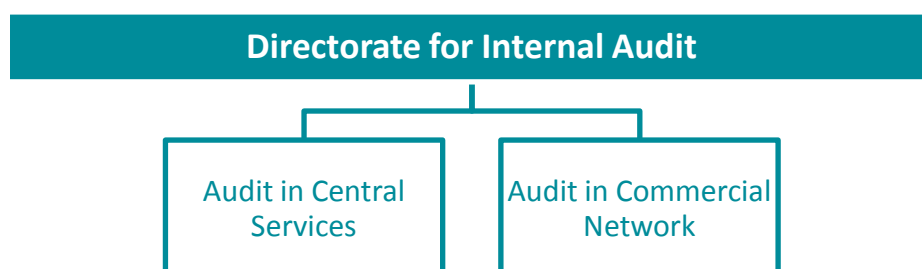
Regulatory Compliance

The Directorate for Regulatory Compliance is responsible for advising, controlling and ensuring the regulatory compliance in BCC and Cooperative Group Cajamar, and also identifying, measuring, assessing, monitoring, controlling, mitigating and reporting the legal and reputational risks that may be incurred by BCC and GCC.



Internal Audit

The mission of the Directorate for Internal Audit is to provide independent and objective assurance to the Audit Committee of Banco de Credito Cooperativo on the framework of internal control of Cooperative Group Cajamar, and therefore that the most relevant risks to which it is exposed, are adequately controlled by the persons responsible for its management.



Internal Audit Activity			
	Year 2012	Year 2013	Year 2014
Audit performed in network of branches (CGC)	348	405	432
% on total branches	23%	30%	33%
Special works in commercial network of branches	70	89	62
Audits performed in Central Services	35	32	35
Total audits performed	453	526	529

Besides the above, there are multiple executive departments in BCC that perform their own controls, which include:

Control Committee

The Control Committee's mission is to analyse the weaknesses of the internal control environment revealed by Internal Audit, Global Risk Control and Regulatory Compliance, agreeing with the rest of the organization the necessary action plans to correct them.

Information Security Committee

The Information Security Committee's mission is to provide clear direction and to channel the visible support of the Directorate to the security initiatives, namely those related to information security. To promote security in BBC and Cooperative Group Cajamar BBC through an appropriate commitment and the adequate resources by suggesting appropriate plans and actions.

Its functions include:

- ❖ Revision and approval of the information security policy and the major responsibilities.
- ❖ Supervision and control of significant changes in the exposure of information assets to the main threats.
- ❖ Revision and monitoring the incidences on information security.
- ❖ Approval of the main initiatives to improve information security.
- ❖ Ensure that security is part of the information planning process.
- ❖ Ensure the compliance with security regulations applicable to the Entity, collaborating with the area of regulatory compliance on data protection.
- ❖ Supervise the different strategies and Comprehensive Plans on Computer Security.
- ❖ Promote the dissemination and support for information security.

Committee on Prevention of Money Laundering and Terrorist Financing (PBCFT)

Committee on PBCFT's mission is to implement policies and procedures to prevent money laundering and terrorist financing.

Essential Rights Committee

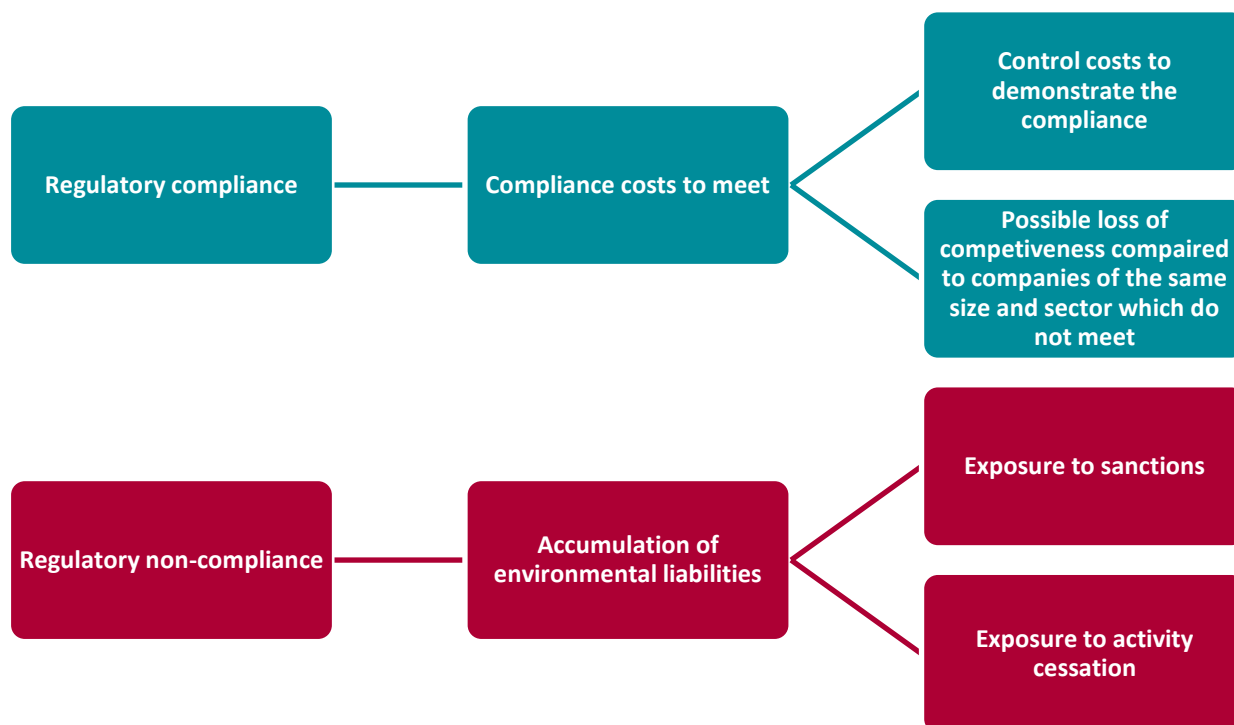
Essential Rights Committee's mission is to safeguard the inalienable rights of those people working in the Group and which constitute the starting point to define a framework of loyalty, mutual respect and good working environment within such Group.

During 2014 two requests for mediation were received to handle in one case an alleged lack of equity and in the other case a request for relocation for personal reasons. Both were properly handled by the Committee.

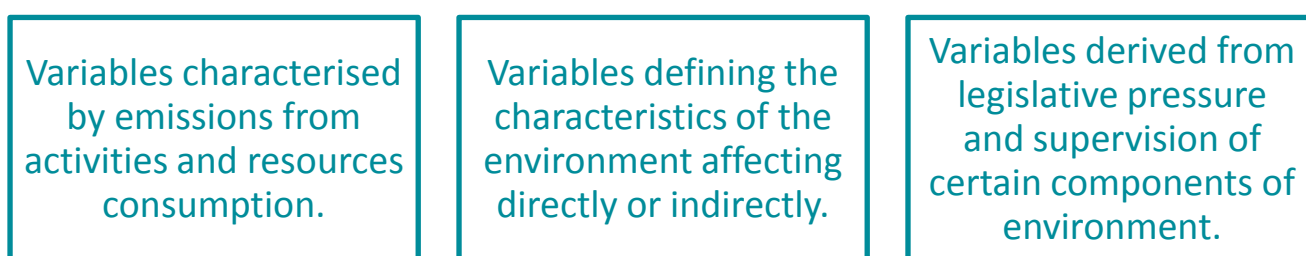
Economic risks of social and/or environment nature.

In 2011, Cajamar Caja Rural decided to prepare a methodology aimed at minimizing the different types of risks of social and/or environmental nature. And a progress so that the Group has the necessary resources to measure the different types of risk has been made during 2014:

Risk of non-compliance of environmental regulations:



In the process to analyse the regulatory non-compliance, the different variables related to the nature of the business developed by each company are taken into account:



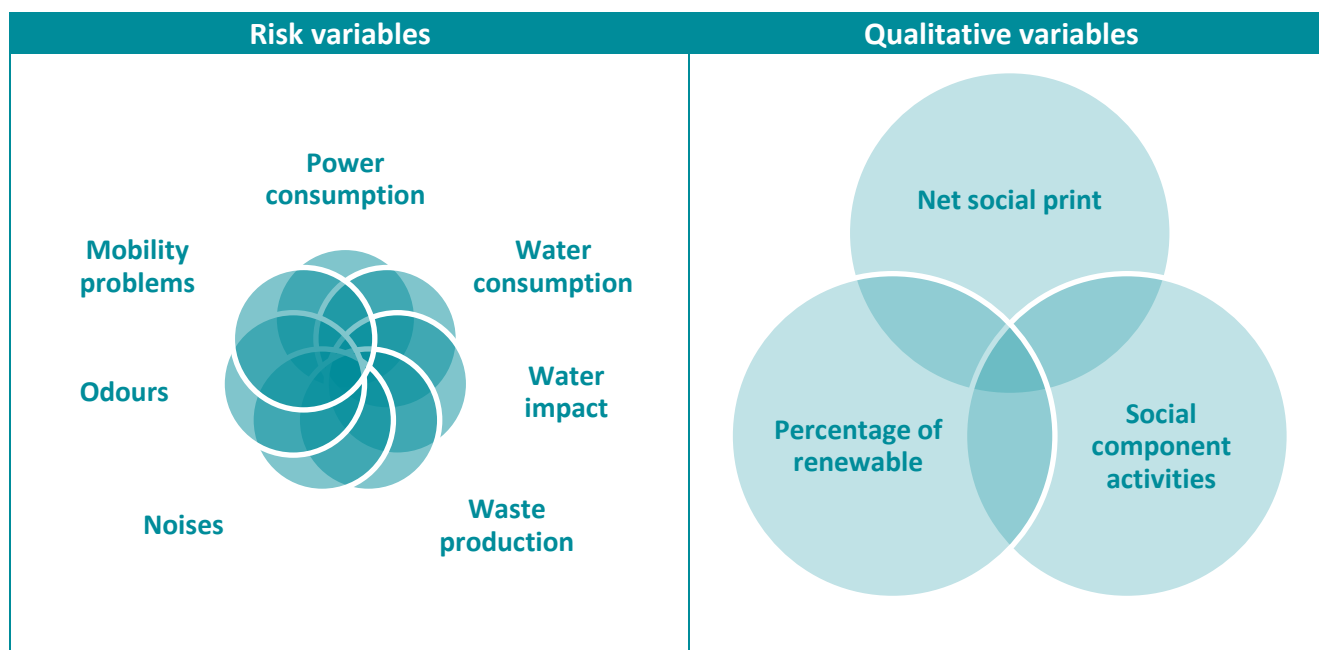
This classification affects the entire loan portfolio of corporate business and it is performed every three years in order to assess its development, being the last ranking in 2013. This portfolio analysis resulted in a proper diversification in terms of IRFCA, which has required a major intervention by

the entity in just 0.57% of total to improve the knowledge on environmental behaviour of customers exposed at a higher risk.

Estimation of financial risk of environmental nature						
IRFCA	1	2	3	4	5	Total
year 2010	0.79%	10.33%	11.19%	31.97%	45.72%	100.00%
year 2013	0.57%	5.52%	19.44%	34.42%	40.05%	100.00%

Apart from regulation and regulatory changes, the effect of climate change on the business activity may have an impact on the different stages of the value chain that are taken into consideration:

- ❖ Risk for delays and suspension of projects linked to the negative impacts to the community or the environment.
- ❖ Risk caused by the increased cost of natural resources.



In this analysis process it is intended to meet two objectives. On the one hand, it shall be considered that every business project may generate a series of positive and negative externalities on its environment that must be assessed in order to prevent the project may be paralysed due to the opposition of the stakeholders of the company that intends to develop it, and that in parallel it could potentially damage the reputational image of the Group for its financial collaboration to a project that has not the support of the community where it operates.

The second objective is directly related to social and environmental changes we are witnessing and that likely entail a progressive reduction of natural resources with its corresponding increase, which

will have to be taken into account in the feasibility analysis of investment projects and that Cooperative Group Cajamar is in the process to incorporate it throughout 2015.

Likewise, transformation processes generating waste, emissions and discharges, entail greater regulation, limitations, increased rates and emergence of new case studies that should be taken into consideration in certain projects because of their relevance and/or by their impact on the environment may be risk factors. Cooperative Group Cajamar has had no breakdown in 2014 as a result of such kind of risks.

Unwanted links

The Ethical System involves our firm determination to not establish any kind of relationship with those developing illicit or ethically reprehensible activities. Specifically, Cooperative Group Cajamar is committed to:

- ❖ Not financing companies which refrain from supporting or that might not respect the internationally recognized human rights.
- ❖ Not financing companies which refrain from complying labour rights and, in particular those involving forced labour to minors or made under duress.
- ❖ Not financing companies or projects whose business entails serious social or environmental risks.

Likewise, Cooperative Group Cajamar agrees not to use tax havens to manage resources, either themselves or their partners and customers.

Prevention of money laundering and terrorist financing

Cooperative Group Cajamar is committed and decisively collaborates with national and international authorities in their effort to prevent money laundering and terrorist financing, and therefore it is an strategic aim to have both an effective, advanced, dynamic and adaptable to a changing environment and reality system to prevent money laundering and also a staff properly informed, trained and sensitive to this reality, which financial institutions and their companies groups constitute a leading and essential element in the enforceable fight and prevention.

The strict compliance with the national and international applicable law and regulations in force at all times regarding PBCFT constitute the essential element of policy on this field of the Group, being the Manual on Prevention of Money Laundering and Terrorism Financing of compulsory reading, knowledge and application by all board members, directors, employees and agents of the Group. It should be noted that there have been no signs of corruption in the organization during 2014.

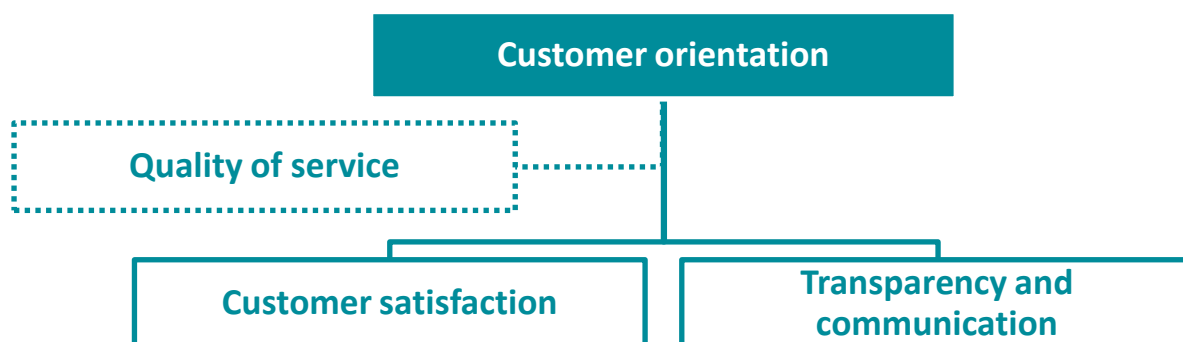
During 2014, a training plan for employees on this field has been further developed. 100% of the business units of Cooperative Group Cajamar are analysed in relation to the potential risks of money laundering.

4.3.3 Customer Orientation and Protection, security, quality of service



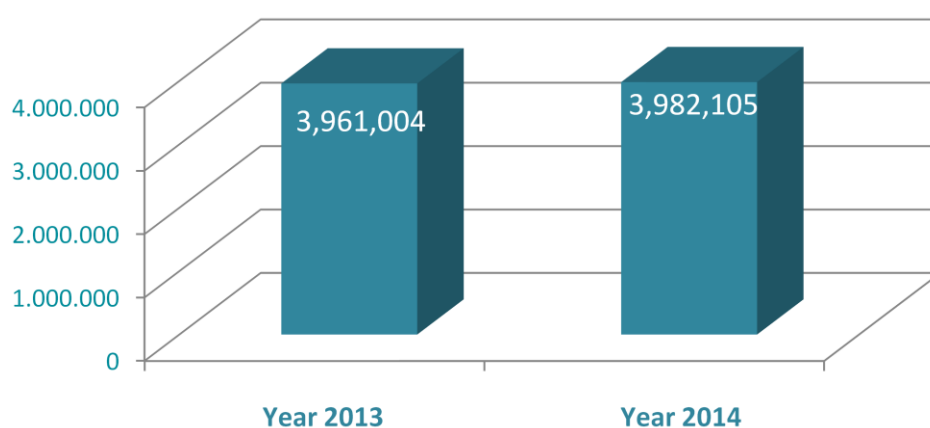
Consumer orientation

Customer is the core of its business model to Cooperative Group Cajamar. This model is based on the creation of a framework of ethical, stable and lasting relationships, based on the quality of products and services, besides of the identification of shared interests. Quality should be a cross-cutting element in the relationship with partners and customers.



Cooperative Group Cajamar understands that in order to create stable relationships with partners and customers of its entities, it should favour a framework of confidence and mutual commitment, being transparent in the relationship with them, providing them a correct and efficient service that enables to resolve complaints and disputes in a satisfactory manner for both parties.

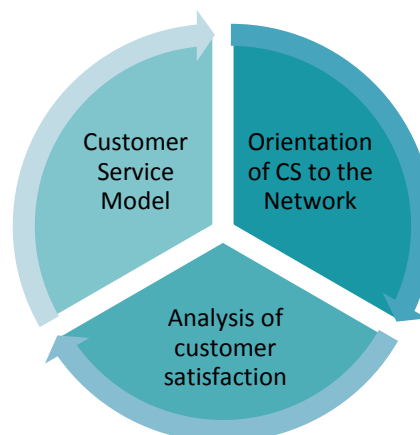
Evolution number of customers



Quality

Quality management system of Cooperative Group Cajamar has as reference the EFQM model, which basic concept is the self-assessment based on a detailed analysis of the functioning of the organization's management system.

In the first diagnosis performed by the Group along with the company Cegos Deployment, which is specialised in advanced management systems, three areas for improvement that have been developed during 2014 were identified:



- ❖ **Analysis of customer satisfaction:** Carry out a study to assess the level of customer satisfaction on the quality of the services received.
- ❖ **Orientation of the CS to the Network:** Carry out a survey to assess the orientation level of the central services to the branches, to establish improvement plans ultimately focused towards customer service.
- ❖ **Customer Service Model:** Establish a single model of Commercial Attention to Private Banking customers, throughout the entire network of branches, based on the commercial policy defined by the entity.

Analysis of customer satisfaction

Knowing the needs, perceptions, demands and expectations of customers, both regarding attention and treatment received, and quality on management of products and services offered through the network of branches is a constant concern and means one of the basic pillars for continuous improvement to Cooperative Group Cajamar. Its management is based on regularly checked quality standards that contribute to achieve greater customer satisfaction.

Being aware that 2014 has been for the Spanish financial sector a year where the trust and reputation of the entities have been affected, Cooperative Group Cajamar has deemed that it is the right time to understand how all this is affecting to the perception of customers on their relationship with the Entity, both in intangible factors (solidity, transparency), and also regarding the service itself.

This analysis seeks to assess how customers value the Entity, identifying strengths, and those weaknesses on which the group must pay special attention to redirect them.

Assessment of overall satisfaction with the Entity (scale 1-10)

Level of satisfaction	Most highly valued aspects	Areas for improvement
8.06	Satisfaction with the branch. Satisfaction with the agent.	Collection of fees. Response capacity to incidents.

In the study carried out, customers have expressed a high level of satisfaction with their branches, and with the agents who have attended them, highlighting the treatment received by them and their professionalism.

Assessment of satisfaction with the branch (scale 1-10)		
Level of satisfaction	Most highly valued aspects	Areas for improvement
8.42	Treatment. Professionalism. Privacy and discretion.	Waiting times.

Assessment of satisfaction with the agent (scale 1-10)		
Level of satisfaction	Most highly valued aspects	Areas for improvement
9.35	Personalised advice. Availability.	Frequency of contacts.

The overall satisfaction assessment is also reinforced by the positive assessment of the relationship based on trust, transparency and solvency of the Group.

It should be noted that during 2014 the Group has started several actions aimed at facilitating the understanding of its products and services by customers and that the aim pursued is to achieve maximum clarity and transparency.

Commercial communication policy of Cooperative Group Cajamar is based on ethical principles and internal rules governing the relationship with its customers, being all that self-adjustable.

In 2014 there have not been non-compliances of regulations and voluntary codes concerning information and labelling of products and services, as well as regulations concerning marketing communications, including advertising, promotion and sponsorship.

Perception of levels of solvency, confidence and transparency (scale 1-10)		
Solvency	Confidence	Transparency
8.28	7.97	7.44

Product policy aimed at developing financial solutions for different life cycles, meeting in a differentiated way the diverse needs arising at each stage of life, is also one of the elements part of the high level of overall satisfaction of customers. On the contrary, policy change in the collection of fees performed during 2013 has been the worst valued aspect by customers and which has caused the greatest number of incidents.

Assessment of product range	Assessment of fees
8.00	5.07

As explained in the report for the year 2013, economic situation in Spain, lengthening of the crisis, continuous regulatory changes, development of interest rates, with the Euribor at historic lows and

the deletion of floor clauses of housing mortgages, forced to make that decision and place the fees policy of the group in line with that of the market.

In any case it should be explained, that a number of conditions that, in practice, allow each customer to have his/her personalised fees and/or rates depending on his/her degree of linkage, are included in that policy change.

An example of this bonus policy is the elimination of the maintenance fee in demand accounts of those linked partners and customers, whose unemployment benefit is currently direct debited.

The will of Cooperative Group Cajamar is gradually return to the previous situation, as long as the factors which generated such situation are being redirected. In this sense, the commitment undertaken is public and will be met when temporary circumstances allow it, keeping the criteria of prudence and of course, while maintaining a high level of quality of service.

Satisfaction with branches

The aim of this is to know the satisfaction of branches with the services they receive from the central departments, patterns of use thereof, as well as collecting the potential suggestions for improvement and, consequently, establishing the corresponding action plans. Questions made are aimed at investigating the main needs that branches might have in order to attend and satisfy the customers and to meet their objectives.

Areas for improvement identified

Management of requests and incidents.
Some internal processes related to obtain information.
Quickness on filling a leave with replacing staff.

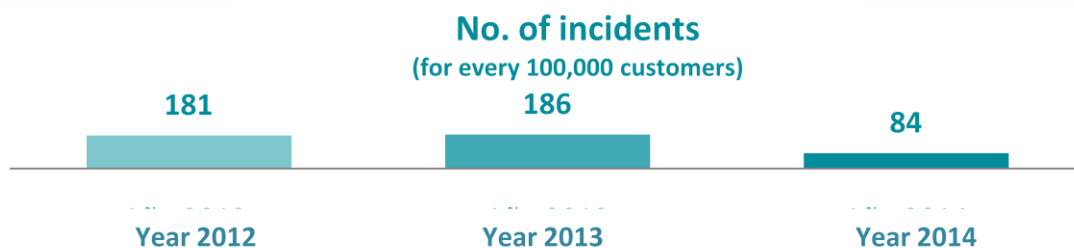
Business Continuity Plan

Business Continuity Management System has become a requirement for Cooperative Group Cajamar, which is aware that it cannot have any weak link and that it must ensure products and services that the customer may require in any case of contingency.

During 2014, Business Continuity Management System (BCMS) of Cooperative Group Cajamar has been adapted to the organizational changes and the new structure, within the action framework of the period 2012-15 and its Master Plan. The solutions proposed in previous years have proven to be valid for maintaining the life cycle thereof, and the group's commitment is to maintain and adapt it to all regulatory and organizational changes that may arise in the future.

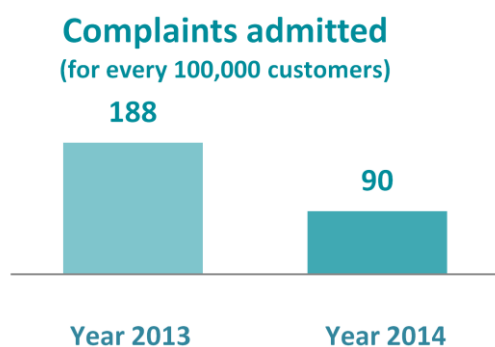
Consumer service

Cooperative Group Cajamar, through its corporate website, makes available to its customers a Queries and suggestions Box, in order that any interested person, customer or user may directly send their proposals and requests, besides of managing his/her complaints and incidents.



Defence of Customer

Cooperative Group Cajamar has an internal and independent customer service to deal and resolve complaints and claims submitted by our customers regarding their legally recognized interests and rights, whether arising from contracts, rules on transparency and customer protection or good practices and financial uses.



Total complaints submitted to the Bank of Spain 728

Total complaints submitted to CNMV 7

Total complaints submitted 4,063

Percentage of complaints resolved in favour of the complainant 27.64%

Floor clauses

Cooperative Group Cajamar has complied, continues to comply and will comply in the future with all the rules of transparency which are applicable at all times, particularly those related to mortgage loans for house purchase. Regarding the judgment of the Supreme Court, an automatic process to remove the floor clause of mortgage loans to consumers in compliance with that judgment, with effect from May 9, 2013, was initiated. As a result of such revision, the aforementioned clause has been removed in all mortgage loans to consumers.

Consumer protection

The Ethical Management System of Cooperative Group Cajamar understands protection to partners and customers in the broadest sense, urging all members of Cooperative Group Cajamar to ensure the interests of those in the field of commercial relationships with them. In this sense, protection of partners and customers is mainly based on the following issues: contractual justice, information, transparency and, as far as possible, training.

MIFID

One of the main objectives of the MiFID was to increase the level of protection of customers of investment services, as a result of the increasing complexity of investment products and services available in the market.

In this sense, the MiFID forced financial institutions to incorporate a wide range of rules which would be followed regarding the provision of investment services, besides of improving levels of information to be provided to the investors themselves.

For such strict compliance, Cooperative Group Cajamar has an Order Execution and Management Policy and other Conflicts and Interest Management Policy that are available on its corporate website, as well as a detailed description of the financial products or instruments of our catalogue affected by the MiFID, including a description of the risks inherent in them.

Code of Good Practice

Rural banks members of Cooperative Group Cajamar are adhered to the Code of Good Practice for the restructuration of debts with mortgage security on main residence after the amendments introduced by Law 1/2013, of May, 14.

Within the framework of the policy of corporate social responsibility and based on the sensitivity and social commitment, Cooperative Group Cajamar has decided to exceed the limits established in the aforementioned rules and therefore to establish the scope of measures to the entire group of transactions secured with main residence, both to suspend launches and also to suspend auctions, and even to avoid, if possible, the bringing of foreclosure lawsuits concerning to the aforementioned main residence, by first and foremost seeking a negotiated solution with the debtor as an alternative to the strictly legal solution.

Therefore, it has developed a protocol for action so that each entity of the Group may apply on a case by case base, and depending on their suitability, legal and financial instruments that contribute to reorganise the position of the borrower regarding the relationship with such entity.

Security and confidentiality

Employees of Cooperative Group Cajamar are committed to ensure the compliance with the measures established in accordance with the regulation on personal data protection.

Particularly, employees of Cooperative Group Cajamar assume legal obligations regarding secrecy, confidentiality and, in general, information security.

The Code of Conduct of Cooperative Group Cajamar establishes confidentiality and security of data processing among its principles.

There have been no substantiated complaints regarding the obligation to secrecy on customer personal data during 2014.

Conflicts and interest management policy

The establishment of the Policy has as final and fundamental aim the maximum protection of the Group's customers. It is based primarily on the identification, registration, management, avoidance or elimination of any conflicts of interest and their disclosure to customers when they cannot be avoided or eliminated.

There is a conflict of interest when in the provision of investment services or ancillary services or a combination of both, a clash occurs between the interests of the Group, including its board members, directors, employees and linked agents, or any person linked directly or indirectly to them by control and those of its customers, or between several customers together, which can result in damaging the interests of such customers.

The Directorate for Regulatory Compliance ensures the compliance of the policy in this field and maintains and regularly updates a record of the types of investment services or ancillary services, or other, carried out by competent persons or on behalf of such persons in which a conflict of interest has emerged or, in the case of an ongoing service or activity, in which such conflict may arise.

Computer security

Cooperative Group Cajamar ensures the security and confidentiality of electronic banking services.



Certified by Verisign, this ensures the customer a secure connection.



SSL encryption protocol
The browser reports the secure connection by displaying a padlock or key and https in the address of the page.



Signature for transactions on electronic banking with personal code card or SMS signature for the most important.



Transactions are performed instantly and are immediately reflected in the accounts.

There is a permanent working line, where the affected internal areas and the external companies specialised in online security work together. This way, scoring and operational risk tools are constantly updated to the changing digital risks.

Accessibility

Web or interface accessibility indicates the capacity to access the Web and its contents for all people, regardless of the disability (physical, intellectual or technical) they may have or those derived from the contexts of use (technology or environmental).

Web accessibility in Cooperative Group Cajamar has been designed to be accessible to all people, and therefore the following issues have been taken into account:

- ❖ Keyboard navigation.
- ❖ Interpretation of graphic resources.
- ❖ Interpretation of tables.
- ❖ Printable version.
- ❖ Version for mobile browsers.
- ❖ Browsing through devices not supporting CSS, JavaScript, plugins.

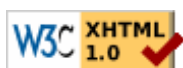
Applicable technology includes:



Compliance with standards W3C-WCAG. Accessible Content Guidelines in Web 1.0



The presentation is based on the Recommendation of the W3C on CSS2.



The recommended standard for HTML code has been used, checking the XHTML 1.0 Transitional recommendations.

New technologies

The most common services can be easily performed with the new smartphones or tablet devices with Internet connection.



Intercompany
or
intracompany
transfers



Receipt
payment



Check
balances and
last
movements



Broker online



Emergency
cash (Hal
cash)



e-shopping
Card

Financial education

Cooperative Group Cajamar is aware that transparency and information are essential for customers to place their trust in the Entity. But also, we want to make a major effort on their training in order they know at all times the different opportunities that there exist, as well as their rights and obligations.

For this reason, the Group has a commitment to financial education that is materialised with its adherence to the Financial Education Plan promoted by the Bank of Spain and the National Securities Market Commission.

Likewise and in order to achieve this objective, Cooperative Group Cajamar has developed a set of resources and tools, among which we highlight the following:



A joint publication of Cajamar Foundation and SM Foundation. It is an easily accessible guide with which people can better understand some general issues of economy, which will lead to manage their personal finances in a more efficiently manner.



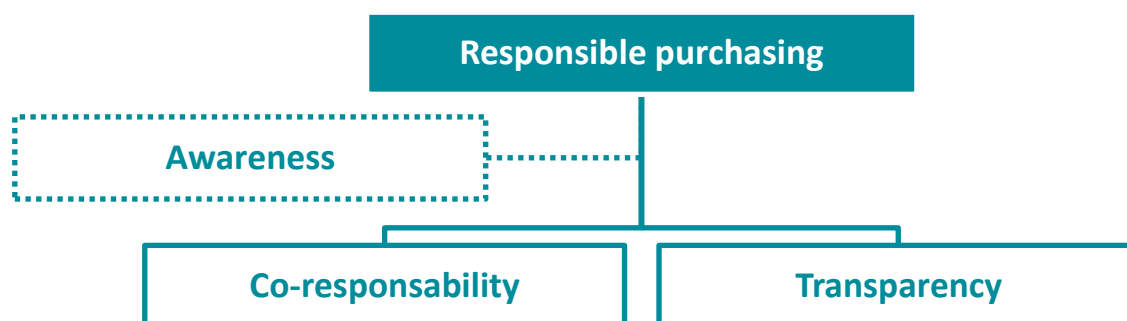
My Finance is a free service that helps to organise and plan the personal economy.



4.3.4 Responsible purchasing

Cooperative Group Cajamar is aware that the concept of responsibility and sustainability is not exhausted in respect of its own actions, but it globally depends on the entire supply chain and, by extension, of the value chain.

This pillar is based on two fundamental principles: responsibility and transparency. With these principles on the one hand we recognize our responsibility to the rest of the supply chain and, on the other hand, we are committed to establish relationships with our suppliers based on transparency and contractual justice. In these relationships, as transversal strategy, the Group must generate awareness mechanisms that allow disseminating the principles and values of this Ethical System to its main suppliers.



In this sense, Cooperative Group Cajamar, in the contracting of suppliers, shall be governed by the principles of good faith, transparency, economy, equity and responsibility, keeping always in mind the implementation of policies of corporate social responsibility, regarding human rights and environmental preservation by providers in the selection of them.

Co-responsibility: A fundamental premise to be taken into account in the relationship with our suppliers is the need to recognize the co-responsibility of all members of the value and distribution chain in the provision of final goods and services in an ethical environment and based on stable and trusting relationships. The orientation of our activity to the creation of value and the creation of shared value forces us to recognize the role played by our suppliers in the achievement of our goals.

Transparency: The recruitment process between Cooperative Group Cajamar and its suppliers, especially when the amount is important, must be carried out by meeting procedures of objective recruitment and clear rules ensuring quality, fairness and equal opportunities. In the recruitment process of suppliers, Cooperative Group Cajamar must have in advance the relevant technical and budgetary information in order to comparatively take the right decision to the interests of the Group.

[Approval process of suppliers.](#)

The objective of the Approval Process of Suppliers is to establish the optimum levels to ensure that a supplier meets the quality and suitability requirements established by Cooperative Group Cajamar.

Total number of resident suppliers
suitable for approval: 421
94.82% of the total

Turnover (thousands of Euros)	Year 2014
Total turnover	216,785
Turnover resident companies	214,986
% turnover resident companies on total turnover	99.17%
Turnover non-resident companies	1,799
% turnover non-resident companies on total turnover	0.83%

The approval process of suppliers includes various stages:

- In 2010, taking into account the amount, it was established as a priority for the approval that the amount invoiced in 2010 was higher to €50,000 (excluding autonomous, which approval was scheduled for the 2nd phase).
- In 2011, it was established for all providers whose annual turnover exceeds the amount of €3,000 in 2010 (excluding autonomous, which approval was scheduled for the 2nd phase).
- In 2012, all suppliers whose turnover in 2011 would have exceeded €3,000 were certified and the approval of autonomous began.
- In 2013, the approval of suppliers whose estimated turnover in 2013 would have been higher than €3,000 continues.
- From this moment, this is the criterion to be followed for the approval of a supplier, which has been developed during 2014.



Aspects of social nature in purchasing management

The approval process of suppliers includes various stages in which some new requirements of social nature have been added in a progressive way to a greater number of suppliers.

In such process and generally for all those suppliers likely for approval, the following criteria of social nature have been taken into account:

- ❖ Commitment to compliance with the Ten Principles of the Global Compact and, more specifically, regarding human rights and labour standards:

Human Rights

- Principle 1: Companies must support and respect the protection of fundamental human rights, internationally recognized within their sphere of influence.
- Principle 2: Companies must ensure that their companies are not accomplice in human rights violations.

Labour Standards

- Principle 3: Companies must support the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: Companies must support the elimination of any kind of forced or coerced labour.
- Principle 5: Companies must support the effective abolition of child labour.
- Principle 6: Companies must support the elimination of discrimination practices in employment and occupation.

- ❖ Situation of contribution to Social Security.
- ❖ Plan of prevention of occupational risks.
- ❖ Verification of sanctions in social matters.

404 suppliers have been assessed on human rights, labour practices and analysed by the impact on society.

97.14% of new suppliers have been assessed on human rights, labour practices and analysed by the impact on society.

No activity involving a potential risk of incidents of child labour has been identified and there have been no incidents in this field, neither in the Group, nor in those significant suppliers linked to the business of such Group.

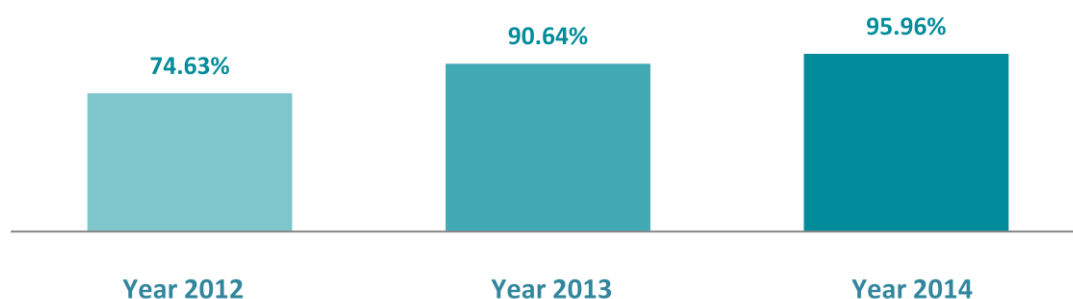
Aspects of environmental nature in purchasing management

The approval process of suppliers includes various stages in which some new requirements of environmental nature have been added in a progressive way to a greater number of suppliers.

In such process and generally for all those suppliers likely for approval, the following criteria of environmental nature have been taken into account:

- ❖ Adherence to the Environmental Policy of Cajamar: document delivered to all suppliers to obtain their commitment to preserve and improve the environment.
- ❖ Commitment to compliance with the Ten Principles of the Global Compact and, more specifically, regarding those of environmental nature:
 - Principle 7: Companies must keep a precautionary approach that favours the environment.
 - Principle 8: Companies must encourage those initiatives promoting greater environmental responsibility.
 - Principle 9: Companies must promote the development and spreading of environment-friendly technologies.

Commitment to the Global Compact



- ❖ Acceptance of a set of standards for environmental compliance to those suppliers that for the provision of service, may access any facility of Cajamar and aim to regulate the treatment of municipal solid waste, hazardous waste, inert waste, electrical and electronic waste, discharges, emissions, noise and handling of chemicals substances.

324 suppliers have been assessed on environmental matters.

92.86% of new suppliers have been assessed on environmental matters.

4.4 Performance: Social dimension

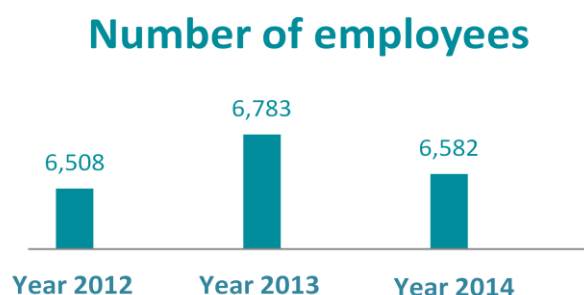
4.4.1 Internal social dimension²

The human resource management model of Cooperative Group Cajamar is based on knowledge, skills and objectives. Therefore, it does proactively develop the collective leadership and the management of equality, diversity, reconciliation and knowledge in an environment of security, stability and favourable labour climate, whose crosscutting axes are professional development and training, as well as safety and health at work.



² The activity of the financial sector is characterised by a highly qualified human capital and also the Group's transactions are limited to the Spanish geographical area. Therefore, there is no risk that problems regarding human rights may arise, as child or forced labour or the violation of rights of indigenous peoples, within the Group itself, neither in those significant suppliers linked to its business. During 2014 there have been no complaints regarding Human Rights.

Staff profile of Cooperative Group Cajamar



Employment stability	
Employees with permanent contract	95.93%
Full-time employees	96.60%

The evolution of the number of employees has been affected by merger processes and the incorporation of new entities to the Group, as well as those appropriate adjustment processes that have been materialised through an early retirement program.

Distribution of Cooperative Group Cajamar's staff by employment contract and gender						
Gender	Year 2012 ¹		Year 2013		Year 2014	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Men	3,648	82	3,407	190	3,329	150
Female	2,638	140	3,027	159	2,985	118
Total	6,286	222	6,434	349	6,314	268

(1) The scope of this year in 2012 applies only to Cajamar Caja Rural

Distribution of Cooperative Group Cajamar's staff by employment contract and gender						
Gender	Year 2012 ¹		Year 2013		Year 2014	
	Full time	Short time	Full time	Short time	Full time	Short time
Men	3,554	176	3,447	150	3,353	126
Female	2,660	118	3,090	96	3,005	98
Total	6,214	294	6,537	246	6,358	224

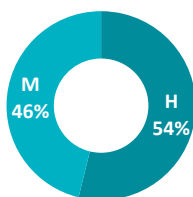
(1) The scope of this year in 2012 applies only to Cajamar Caja Rural

Geographical distribution ¹ of Cooperative Group Cajamar's staff						
Area ⁽¹⁾	Year 2012 ²		Year 2013		Year 2014	
	M	F	M	F	M	F
North	13	12	14	11	14	12
South	1,285	1,021	1,300	1,226	1,278	1,221
East	2,026	1,466	1,926	1,673	1,838	1,600
Central	406	279	357	276	349	270
Total	6,508		6,783		6,582	

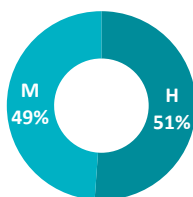
(1) The northern area includes data from the regions of Galicia, Asturias, Cantabria, Basque Country and Navarre; Central area data includes La Rioja, Aragon, Castilla y Leon, Madrid, Castilla-La Mancha and Extremadura; Eastern area includes data from Catalonia, Valencia, Murcia and Balearic Islands; Southern area includes data from Andalusia, Canary Islands, Ceuta and Melilla.

(2) The scope in 2012 applies only to Cajamar Caja Rural.

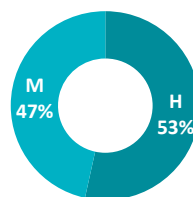
North Area



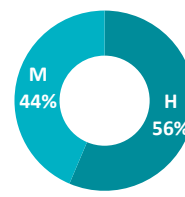
South Area



East Area



Central Area


Breakdown of GCC's staff distributed by groups of age, gender and geographical area - 2014

Area	Up to 35 years old			From 36 to 55 years old			> 55 years old			Total		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
North	4	8	12	10	4	14	0	0	0	14	12	26
South	191	345	536	987	864	1,851	100	12	112	1,278	1,221	2,499
East	243	493	736	1,554	1,100	2,654	41	7	48	1,838	1,600	3,438
Central	69	121	190	251	141	392	29	8	37	349	270	619
Total	507	967	1,474	2,802	2,109	4,911	170	27	197	3,479	3,103	6,582

The recruitment of Cooperative Group Cajamar is based on the principles of confidentiality, responsibility and equal opportunity, being rigorous, transparent and objective processes, in which are exclusively taken into account abilities and professional and personal academic merits of the candidates, as well as the specific needs and profiles required for the jobs to be filled.

Evolution of new recruitments

New continuing recruitments	44	81.48%
New recruitments who stop working	10	18.52%

No. and % of new recruitments in GCC distributed by age, gender and geographical area - 2014 (LA1)

Area	Up to 35 years old				From 36 to 55 years old				> 55 years old				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
North		0.0%		0.0%		0.0%	1	25.0%		0.0%		0.0%	0	0.0%	1	8.3%
South	4	2.1%	4	1.2%	10	1.0%	7	0.8%		0.0%		0.0%	14	1.1%	11	0.9%
East	7	2.9%	5	1.0%	4	0.3%	4	0.4%		0.0%		0.0%	11	0.6%	9	0.6%
Central	5	7.2%	2	1.7%		0.0%	1	0.7%		0.0%		0.0%	5	1.4%	3	1.1%
Total	16	3.2%	11	1.1%	14	0.5%	13	0.6%	0	0.0%	0	0.0%	30	0.9%	24	0.8%

Number and % of leaves in GCC distributed by age, gender and geographical area - 2014 (LA1)

Area	Up to 35 years old				From 36 to 55 years old				> 55 years old				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
North	2	50.0%	2	25.0%		0.0%		0.0%		0.0%		0.0%	2	14.3%	2	16.7%
South	75	39.3%	159	46.1%	29	2.9%	50	5.8%	25	25.0%	2	16.7%	129	10.1%	211	17.3%
East	57	23.5%	129	26.2%	56	3.6%	56	5.1%	9	22.0%	3	42.9%	122	6.6%	188	11.8%
Central	21	30.4%	37	30.6%	9	3.6%	11	7.8%	7	24.1%		0.0%	37	10.6%	48	17.8%
Total	155	30.6%	327	33.8%	94	3.4%	117	5.5%	41	24.1%	5	18.5%	290	8.3%	449	14.5%

Professional development and training

People are the ultimate aim to Cooperative Group Cajamar, so it is committed to promote employees within the organization based exclusively on merits and professional value, developing professional careers that match their profiles and functions.

A total of 2,365 training activities have been performed in Cooperative Group Cajamar during 2014, with a total of 14,382 given hours and 494,028 received hours. A total of 61,111 people participated, being 6,551 different employees, which means that 99.5% of the Group's staff has made at least one training action during 2014.

In 2014 the Group invested a total of 2,065,193 euros in its workers' training. We have obtained a total of 704,856.97 euros in subsidies for continuing training that have been deducted from social insurances. In order to facilitate the reconciliation of family and work life, 84% of training hours has been performed by e-learning, distance learning and virtual classes, those latter being highly valued by participants because this way they don't need to travel. Only 17% of the received hours have been by traditional system (on-site). The average score for the year was 7.92 out of 10, obtained from a total of 49,054 anonymous surveys.

Group's commitment is based on being able to manage the "talent" depending on its needs as an entity, but also from the point of view of the professional expectations that employees have on their own future within the Organization.

Training

Training hours of Cooperative Group Cajamar's employees by professional category and gender (LA9)							Training expenses on EAT
Professional category (Number of participants)					Gender (Number of Employees)		
	Executives	Pre-executives	Technicians	Other	Men	Female	2.31%
Number	15,433	19,614	5,022	21,042	3,410	3,141	
Total training hours	155,232	183,882	33,574	121,340	270,195	223,833	
Average hours	10.06	9.38	6.69	5.77	79.24	71.26	

The objectives of the School of Financial Training are improving employee's financial training and ensuring the best advice to our customers through better qualified professionals. It has three levels: Basic, Medium and High.

Regulation courses meet the requirements of those organizations regulating aspects of daily use in our business. These organizations are among others, the Bank of Spain, the CNMV (Spanish National Securities Market Commission), the Spanish Data Protection Agency, the Inspectorate for Social Security and the General Directorate of Insurance and Pension Funds.

School of Finances

Number of participants in skills management programs and continuing training (LA10)

School of Finances	Year 2012		Year 2013		Year 2014		Total certified employees
	Certified	% s/total	Certified	% s/total	Certified	% s/total	
Basic level	1,291	19.84%	1,425	21.01%	1,657	25.17%	3,181
Middle level	807	12.40%	973	14.34%	1,085	16.48%	
High level	291	4.47%	354	5.22%	439	6.67%	
Total	2,389	36.71%	2,752	40.57%	3,181	48.33%	

Training activities in the field of Corporate Social Responsibility³

Year	Year 2012		Year 2013		Year 2014	
	No.	% s/total	No.	% s/total	No.	% s/total
	No.	% s/total	No.	% s/total	No.	% s/total
Data Protection (LOPD)	1,534	23.6%	2,419	35.7%	2,387	36.3%
Prevention of money laundering and TF	608	9.3%	2,668	39.3%	1,286	19.5%
Occupational risk prevention	952	14.6%	2,556	37.7%	2,387	36.3%
Market abuse	189	2.9%	2,304	34.0%	364	5.5%
Code of Conduct (1)					560	8.5%
Human Rights (1)					560	8.5%
Environment (1)					254	3.9%
Corporate Social Responsibility	154	2.4%	54	0.8%	68	1.0%

(1) Programs incorporated in 2014.

Performance assessment

A process of performance assessment that aims to measure and identify the knowledge and skills that each employee has developed besides of the adaptation level of such knowledge and skills to his/her job at the time of the assessment is periodically performed. Once these contents have been identified and measured, the Office of Professional Development and Training provides those means of training necessary to facilitate learning and acquisition of knowledge and skills necessary for each group.

Total Self-assessments		Total Assessments	
5,460	82.95%	5,519	83.85%

Distribution of Cooperative Group Cajamar's employees assessed by professional category and gender (LA11)

Professional category	Men		Female		Men		Female	
	Self-assess.	%	Self-assess.	%	Assess.	%	Assess.	%
Executives	984	86.2%	313	85.5%	977	85.6%	323	88.3%
Pre-executives	737	93.6%	808	87.6%	729	92.6%	836	90.7%
Technicians	243	87.7%	274	85.9%	232	83.8%	267	83.7%
Other	944	74.2%	1,157	77.3%	952	74.8%	1,203	80.4%
Total	2,908	83.6%	2,552	82.2%	2,890	83.1%	2,629	84.7%

³ 100% of security personnel is accredited by the Ministry of Interior in order to practice such profession, the latter being who ensures training, requirements, quality and recruitment formulas of this kind of professionals and services.

Remuneration policies. Voluntary fixed remuneration higher than collective agreement

Remuneration policy does not generate gender inequalities, since the wage structure is common to all staff.

The Group uses systems that remunerate the assumption of responsibilities, based on the following principles:

- ❖ Internal equity. Objective criteria that enable to assess the compensation level in a fair manner are sought. Criteria such as the specific position of responsibility; seniority; experience in the position; team or dependents; complexity of his/her functions, volume or turnover figures in his/her field of activity; level of expertise required and executive performance.
- ❖ External equity. It is competitively paid, considering the position of the entity in the market to establish a correlation between the own remuneration and the own results to use it as referent to establish the correspondence between the own remuneration and the market remuneration.

Starting salary for new employees
€1,256.22

National minimum wage
€645.30

Relation
1.95

The total annual fixed remuneration of the best paid person in the Group has 11.5 times the average annual total fixed remuneration of the Group's staff

The percentage increase in total annual fixed remuneration of the best paid person in the Group was 17.33 times less than the percentage increase in the average total annual fixed remuneration of the Group's staff

Variable remuneration

Incentives policy is understood in the Group as a system aimed to reward excellence, being required that in their preparation and implementation it must be taken into account the achievement of quantitative/qualitative and/or individual/group objectives or results, which must be pre-defined and properly informed to the interested parties and must be subject to a regular monitoring of the achievement of them.

The objectives are aligned with the organizational strategy and creating value in the medium and long term, without establishing in any case speculative objectives or which may involve any unnecessary or excessive exposure to risks for the organization.

Non-discrimination, equality and reconciliation

Ethical System of Cooperative Group Cajamar includes non-discrimination, equality and reconciliation as one of the pillars on which people management in the Group is developed.

To this end, the Group proactively set policies, measures and instruments to promote equal opportunities for all employees, especially between men and women.

The Directorate for Human Resources is responsible for ensuring the strict compliance with the Equality Act and all measures reached and established in the different agreements and protocols, in order to achieve an appropriate balance and a better compatibility between work responsibilities and personal and family life of female and male employees. But beyond the Law enforcement, the will of the Group is that all policies, measures and instruments aimed at encouraging equality have a scope to all entities comprising it:

Distribution of Cooperative Group Cajamar' staff by professional category, age and gender (LA12)

Positions	Up to 35 years old				From 36 to 55 years old				> 55 years old				Total			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Executives	96	60.8%	62	39.2%	1,031	77.3%	303	22.7%	15	93.8%	1	6.3%	1,142	75.7%	366	24.3%
Pre-executives	144	32.7%	296	67.3%	638	50.5%	625	49.5%	5	83.3%	1	16.7%	787	46.1%	922	53.9%
Technicians	57	34.8%	107	65.2%	219	50.8%	212	49.2%	1	100.0%	0	0.0%	277	46.5%	319	53.5%
Other	210	29.5%	502	70.5%	914	48.5%	969	51.5%	149	85.6%	25	14.4%	1,273	46.0%	1,496	54.0%
Total	507	34.4%	967	65.6%	2,802	57.1%	2,109	42.9%	170	86.3%	27	13.7%	3,479	52.9%	3,103	47.1%

Wage ratio women / men by professional category and entity (LA13)

Positions	BCC			Cajamar Caja Rural			Other entities		
	%	Seniority		%	Seniority		%	Seniority	
		M	F		M	F		M	F
Executives	78.48%	4.72	3.31	89.40%	4.42	3.72	84.42%	5.67	5.66
Pre-executives	0.00%	0.00	0.00	90.80%	4.91	3.60	88.20%	5.24	5.59
Technicians	93.00%	5.89	4.32	93.28%	7.88	4.98	86.21%	4.58	4.45
Other	100.90%	5.80	4.50	88.57%	6.56	4.38	90.15%	5.70	5.39

The difference in salary ratio women / men is directly related to seniority in the professional category. It is therefore a wage difference resulting from supplements rather than base salary, since the base salary by professional category is equal for men and women. This egalitarian relationship is maintained in all entities of Cooperative Group Cajamar

There is no record of claims filed by employees in 2014 regarding discriminatory attitudes or significant legal claims on working conditions.

Professional development programs and reconciliation measures are the main instruments to gradually achieve a greater balance:

Distribution of GCC's employees with promotion broken down by gender

Gender	Staff		Promotions	
	Number	%	Number	%
Men	3,479	52.86%	312	47.78%
Female	3,103	47.14%	341	52.22%
Total	6,582	100.00%	653	100.00%

Other indicators of the diversity of Cooperative Group Cajamar's staff (LA12)												
Positions	Foreigners				LISMI (Act on social integration of people with disabilities) in BCC				LISMI in Cajamar Caja Rural			
	M	Rate	F	Rate	M	Rate	F	Rate	M	Rate	F	Rate
Executives	1	0.0%	3	0.0%	0	0.0%	1	0.1%	14	0.3%	2	0.0%
Pre-executives	2	0.0%	6	0.1%	0	0.0%	0	0.0%	7	0.1%	8	0.2%
Technicians	3	0.0%	1	0.0%	5	0.6%	6	0.7%	1	0.0%	1	0.0%
Other	2	0.0%	8	0.1%	3	0.4%	1	0.1%	40	0.8%	32	0.6%
Total	8	0.1%	18	0.3%	8	1.0%	8	1.0%	62	1.2%	43	0.8%

Reconciliation measures for maternity, breastfeeding and paternity

Cooperative Group Cajamar has adopted a wide range of measures aimed at responding to the different personal situations and needs arisen in order to make reconciliation effective when a new birth or an international adoption takes place. Among the most noteworthy general measures are the following:

- ❖ Maternity leave period: 18 continuous weeks:
 - In case of multiple births, two weeks more for each child, from the second.
 - In the event of disability of the child, 2 additional weeks.
 - As many additional days as the new-born is hospitalised, up to 13 weeks in cases of premature birth and in those other where the new-born needs, for any medical condition, hospitalization after childbirth for a period of more than 7 days. These periods may be enjoyed on a full time or part time basis, subject to the prior agreement between the company and the individual concerned.
- ❖ Permissions to perform prenatal examinations and birth preparation techniques.
- ❖ Paternity leave: Employees are entitled (in addition to 3 days of parental leave according to the Collective Agreement) to a paternity leave of 28 calendar days.
- ❖ In the event of international adoption, when the previous displacement of the parents to the country of origin of the adopted is necessary, the period of suspension referred for each case in this section may begin up to 4 weeks before the resolution which constitutes the adoption.
- ❖ Nursing-care assistance may be requested once the maternity leave is finished and provided the child is at least 4 months of age. The amount shall be that established in the Collective Agreement or in labour agreement where appropriate. For children with disabilities, the amount will be all those justified expenses up to €1,262.34 per year for each child, which shall be requested throughout the school year.

Cajamar Cooperative Group's employees entitled to maternity or paternity leave (LA3)		
	Men	Female
No. of employees entitled to leave	180	226
No. of employees who exercised that right	177	226
No. of employees who have not finished their leave	4	52
No. of employees who are on extended leave after exercising that right	0	29
No. of employees who returned to work after exercising that right	173	145
% return to work after exercising the right to leave	100%	100%
% retention of Cooperative Group Cajamar's employees after maternity or paternity leave, by gender (LA3)		
	Men	Female
No. of maternity / paternity leaves last year	158	246
No. of employees who returned to work	157	203
No. of employees who remain in the company 12 months later	153	231
% retained	96.84%	93.90%

Other measures to reconcile work and family life

In order to further progress on measures aimed at making more flexible the way which the staff of the Group Entities may meet their personal and family needs while it does not lead to deterioration in their professional development and work activity, the following measures are implemented:

Flexible working hours: Flexible working hours in a continuous seven-hour work day is set, in the period of start/end from seven to seventeen hours, for people who have the needs detailed below:

- ❖ Care for dependent family members.
- ❖ Disease of relatives to the first degree of consanguinity and affinity.
- ❖ Children under 12 years old (incompatibility with reduction in working hours).
- ❖ Pregnancy or risky situation.

Reduction in working hours: People with children under 12 may apply a reduction in working hours, which entails a proportional reduction in salary, which ranges from 1 hour and half of the day.

The following economic – financial conditions shall not be undermined by such reduction:

- ❖ 100% of debt capacity will be respected as active.
- ❖ Variable incentive and contribution to the pension plan.

Short-time working: A reduction in working hours (50% of the working time) to female workers who are in the eighth month of pregnancy shall be established, with no reduction in the salary, provided the following conditions are met:

- ❖ Having met 34 weeks of pregnancy for individual births or 31 weeks in case of multiple births.
- ❖ Request of reduction in working hours from the interested party, with a prior notice of 15 days.
- ❖ Presentation of pregnancy card, where the due date by the medical staff must appear (due date is considered 40 weeks of pregnancy), or certificate stating such due date.
- ❖ Reduction in working hours must be effective at the beginning or at the end of the workday.

Unpaid contributed leave: Subject to prior notice and justification, employees may be absent from work a maximum of 32 working days per year through an unpaid contributed leave entailing preservation of job and immediate return to work, being able to enjoy it in periods of at least five days (which will be five working days for the purposes of the maximum total of the leave, and shall be counted as unpaid contribution from the first working day beginning the leave until the first working day of returning to work), for the grounds detailed below:

- ❖ To care ascendants / descendants to the first degree of consanguinity due to illness, duly justified by dependence.
- ❖ For reasons of separation or divorce.
- ❖ Adoption or fostering, assisted reproduction, psychological recovery after abortion.
- ❖ Disaster, duly justified.
- ❖ Other needs of family reconciliation, duly justified.

Extended leave: Extended leave for care of children is an individual right of men and women and shall be requested for the care of a child up to six years old, whether natural or adoptive, or in foster cases, both permanent as pre-adoptive.

The total length of the extended leave is 3 years and it can be enjoyed within the first six years of the child from the date of birth, or where appropriate, from the date of judicial or administrative decision.

There is the right to preserve the job for the first 2 years of the extended leave for the care of each child contained in Article 46.3 of the Statute of Workers, and in law 3/2007 of March, 22 for the effective equality between men and women, and for the rest of the time of the extended leave, he/she is entitled to have preserved a job in the same professional group or equivalent category.

The entire period of such extended leave shall be taken into account for the purposes of calculating the seniority, being extended to the field of remuneration and promotion system, i.e., the time of extended leave shall be counted to meet three-year increments and also for the professional and economic development of the Collective Agreement.

Financial conditions of social loans of those people enjoying an extended leave for the care of a child on the terms described above, or for the care of family members, in the terms referred to in the Art 32 of the collective agreement will remain during the length of preservation of the job, as

long as he/she does not waive the right of return or does not exercise such right within the period specified.

Mobility: In the event of a trip with a length of more than three months, the notice should not be less than five working days. Likewise, in the event of a transfer or a substantial change in the working conditions, the notice should not be less than 30 working days.

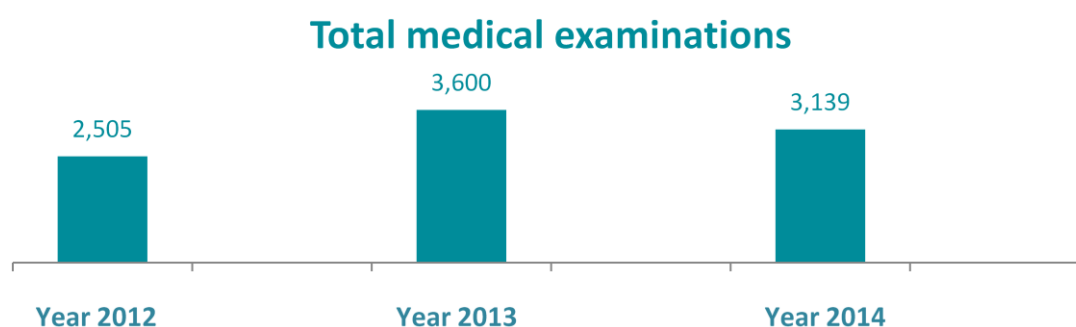
Safety and health at work

The Joint Prevention Service of occupational risks of Cajamar Group (SPM) provides coverage to the entire staff of the entities adhered to it, arranging with external services of occupational risk prevention all those benefits which, due to distance or other reasons, could not be attended by the department itself.

In order to transfer the policy of occupational risk prevention and its management system to the entire Cooperative Group Cajamar, a joint prevention service for the Group was constituted on November 1, 2013. Likewise, the Health and Safety Policy of Cooperative Group Cajamar was reviewed in June 2014. Also, an audit for OHSAS certification of Health and Safety Management System was performed in October 2014.

100% of the staff of the entities adhered to SPM (Joint Prevention Service) is represented in different Committees of Occupational Safety and Health as well as by the representatives of the workers performing the Prevention Delegates function in the absence of the Committee.

None of the professionals who develop their work in Cooperative Group Cajamar is exposed to occupational diseases, since the sector in which GCC operates has not recognized such diseases in the RD 1299/2006 of November, 10.



Accidents at work of Cooperative Group Cajamar's employees, by gender and region (LA6)											
	Men					Female					Total
	North	South	Central	East	Total	North	South	Central	East	Total	
Total accidents	0	20	3	22	45	0	31	7	28	66	111
Accidents not entailing medical leave	0	15	2	16	33	0	14	3	18	35	68
Accidents entailing medical leave	0	5	1	6	12	0	17	4	10	31	43
Total working days lost due to accidents at work entailing leave	0	73	9	141	223	0	266	91	172	529	752
Volume and type of employee absenteeism in Cooperative Group Cajamar, by gender and region (LA6)											
	Men					Female					Total
	North	South	Central	East	Total	North	South	Central	East	Total	
Total leaves	1	229	45	306	581	8	398	84	543	1,033	1,614
New leaves	1	217	42	272	532	8	368	79	496	951	1,483
Medical discharges	1	212	45	280	538	8	360	72	494	934	1,472
Total working days lost	3	5,994	899	8,664	15,560	95	11,164	2,558	17,178	30,995	46,555
Rate of accidents	0.000	0.016	0.009	0.012	0.013	0.000	0.025	0.026	0.018	0.021	0.017
Rate of days lost due to accidents(1)	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.002	0.001	0.001	0.001
Rate of absenteeism (2)	0.001	0.022	0.012	0.022	0.021	0.046	0.045	0.049	0.054	0.050	0.034
(1): Days lost due to accidents / No. business days of the entire staff in the area.											
(2): Total working days lost / No. business days of the entire staff in the area.											

Plan of sustainable mobility and road safety

The Prevention Service is developing a Plan of Sustainable Mobility and Road Safety for the entire Group, in order to prevent or reduce accidents related to work, whether they take place on the way to or from work, and also those taking place during the workday. Likewise, it is intended to raise awareness that contribute to reduce the negative environmental effects linked to transport, such as pollution or high energy consumption.

Among those initiatives developed, we must emphasize the promotion of the idea of car sharing as a good practice that allows to decrease costs, reduce CO₂ emissions, reduce stress (by alternating driving) and accidents through the Mobility Forum and Mobility Guide available to the entire staff of the member entities adhered to SPM.

Promotion of health and labour welfare

The objective of this initiative is to encourage and promote health and labour welfare. In order to meet this objective, workshops such as the back school have been developed and a set of

guidelines and documents for educational/informative purposes have been created, among which we must emphasize the Guide to prevent eyestrain, the Guide on the use of stairs and all the articles published in "Infosalud" (health information) section of the internal magazine Comunica-t.

Trade union relations

Cooperative Group Cajamar respects, for principles and at all times in compliance with the applicable law, the freedom of association and the right of association of the individuals comprising its staff, maintaining a permanent and continuous dialogue between the entities constituting the Group and the trade union representation.

According to the labour standards, female and male employees are represented by trade unions, which constantly inform them on changes and agreements that are taking place within the organization. Likewise, the business party makes available to such trade union representation all the appropriate means to perform its activity. Likewise, our internal communication channels remain updated in order to provide information to the entire staff of the Group.

Currently, Cooperative Group Cajamar has a structure, from the trade union viewpoint, of three Trade Union Sections constituted at Group level, so that they have power of representation and negotiation of any female and male employee belonging to it.

At the representative bodies' level, taking into account all the Entities comprising the Group as well as the header, BCC, there are a total of 328 workers' representatives, spread over 29 works councils and 21 provinces with the figure of personnel delegates. The major part of that representation is concentrated in Cajamar Caja Rural, although the economic situation of duplication of representative bodies occurs in certain provinces (e.g. Valencia, Alicante and Murcia) as a result of the mergers experienced in recent years, having agreed to respect such mandates until the holding of new trade union elections, which will take place in the financial year 2015.

100% of the Group's staff is regulated by the twentieth Collective Agreement for Cooperative Credit Societies, published in the Official Gazette no. 184 of August 2, 2012, as well as by the labour agreements signed with trade union representatives since social dialogue is taken into account at all times.

As a result of that collective bargaining, a negotiation process with the aim of establishing a Common Labour Framework for all Group's entities has started at Group level in 2014, based on the existing agreements between Cajamar and the trade union representation.

Throughout this year 2014, the following labour agreements have been reached in Cajamar

- ❖ Agreement provision minimum services.
- ❖ Agreement union framework.
- ❖ Agreement to Geographic Mobility Valencia-Castellon D.T. (Territorial Directorate).

Improvements in the following areas, which already were enjoyed in Cajamar and the Bank, have also been extended to the Group's staff: Working hours; Permits, Licenses, Holidays and Reconciliation of work and family life; Social Financing and Trade Union Framework.

Throughout 2014 there has been no situation that has put at risk the rights of freedom of association and trade unionism of female and male employees, or significant suppliers linked to the own activity of the entity.

The Employees' Pension Plan Control Committee agreed as mandate for the management of the "FondoCajamar VI" Pension Fund to apply ethical, social, environmental and corporate governance criteria to its investments. Likewise, it shall comply at all times, the Principles of Responsible Investment of the UN.

CSR Workshops

As a complement for the opinion survey carried out in 2013, there have been three workshops segmented by functional categories aimed at understanding the perception on the actions being carried out in the field of HR, corporate social responsibility and the different dimensions comprising the trust relationship with the Entity.

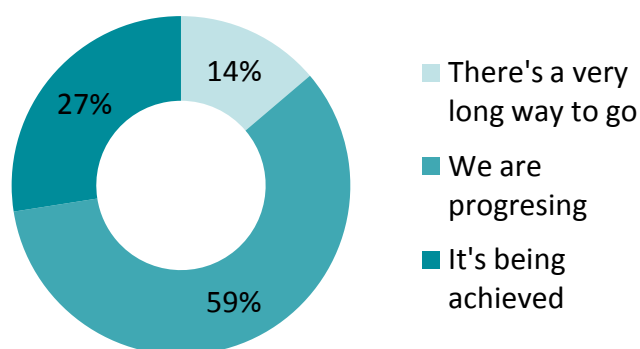
It should be remembered that the last opinion survey had a participation of 73% and the results reflected a good working environment (90.4% of the staff had a positive perception of the work environment).

Section 1: Assessment of actions on HR and CSR in 2014

This section has been carried out to know the perception that working groups have regarding the measures developed by the Entity in the fields of performance assessment, professional development, reconciliation measures and equal opportunities policy, social benefits, risk prevention and labour health, labour insertion and integration, complaint channels and volunteer programs. On the whole, just over 86% of participants have positively appraised all the actions and 14% felt that and there is still a great deal to do.

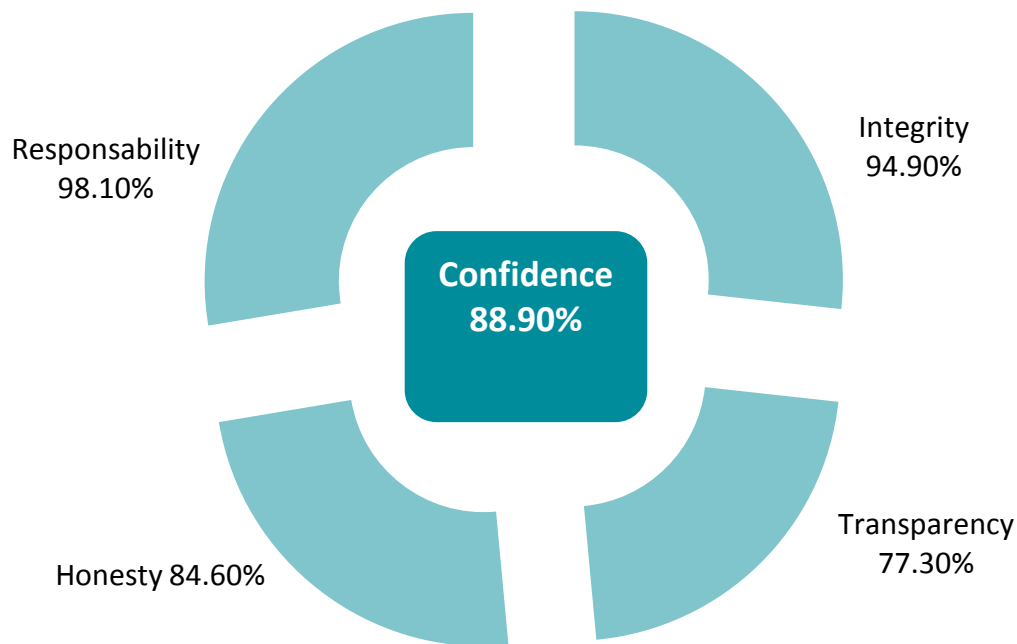
Main findings of the study:

- ❖ The commitment of the General Directorate to employment stability is one of the most valued aspects.
- ❖ Some areas for improvement are the dissemination and knowledge of the code of conduct and the actions aimed at promoting reconciliation of work and family life.



Section 2: Assessment of confidence and its importance

Confidence in the Entity, understood from the perspective of the four dimensions comprising it, has been the second work package where the groups have been able to share and agree their perceptions on the Organization's performance.



Main findings of the study

- ❖ 100% would recommend Cooperative Group Cajamar to other people as an entity to work.
- ❖ Despite the loss of confidence that the financial sector has suffered during 2014, the level of confidence in the Cooperative Group Cajamar remains very high.
- ❖ Some areas for improvement are the need to strengthen transparency through more information and better communication.

4.4.2 Products and services with positive social impact

Financial solutions for entrepreneurs

One of the major problems of our today's society is the high level of unemployment which affects more significantly young people and women. Achieving the integration and the strengthening of these groups to agriculture and ranching and thus contribute to the creation of jobs is a priority for Cooperative Group Cajamar.

Cooperative Group Cajamar has a strong vocation for the development of rural areas, promoting all those business

initiatives whose purpose is to enhance and improve the services and infrastructures of villages and regions. Therefore, the Group offers financial products and services that allow them to make their project a reality with best possible facilities to rural entrepreneurs.

The funding program for young entrepreneurs means a generational change which requires support for its initiatives. The purpose of this program is to help them to undertake their own business project in the agro-food sector.

This program has an added and differential value over other proposals, since it includes:

- ❖ The launch of a first installation: Acquisition of productive land or entering into production of a land.
- ❖ Modernization or improvement of the exploitation: Acquisition of agricultural machinery or production elements that improve both production and quality of the exploitation and modernization of irrigation systems.
- ❖ Personalised advice on the most suitable cultivation solutions to each area.
- ❖ Software solutions for the technical and economic management of farms.

PLAN FINANCIACIÓN JOVEN EMPRENDEDOR AGRO

SI TIENES MENOS DE 40 AÑOS, TE INTERESA EL CAMPO Y QUIERES INVERTIR EN TU PROPIA EXPLOTACIÓN AGRO..

- ¿Eres un Joven Emprendedor Agro?**
Consulta los requisitos.
- Oferta**
Líneas de financiación con buenas condiciones.
- Asesoramiento personalizado**
Te aconsejamos mejor, gracias a nuestra labor de investigación y análisis del sector.
- Para ti**
Tenemos la experiencia y sabemos lo que necesitas.
- toolAgro**
Herramienta informática que te ayuda a gestionar tu explotación.
- Visita nuestras estaciones experimentales**
Te ofrecemos la posibilidad de visitar nuestras instalaciones para informarte de las últimas técnicas.

Financing for rural entrepreneurs	Year 2014	
	Number of transactions	Amount (thousands of euros)
	348	31,704

Furthermore, as a collaborating entity with the European Investment Fund (EIF), Cooperative Group Cajamar has launched financing lines for rural women, aimed at facilitating the activity of self-employed women and micro-SMEs through EIF Loans.

The aim of these lines is to support and promote the activities of women in rural areas through loans with exceptional financing conditions.

Loans of these lines may be used for investment in productive assets that will allow to reform an establishment and to purchase machinery, furniture, equipment, etc.

Líneas especiales de financiación para la Mujer Rural

Ahora es el momento de que pongas en marcha un negocio, consolidar el que tienes, realizar reformas en él o ampliar su actividad...

Cajamar Caja Rural, como entidad colaboradora con el Fondo Europeo de Inversiones (FEI), pone en marcha las Líneas de financiación para la Mujer Rural, facilitando la financiación para la actividad de mujeres autónomas y micropymes a través de Préstamos FEI.

El objetivo de las Líneas de financiación para la Mujer Rural con Préstamos FEI, es apoyar e impulsar su actividad a través de préstamos con condiciones excepcionales de financiación.

1. Los beneficiarios de los préstamos de la Línea de financiación de la Mujer Rural podrán disponer de hasta 24.999 Euros a devolver en un máximo de hasta cinco años, y con posibilidad de carencia.
2. Los préstamos de estas líneas podrán destinarse a inversiones en activos productivos, que le permitirán reformar su establecimiento, adquirir maquinaria, mobiliario, equipamiento, etc.
3. Los Préstamos de la Línea de financiación de la Mujer Rural podrán destinarse para cubrir las necesidades de circulación de su negocio, y con ello, mejorar la relación con sus proveedores, aumentar su stock y red de distribución, etc.

Información en su oficina habitual. La financiación se proporciona de acuerdo con el "Reglamento Europeo de Modernización Program" establecido por la Unión Europea. Financiación sujeta a los criterios de concesión de riesgo de Cajamar Caja Rural y hasta agotar la dotación de fondos de la línea.

Special financing lines for women	Year 2014	
	Number of transactions	Amount (thousands of euros)
	164	2,922



These special financing lines have been added to the rest of financial solutions which, with the same aim of supporting young people and entrepreneurs, Cooperative Group Cajamar has provided its partners and customers by signing several agreements among which we must mention the ICO line for companies and entrepreneurs and the Agreement with the European Investment Fund (EIF), aimed at providing micro-credits to priority activity sectors:

- ❖ Entrepreneurs in general wishing to start a business project or strengthen their business.
- ❖ Green Entrepreneurs: For the financing of activities and projects within the field of *Red EmprendeVerde* (Network for Green Entrepreneurs), an initiative of the Biodiversity Foundation to encourage the creation and consolidation of companies or new lines of

business activities linked to environment and also to channel the investment towards sustainable economic activities.

Financing lines for entrepreneurs, self-employed and micro-businesses	Year 2014	
	Number of transactions	Amount (thousands of euros)
	1,594	54,033

Since last November 6, Banco de Credito Cooperativo and the Entities comprising Cooperative Group Cajamar have been adhered to the Strategy for Entrepreneurship and Youth Employment of the Ministry of Employment and Social Security. The strategy is built around four specific objectives:

- ❖ Contribute to improve the employability of youth.
- ❖ Increase the quality and stability of youth employment.
- ❖ Promote equal opportunities.
- ❖ Promote entrepreneurship.

In this framework for action, the Entities of Cooperative Group Cajamar will develop over the next 2015 a set of measures aimed at promoting and providing resources for entrepreneurship and youth employment:

- ❖ Measures for Financing: *Linea de Financiacion Empeende* (Financing Line for Entrepreneurs) will enable self-employed and Micro-companies to undertake new projects and strengthen the existing ones, with special attention to social economy and agro-food sector.
- ❖ Measures aimed at Research and Transfer of Agro-Food sector: The agro-food sector is part of the DNA of the entities of Cooperative Group Cajamar, so it is intended to contribute to its development through practical training of young people who are conducting training activities in the two Experimental Centres of the Group, with the aim of facilitate their access to the labour market. At the same time they are encouraged and accompanied to the implementation of business projects.
- ❖ Measures aimed at the University World: This group of measures includes a Scholarship Program for University Students and the Chair Networks. Here is reflected the importance of the university world and the importance of incorporating approaches and business experiences to the training of young people.



Moreover, as unique initiative, a program of dual training University-Company is being developed.

- ❖ Measures aimed at Economy and Local Development: In addition to support with financing lines, entrepreneurship activity is promoted with special emphasis on rural areas, through the collaboration with social economy companies, cooperatives, local development associations and local public entities.

With the granting of this seal, the Entities of Cooperative Group Cajamar contribute to improve employment and entrepreneurship of youth.

New investments to improve the competitiveness of SMEs

A changing environment and a high level of competitiveness force our country's SMEs to make significant efforts to improve their efficiency and competitiveness levels. A necessary effort for the sustainability of those business projects on which many jobs depend and which require financial solutions tailored to those needs.

Being aware of the importance that this dimension acquires for the maintenance of thousands of jobs, Cooperative Group Cajamar has performed an important work to develop financial solutions that meet such needs and which support in a decided manner the improvement of competitiveness of companies.

Financing for the improvement of competitiveness	Year 2014	
	Number of transactions	Amount (thousands of euros)
	8,579	660,085

Financial solutions for the financial restructuring of SMEs and the preservation of jobs

The long length of the economic crisis has meant great efforts for small and medium businesses that have been seen forced to carry out restructuring plans in order to survive this serious situation and therefore maintain many jobs.

Cooperative Group Cajamar has been particularly sensitive to these circumstances, developing solutions tailored to the needs raised of those projects presenting feasibility but requiring a financial reconsideration.

Financial solutions for restructuration and continuation of SMEs	Year 2014	
	Number of transactions	Amount (thousands of euros)
	2,116	219,176

Value solutions tailored to the life cycle of each person

Cooperative Group Cajamar offers value solutions tailored to the life cycle of each person and aims to go beyond his/her financial needs. It wants to grow with its customers and accompany them in the most important moments thanks to financial solutions that meet their particular situation and, especially, those supporting the development and progress of people.

Value solutions for individuals	Year 2014	
	Number of transactions	Amount (thousands of Euros)
Financing of studies	565	3,202
Financing of housing	4,315	362,231
Financing contributions to pension plans	298	1,043

Cooperative Group Cajamar is not alien to the socio-economic situation that many Spanish families are experiencing, due to their particular vulnerability to situations of foreclosures. In addition to have proactively taken important measures to protect mortgage debtors without resources and at risk of financial exclusion, the Group has voluntarily joined to the agreement with the Government of Spain and other social and financial institutions to create a Social Fund of Housing for rental at subsidised rates to families in especially vulnerable situation as a result of an eviction.

Number of social rents formalized	Number of houses added to Social Housing Fund
140	80

Beyond the provisions of the aforementioned agreement, the Group's commitment to such situations is to anticipate and avoid them, and therefore it has designed multiple financial solutions to provide feasibility to customers with difficulties in meeting their payment obligations of housing mortgages.

Financial solutions to provide feasibility to families and individuals	Year 2014	
	Number of transactions	Amount (thousands of Euros)
	11,962	380,037

Communities at risk of financial exclusion

In 2014 we have continued assisting the restructuring of the financial system, which has resulted in the closure of a large number of branches and has affected to sparsely populated areas, with the resulting risk of financial exclusion.

Cooperative Group Cajamar, being aware of this social problem, is still present in small municipalities with low population density, therefore facilitating their inhabitants the access to the latest banking and technological products and services. The social commitment of not leaving our roots linked to rural areas and of contributing to a more equitable and inclusive society has led us to try to avoid the closure of branches in those towns where there is no other financial entity.

39 Group's branches and 82 correspondents were operating at December 31, 2014 in municipalities where there was no presence of any other financial entity.

Our model of proximity bank branch, typical of the rural areas, allow to reconcile efficiency and economic-financial profitability of such branch with our social and foundational commitment in favour of the development of rural communities, which contributes to keep people in the area, to create jobs and to promote local development. Specifically, 30% of the network of our branches is located in villages of fewer than 5,000 inhabitants, especially in communities where our Group has its social origin.



4.4.3 Assessment of socio-economic impact

The different activities of Cooperative Group Cajamar encourage the economic development and social progress of their partners, customers, suppliers. In short, the entire community in which the Group materialises its business, generating a significant positive impact for its stakeholders.

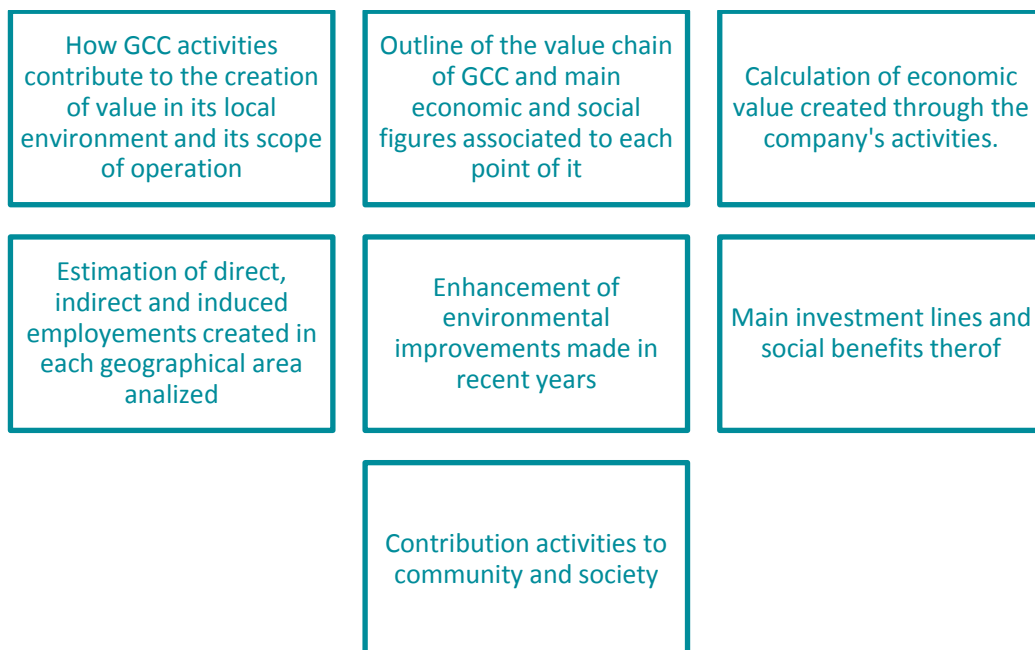
This impact is mainly described in terms of employment creation and contribution to GDP, but also in terms of efficiency, resource conservation, environmental protection and investment in R&D.

The direct impact which Cooperative Group has on its environment has a multiplier effect on the rest of the economy.

When performing supplier spending, both on employee salaries and with the payment of taxes, an effect causing economic transactions in almost all sectors is generated in economy.

Cooperative Group Cajamar has requested the collaboration of KPMG, a consulting company that has a wide experience and international prestige, in order to quantify and assess the socio-economic impact.

Shared value model of Cooperative Group Cajamar

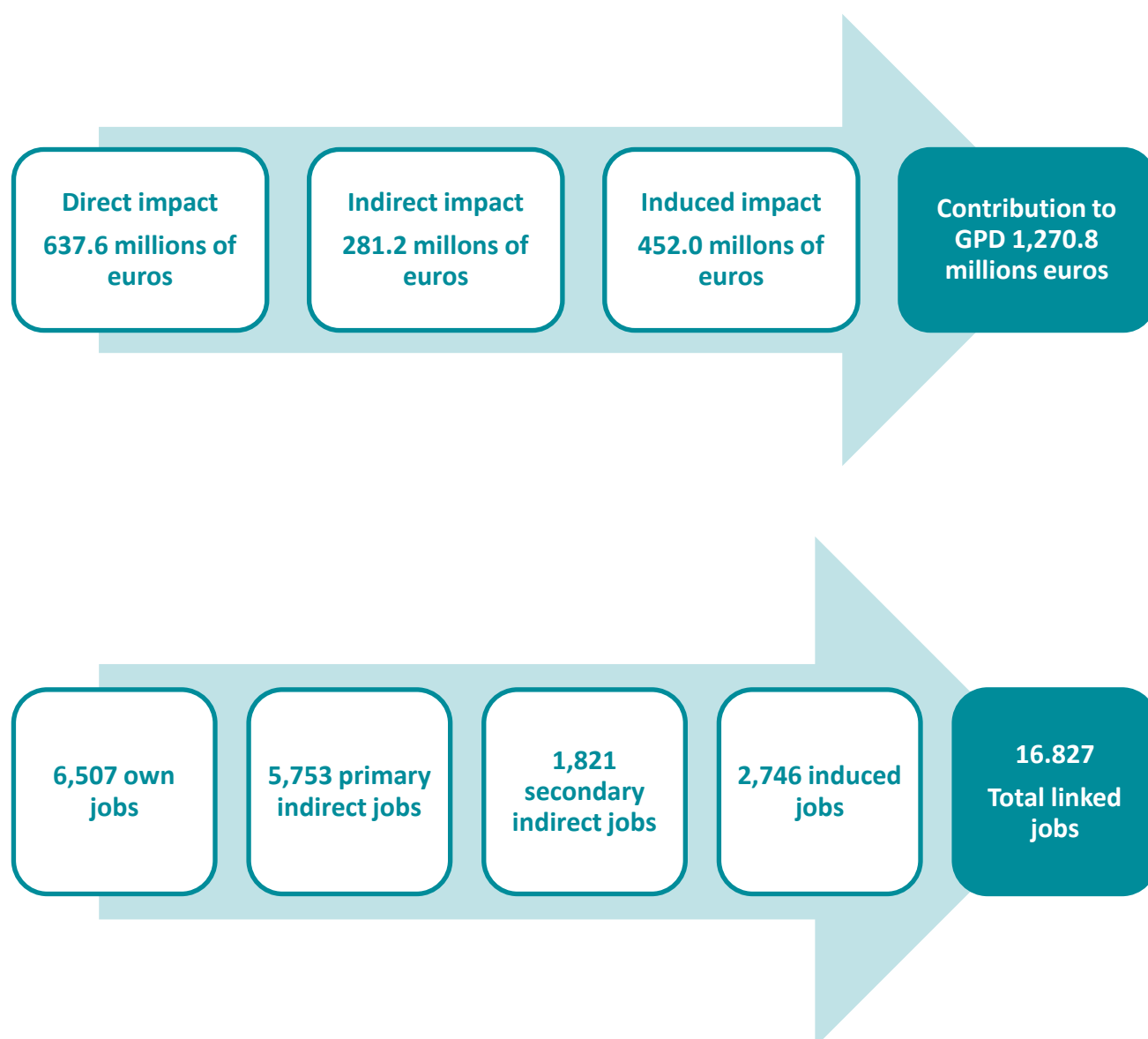


The study has been considered in several stages, so that the total socio-economic impact and the value creation may be quantified on its completion in its different forms of capital that have been identified in the Group's business model and in section 3.3. of this report.

In this first stage, we intend to make known the socio-economic impact generated by the Group from the main cash outflows: wage bill and interest received by the co-operative members and payments to suppliers and taxes.

The impact is measured in terms of contribution to GDP in the area analysed, in this case Spain, and in jobs linked to the activity developed by Cooperative Group Cajamar.

Aspects assessed			
Wage bill	Interests received by the co-operative members	Payments to suppliers	Payment of taxes



NOTE: "Input-Output" methodology has been used for the calculation, a statistical-accounting tool in which all the production and distribution operations taking place in an economy in a certain period of time are represented. It allows observing the flow of the different intersectoral transactions in a certain economy for a reference year.

4.4.4 Commitment to society

Contribute to the social and cultural development of local communities is one of the fundamental objectives of Cooperative Group Cajamar and those foundations created by their entities. As institutions of cooperative roots, they promote social, supportive and collaborative values which have as referent a more just and equal society for all, where the prevailing principles are social economy, equality of opportunity and sustainability.

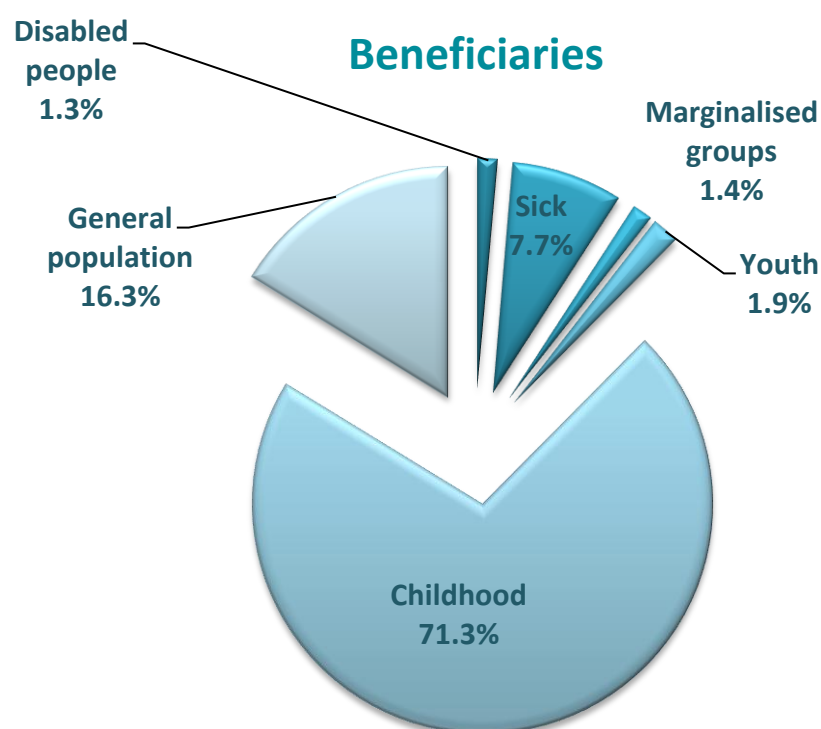
Development cooperation, culture and sport are consolidated as basis for promoting the cohesion of local communities, encouraging the awareness to the outstanding challenges and improving the welfare and education of society.



Culture Centre of Almeria



Culture Room of Malaga



**Direct
beneficiaries**

133,699

**Indirect
beneficiaries**

184,716

**Total
beneficiaries**

318,415

Cooperative Group Cajamar understands education and culture as an integral element of human nature and which has a direct impact for both economic and environmental development of any society.

Through culture centres and rooms of Cooperative Group Cajamar and other centres throughout the country, the Group aims to provide educational and cultural activities of great quality to society, which aims to promote the artistic development of adults, youth and children from a creative and educational point of view.



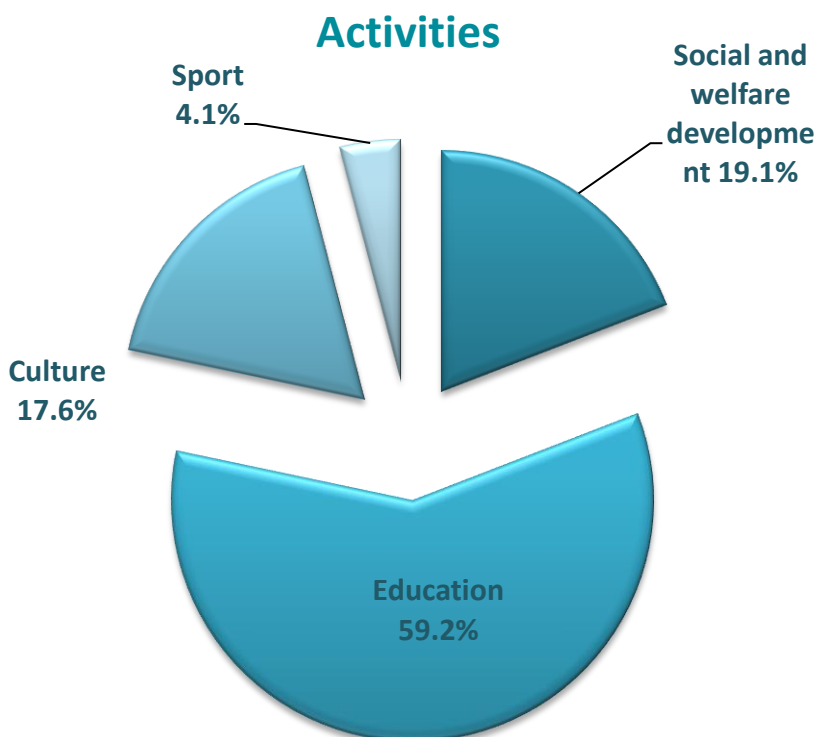
Social and Cultural Centre of Castellon



Culture Room of Valencia



Culture Room of Valladolid



Social and welfare development

Beneficiaries: 60,878

Education

Beneficiaries: 188,157

Culture

Beneficiaries: 56,107

Sport

Beneficiaries: 12,911

Educateatro (theater training). It is a program of performing activities in the educational environment, which particularly uses theater, being undoubtedly one of the most useful tools that a teacher may have at his/her disposal to carry out his/her work, above all regarding the inculcation of values and social relations.

81,920 attendees

720 centres

98 shows

324 performances



Activities for children. Through children's activities, such as magic, theater or music, it is intended to offer weekend activities to children, to which they may go accompanied by their family. They are directly focused to the families of customers, employees and partners of the entity.

2,366 attendees



Julian Arcas Contest

Antonio de Torres International Competition of Classical Guitar

Antonio de Torres Competition of Guitar aims to contribute to the artistic and musical development of the youngest guitarists, both from the educational point of view and the creative. It aims to expand culture from Almeria, reward the effort of young musicians and consolidate the province of Almeria as an international reference in classical guitar.

155 participants

Educational concerts and musical activities

Educational concerts are primarily intended to bring live music to children and youth in a fun and participatory manner.

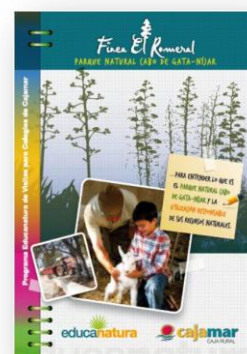


4,565 attendees

Educanatura (environmental education)

Environmental education program that is available to the school community with the aim of promoting an ecological attitude and an awareness of sustainable development among children, through guided tours to *Finca El Romeral* (El Romeral country estate).

Activities designed to develop these environmental attitudes are made during the tour, which allows attendees deepening in biodiversity, showing the children the relationships between living beings living in an ecosystem. Furthermore, they learn about the functioning of an old factory of pita and esparto ropes, and they also enjoy nature.



362 attendees

"La Salud, hoy" Cycle (Health Today)

This series aims to bring citizens the experience and vision of professionals and specialists in medicine and health on current matters of interest.



630 attendees

Temas de Cine (Cinema Topics)

This cycle is intended to provide citizens the opportunity to have access to a kind of non-commercial cinema, which otherwise they would probably have a difficult access. Each cycle consists of three films of any particular topic.



1,142 attendees

Provincial Sports Games

The educational nature of Provincial Sports Games is directly linked to the development of complementary and transversal contents of sport practice itself. Through the "*Almería Juega Limpio*" program (Almería plays fair), which spreads active life and values education, they try to commit all the stakeholders involved in their development: organizers, tutors, teachers, technicians, referees, spectators and of course, the protagonists of sports activities themselves.

6,481 participants

Millennium Goals

Cooperative Group Cajamar supports the spreading of this international initiative to raise awareness and obtain funds aimed at supporting projects related to [Millennium Development Goals](#).



Cooperative Group Cajamar, through Cajamar Foundation, wants to contribute to achieve the goals set by the United Nations to combat the great evils that continue to devastate much of humanity in the twenty-first century, such as poverty, hunger, diseases, education and environmental sustainability. These goals, which are at the heart of the world program, have been called "Millennium Development Goals" (MDGs) ", and the deadline for achieving them is by 2015.

We consider that the involvement of the whole society is necessary to achieve such goals. Therefore, each year -from 2008 to 2015-, we support a specific objective, allocating financial resources for the implementation of activities and projects, which are regularly communicated and are aimed at employees, customers and society in general.

Therefore, partnerships agreements with non-governmental organizations whose work programs are in line with the subject matter and a clear reference to improve living conditions and welfare of people have been established.

Year	Cajamar and Millennium Goals
2008	Eradicate extreme poverty and hunger - Action against hunger and Unicef
2009	Achieve universal primary education - <i>Entreculturas</i> and Unicef (inter-culture)
2010	Promote gender equality and women's empowerment - Unicef and Oxfam
2011	Reduce child mortality – Medicus Mundi and Unicef
2012	Improve maternal health - UNICEF, Manos Unidas and Vicente Ferrer Foundation
2013	Combat HIV / AIDS, malaria and other diseases - Unicef and Doctors of the World
2014	Ensure environmental sustainability.
2015	Develop a global partnership for development.

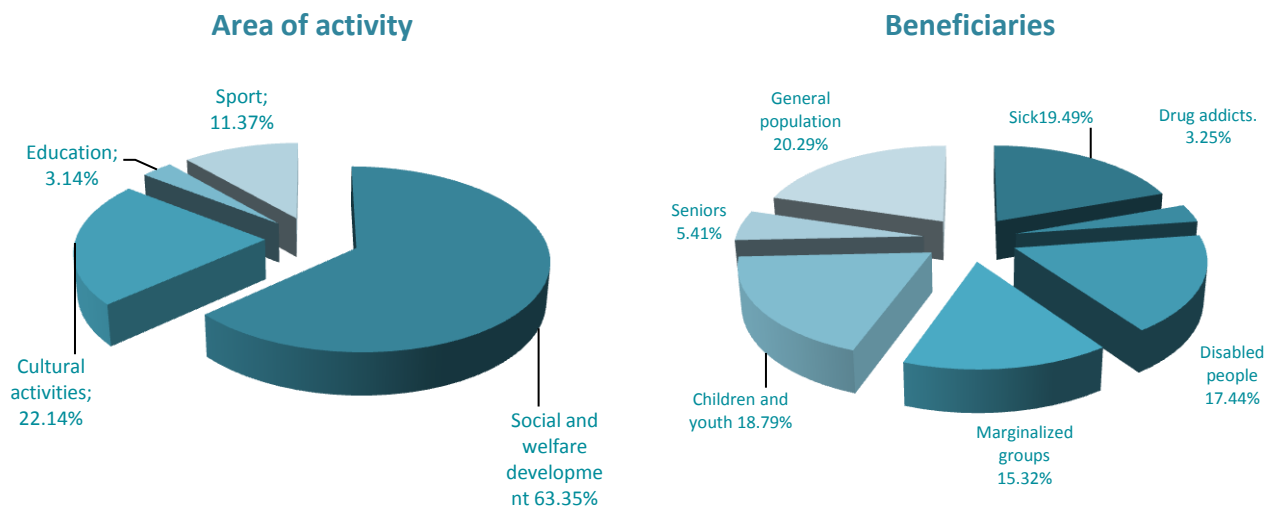
The two winning projects of the 2014 call received each 10,000:

- ❖ "*Sangmelima libre de residuos*" Project (Sangmelima free of debris) of the Recover Foundation, Hospitals for Africa (Madrid).
- ❖ "*Prevención del impacto medioambiental en los municipios de San Dionisio y Muy Muy - Matagalpa - Nicaragua*" Project (Prevention of environmental impact in the municipalities of San Dionisio and Muy Muy- Matagalpa - Nicaragua) of Medicus Mundi Andalusia (Granada)

External collaborations

Through external collaborations, Cajamar is linked to the real problems of its customers, and therefore of society, providing financial aid to work programs in the provinces within the scope of Cooperative Group Cajamar. Specific work-programs related to social assistance, disability, education, etc. are supported. Therefore, they must meet a number of previously established and known requirements.

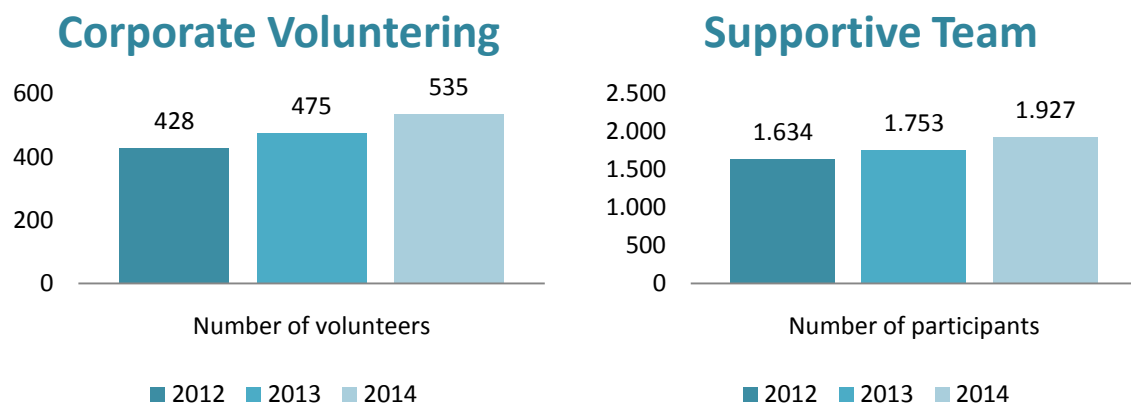
Through the Global Fund Website in the cultural and social area, 56 proposals for a total of 92,342 euros have been approved during 2014, which have directly benefited to a total of 35,958 people and indirectly to 184,716 people.



Corporate Volunteering

The active involvement of Cooperative Group Cajamar's employees in social and charity projects is the transmission belt between our social responsibility and the whole society.

Our group has two basic instruments that allow the active involvement of employees in the transmission of its social values and aspirations: Volunteer Program and Supportive Team.



Cooperative Group Cajamar considers that now, in these times of economic crisis and difficulties for thousands of families, is when talking about responsibility, commitment and solidarity, values that make our culture as an organization, acquires even more sense. Therefore it supports and encourages solidarity activities throughout the Organization.

Your Kg of solidarity (11 tons of food provided by customers and employees)

Being aware that the crisis in Spain has increased the number of users who go to food banks to obtain commodities, Cooperative Group Cajamar has organized for the fourth consecutive year the campaign "Your Kg of solidarity". Through this campaign, customers and employees of the Group made a contribution of non-perishable food, such as baby foods, pulses, oil and canned... among others, in the offices and work-centres of the Group.

The success of the campaign with more than 11 tons of food makes our Group, once again, feel really proud of the solidarity of its customers and employees.

As in the previous campaigns, this initiative has been undertaken with the collaboration of the transport company REDYSER, who delivered for free the lots to the food banks of FESBAL, which eventually carried out their distribution among charities so they, based on their experience, may manage food under the ethical principles of: gratuity, fair distribution, sustainability and preservation of the environment, promoting solidarity and social cohesion.

70 offices of Cooperative Group Cajamar welcome young students

70 offices of Cooperative Group Cajamar participated this year 2014 in the program "*Socios por un día*" (Partners for a day). Thanks to this initiative, 70 students had the opportunity to spend a day in one of our offices. This experience aims to bring labour and financial world to young people from 14 to 18 years old, in order to guide them in their professional career. It has been carried out since 2010 in collaboration with the Junior Achievement Foundation.



This time students lived their particular experience in branches of Alicante, Almeria, Barcelona, Granada, Madrid, Malaga, Murcia, Valencia, Valladolid and Zaragoza, where they were accompanied by our colleagues who have been volunteers and professional guides.

Cajamar's Supportive Team



Cajamar's Supportive Team was constituted in late 2007 and its number of members as at December 31, 2014 is 1,927 participants. The initiative is based on the philosophy of the international movement called teaming (www.teaming.info), which aims to promote solidarity without intermediaries, with transparency and sense of participation.

The initiative is that the Supportive Team members donate a euro from its regular payroll. A small gesture in the hope of contributing to improve the lives of disadvantaged people. Meanwhile, the Group makes a contribution that equals the amount raised by employees.

Winning projects are presented and democratically selected from all members of the Supportive Team and to date 262,303.68 euros, which have been distributed among 20 social projects, have been raised.

Winning projects 2014

"Children with cerebral palsy Carmen and Lucia" (<i>Menores con parálisis cerebral Carmen y Lucia</i>)	"Hippotherapy a rehabilitating experience" (<i>Hipoterapia una experiencia rehabilitadora</i>)	"A heartbeat for Nayra" (<i>Un latido para Nayra</i>)
1st semester winning project, which received 18,000 euros to be used to defray the costs of different treatments of two twin sisters affected by cerebral palsy, which are helping to improve their motor skills and quality of life in general.	Second winner project of the 1st semester, which received 4,184 euros donated to "Federica Cerda" Foundation of Adapted Equestrian Sports, which have served to help in the treatment of children and youth with physical, mental and sensory disabilities through an innovative therapy with horses.	2nd semester winning project, which received 22,976 euros to make a catheterisation in US to a 4 years old child which suffers from a congenital heart disease. Catheterization and subsequent operation will be the only option to save her life.

Cajamar Network of Chairs

Cajamar Network of Chairs is an initiative of the Social Fund that aims to directly contact the knowledge generated in university environment with the needs of real economy. Training activities and research projects focusing on the promotion of cooperativism and the agro-food sector are coordinated from the Network of Chairs, where professionals, academicians and students collaborate.

- [Cajamar Chair of Agro-food Cooperativism of the Polytechnic University of Cartagena.](#)
- [Cajamar Chair of Social Economics of the Polytechnic University of Madrid.](#)
- [Cajamar Chair of Economics and Agro-food of the University of Almeria.](#)
- [Cajamar Chair of Social Economics with the Polytechnic University of Valencia.](#)
- [Cajamar Chair of Economics and Agro-Environmental Development of the University Miguel Hernandez de Elche.](#)

Studies and Publications

Two new issues of the Economic Mediterranean collection (*coleccion Mediterraneo Economico*) have been added during 2014 to this wide collection of articles, now already totalling 26 issues and 496 articles.

Vol. 25 (May. 2014) » A new economic model for Spain. Structural reforms for recovery and growth (*Un nuevo modelo economico para España. Reformas estructurales para la recuperacion y el crecimiento*)
Coordinator: Rafael Myro

A volume oriented to measure and reflect all those aspects of our economy that are a source of concern. The development of unemployment, the productivity of our companies, the sustainability of our social security system or the poor educational outcomes, just to mention only some few examples of our most pressing problems...



Vol. 26 (Nov. 2014) » The ethical responsibility of civil society (*La responsabilidad etica de la sociedad civil*)

Coordinator: Adela Cortina

In this publication, the active role that must be played by all citizens in the achievement of collective goals regarding economic development, governance and social justice is defended. Authors involved in the volume consider that civil society is co-responsible, along with Government and public authorities, for the proper functioning of modern democracies. However, this shared task faces a number of obstacles and challenges, as well as many successes, which are subject to extensive analysis.



Volume No. 6 of the "Notebook of Agro-food Studies" collection (*Cuadernos de Estudios Agroalimentarios*) has also been published, which this time is about "Science and innovation in the agro-food system" (*Ciencia y la innovación en el sistema agroalimentario*).



Vol. 6 (Sep. 2014)
Ciencia e innovación en el
sistema agroalimentario
español



Vol. 5 (Sep. 2013)
Perspectivas de la
producción de alimentos en
el medio acuático



Vol. 4 (Nov. 2012)
Las cadenas de valor
globales y el sector
agroalimentario



Vol. 3 (Jul. 2012)
Innovación en estructuras
productivas y manejo de
cultivos en agricultura
protegida



Vol. 2 (Jul. 2011)
Sistemas productivos
locales agroindustriales en
España



Vol. 1 (Nov. 2010)
Perspectivas del control
biológico en agricultura
bajo plástico

4.5 Performance: Environmental dimension

4.5.1 Political

Cooperative Group Cajamar is committed to social, economic and environmental surrounding in which it interacts. Hence, although the nature of its own activity generates a minimal environmental impact, it has adopted a commitment to sustainable development within its business model including not only direct, but also indirect impacts caused by the consequences of its financing activities, asset management and management of its supply chain.

Environmental Policy of Cooperative Group Cajamar is based on the following guidelines:

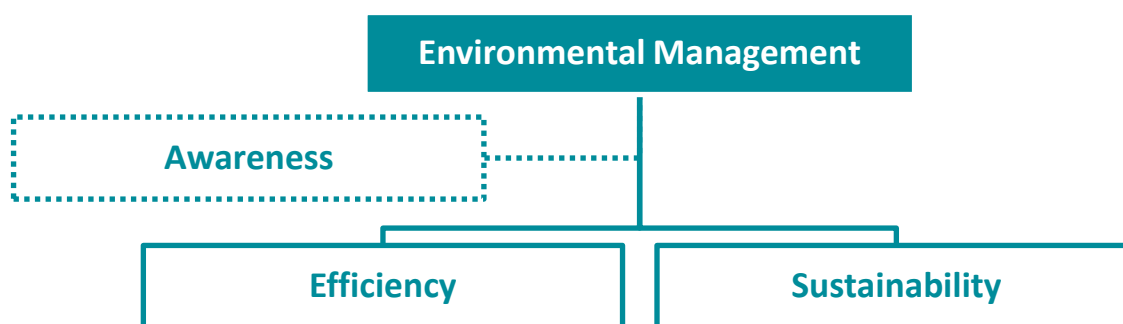
- ❖ Comply with the current environmental legislation in the territory in which we act together with other commitments voluntarily assumed.
- ❖ Implement and maintain an Environmental Management System, developing principles and good environmental practices in all our actions.
- ❖ Set aims and measures to minimize those aspects that may have a negative environmental impact on the environment around us.
- ❖ Establish a commitment to sustainability and continuous improvement in our environmental performance.
- ❖ Keep in mind our environmental policy both in the provision of our financial activity and our products and services.
- ❖ Support those initiatives aimed at preventing, mitigating and adapting the climate change.
- ❖ Integrate environmental criteria in its offer of products and services.
- ❖ Analyse and assess the environmental risks of those investment transactions that may be relevant.
- ❖ Train, raise awareness and promote the involvement of employees, for the protection and conservation of the environment is assumed by the entire organization in daily activities and relationships with stakeholders.
- ❖ Promote the adherence of the suppliers of goods and services to environmental principles contained in the United Nations Global Compact, which Cooperative Group Cajamar has voluntarily joined.
- ❖ Collaborate and support environmental initiatives through publications, conferences, research and sponsorship activities.
- ❖ Publicly spread the environmental policy and commitments assumed, and report annually on their compliance.

The Committee on Ethical Management and Social Responsibility reports the BCC's Board of Directors and assumes the responsibility of coordinating the Environmental Policy of Cooperative Group Cajamar and ensures its compliance through an environmental management system.

Regarding voting intentions of Cooperative Group Cajamar on environmental issues, all decisions adopted, both internally and related to adhered entities and affiliated companies, will follow the action guidelines established in the Environmental Policy of the Group.

4.5.2 Management system

Environmental management is based on two fundamental principles: efficiency and constant vocation for sustainability. The appliance of the concept of shared value creation as cross-section model of CSR shows that any improvement in environmental efficiency necessarily lead to an improvement of economic-financial efficiency.



Efficiency

Continuous improvement, quality and innovation must be allied with efficiency to make our Group an increasingly sustainable organization. We start from the premise that environmental efficiency in the medium and long term has a positive impact on the economic-financial efficiency, being one of the most visible manifestations associated with the concept of creating shared value.

Sustainability

Sustainability in its broadest sense, combining economic-financial, social and environmental fields, is one of the fundamental objectives of Cooperative Group Cajamar, since it is undoubtedly the same way to society. Sustainability is the horizon of our strategy to create shared value and it should guide our actions in the short, medium and long term.

The Environment Committee reports to the Committee on Ethical Management and Social Responsibility and assumes the responsibility of defining, supervising, and perform the necessary monitoring to implement, disseminate, maintain, update and therefore ensure the proper functioning of the Environmental Management System.

The Environmental Management System of Cooperative Group Cajamar's central services has been developed according to the UNE-EN ISO 14001.

4.5.3 Performance



Different regulatory criteria are followed to design the offices: Regarding air conditioning, the Regulation on Thermal Installations in Buildings (Royal Decree 1027/2007) forces the application of different energy efficiency requirements, the implementation of control systems, and the utilization, limitation and recovery of energy, both cold and heat, required to air-condition the offices.

Also the Technical Building Code, in the Spanish HE document of Energy Saving, sets the standards for the proper use of energy facilities implemented in buildings, both in the use and the design of all the elements comprising those facilities, which objective is that returns do not exceed the minimum established.

In terms of lighting, the Entity's Infrastructure Department is based on the Technical Building Code, in the Energy Savings document, section on Energy Efficiency of lighting installations as well as systems of control and regulation that help to have an energy control over these facilities. Cooperative Group Cajamar has overcome the technical requirements of this standard, by increasing the required energy demand.



In 2014, there have been no fines or penalties for non-compliance of laws or regulations regarding environmental aspects, performance in society or the supply and use of products and services, which may be significant in relation to the equity, financial situation and the consolidated results.

Beyond compliance, Cooperative Group Cajamar pursues to have innovative solutions aimed at saving and energy efficiency. In this sense, we must emphasize the solutions developed in the

construction and/or restoration of unique buildings such as the headquarters for affiliated companies in the Industrial and Technological Park of Almeria (PITA).



In the construction of this building envelope, elements contributing to improve energy efficiency, such as double entrance door, carpentry with thermal break, ventilated facade and green roof have been arranged. Insulation has been improved over the requirements of the Technical Building Code.

The mechanical ventilation system is controlled by CO₂ probes and is provided with heat recovery features, which makes a preconditioning of the air temperature with the water from the lake.

Vertical slats as sun protection, calculated to allow solar gains in winter, have been arranged. It also has an installation of photovoltaic panels.

Optimization of natural light has been performed, lights are low consumption and have presence detectors.

Fittings and toilets have water saving devices. Rain water and water from the condenser is reused for irrigation.

The different environmental impacts associated with construction, such as water and waste, have been studied and measures have been taken to reduce them.

Likewise, locally produced materials, recycled materials, natural paints and varnishes without volatile organic compounds have been used.

Solutions aimed at saving and energy efficiency have been chosen for the restoration of Castellana building in Madrid, which is the headquarter of Banco de Credito Cooperativo.

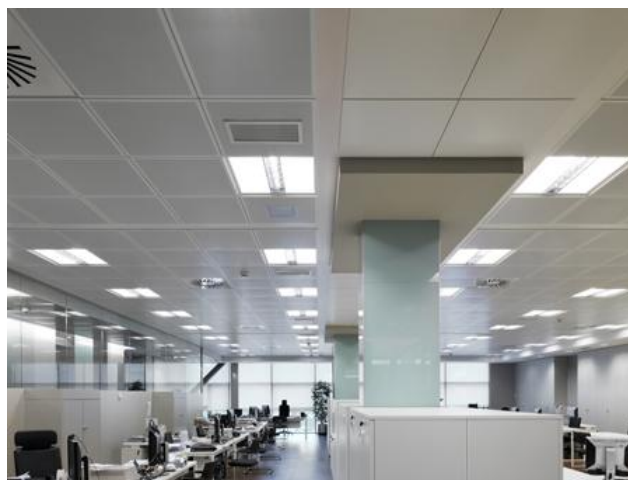




For example, lighting installation has been performed with last generation brands, with lights of maximum performance, minimum consumption and without causing reflections in the workplaces.

The lighting control system, currently the most complete on the market, provides many opportunities for schedules, groups, breakdown, etc., besides having a light sensor, for compliance with the Technical Building Code, in terms of sunlight contribution.

This lighting subsystem, together with the outdoor building lighting (signs, fire-fighting installations, etc.), is integrated through gateways in the system, which directly controls and programs the air conditioning system. There is a control panel in the air room of the building and in turn everything is controlled from the central services in Almeria.



Thanks to all this and the materials used, an art building has been achieved.

Another emblematic building that has been restored in recent years and which has become a benchmark for the city of Almeria, is the Culture Centre of Cajamar Caja Rural.



The building has an envelope appropriate to the limitation of the energy demand necessary to achieve thermal comfort depending on the weather, the intended use and the summer-winter pattern. The building has lighting systems appropriate to the needs of its users, while they are also energy efficient, having a control system that allows to adjust the ignition to the real occupation of the area as well as a regulation system to optimise the use of natural light in areas with certain conditions.

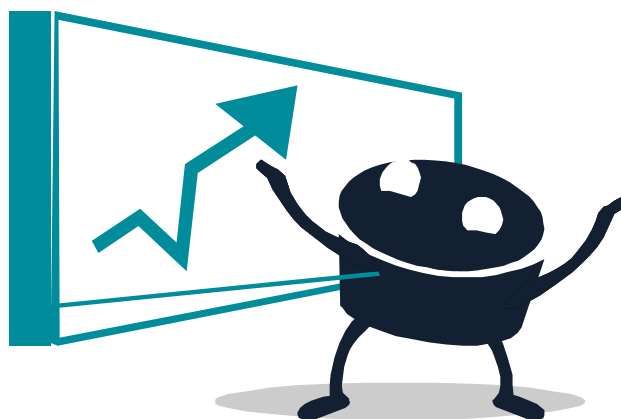
- ❖ Monitoring of electrical parameters.
- ❖ Interior lighting control system.
- ❖ Installation of energy-saving lamps in all indoor luminaires.
- ❖ Outdoor lighting through high intensity LED technology.
- ❖ Monitoring of air conditioning system.
- ❖ Air conditioning control system.
- ❖ System used in the air conditioning system by zones.
- ❖ Air handling unit for outdoor air supply and indoor ventilation. Heat or cold in the existing extraction air of the building is exploited to treat the outdoor air introduced therein, achieving a significant reduction in power required for air conditioning.
- ❖ Frequency converters in Air Processing Units. (Air flow adjustment based on the comparison of outdoor and indoor temperature). They are used to regulate the fan speed of the processing unit of the assembly hall and so adapt the air flow depending on the indoor-outdoor temperature and humidity of the room.
- ❖ Heat recovery in floors. It has the same functionality as the Air Processing Units.



Due to its importance and the results obtained from it, we must mention the "Energy saving and efficiency program" (*Programa de ahorro y eficiencia energetica*), developed by Cooperative Group Cajamar in its network of branches in recent years.

Energy Saving and Efficiency Plan:

The objectives pursued by the plan are to improve the Group's competitiveness through cost reduction and minimize the negative impacts that the development of our business has on the environment.



Energy Saving and Efficiency Plan

Main power consumption systems on which actions have been taken

- Lighting
- Heating and Air Conditioning
- Specific equipment: computers, photocopiers, printers, faxes...
- Shared equipment: lifts

Factors on which actions have been developed

- Use
- Means of control
- Maintenance
- Equipment efficiency
- General system efficiency
- Supplies procurement

Actions aimed at saving energy

Adjust the contracted power to really necessary power	Aware the staff to save energy	Establish a set of internal rules to save on consumption	Establish setpoint temperatures (21°C for winter and 25°C for summer)	Review the maintenance contracts of the installations
Replacement of luminaries by LED systems	Regulation, reduction of lighting working hours	Optimization of the functioning of the ventilation systems	Regulation of the indoor lighting percentages depending on the outdoor input	Lighting timers in transit areas, toilets, archive room...

This set of actions has become Cooperative Group Cajamar one of the most efficient organizations in the sector.

Domestic power consumption (data in G _j)	Year 2012 ¹	Year 2013 ²	Year 2014 ³	Var. Abs.	Var. %
Electricity	128,922	109,442	114,056	4,614	4.22%
Total consumption	128,922	109,442	114,056	4,614	4.22%
Intensity of power consumption (data in G _j /employee)	Year 2012 ¹	Year 2013 ²	Year 2014 ³	Var. Abs.	Var. %
Electricity	19.81	17.39	17.33	-0.06	-0.35%

(1) and (2): Data concerning Cajamar Caja Rural. (3): Diesel consumption in years 2012, 2013 and 2014 was not considered significant.

In the traceability analysis of these data, the different mergers of entities have to be taken into account. Specifically, mergers with Caja Rural Castellon and Ruralcaja were carried out in 2012, and mergers with Caja Rural de Casinos, Credit Valencia and Caja Rural de Canarias were carried out in 2013.

Indirect power consumption is calculated from electricity consumption. Distribution of power consumption is determined by the structure of the existing sources of energy in Spain.

GJ Energy sources	Year 2014	%
Renewable	35,472	31.1%
High efficiency cogeneration	2,738	2.4%
Cogeneration	11,177	9.8%
Natural gas CC (combined cycle)	20,074	17.6%
Coal	17,793	15.6%
Fuel / gas	2,851	2.5%
Nuclear	22,583	19.8%
Other	1,368	1.2%
Total:	114,056	100%

Committed to environment and against climate change.

Therefore, Cooperative Group Cajamar conducts a rigorous control of power consumption and also of all those trips that, for professional reasons, require the use of a means of transport which is source of CO₂ emissions. To this control, we must add the package of measures developed by the Group with the aim of minimizing the number of trips and the use of different means of transport.

External power consumption (data in G _j)	Year 2014
Displacement of employees	11,897
Business trips (rail and plane)	4,459
Fleet of vehicles	6,425
Total consumption	22,781

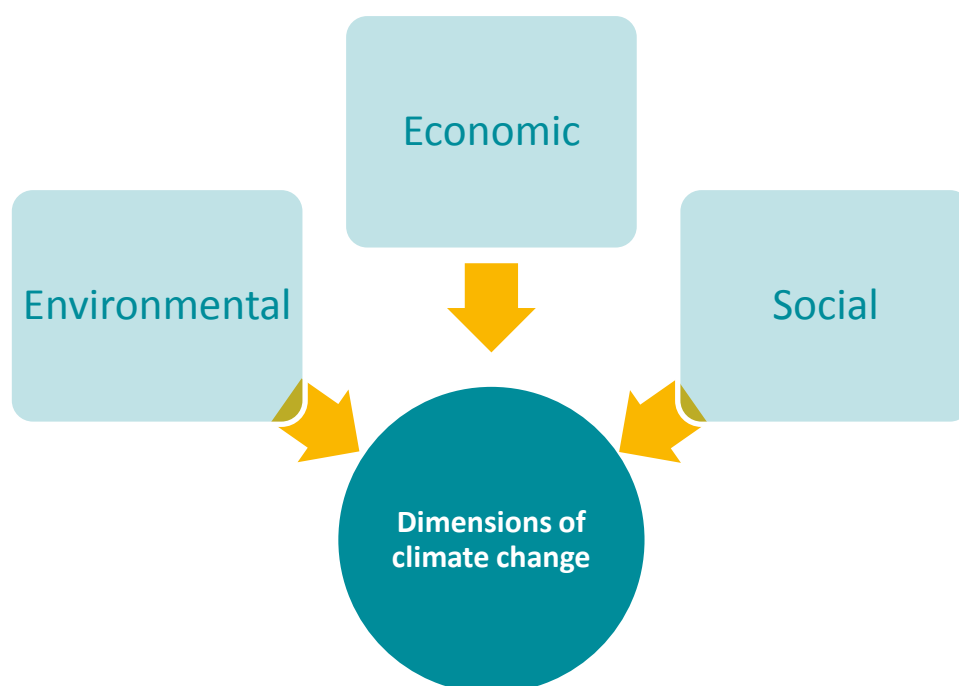
In this sense, the already internally widespread use of videoconferencing throughout the organization is particularly important.

Total calculation of direct and indirect of CO₂ emissions (Ton.)

Direct - Scope 1	
Fleet of vehicles	493
Total direct emissions	493
Indirect - Scope 2	
Electricity	8,743
Indirect - Scope 3	
Displacement of employees	912
Business trips (rail and plane)	342
Total Indirect Emissions	9,997

Emissions intensity of CO ₂ / employee	Year 2014
Direct - Scope 1	0.07
Indirect - Scope 2	1.33
Indirect - Scope 3	0.19
Total	1.59

Climate change involves not only an environmental alert for Cooperative Group Cajamar, but also significant social and economic consequences, which in turn should be viewed from a double perspective of risk and opportunity.



Taking into account this triple dimension of climate change, Cooperative Group Cajamar deems necessary to consider in its management the containment of economic, environmental and social risks derived from climate change, while it is intended to take advantage of the business opportunities arising from this process of change.

As proof of this commitment, the BCC's Board of Directors, as head of Cooperative Group Cajamar, agreed in 2014 to adhere to the following initiatives:



"Caring for Climate". This is an initiative jointly convened by the Global Compact of the United Nations, the United Nations Environment

Programme (UNEP) and the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC).

CARBON DISCLOSURE PROJECT

“Carbon Disclosure Project (CDP)”. An international non-profit organization that drives companies in the management and transparency of their data on the GHG emissions.

Cooperative Group Cajamar is aware that this commitment entails a long way and the first step is to provide data on our emissions in a transparent manner to progressively reduce them and even get to compensate them. This subject is being reviewed at the end of this report.

The Group's commitment is transferred to the management of all natural resources and of course of any raw material that may have a negative impact on the environment, trying to meet the same principles of sustainability and efficiency.

Waste managed	Year 2012 ¹	Year 2013 ²	Year 2014	Var. Abs.	Var. %
Hazardous wastes managed					
Toners (units)	9,494	16,368	19,456	3,088	18.87%
Monitors (units)	0	0	30	30	
Electronic equipment (Kg)	6,110	9,250	116,519	107,269	1,159.66%
Non-hazardous waste managed (Kg)					
Plastic	NA	NA	136		
CPU	NA	NA	0		
Scrap	NA	NA	150		
Subtotal	NA	NA	286		

(1) and (2): Data concerning Cajamar Caja Rural.

Actions aimed at reducing consumption of paper and cardboard

Signature digitalization process in different daily transactions.

Implementation of a new “PretionSaver” solution that allows to reduce the consumption of paper and toner.

Reorganize/replace printers.

Avoid the unnecessary printing of documents.

Raise awareness among employees on the use of double-sided, multiple pages per sheet, colour, etc

Information on printing expenditure management per office.

Encourage the use of not heavy Office templates.

Force double-sided in some documents such as e-mail.

Consumption of paper and cardboard (tons)	Year 2012 ¹	Year 2013 ²	Year 2014	Var. Abs.	Var. %
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Paper	337.98	565.28	659.80	94.52	16.72%
Cardboard	NA	NA	0.50		
Paper recycling (%)	83.09%	70.58%	41.18%		
Cardboard recycling (%)	NA	NA	67.33%		

(1) and (2): Data concerning Cajamar Caja Rural. Consumption in 2013 was revised since new consumptions were detected in 2012. Consumption in 2013 was revised and modified since unrecorded new consumptions were detected in 2013.

As data on power consumption of years 2012 and 2013 apply only to Cajamar Caja Rural without consolidating with other Group entities.

The percentage of recycled paper is based on the total paper consumed, being this percentage lower than in 2013 due to the largest amount of paper used in the preparation of agreements that were delivered to customers.

We must remember that consumption in 2013, as happened in 2014, has increased in a remarkable way due to new requirements aimed at strengthening transparency in the execution of new agreements. This resulted in the printing of drafts to facilitate their study and understanding by customers before the formalization of the final agreement, therefore causing a duplication in the printing process.

Processes have been revised during 2014 in order to maintain the commitment to strengthen transparency and, in parallel, paper consumption has been reduced through the actions developed.

Actions aimed at reducing water consumption

Awareness campaigns and information on good practices.

Gradual replacement of conventional cisterns for dual-flush models.

Installation of saving devices.

Adjust discharge volumes to minimum values while ensuring proper operation.

In green areas, irrigation systems aimed at encouraging saving and efficiency in the use of water are implemented.

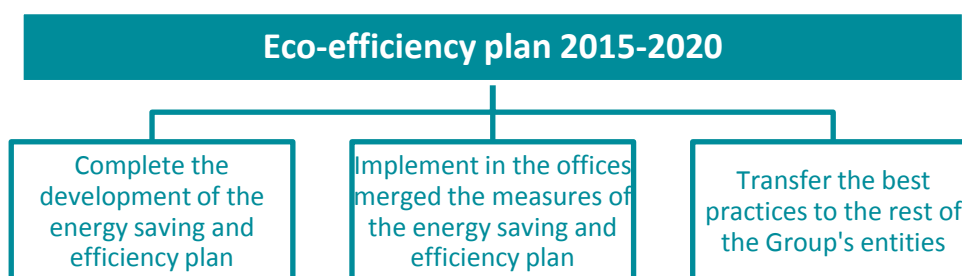
Signage campaign aimed at saving in the use of water.

Water consumption	Year 2012	Year 2013 ¹	Year 2014	Var. Abs.	Var. %
Water (m ³)	NA	38,861	47,683	8,822	22.70%
Water consumed per employee	NA	6.18	7.24	1.06	17.22%

(1): Data concerning Cajamar Caja Rural. The total consumption of water comes from the network and 2014 data are calculated by estimating, extrapolating a typical office

4.5.4 Eco-efficiency Plan 2015-2020

The proposed eco-efficiency plan for the next 5 years, aims to continue the Savings plan and energy efficiency carried out until 2014. That is why the main lines of work are to achieve the following objectives:



The plan includes the development of different actions on the main systems of power consumption and on determining factors of consumption.

Main systems of power consumption				
		Lighting	Office equipment	Air conditioning
Decisive factors of consumption	Use	Lighting timers in transit areas, toilets, archive room...		
	Means of control	Regulation, reduction of working hours and safety in lighting switching off	Switching off the equipment at the end of the working-day	Optimization of the functioning of ventilation and air conditioning systems depending on the opening hours and maintenance of the comfort temperature (21-25 degrees)
		Control and regulation of indoor lighting depending on the outdoor input		
	Maintenance	Review maintenance contracts of electrical installation		Review maintenance contracts in order to ensure energy efficiency
	Equipment efficiency	Replacement of luminaire by LED systems Adjustment of power and installation of photovoltaic panels	Assessment in the purchasing processes not only based on technical performance but also on power consumption	Replacement of air conditioning equipment by more efficient equipment
	General system efficiency	Revision of the entire lighting system in new branches and/or offices to be refurbished		Revision of the entire air conditioning system in new branches and/or offices to be refurbished. Installation of condensators to compensate reactive power

The most significant actions for this year 2015 are the following:

Installation of automats: Project providing the offices with an automat to control lighting, air conditioning and technical signals.

This action is planned to be performed in 110 offices (65 Canary Islands, 26 Balearic Islands, 19 rest peninsula pending) at a cost of € 1,000 per action.

Based on the experience by other installations performed, the installation of automats generates around 25% savings in consumption. Taking as reference the average values per office, it involves a saving of 491 kWh/month/office, which means 5,892kWh/year/office.

Offices LED lighting.

Project replacing office luminaires by LED technology, which besides of having lower consumption, they have a life and a luminous efficiency about ten times higher than the equivalent in fluorescence. This project is planned to carry out 50 actions with an average cost of €3,200/office.

Luminaires that are being replaced are those of 2x55W, which with the ballast have a consumption of 120W. They are being replaced by luminaires of 36 w, generating a net saving per luminaire of 84W. Taking as reference the average values per office, 3,902.98 kWh/year.

Renove R22

Project replacing air conditioning machines of offices with R22 refrigerant and On-Off control by Inverter machines with R410 ecological gas. This action is also motivated because R22 gas will be removed from the market from January 1, 2014 , so any repair or leak will involve the treatment and replacement by "alternative" gases that reduce 10% the output (added to the output loss gained by normal wear of the machine). The age of these installations widely exceeds 10 years and in many cases there are difficulties to obtain spare parts due to their obsolescence.

This project is planned to carry out 80 actions with an average cost of €10,000/office, from which 23% of the investment is aimed at improving energy efficiency.

Taking into account a saving of 20% from one system to another, and considering that air conditioning has an impact of 40% over the total consumption in the offices, savings planned would be the following: Savings in kWh: 7,070.4 kWh/year x 80 = 565,632 KWh/year x €0.13/kWh= €73,532.2

Main projects to be developed in 2015			
Projects	No. actions	Total investment	Total annual saving
Installation of automats	110	110,000 euros	84,256 euros
Offices LED lighting	50	160,000 euros	25,369 euros
Renove R22 Air conditioning	80	184,000 euros	73,532 euros
Total:	240	454,000 euros	183,157 euros

4.5.5 Cajamar Cooperative Group joined the "Earth Hour" initiative in 2014.

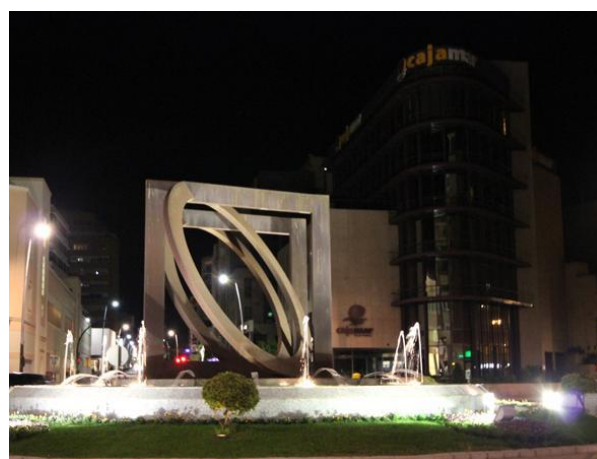
Earth Hour is one of the events with significant global impact promoted by WWF (World Wildlife Foundation), which through a one hour power cut aims to raise awareness to millions of people on the most pressing environmental threat: climate change.

This year 2014 Cajamar Cooperative Group has joined the initiative as follows:

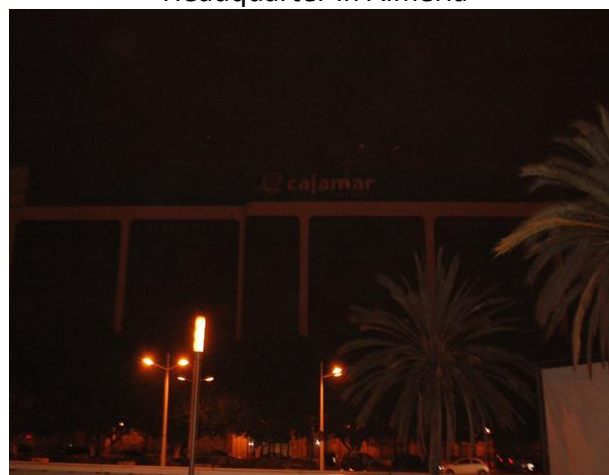
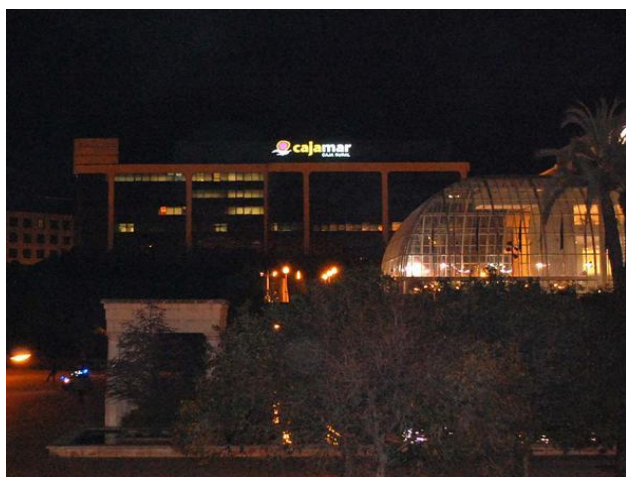
- ❖ Spreading the campaign through its own channels of communication and social networks.
- ❖ Turning off the lights of 10 emblematic buildings of the entity where more than 900 employees work daily, on March 29 from 8:30pm to 9:30pm.



Specifically, lights of the entity's headquarters in Almeria and other buildings in Plaza de Barcelona, Puerta de Purchena, Plaza de San Sebastian and Old Bus Station, and institutional headquarters of Paseo Alameda in Valencia, Paseo de la Castellana in Madrid, Fuensanta Square in Murcia and Alameda Principal in Malaga were turned off.



Headquarter in Almeria



Headquarter in Valencia

4.5.6 Products and services with positive environmental impact

Savings and energy efficiency

Reduce power consumption associated with agricultural activities is one of the collaboration lines that Cooperative Group Cajamar offers through its financing lines, which include among other the following types of investments:

- ❖ Agricultural machinery. Power consumption is due mainly to the use of the tractor to cultivate the land, so that the variation in power consumption will be determined both by the variation of the surface to be cultivated in Spain and the nature of these crops, the number of tractors in use and the energy efficiency of them. To a greater extent, the improvement of energy efficiency comes from the minimum tillage techniques by direct seeding, as well as the renewal of tractors, both naturally and as encouraged by the administration.
- ❖ Irrigation, where the reform and modernization of pumping systems, consisting in the improvement of the performance of pumps and the adequacy of its powers to the load variation, as well as the migration of spraying systems to localised irrigation systems is being considered.
- ❖ Agricultural holdings, where the renewal of the facilities of greenhouses and agricultural and livestock farms to more efficient systems is especially important.

Financing for improving efficiency in the agro sector	Year 2014	
	Number of transactions	Amount (thousands of Euros)
	4,649	563,400

Extreme weather incidents

Natural disasters are undoubtedly one of the most serious problems that agro-food sector must face. During 2014, strong hailstorms affected many Levantine municipalities from the Region of Murcia and the Community of Valencia, and consequently many farming families were severely affected as part of their production of fruits, especially table grapes, peach, saturn peach, nectarine, plum, was impaired and also trees were seriously damaged.



Drought is another major adverse phenomena that agriculture sector has to face every year and this year 2014 has forced to design support measures aimed at minimizing the damages in the Community of Valencia and those produced in the olive sector.

In these situations, the entity responds with extreme agility and proximity in order to minimize negative impacts from a triple dimension: economic, social and environmental.

To this end, the Group develops solutions tailored to the circumstances under preferential conditions and whose main target is the renewal of woodland damaged by hail.

These measures are the usual actions that Cooperative Group Cajamar enables immediately in case of natural disasters.

Financing under extreme weather incidents	Year 2014	
	Number of transactions	Amount (thousands of Euros)
	2,389	45,765

4.5.7 Principles of Sustainable Agriculture and Businesses

Last May, the United Nations Global Compact presented the Principles of Sustainable Agriculture and Business. These are intended to contribute to the achievement of Objectives of Sustainable Development.

The six Principles are designed to promote sustainability in agriculture and food, and serve as an umbrella for voluntary standards and platforms of technical compliance. They provide a global language on critical issues of sustainability in agriculture and food: food security, health and nutrition, human rights, good governance, environmental management and economic viability throughout the entire value chain.

Cooperative Group Cajamar, as signatory of the Principles of the Global Compact and partner of the Spanish Network, is committed to these six Principles and actively develops a work of research, innovation and training, aimed at developing these principles.



Red Pacto Mundial España

PRINCIPIOS DE AGRICULTURA SOSTENIBLE Y EMPRESAS



LA SEGURIDAD ALIMENTARIA, LA SALUD Y LA NUTRICIÓN COMO OBJETIVOS
Las empresas deben apoyar los sistemas alimentarios y agrícolas que optimizan la producción y minimizan el desperdicio para proporcionar la nutrición y promover la salud de todos los habitantes del planeta.



PRACTICAR LA RESPONSABILIDAD AMBIENTAL
Las organizaciones deben apoyar y aplicar sistemas agrícolas intensivos que puedan satisfacer las necesidades globales al tiempo que garanticen una agricultura, ganadería, pesca y silvicultura responsable. Deben proteger y mejorar el medio ambiente y utilizar los recursos naturales de manera eficiente y óptima.



ASEGURAR LA VIABILIDAD ECONÓMICA Y COMPARTIR VALOR
Las empresas deben crear y compartir valor en toda la cadena alimentaria y agrícola, agricultura desde los productores hasta los consumidores.



RESPECTAR LOS DERECHOS HUMANOS, CREAR TRABAJOS DECENTES Y CONTRIBUIR A LA PROSPERIDAD DE LAS COMUNIDADES LOCALES
Las empresas deben respetar los derechos de los productores, trabajadores y consumidores. Deberán mejorar sus medios de vida, promover y garantizar la igualdad de oportunidades, para que las comunidades locales sean lugares atractivos para vivir, trabajar e invertir.



FOMENTAR EL BUEN GOBIERNO Y LA RENDICIÓN DE CUENTAS
Las empresas deben comportarse de forma legal y responsable, respetar los derechos de la tierra y los recursos naturales, evitar la corrupción y ser transparentes en sus actividades y en el reconocimiento de sus impactos.



PROMOVER EL ACCESO Y LA TRANSFERENCIA DE CONOCIMIENTOS, HABILIDADES Y TECNOLOGÍA
Las empresas deben favorecer el acceso a la información, al conocimiento y a las habilidades que favorezcan una alimentación y agricultura más sostenible. Deben invertir en el desarrollo de las capacidades de los pequeños agricultores y las pymes, así como aplicar las prácticas más eficaces y las nuevas tecnologías.

4.5.8 Innovation and research



One of the primary objectives of the technological experimental centres of Cooperative Group Cajamar is the spreading of the sustainability culture. A commitment materialized in research in the field of integrated production, biological pest control, environmental restoration in arid areas and creation of islands of native vegetation around greenhouses, to help the recovery of biodiversity lost.

In that field, experimental centres have developed during the year 2014 many initiatives among which we must emphasize the following due to its importance for the agro-food sector:

Zero waste - Minimum waste in agriculture, which pursues the development of protocols of pest and disease control reducing the use of plant protection products.



In recent years an increasing concern on the consumption of higher quality and safe food products, produced under the criteria of environmental sustainability has been revealed. The reduced and rational use of plant protection products to control pests and diseases has a leading role in meeting this goal. In response to the demand for food quality and safety, vegetable producers from Almeria are successfully performing in recent years a change of strategy in the control of pests and diseases, enhancing and prioritising



the biological control over chemical, supported on the results of an important and intense research and innovation work developed in recent decades by researchers and technicians of public institutions and companies.

Through this initiative it is aimed to change the way of working, prioritising the use of bio pesticides, auxiliary fauna, and even the rational use of chemicals at peak times, whenever is the right time to ensure the degradation of active ingredients, ensuring the compliance with MRLs.

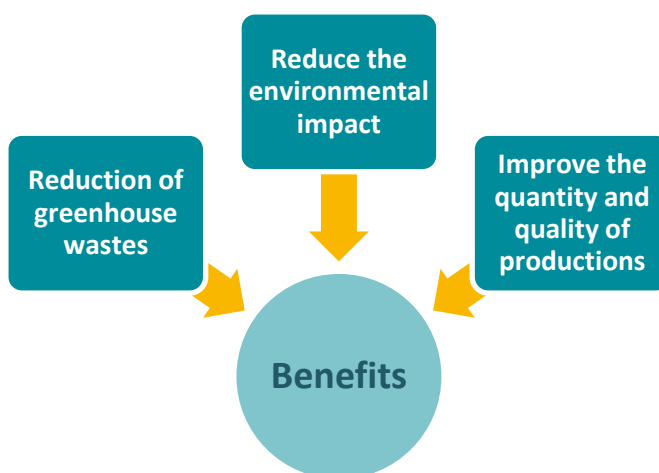
Recovery of greenhouse vegetable waste for use as input of heat and CO₂.

This project studies technical and economic viability of energy recovery from greenhouse vegetable waste. This will allow their use as heat in the greenhouses themselves, besides of using the CO₂ from biomass combustion gases. One of the serious problems of intensive agriculture is the volume of vegetable waste generated. The abandonment of waste in watercourses and plots may have many consequences, such as being source of transmission of diseases and pests, which may severely affect the neighbouring crops; it also may degenerate into putrefactions



with consequent bad smell and contamination of ground waters, besides of having a negative visual impact. Waste management is complex, due among others to the following aspects: heterogeneity, high dispersion and waste generation throughout the year. Today, greenhouse waste are taken to recycling plants, although a large part of them is not processed and finally is accumulated, entailing a fire risk. Therefore, the challenge is to give value to greenhouse waste generated in large quantities in Almeria.

An alternative to the use of these greenhouse waste is as input of heat and CO₂. The calorific value of greenhouse waste gases is slightly less (3,200 kcal/kg) than other biofuels such as olive pits or almond shells. Since it is an annually available resource in Almeria (about 1,700,000 t/year), it has a great potential to be applied in heating systems. In addition to this combustion, a part is CO₂ and may be recovered and injected back into the greenhouse, making the greenhouse an environmentally better



system.

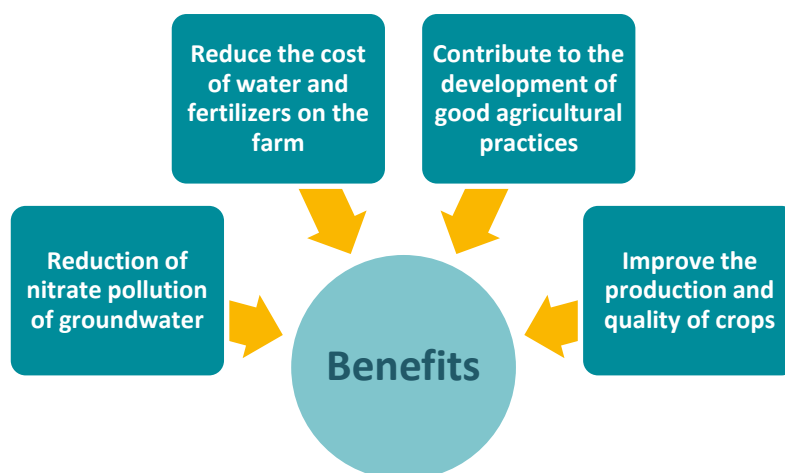
This work is carried out at Las Palmerillas Experimental Station of Cajamar where there is a boiler, a CO₂ recovery tank and a greenhouse which receives heat and CO₂ according to the crop requirements.

Improving water use and nutrients efficiency in greenhouses crops through the use of lysimeter equipments which allow the monitoring and automation of fertirrigation.

The scarcity of water resources in the coast of Almeria joined to a growing nitrate pollution in aquifers of greenhouse production areas (Decree 36/2008 of the Regional Government of Andalusia) requires a more efficient and controlled use of fertirrigation and, specially, irrigation water. Likewise, costs of fertilizers are growing and there are greater demands of markets every day towards a more respectful to the environment horticulture (European Directive on nitrates 91/676/EC). All this will force the sector to use increasingly technical criteria in the management of irrigation/fertirrigation to minimize the problems of soil and water pollution, and to optimize the use of scarce resources, including the use of monitoring or control equipment which allow making adjustments.



The increasing use of irrigation controllers in the greenhouses of Almeria enables that the fertilizer input is carried out in a more controlled manner and depending on the needs of the crop.



The analysis of chemical composition of soil solution is a key tool to make an efficient use of fertilizers. This work is carried out at Las Palmerillas Experimental Station of Cajamar, where it has a greenhouse equipped with drainage lysimeters and monitoring equipment of soil water (tensiometers, 5TE, MPS2) and soil nutrients (probes suction, Fullstop).

Use of plant waste to produce compost

Currently, the more than 27,000 hectares of protected cultivation in the province of Almeria generate about 1.7 million tons of vegetable waste concentrated in just a few months, which complicates their management and makes the compost finally obtained has not sufficient quality or use guarantee. The initiative aims to show farmers that self-management is a viable alternative so that more and more farmers make this practice, reducing the final volume of vegetable waste to be processed by provincial composting plants, reducing the amount of final product to work with. This will result in a higher quality final product.

This project aims to prove that self-management of greenhouse vegetable waste is both economically and agronomically viable, giving value to such vegetable waste by creating a quality product that may be incorporated later as natural fertilizer on the own farm, closing this part of the crop cycle. This process ensures traceability of organic matter that is incorporated into the farm soil, preventing subsequent problems of pesticide waste in vegetables marketed.

In order to achieve this goal, we have tried to raise awareness among farmers and technicians that self-management is a viable option for most farms, but they need to know some of the problems or limitations that may be found when composting vegetable waste generated in their farm. The fact of expanding knowledge on the composting process to farmers and technicians will result in minor problems when performing the process on their farms. It must be shown the importance of the raffia removal to create quality compost.

To date, more than 1,000 people (farmers and technicians) have directly benefited from this action, through different workshops, conferences and agronomic technical seminars organized on this subject.



Model of comprehensive restoration in arid and semi-arid environment



The general aim of this project is to propose a new method of restoration of degraded areas located in boundary areas between arid and semi-arid regions. These areas with annual rainfall below 250 mm. or 300 mm., in Andalusia are mainly located in the province of Almeria. This annual poor rainfall requires the availability of a new method that ensures the survival of the vegetation, including native, which faces a serious lack of water.

Regarding restoration of degraded areas, nursery plants, usually in forest format, are required. These plants, despite of being native species and therefore well adapted to the arid environment, have great difficulty when they have to move from a controlled environment, such as nursery (regular irrigation, sheltered environments from strong winds and even insulations often mitigated by artificial coverage), to a natural environment where conditions are particularly difficult: long periods without precipitation, strong drying winds, strong temperature contrasts that may exceed 20°C (difference between the maximum and minimum in 24h), violent rainfalls generating strong runoff that may drag the roots of young seedlings, etc.

Therefore, in the researched methodology, plants are provided with a type and an amount of substrate that differ substantially from those applied in the classical forest format: the new substrate is a



compost enriched with activated zeolites and, once they are in forest format, the plants are placed in higher volume porous bio-flowerpots made from natural fibres that allow the roots to have a greater amount of water and nutrients to support the first weeks or even months without rain. Apart from the holder for the plants, the plantation system is different from the conventional one,

through adopting a scheme similar to that of most of the plants which characterise the semi-arid areas of peninsular southeast, i.e. they are grouped into sets of plants called fertility islands.

The achievement of goals established by this project enables the development and implementation of a new technology with a wide range of possibilities. Thus, taking into account that this is a basic technique, applications of it may vary widely, directed toward different fields of application:

- In the field of quarry restoration in arid areas.
- In the field of restoration of forested land.
- In the field of use for agriculture.
- For ornamental use in gardens.
- Recovery of contaminated soils.

The significance of the success of this project is especially interesting, particularly for the province of Almería. We are possibly talking about one of the areas in Europe with the greatest soil-related problems, where the absence of rains and the torrential nature of them when they occur, make it very difficult to recover the territory that has lost its vegetal crust, due on the one hand, to natural processes, but mainly to circumstances attributable to human actions. This model could be extrapolated to any degraded land.

[Native vegetation and biological control. Design of a sustainable intensive horticulture.](#)



It is well known that the loss of semi-natural habitats reduces biodiversity in agricultural landscapes, leading to increased crop vulnerability to pests and diseases. An extreme case of the negative effects of the simplification of the landscape is the west area of Almería, where a strong specialization in vegetable production under plastic has been developed, which has significant socio-economic benefits, but also serious consequences for environment and biodiversity.

Many studies have highlighted the important role of hedgerows, windbreaks or adjacent forests to crops in agricultural areas. The variety and composition of plants has a great influence in the presence of secondary fauna, being the concept of landscape a very useful tool to provide suitable habitats. However, not all plants contribute the same way in achieving this goal. In general, knowledge on plant matters mainly exploited by most small predators and parasites is very low. In this sense, for the proper management of natural vegetation and biological control, it is essential to analyse the specificity of each natural enemy with those plant resources taken by each of them. The potential for pest control through secondary fauna should therefore be related to our ability to exercise any kind of control over the habitat close to the production areas.



This initiative precisely aims to determine which native plants may serve as refuge for beneficial arthropods, acting as phytosanitary barriers and contributing to a significant improvement of the landscape with all the environmental benefits that it entails, helping to improve the service that biodiversity may provide to the maintenance of a more sustainable agroecosystem.

The results of this project will allow a substantial progress in the knowledge of a very novel field as is the use of xeriscape as a tool to increase the biological control of pests and for the improvement of landscape in highly degraded habitats due to the practice of intensive agriculture. With this new agro ecological approach in intensive horticulture, it is also intended to contribute to the achievement of radical changes in the agricultural landscape of west region of Almeria which serve to recover the biodiversity lost. It is intended to respond to the existing demand by farmers claiming information about which plants should they use on field boundaries of their greenhouses, since they are aware that this practice improves the health status of their crops. The ultimate goal is to achieve an improvement of the current landscape of west region of Almeria.

Modelling of water treatment systems with bacteria-microalgae consortia



Proper purification of wastewater is required in order to avoid they adversely affect to the environment. These effluents incorporate various elements, mainly nitrogen and phosphorus, which when dumped, may contaminate water both surface water and ground water. Generally, a treatment of primary and secondary purification is performed, but this does not ensure the presence of a sufficiently low level of such elements. One possible solution would be to use wastewater to irrigate crops, which will incorporate them as nutrients. However, this requires the previously performing of tertiary water treatment, in order to avoid the existence of pathogens, which is expensive, so it is only affordable to certain crops. Furthermore, the excessive presence of certain ions (such as boron) may also be a limiting factor.

An alternative solution to the problem raised is the development of a process of purification of wastewater through the use of microalgae, which would take advantage of the existing nutrients in such waters for their own growth, generating biomass rich in proteins and lipids, which will be used as raw material in the extraction of bio-fertilizers and bio-fuels at a subsequent bio



refinery process. Direct use of wastewater from primary treatment causes a strong proliferation of bacteria that degrade the organic matter, leaving the containing nutrients available to the microalgae, which in turn generate oxygen in the photosynthesis process which is used by bacteria for respiration, resulting in a symbiotic system. Likewise, as the crop is directly exposed to sunlight,

the level of coliforms in water is dramatically reduced as a result of the incidence of ultraviolet radiation.

In order to try to optimize the functioning of the treatment system with bacteria-algae consortia, it is intended to carry out their modelling, for which experiments in controlled conditions are being conducted in laboratories. Also, work is being done with wastewater in external open reactors, reproducing on a small scale what would be a water treatment facility with microalgae.

The development of a cost-effective process of wastewater treatment through microalgae would be an achievement of great impact that would be quickly implemented on a massive scale, leading even to a new economic activity resulting from the marketing of products obtained in the bio refinery, what which in turn would result in a reduction of the energy dependence of oil-poor countries such as Spain. All this apart from the reduction of environmental impact that it would entail.

Innovation on Mediterranean fruit growing



The Mediterranean Subtropical Fruit Production area aims to promote the improvement and renewal of the productive structure of the Mediterranean area, working with species of subtropical and Mediterranean climate. Applied research projects are being considered, finalist in the medium term, generating scientific and technological knowledge in order to introduce new production models, to design new technologies and to develop innovative farming strategies and techniques, aimed at sustainably increasing the competitiveness of the sector.



“Citrusgen” Project

The overall objective of this project is twofold. On the one hand, it aims to develop, with the current knowledge, new lines and varieties of citrus with potential commercial interest. On the other hand, a new biotechnological original knowledge will be created to streamline citrus improvement programs.



Energy crops and alternatives in rain fed areas

R+D+i project on energy and alternative crops in rain fed areas.

Along with Agroalimed Foundation and other public and private companies, it is developing the study "Evaluation of energy crops in the Community of Valencia" (*Evaluación de cultivos energeticos en la Comunidad Valenciana*).

The purpose of this project is the empowerment of energy crops in the Community of Valencia, so that the ratio of renewable energy in the community increases, representing these crops an alternative to traditional crops and diversifying the agricultural use, besides of allowing the opening of new markets and empowering the inland regions.



“CITRUSEQ” Project

Strategic unique project of public-private cooperation in applied genomics and biotechnology. Sequencing, genotyping and development of genomic tools to improve citrus (CITRUSEQ).

CITRUSEQ strategic unique project integrates a set of scientific-technological activities that are interrelated and have a common objective: develop genomic and biotechnological tools to facilitate the generation and selection of new lines and varieties of citrus. This objective has a strong scientific and technological character since it involves, first of all, the identification of variants of genes of agronomic interest in citrus and then, the technological application of this knowledge using a genotyping chip to facilitate the obtainment of listing markers that may be used in citrus improvement programs.



“PROBIOGAS” Project

"PROBIOGAS" strategic unique research project.

The project is part of the National Plan for Scientific Research, Development and Technological Innovation titled: Development of Sustainable Production Systems and use of Agribusiness Biogas in Spain, PROBIOGAS (*Desarrollo de Sistemas Sostenibles de Producción y uso de Biogas Agroindustrial en España, PROBIOGAS*).

The project is the development of an applied research program with a multidisciplinary working group, with the participation of energy companies, companies related to waste management, Universities throughout Spain, companies and foundations working in environment, IVIA (Valencian Institute of Agrarian Research), UPV (Polytechnic University of Valencia) and AINIA (Agro-Food and Allied Technology Centre) as coordinator entity.

The project aims to develop sustainable systems of production and use of biogas in agro-industrial environments, as well as the demonstration of its viability and promotion in Spain.

Activities of this project focus on biogas obtained with materials of agro industrial origin, differing from those whose origin is in dumps or urban wastewater treatment plants. Furthermore, all anaerobic digestion techniques that will be studied in the project always use the concept of "co-digestion" (joint treatment of organic wastes with different origin and composition).

"Genblast" Project

This project seeks to identify major genes that provide durable resistance in our field of crop through the use of appropriate genomic tools to incorporate such genes into a specific program to obtain resistant rice varieties adapted to the growing conditions in Europe.

For the performing of this project a multidisciplinary team integrating the study of the interaction between fungus and plant, and the use of genomic and genetic tools that ensure the collection of disease-resistant material has been created.



4.5.9 Dissemination and transfer of knowledge



However, all this research work would be worthless if not completed with an intense knowledge transfer program that has as main goal the competitive improvement of agro-food sector with sustainable and environmentally friendly practices.

162 activities

**12.378
attendees**

Some of the activities undertaken during 2014 are listed below:

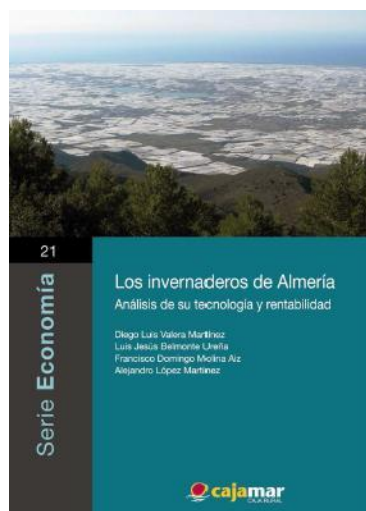
Stevia rebaudiana: A new agricultural alternative in Andalusia?	Stress physiology in plants
Horticulture Technical Seminars	Improvement of tomato profitability in the Canary Islands
Winter horticultural crops	Management and cultivation techniques in papaya
Red fruits in greenhouses	Integrated control of red palm weevil
Fertirrigation management	Production systems in coconut fibre
Optimization of irrigation and fertilization on sanded crops	Table grapes and alternative crops in the region of Vinalopo
Tropical fruits: papaya, custard apple and medlar	Artichoke and melon crop in the Region of Murcia
New Delhi Virus: Measures for prevention and control	Structures, ventilation and optimization of fertirrigation
Tomato crop monitoring based on analysis of sap	Integrated management of nematodes in horticultural products
Fertirrigation in intensive horticulture	Optimization of irrigation. Localized irrigation in greenhouses
Improved use of water and nutrients in lettuce	Sustainable waste management

Publications

**13 new
publications**

12,277 visits

**9,993
downloads**



Agricultural advisory

Our experimental centres have an agricultural advisory service, free of charge, providing services to companies, cooperatives, partners and customers of Cooperative Group Cajamar.

This service provides information and personalized advice on:

- ❖ Horticultural production schedules.
- ❖ New varieties.
- ❖ Equipment and management of greenhouse crops.
- ❖ Production without soil systems.
- ❖ Fertilization programs.
- ❖ Fertirrigation linked to analysis service of soil, water and foliar.

The aim of this service is to further strengthen the relationship with farmers, agricultural cooperatives and companies, closing the triangle: research, training and advice. Likewise, this service is also an important tool to reach to professionals of the sector new information obtained through research undertaken in experimental centres of Cajamar.

School of Cooperative Directors

School of Cooperative Directors has as primary objective the training in areas of strategic interest of agro-good cooperative companies' governing councils. Its action is mainly aimed at improving the competitiveness of organizations and the application of the principles of good corporate governance. Training offer revolves around four basic modules that are intended to cover the basic needs of agro-food cooperatives: validity of the cooperative model, keys for the competitiveness of cooperative companies, strategic planning, basic finance and current situation of the global agro-food market.



Furthermore, some documents (Cooperative Notebooks) has been produced, which serve as training course materials and are also available online.

School of Directors	Year 2012	Year 2013	Year 2014	Accumulative total
Number of programs	4	28	15	47
Participants	51	152	169	372

5 Cooperative Group Cajamar's Future Prospects

Year 2014 has been complex, with many challenges, and the most important and fundamental one is to have overcome the revision of asset quality and the exercise of stressing the balance prior to incorporation to the Supervisory Single Mechanism. However, Cooperative Group Cajamar is aware that all this will continue in the coming years so that the adjustment and adaptation to change require an ongoing effort to incorporate the best banking practices and the best management mechanisms, in a constant task of identification of opportunities.

It is expected that once it has assumed leadership, BCE will homogenise the European framework implementing new monitoring measures and reviewing those others as may deem appropriate. Cooperative Group Cajamar is working to face these new challenges and to be prepared for any change that may occur.

Moreover, we must not forget that the reorganization process of the Spanish financial sector is not completed. What we have seen in recent years is a consolidation claiming the healing process that has been already carried out, and that required for the ability to respond to customers and to be profitable still remains to be undertaken. In Spain there is still an excess network of bank branches, hence without generating additional costs to society, financial institutions and network structure must continue to be adjusted in the coming years.

Cooperative Group Cajamar aims to be the protagonist of this process, identifying opportunities to incorporate networks and, of course, being constantly attentive to the integration agreements with other rural banks. The Group is convinced that it will become an entity evenly positioned in the Spanish map, to respond adequately to the challenges that will appear in the near future.

For this reason, 2015 should be contemplated as a year of organizational consolidation. Years 2012 and 2013 were marked by the impact of the integration of the CRM Group, in addition to mergers of Canarias, Credit y Casinos, and 2014 has been marked for the need to preserve the balance of the Group with success and solidity, according to the requirements of the Supervisory Single Mechanism. This has been achieved, besides of reaching a sufficient income statement to meet our reorganization and complying with our obligations to the partners.

Now, what the Group wants is to consolidate all the work done and to strengthen customer management model, ensuring the perception on customer relationship model is homogeneous and uniform in the entire organization.

A factor that must be considered is the improvement of the macroeconomic situation, which will have a positive impact on the business performance. But also other factors must be taken into account, such as interest rates, margins and delinquencies that are decisive to further maintain a work line based on effort and prudence, which allows building a solid income statement and thus further maintaining a high level of competitiveness. Main challenges are well identified. First of them is the compensation of predelinquency assets, and the second one is to improve the effectiveness and efficiency in the development of the activity. In order to face these two great challenges, governance and management bodies have approved the Strategic Plan 2015-2017 of Cooperative Group Cajamar, which has been advised by Bain, a worldwide leading management consulting company.

From an analysis of the current situation, the plan defines strategic initiatives and specific lines of action to be followed in the immediate future, both in business segments and in regions, besides of the competitive advantages that the Group has to gain market share and ensure the achievement of the objectives that have been set.

The defined strategy is based on a doctrinal synthesis on the aims of the Group, its aspirations and its action area. In this sense, it remembers that Cooperative Group Cajamar's aim is to be the reference credit cooperative in our country, leader in the agro-food sector and a relevant agent for economic development and social progress in the territorial scope where it performs its activity.

From here, initiatives to be implemented by 2017 are aimed at strengthening and diversifying the balance sheet by segments and regions, and strengthening the competitive advantages of the Group to face a new stage of growth in a new economic and social environment.

To this end, group's activity will continue to be focused on the agro-food sector and retail banking (personal banking, SMEs and companies), putting the focus on the core of our Group, their source territories, and limiting the national expansion to areas where agro segment dominates by its importance.

The Strategic Plan 2015-2017 is aimed at consolidating the leadership of Cooperative Group Cajamar in the agro-food sector, where it already manages 12.3% of the national agro business, besides of gaining market share in a diversified manner.

Axes of the Strategic Plan 2015-2017

- Revision, improvement and streamlining of management processes and monitoring.
- Design of new value proposals by segment and customer experience.
- Revision of design and dimensioning of branches and development of channels.
- Revision of commercial and marketing system.
- Improvement in organization and coordination models.
- Technological evolution of the financial server, information centre, technological infrastructures and computer security.
- Regulatory adaptation and strengthening of mechanisms of control and mitigation of legal and operational risks.
- Actions to optimize the operating expenses.
- Innovation processes.
- Development of ethical management system.

6 Report's Contents

Linking of corporate material aspects with DMA of GRI4.0 (G4-20, G4-21)

Category	Disclosures on Management Approach (DMA)	Corporate material aspect	Coverage	Scope
Impact of products and services	List of products	F,G,L	External	G.C.C
	Audit	A	Mixed	G.C.C
	Active ownership	A	Internal	G.C.C
	Labelling of products and services	C,D,I	External	G.C.C
Economic dimension	Economic performance	B,C,H	Mixed	G.C.C
	Market presence	M	Internal	G.C.C
	Indirect economic consequences	E,I	External	G.C.C
	Procurement practices	E	External	G.C.C
Environmental dimension	Materials	K	Internal	G.C.C
	Energy	K	Internal	G.C.C
	Water	K	Internal	G.C.C
	Biodiversity	Non material	NA	NA
	Emissions	K	External	G.C.C
	Effluents and waste	K	External	G.C.C
	Products and services	L,M,N	Internal	G.C.C
	Regulatory compliance	A,K	Mixed	G.C.C
	Transport	K	Mixed	G.C.C
	General	K,M,N	Mixed	G.C.C
	Environmental assessment of suppliers	E	External	G.C.C
	Mechanisms of environmental complaint	A,K	Mixed	G.C.C
Labour practices and decent work	Employment	M	Internal	G.C.C
	Relations between employees and management	M	Internal	G.C.C
	Health and safety at work	M	Internal	G.C.C
	Training and education	M	Internal	G.C.C
	Diversity and equal opportunities	M	Internal	G.C.C
	Equal pay for women and men	M	Internal	G.C.C
	Assessment of the labour practices of suppliers	E	External	G.C.C
	Complaint mechanisms on labour practices	A,H	Internal	G.C.C
Human Rights	Investment	A,C,H	Mixed	G.C.C
	Non discrimination	A,H	Mixed	G.C.C
	Freedom of association and collective bargaining	A,E,H	Mixed	G.C.C
	Child labour	Non material	NA	NA
	Forced labour	Non material	NA	NA
	Safety measures	Non material	NA	NA
	Rights of indigenous people	Non material	NA	NA
	Assessment	A	Mixed	G.C.C
	Assessment of suppliers on human rights	E	External	G.C.C
	Complaint mechanisms on human rights	A,E	Mixed	G.C.C
Society	Local communities	H,I,J	Mixed	G.C.C
	Fight against corruption	A,H	Mixed	G.C.C
	Public policy	A	External	G.C.C
	Unfair competition practices	A	Internal	G.C.C
	Compliance	A	Internal	G.C.C
	Assessment of the social impact of suppliers	E	External	G.C.C
	Complaint mechanisms for social impact	A,D	External	G.C.C
Product responsibility	Health and safety of customers	A,D	External	G.C.C
	Labelling of products and services	A,D	External	G.C.C
	Marketing communications	A,D	External	G.C.C
	Customer privacy	A,D	External	G.C.C
	Regulatory compliance	A	External	G.C.C

6.1 International framework for the development of Integrated Reporting

Cooperative Group Cajamar considers the need to report on relevant issues affecting its ability to create value in the short, medium and long term. To this end the Group has adopted the international reference framework for the development of integrated reporting that has been developed by the International Integrated Reporting Council.



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

Aspects requested		Pages
Description of organization and environment	General description	5-8
	Vision, mission and values	8
	Structure	5-8
	Positioning in the financial sector	5
	Description of the environment	28-33
Corporate Governance	Governance bodies and mechanisms	9-13
	Decision making process	9-16
	Reflection of the culture in the use of capital and its effect	22-23
	Compensation and value creation	13-15,18-20
Business Model	Value chain	17-23
	Materiality	37-39
	Stakeholders: identification, selection and management	24-27
	Creation of shared value	26-27
Opportunities and Risks	Identification of opportunities and risks	28-35
	Probability of occurrence and opportunity for improvement	34-35
Strategy and resource allocation: performance	Objectives and actions developed to achieve them	40-41
	Resource allocation	41
	Measurement of achievements and aims	42-130
Future prospects	Expectations of the organization on the environment and impact on the organization	131-132
	Preparation of the organization regarding future prospects	131-132

6.2 Global Compact and GRI

Banco de Credito Cooperativo as head of Cooperative Group Cajamar is adhered as signatory of the United Nations Global Compact and is committed to implement social responsibility in the company and to annually report on its performance regarding its ten Principles.

Through this integrated report, Cooperative Group Cajamar responds to the information requirements established in the Progress Report.



Aspects included in the integrated report, according to content requirements of the Global Compact

Aspects requested		Equivalence in GRI
Human Rights	Principle 1 Companies and Human Rights Companies must support and respect the protection of fundamental human rights recognized	G4-HR3 to G4-HR6 G4-SO1, G4-SO2
	Principle 2 Violation of Human Rights Companies must make sure that their companies are not complicit in human rights violations	G4HR3 to G4-HR6
Labour standards	Principle 3 Companies and freedom of association Companies must support the freedom of association and the effective recognition of the right to collective bargaining	G4-11, G4-LA4. G4-HR4
	Principle 4 Companies and forced labour and coercion Companies must support the elimination of all forms of forced or compulsory labour	G4-HR6
	Principle 5 Eradication of child labour Companies must support the effective abolition of child labour	G4-HR5
	Principle 6 Discrimination in employment Companies must support the elimination of discrimination in employment and occupation	G4-10, G4-HR3. G4-LA14 to G4-LA15
Environment	Principle 7 Companies and environment Companies must maintain a precautionary approach to environmental challenges	G4-EN1 to G4-EN34
	Principle 8 Initiatives to respect the environment Companies must encourage initiatives promoting greater environmental responsibility	G4-EN1 to G4-EN34
	Principle 9 Dissemination of green technologies Companies must encourage the development and spreading of environment-friendly technologies	G4-EN1 to G4-EN34
Anticorruption	Principle 10 Companies and corruption, extortion and bribery Companies must work against corruption in all its forms, including extortion and bribery	G4 SO3 to G4-SO6

Annex I - GRI Indicators


**MATERIALITY
DISCLOSURES**

GRUPO COOPERATIVO CAJAMAR

**MAY 2015
SERVICE**

General basic contents							
Strategy and Analysis		Page	Ext. V.	Government		Page	Ext. V.
G4-1	Declaration of the maximum authority on the relevance of sustainability to the organization and its strategy.	3-4	Yes, 140-141	G4-36	Executives or positions with responsibility on economic, environmental and social issues, reporting directly to the supreme governing body.	101	Yes, 140-141
G4-2	Description of main impacts, risks and opportunities.	34-35 37-39	Yes, 140-141	G4-37	Consultation processes among stakeholders and the supreme governing body regarding economic, environmental and social issues.	24-26	Yes, 140-141
Organization's Profile		Page	Ext. V.	G4-38	Composition of the supreme governing body and its committees	10-12	Yes, 140-141
G4-3	Organization's name.	5	Yes, 140-141	G4-39	Indicate if the person who chairs the supreme governing body holds also an executive position. If so, describe their executive duties and the reasons for this disposition.	11-12	Yes, 140-141
G4-4	Most important brands, products and services.	5-7	Yes, 140-141	G4-40	Nomination and selection processes of the supreme governing body and its committees, as well as the criteria on which the nomination and selection of the members of such body is based.	11.13	Yes, 140-141
G4-5	Place where the headquarters of the organization are located.	5-6, 105	Yes, 140-141	G4-41	Processes by which the supreme governing body prevents and manages potential conflicts of interest.	14-16	Yes, 140-141
G4-6	Countries in which the organization operates and name of those countries where the organization conducts significant transactions.	5-6	Yes, 140-141	G4-42	Functions of the supreme governing body and senior management in the development, approval and updating of aim, values or mission statements, strategies, policies and objectives regarding economic, environmental and social impacts of the organization.	10.12	Yes, 140-141
G4-7	Nature of ownership and its legal form.	5-6	Yes, 140-141	G4-43	Measures taken to develop and improve the collective knowledge of the supreme governing body regarding economic, environmental and social issues.	14	Yes, 140-141
G4-8	Markets served (with geographical breakdown, by sectors and types of customers and target groups).	44	Yes, 140-141	G4-44	Assessment processes of the performance of the supreme governing body in relation to government on economic, environmental and social issues and actions taken.	13	Yes, 140-141
G4-9	Organization's size.	5-6	Yes, 140-141	G4-45	Role of the supreme governing body in the identification and management of impacts, risks and opportunities of economic, environmental and social nature.	10	Yes, 140-141
G4-10	Detailed breakdown of the staff's distribution	69-70	Yes, 140-141	G4-46	Role of the supreme governing body in the analysis of the effectiveness of risk management processes of the organization regarding economic, environmental and social issues.	10	Yes, 140-141
G4-11	Percentage of employees covered by collective agreements.	80	Yes, 140-141	G4-47	Frequency with which the supreme governing body analyses the impacts, risks and opportunities of economic, environmental and social nature.	10	Yes, 140-141
G4-12	Description of the organization's supply chain.	64-67	Yes, 140-141	G4-48	Committee or most important position which reviews and approves the sustainability report of the organization and ensures that all material aspects are reflected.	10.12	Yes, 140-141
G4-13	Significant changes that have taken place in the size, structure, ownership or supply chain of the organization.	5-6	Yes, 140-141	G4-49	Process for transmitting important concerns the supreme governing body.	14	Yes, 140-141
G4-14	Indicate how the organization deals with, if necessary, the precautionary principle.	8,14-16,54	Yes, 140-141	G4-50	Nature and number of important concerns that were transmitted to the supreme governing body; also describe the mechanisms used to deal with them and to evaluate them.	39	Yes, 140-141
G4-15	List of external initiatives of economic, environmental and social nature that the organization subscribes or has adopted.	16,60,85	Yes, 140-141	G4-51	Compensation policies for the supreme governing body and senior management.	13	Yes, 140-141
G4-16	List of national or international promoting associations and organizations to which the organization belongs, participates or collaborates.	16,63, 95-96	Yes, 140-141	G4-52	Process for determining the remuneration.	13	Yes, 140-141
Material aspects and coverage		Page	Ext. V.	G4-53	How the opinion of the stakeholders regarding compensation is requested and taken into account, including, where appropriate, the voting results on policies and proposals related to this issue.	25-27	Yes, 140-141
G4-17	Entities stating on the report and/or in the consolidated financial statements of the organization and other equivalent documents.	5	Yes, 140-141	G4-54	Ratio of total annual compensation of the best paid person in the organization in each country where significant transactions are carried out with the annual average total compensation of the entire staff.	73	Yes, 140-141
G4-18	Description of the process followed to determine the report's contents and the coverage of each aspect, and their principles of preparation	2.37	Yes, 140-141	G4-55	Relation between the percentage increase in total annual compensation of the best paid person in the organization in each country where significant transactions are carried out with the percentage increase in the annual average total compensation of the entire staff	73	Yes, 140-141
G4-19	List of material aspects identified during the defining process of the report's contents.	37	Yes, 140-141	Ethics and integrity		Page	Ext. V.
G4-20	Coverage of each material aspect within the organization	37, 133	Yes, 140-141	G4-56	Values, principles, standards and rules of the organization, such as codes of conduct or ethical codes.	8.17	Yes, 140-141
G4-21	Limit of each material aspect outside the organization	37, 133	Yes, 140-141	G4-57	Internal and external advisory mechanisms towards enhancing an ethical and lawful conduct, and for issues related to the integrity of the organization, such as helplines or advice.	15.51	Yes, 140-141
G4-22	Consequences of the restatements of information provided in earlier reports and their causes.	2	Yes, 140-141	G4-58	Internal and external mechanisms to report unethical or illegal conduct and matters related to the integrity of the organization, such as the staggered reporting to executives, mechanisms to report irregularities and helplines.	15.25-26.51	Yes, 140-141
G4-23	Significant changes in the scope and coverage of each aspect compared to previous reports.	2	Yes, 140-141				
Participation of stakeholders		Page	Ext. V.				
G4-24	List of stakeholders linked to the organization.	24	Yes, 140-141				
G4-25	Criteria on which the selection of stakeholders to work with is based.	24	Yes, 140-141				
G4-26	Description of the focus of the organization on the involvement of stakeholders.	24	Yes, 140-141				
G4-27	Key issues and problems arisen from the involvement of stakeholders and assessment performed by the organization.	26, 39	Yes, 140-141				
Report's profile		Page	Ext. V.				
G4-28	Reporting period	2	Yes, 140-141				
G4-29	Date of last report	2	Yes, 140-141				
G4-30	Reports' presentation cycle	2	Yes, 140-141				
G4-31	Meeting point to resolve any doubts that may arise regarding report's contents	141	Yes, 140-141				
G4-32	"Agreement" option chosen by the organization and reference to external verification report	136-140	Yes, 140-141				
G4-33	Policy and practices of the organization regarding the external verification of the report	2	Yes, 140-141				
Governance		Page	Ext. V.				
G4-34	Governance structure of the organization	10-12	Yes, 140-141				
G4-35	Process through which the supreme governing body delegates its authority to economic, environmental and social issues.	10-12	Yes, 140-141				

Specific basic contents: Management approaches			Social dimension		Page	Ext. V.
Scale of the impact of products and services			Human Rights			
List of products			Assessment of suppliers on human rights		66-68	Yes, 140-141
Policies with specific environmental and social aspects applied to business lines (FS1)			Complaint mechanisms on human rights		16	Yes, 140-141
Procedures for the evaluation and control of social and environmental risks in business lines (FS2)			Society			
Processes for monitoring the implementation by customers of the social and environmental requirements included in agreements or transactions. (FS3)			Local communities		88	Yes, 140-141
Processes for improving staff competency to implement the environmental and social policies and procedures applied to business lines (FS4)			Fight against corruption		49-51	Yes, 140-141
Interactions with customers/affiliated companies/business partners regarding the environmental and social risks and opportunities (FS5)			Public policy		43	Yes, 140-141
Audit			Unfair competition practices		47	Yes, 140-141
Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures (FS9)			Compliance		47	Yes, 140-141
Active ownership			Assessment of the social impact of suppliers		65-66	Yes, 140-141
Voting policies on environmental or social issues for shares on which the organization has not the right to vote or may not advise on voting (FS12)			Complaint mechanisms for social impact		66	Yes, 140-141
Labelling of products and services			Product responsibility			
Fair trade policies of financial products and services (FS15)			Health and safety of customers		20	Yes, 140-141
Initiatives to enhance financial literacy, broken down by type of beneficiary (FS16)			Labelling of products and services		56-58	Yes, 140-141
Economic dimension			Marketing communications		57	Yes, 140-141
Economic performance			Customer privacy		61	Yes, 140-141
Market presence			Regulatory compliance		47	Yes, 140-141
Indirect economic consequences			Performance indicators			
Procurement practices			Impact of products and services			
Environmental dimension			List of products			
Materials			FS6	Percentage of the portfolio for business lines	42-44	Yes, 140-141
Energy			FS7	Monetary value of products and services designed to provide a specific social benefit for each business line broken down by purpose	21, 85-87	Yes, 140-141
Water			FS8	Monetary value of products and services designed to provide a specific environmental benefit for each business line broken down by purpose	21.83-84	Yes, 140-141
Biodiversity			Active ownership			
Emissions			FS10	Percentage and number of companies within the portfolio of the entity with which the organization has interacted on environmental and social issues	65-67	Yes, 140-141
Effluents and waste			FS11	Percentage of assets subject to environmental or social controls both positive and negative	52-53	Yes, 140-141
Products and services			Economic dimension			
Regulatory compliance			Economic performance			
Transport			G4-EC1	Direct economic value generated and distributed	20	Yes, 140-141
General			G4-EC2	Economic consequences and other risks and opportunities for the activities of the organization arising from climate change	33-35	Yes, 140-141
Environmental assessment of suppliers			G4-EC3	Coverage of the organization's obligations arising from its benefit plan	75-78, 81	Yes, 140-141
Mechanisms of environmental complaint			G4-EC4	Economic aids granted by government authorities	71	Yes, 140-141
Social dimension			Market presence			
Labour practices and decent work			G4-EC5	Relation between initial wage by gender and local minimum wage in places where significant transactions are developed.	73	Yes, 140-141
Employment			G4-EC6	Percentage of senior management from the local community in places where locations where significant transactions are developed.	74	Yes, 140-141
Relations between employees and management			Indirect economic consequences			
Health and safety at work			G4-EC7	Development and impact of infrastructure investments and types of services.	83-94	Yes, 140-141
Training and education			G4-EC8	Significant indirect economic impacts and their scope.	20.89-90	Yes, 140-141
Diversity and equal opportunities			Procurement practices			
Equal pay for women and men			G4-EC9	Percentage of expenditure in places with significant transactions corresponding to local suppliers.	65	Yes, 140-141
Assessment of the labour practices of suppliers			Environmental performance			
Complaint mechanisms on labour practices			Materials			
Human Rights			G4-EN1	Materials by weight or volume.	110-111	Yes, 140-141
Investment			G4-EN2	Percentage of materials used that are recycled materials.	111	Yes, 140-141
Non discrimination			Energy			
Freedom of association and collective bargaining			G4-EN3	Internal power consumption	108	Yes, 140-141
Child labour			G4-EN4	External power consumption	108	Yes, 140-141
Forced labour			G4-EN5	Energy intensity	108	Yes, 140-141
Safety measures						

Rights of indigenous people		*	Yes, 140-141	G4-EN6	Reduction of power consumption	103-108	Yes, 140-141
Assessment		68	Yes, 140-141	G4-EN7	Reductions in energy requirements of products and services	107-108	Yes, 140-141
Performance indicators							
Environmental performance		Page	Ext. V.	Labour practices and decent work		Page	Ext. V.
Water				Employment			
G4-EN8	Total water collection by sources.	111	Yes, 140-141	G4-LA1	Total number and rate of recruitment and average rotation of employees, broken down by age group, gender and region	70	Yes, 140-141
G4-EN9	Water sources that has been significantly affected by collection of water	(b)	Yes, 140-141	G4-LA2	Social benefits for full-time employees, not offered to temporary or part-time employees, broken down by significant activity locations	75-78	Yes, 140-141
G4-EN10	Percentage and total volume of recycled and reused water	(b)	Yes, 140-141	G4-LA3	Levels of return to work and retention after maternity or paternity, broken down by gender	76	Yes, 140-141
Biodiversity				Relations between employees and management			
G4-EN11	Operational facilities owned, leased, managed that are adjacent, contain or are located in protected and unprotected areas of high biodiversity value	(c)	Yes, 140-141	G4-L4	Minimum notice periods for operational changes and potential inclusion of those in collective agreements	78	Yes, 140-141
G4-EN12	Description of the most significant impacts on biodiversity in protected areas or unprotected areas of high value in terms of biodiversity derived from the activities, products and services	(c)	Yes, 140-141	Health and safety at work			
G4-EN13	Habitats protected or restored	(c)	Yes, 140-141	G4-LA5	Percentage of employees represented on joint management-employee health and safety committees, established to promote control and advise on safety programs and occupational health	78	Yes, 140-141
G4-EN14	Number of species in the IUCN Red List and in national conservation lists whose habitats are in areas affected by the operations, by level of risk of extinction of species	(c)	Yes, 140-141	G4-LA6	Type and rate of injuries, occupational diseases, lost days, absenteeism and number of fatalities related to work by region and gender	79	Yes, 140-141
Emissions				G4-LA7	Employees whose profession has a high incidence or risk of disease	78-79	Yes, 140-141
G4-EN15	Direct emissions of greenhouse gases (Scope 1)	109	Yes, 140-141	G4-LA8	Health and safety issues covered in formal agreements with trade unions	78-81	Yes, 140-141
G4-EN16	Indirect emissions of greenhouse gases in generating energy (Scope 2)	109	Yes, 140-141	Training and education			
G4-EN17	Other indirect emissions of greenhouse gases (Scope 3)	109	Yes, 140-141	G4-LA9	Annual average training hours per employee by gender and job category	71	Yes, 140-141
G4-EN18	Intensity of emissions of greenhouse gases	109	Yes, 140-141	G4-LA10	Programs for skills management and continuous training that promote employability of workers and help them to manage the end of their careers	72	Yes, 140-141
G4-EN19	Reductions of emissions of greenhouse gases	108-109	Yes, 140-141	G4-LA11	Percentage of employees receiving regular assessment of performance and career development, broken down by gender and professional category	72	Yes, 140-141
G4-EN20	Emissions of ozone depleting substances	(d)	Yes, 140-141	Diversity and equal opportunities			
G4-EN21	NOX, SOX, and other significant air emissions	(e)	Yes, 140-141	G4-LA12	Composition of governance bodies and breakdown of employees by professional category and gender, age, minority group membership and other indicators of diversity	74-75	Yes, 140-141
Effluents and waste				Equal pay for women and men			
G4-EN22	Total discharge of water, by type and destination.	(f)	Yes, 140-141	G4-LA13	Relation between basic salary of men and women, broken down by significant activity locations	74	Yes, 140-141
G4-EN23	Total weight of waste managed, by type and disposal method	110	Yes, 140-141	Assessment of the labour practices of suppliers			
G4-EN24	Total number and volume of most significant spills	(g)	Yes, 140-141	G4-LA14	Percentage of new suppliers examined, in accordance with criteria relating to labour practices	65-66	Yes, 140-141
G4-EN25	Weight of waste transported, imported, exported or treated deemed hazardous under Annexes I, II, III and VIII of the Basel Convention and percentage of internationally transported waste	(h)	Yes, 140-141	G4-LA15	Significant impacts, both real and potential, of labour practices in the supply chain, and measures taken	68.81	Yes, 140-141
G4-EN26	Identification, size, protected status and biodiversity value of water bodies and related habitats significantly affected by discharges and runoff of the organization	(i)	Yes, 140-141	Complaint mechanisms on labour practices			
Products and services				G4-LA16	Number of environmental complaints on labour practices that have been filed, dealt with and resolved through formal complaint mechanisms	68	Yes, 140-141
G4-EN27	Mitigation of the environmental impact of products and services	112, 115	Yes, 140-141	Human Rights		Page	Ext. V.
G4-EN28	Percentage of products sold and their packaging materials, recovered at the end of its useful life, broken down by category	(j)	Yes, 140-141	Investment			
Regulatory compliance				G4-HR1	Number and percentage of significant investment contracts and agreements including human rights clauses or that have been analysed on human rights	16, 65-66	Yes, 140-141
G4-EN29	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	103	Yes, 140-141	G4-HR2	Training hours of employees on policies and procedures concerning aspects of those human rights relevant to their activities, including the percentage of trained employees	72	Yes, 140-141
Transport				Non discrimination			
G4-EN30	Significant environmental impacts of transporting of products and other goods and materials used for the activities of the organization as well as the transport of personnel	108-109	Yes, 140-141	G4-HR3	Number of cases of discrimination and corrective actions taken	73-74	Yes, 140-141
General				Freedom of association and collective bargaining			
G4-EN31	Breakdown of expenditure and investment for environmental protection	112-113, 115-127	Yes, 140-141	G4-HR4	Identification of centres and providers in which freedom of association and right to collective bargaining may be violated or being threatened, and measures taken to defend these rights	80-81	Yes, 140-141
Environmental assessment of suppliers				Child labour			
G4-EN32	Percentage of new suppliers examined, in accordance with environmental criteria	66-67	Yes, 140-141	G4-HR5	Identification of centres and suppliers with a significant risk of cases of child labour, and measures taken to contribute to the abolition of child labour	*	Yes, 140-141
G4-EN33	Significant negative environmental impacts, both real and potential, in the supply chain and measures taken regard	66	Yes, 140-141	Forced labour			
Mechanisms of environmental complaint				G4-HR6	Significant centres and suppliers with a significant risk of leading to episodes of forced labour, and measures to contribute to the elimination of all forms of forced labour	*	Yes, 140-141
G4-EN34	Number of environmental complaints that have been filed, dealt with and resolved through formal complaint mechanisms	103	Yes, 140-141				

Performance indicators			
Human Rights		Page	Ext. V.
Safety measures			
G4-HR7	Percentage of security personnel who have received training on policies and procedures of the organization on human rights relevant to operations	*	Yes, 140-141
Rights of indigenous people			
G4-HR8	Number of cases of violation of indigenous people's rights and actions taken	*	Yes, 140-141
Assessment			
G4-HR9	Number and percentage of centres that have undergone tests or assessments of impacts on human rights	68	Yes, 140-141
Assessment of suppliers on human rights			
G4-HR10	Percentage of new suppliers examined, in accordance with criteria relating to human rights	66-67	Yes, 140-141
G4-HR11	Significant negative impacts on human rights, both real and potential, in the supply chain and measures taken	66-68	Yes, 140-141
Complaint mechanisms on human rights			
G4-HR12	Number of complaints on human rights that have been filed, dealt with and resolved through formal complaint mechanisms	16	Yes, 140-141
Society		Page	Ext. V.
Local communities			
G4-SO1	Percentage of operations where development programs, impact assessments and local community involvement have been implemented	83-87 89-92	Yes, 140-141
G4-SO2	Operation centres with significant negative impacts, both potential or real, on local communities	88,91-92 95-98	Yes, 140-141
FS13	Access to financial services in unpopulated/disadvantaged areas by access type.	88	Yes, 140-141
FS14	Initiatives to improve access for people with disabilities or impairments.	62	Yes, 140-141
Fight against corruption			
G4-SO3	Number and percentage of centres that have assessed the risks related to corruption and significant risks identified	50	Yes, 140-141
G4-SO4	Policies and procedures for communication and training on the fight against corruption	49-51 71-72	Yes, 140-141
G4-SO5	Confirmed cases of corruption and actions taken	54	Yes, 140-141
Public policy			
G4-SO6	Value of political contributions, by country and recipient	43	Yes, 140-141
Unfair competition practices			
G4-SO7	Number of claims for unfair competition, monopolistic practices or against free competition and results thereof.	47	Yes, 140-141
Compliance			
G4-SO8	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with laws and regulations	47	Yes, 140-141
Assessment of the social impact of suppliers			
G4-SO9	Percentage of new suppliers examined, in accordance with criteria regarding social impact	65-66	Yes, 140-141
G4-SO10	Significant negative social impacts, both real and potential, in the supply chain and measures taken	66	Yes, 140-141
Complaint mechanisms for social impact			
G4-SO11	Number of complaints on social impact that have been filed, dealt with and resolved through formal complaint mechanisms	66	Yes, 140-141
Product responsibility		Page	Ext. V.
Health and safety of customers			
G4-PR1	Percentage of categories of significant products and services whose impacts on health and safety are assessed to promote improvements	20	Yes, 140-141
G4-PR2	Number of incidents derived from non-compliance with regulations and voluntary codes regarding the impacts of products and services on health and safety during their life cycle, broken down by type of result of such incidents	20	Yes, 140-141
Labelling of products and services			
G4-PR3	Type of information required by the procedures of the organization regarding information and labelling of products and services, and percentage of categories of significant products and services subject to such requirements	57	Yes, 140-141

Product responsibility		Page	Ext. V.
Labelling of products and services			
G4-PR4	Number of non-compliance with regulations and voluntary codes regarding information and labelling of products and services, broken down by type of result.	57	Yes, 140-141
G4-PR5	Results of surveys measuring customer satisfaction	56-58	Yes, 140-141
Marketing Communications			
G4-PR6	Selling of prohibited or in dispute products	59	Yes, 140-141
G4-PR7	Number of non-compliance of regulations or voluntary codes regarding marketing communications, including advertising, promotion and sponsorship, broken down by type of result	57	Yes, 140-141
Customer privacy			
G4-PR8	Number of substantiated complaints on the violation of privacy and loss of customer data	61	Yes, 140-141
Regulatory compliance			
G4-PR9	Cost of significant fines for violating the regulations and legislation regarding the provision and use of products and services.	47	Yes, 140-141
Notes			
(a)	Cooperative Group Cajamar is working on the identification of social and environmental risks and the development of actions aimed at the implementation of audits to assess such risks. It expects to progress in this area in coming years		
(b)	The company has its headquarters in urban areas, so the collected and discharged water is performed through the urban network		
(c)	The company has its headquarters in urban areas so it does not have any land adjacent to or located within protected natural spaces or unprotected areas of high biodiversity.		
(d)	Due to the activity of the Entity, depleting substances are not generated		
(e)	Due to the financial activity of the Entity, no significant emissions occur		
(f)	The entity collects and discharges water through the urban network		
(g)	The entity has its headquarters in urban areas, and due to its activity spills are not generated		
(h)	The entity does not carry waste due to its activity		
(i)	The Entity has its headquarters in urban areas, therefore, it does not impact on protected natural areas and/or on biodiversity		
(j)	This information is not relevant given the financial activity of the Entity		
(*)	Information related to a management approach considered non-material, according to GRI-4 guidelines		
Cooperative Group Cajamar prepares its integrated its report based on the "Materiality Disclosure Service" option of GRI-4			
Cooperative Group Cajamar supports the GRI initiative, whose main objective is to promote among the organizations the production of sustainability reports containing the measurement, disclosure and accountability to all its stakeholders in relation to the performance and with the objective of sustainable development. Therefore, the Group has prepared this report under the guidelines set out in the "Guide for the Preparation of GRI Sustainability Reports" in its new G4 version as well as the criteria set in the financial supplement.			
In this sense, and after the verification conducted by the independent company PwC, the report has been prepared based on the GRI "exhaustive agreement" in accordance with its G4 guidelines. Such option indicates that Cooperative Group Cajamar includes the basic elements of a Corporate Responsibility report in its integrated report and also describes its performance in more detail covering all indicators related to materials aspects.			

Annex – II PwC Verification Report



Free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.

REPORT ON INDEPENDENT REVIEW OF THE INTEGRATED REPORT OF COOPERATIVE GROUP CAJAMAR

To the Management of Cooperative Group Cajamar:

We have reviewed the Corporate Responsibility indicators contained in the "Annex I - GRI Indicators" of the Integrated Report of Cooperative Group Cajamar for the financial year ending 31 December 2014, with regard to the general and specific standard disclosures proposed in the Guidelines for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI) version G4 (hereinafter referred to as G4 GRI Guidelines) and the Financial Services Sector Supplement.

Responsibility of Cooperative Group Cajamar Management regarding the Integrated Report

Cooperative Group Cajamar Management is responsible for the preparation, contents and presentation of the Integrated Report in accordance with the G4 GRI Guidelines and according to the "In-accordance" option (In accordance – Core) indicated in point G4-32 of the "Annex I - GRI Indicators" and the AA1000 Accountability Principles.

Management is also responsible for establishing, implementing, adapting and maintaining the internal management and control systems from which information is obtained.

Our responsibility

Our responsibility is to issue an independent review report to give a limited assurance conclusion based on the procedures applied in our review in accordance with the ISAE 3000 Standard "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines on reviews of Corporate Responsibility Reports issued by the Spanish Institute of Certified Public Accountants.

Procedures carried out

To issue this report, we have applied analytical procedures and tests, which have generally been as follows:

- Meetings with Cooperative Group Cajamar staff from various departments involved in preparing the 2014 Integrated Report, to ascertain the procedures for collecting and validating the information on the indicators presented in the "Annex I - GRI Indicators" of the 2014 Integrated Report and obtain the information required for the external review.
- Review of the actions taken in relation to identification and consideration of interested parties during the financial year, and the boundaries, materiality and integrity of information on the Corporate Responsibility indicators included in the 2014 Integrated Report based on Cooperative Group Cajamar understanding of the requirements of stakeholders.

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R. M. Madrid, page 87,250-1, sheet 75, volume 9,267, book 8,064, section 3.
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- Analysis of the adaptation of the indicators of the 2014 Integrated Report to the G4 GRI Guidelines on the preparation of reports and the Financial Services Sector Supplement.
- Verification, by review tests applied to a selected sample, of the quantitative and qualitative information for the 2014 financial year of the indicators included in the general and specific basic contents proposed in the G4 GRI Guidelines and the Financial Services Sector Supplement and included in the "Annex I - GRI Indicators" of the 2014 Integrated Report. We have also verified that the information has been adequately compiled from the data provided by Cooperative Group Cajamar sources of information.

The scope of a limited review is substantially less than that of a reasonable assurance review and, consequently, such reviews provide less assurance. In no event may this report be understood to be an audit report.

Independence and Quality Control

We have complied with the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), which includes the requirement of independence and other requirements based on the main principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

PwC applies the International Standard on Quality Control 1 (ISQC 1) and, consequently, our firm has a global quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards and applicable statutory requirements.

Conclusion

On the basis of the results of our review, nothing has come to our attention that causes us to believe that the Corporate Responsibility indicators contained in the "Annex I - GRI Indicators" of Cooperative Group Cajamar 2014 Integrated Report contain significant errors or have not been prepared, in all significant aspects, in accordance with the G4 GRI Guidelines and the Financial Services Sector Supplement.

PricewaterhouseCoopers Auditores S.L.

Mª Luz Castilla

18 may 2015

For any matters regarding this report, any person or institution interested in make suggestions or participate in any of our projects, please contact the Department of Corporate Social Responsibility at the following address:

Banco de Credito Cooperativo-Grupo Cajamar

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