



# 2016

**CAIXA** SUSTAINABILITY REPORT





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# INTRODUCTION





Welcome to the *CAIXA 2016 Sustainability Report*.

This document was based on the Global Reporting Initiative (GRI) guidelines, taking into account the most relevant indicators and management data from the perspective of the institution and its stakeholders.

The information is relative to 2016, presenting both financial and non-financial data – such as information on corporate governance, social impact measures and environmental investments –, as well as programs for the Brazilian public and workers that bring the CAIXA slogan of being more than just a bank to life.

Enjoy reading it!



## THE YEAR IN NUMBERS

Check out highlights which summarize CAIXA projects and results in its material management topics

### ECONOMIC-FINANCIAL PERFORMANCE

# R\$ 4.1 B

in net income, in a challenging macroeconomic conjuncture

### REVENUE FROM CREDIT OPERATIONS

2014



2015



2016



# R\$ 2.1 T

in assets under management at CAIXA

# R\$ 709.3 B

balance in extended credit portfolio

# 2.88%

is the total 90 days+ default rate, below the market average of 3.71%

# R\$ 1.3 T

Bank's own assets

### GOVERNANCE AND LEADERSHIP

**CAIXA INTEGRITY PROGRAM** elaborated within the context of the formulation the bank's anti-corruption policy, based on 5 principles

# 3,500

employees were assessed for knowledge of the CAIXA Code of Ethics

# + than 61%

of employees were assessed for knowledge of the Employee and Director Code of Conduct

**11 OF THE INSTITUTION'S 21 AREAS** ARE BEING ASSESSED IN RELATION TO THE RISK OF CORRUPTION

### THE PEOPLE BEHIND CAIXA

# 19.2%

of the employees (all managers) mobilized in the second performance appraisal cycle

# + than 90,000

CAIXA employees took part in courses and training in the year, totaling 4.8 million class-hours

# R\$ 3.9 M

invested in incentives for higher education, benefiting more than 1,000 employees

**MORE THAN JUST A BANK**

**40 million families and 143.9 million people in Brazil's Single Registry (Cadastro Único) database**

**13.6 M**

families in 5,449 municipalities benefited from the Family Allowance (Bolsa Família)

**50 years**

of the FGTS, celebrated with record gross revenue: R\$ 119.1 billion

**R\$ 70 B**

invested by FGTS in the housing, sanitation and infrastructure areas

**356,993**

new housing units contracted under Minha Casa Minha Vida (My House My Life) program

**R\$ 261.6 M**

invested in Brazilian sport in 2016

**LIFE NEEDS MORE SUSTAINABILITY**

**R\$ 390 M**

in new guided production micro-credit contracts

**R\$ 24.7 M**

in investments in the CAIXA Social and Environmental Fund, covering

**11**

financial cooperation agreements

**105**

social and environmental reports elaborated in assessments of large operations involving business clients

**18**

Brazilian territories impacted by the DIST (Integrated Sustainable Territory Development) strategy

**R\$ 100 M**

earmarked for renewable energy project in 195 agencies in the coming years; 41 units finalized in 2016

At CAIXA, sustainability is integrated into the product and service portfolio, impact monitoring and social investment

# MESSAGE FROM THE PRESIDENT G4-1, G4-2



**Gilberto Occhi**  
President, CAIXA

CAIXA's history of over 150 years has always been marked by promoting civic awareness and sustainable development in the country, be it as a financial institution, an agent of public policy or a strategic partner to the Brazilian State. Today it occupies a consolidated position in the market as a solid, modern, large-scale company, that has not lost sight of its belief in human potential and in the idea that life needs more than just a bank.

For this reason, in 2016 CAIXA maintained its focus on strategic segments that drive the development of the country and help reduce social and regional inequalities, in addition to playing an important role in investing in infrastructure and boosting the resumption of economic growth, a fundamental challenge at this moment in time. Through granting mortgages for housing, financing production and consumption, as well as initiatives in the sanitation and infrastructure areas, CAIXA reinforced its vocation of believing in the country's capacity to overcome adversity, evident in the 4.4% increase in the balance of the credit portfolio, which totaled R\$ 709.3 billion in 2016.

By paying some 167 million social benefits related to income transfer programs in 2016, CAIXA invested more than R\$ 28.5 billion in eradicating poverty and improving income distribution among the Brazilian population. The Bolsa Família (Family Allowance) program alone accounted for approximately 95% of the payment volume and 96% of the total amount of the transfers, benefiting 13.6 million families. In parallel, programs

for Brazilian workers paid out more than 62 million benefits worth approximately R\$ 54 billion in 2016.

Celebrating 50 years of existence in 2016, the state severance fund Fundo de Garantia do Tempo de Serviço (FGTS) collected record gross revenues of R\$ 119.1 billion.

More than R\$ 7.9 billion in federal funds were transferred for the execution of projects, acquisitions and public works, up 17% over the previous year. The number of new contracts increased by 52%. In 2016, CAIXA also disbursed R\$ 12.1 billion in 64 finance contracts for sanitation and infrastructure works.

The bank contracted approximately 357,000 new units under the Minha Casa Minha Vida program, with credit totaling R\$ 41.5 billion. During the course of the year the bank handed over more than 277,000 units that had been contracted previously.

In rural housing, 18,600 new units were contracted by CAIXA, while another 19,000 finalized units were handed over. These numbers demonstrate the dimension of the bank's social impact, as well as the adherence of its business practices to the values which have underpinned its activities since the 19th century.

The net income of R\$ 4.1 billion in 2016 was due in great part to increased revenues from service provision and greater control over administrative and operational expenses. A great deal of effort was focused on the pursuit of management efficiency at all levels in 2016, with the review and automation of processes, investments in updating and acquiring new technology systems, as well as strengthening control and risk management mechanisms, which included the social and environmental areas.

The year also saw advances in the adoption of best practices linked with the corporate governance model, driving enhanced performance in the company while protecting the rights of all stakeholders. The launch of the CAIXA Integrity





Program, which consolidates the controls and activities aimed at risk management and anti-corruption practices, is proof of the institution's commitment to systematically combating illicit acts. The engagement and training of suppliers and partner networks have been fundamental in this process.

Consolidation and progress are the focus for CAIXA at this moment. To achieve its strategy of becoming even stronger, more efficient and profitable, the company has invested in training employees, in developing leaders, in diversity and in initiatives aligned with the wishes of the younger generations, seeking to leverage each one of its employee's capacity for work and for achievement. This human capital will assume an increasingly important role in connecting the bank with the future, in developing dialogue with a society undergoing constant change, and in improving the client experience and making CAIXA simpler, nimbler, more integrated and more innovative.

For CAIXA, strengthening relations with clients and the continuous improvement of its services are crucial. In 2016, the Client Contact Service and the Ombudsman handled the great part of our client demands – without the need to access external channels –, which shows increased confidence in the channels maintained by the bank. This is the result of recent corporate efforts to enhance products and services, such as credit cards, internet banking, social benefits and call centers.

The world is experiencing an intense cycle of innovation and creativity, with the potential to drastically change the way banks do business and provide services. It is essential to think of the future and to take decisions now to ensure CAIXA continues to contribute decisively to Brazil's development. This also requires the ongoing implementation of a sustainability agenda aimed at people, the planet and prosperity, based on a business vision that permeates the entire organization and takes into account the interests of everyone involved.

Therefore, in addition to continuing to analyze social and environmental criteria in investment decisions and to ensure the inclusion of these requirements in financing for medium and large scale projects, in 2016 CAIXA launched its "Social Impact Business Challenge", focused on financial literacy and financial services for everyone. The CAIXA Social and Environmental Fund (funded

from the company's net income), signed 11 Financial Cooperation Agreements totaling almost R\$ 25 million in social and environmental projects and actions for low-income groups. In the areas covered by the Minha Casa Minha Vida program and the region served by the floating branch Ilha do Marajó, the application of the DIST Sustainable Integrated Territorial Development program has been reinforcing governance, articulating and revitalizing social networks, driving more open relations and integrating public policies in these locations. In partnership with the Ministry of Cities National Housing Department (SNH), CAIXA is still discussing quality and sustainability in the conception, implementation and post-occupation phases of housing developments, with the target of using them as generators of urban, social and environmental development.

These and other initiatives are part of this report, which presents CAIXA's economic, social and environmental results for 2016. This performance reflects the commitment and tireless work of our employees who we thank for the recognition CAIXA has achieved in society as one of the companies that has most contributed to the country's growth and to improved quality of life for Brazilians. We also thank our clients and partners for their loyalty and confidence, which sustain us in our constant pursuit of the improvements which are so essential for the development of the institution and of the country.

**In a tough macroeconomic conjuncture, CAIXA delivered results in line with its track record.**

# R\$ 25 M

in social and environmental projects and measures for low-income groups

# CAIXA

## IN THIS CHAPTER

### ► BUSINESS MODEL

## CONNECTION WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

This chapter is aligned with the directives:



INFORMATION DISCLOSURE AND REPORTING



MANAGING ADMINISTRATIVE PRACTICES AND THE SUPPLY CHAIN



PROMOTING SUSTAINABLE DEVELOPMENT



GOVERNANCE



MANAGING SOCIAL AND ENVIRONMENTAL RISK



STAKEHOLDER RELATIONSHIP AND ENGAGEMENT





## HAND IN HAND WITH THE PUBLIC

With a history going back over 150 years, the bank combines financial services with support for the country's development

Linked with the Ministry of Finance, CAIXA is a 100% state-owned company with its headquarters in Brasília (DF). With own assets valued at R\$ 1.3 trillion at the end of 2016, it is the third largest Brazilian bank. It currently has more than 57,000 service points and a client base of 82.9 million checking and savings account holders. [G4-5](#)

Since its creation in 1861, CAIXA has firmly maintained its vision of being more than just a bank, acting as a financial institution present in the day-to-day lives of millions of Brazilians, both in the provision of banking services and in the operation of federal government initiatives in sectors such as infrastructure, housing, sanitation, social and income transfer programs. This strategic orientation, in addition to initiatives in the artistic, cultural, educational and sports areas, enables CAIXA to contribute to Brazil's development, to improved quality of life and to the social inclusion of its citizens. [G4-3](#), [G4-4](#), [G4-7](#)

CAIXA is, for example, the agent responsible for labor benefits such as the FGTS employee severance fund, the PIS Social Integration Program and for unemployment insurance. The bank is also responsible for running programs such as the Bolsa Família (Family Allowance) – which benefits more than 13 million Brazilians, the Student Financing Fund (FIES) and the Minha Casa Minha Vida program.

The institution is also responsible for offering financial solutions for agricultural producers and sectors such as agribusiness, for providing international services, and for managing the lotteries in Brazil, which generate funds for federal government social actions.

Aligned with its historical commitment to reduc-

ing social and regional inequalities and encouraging investments in the country, CAIXA activities were responsible for injecting R\$ 732.7 billion in the Brazilian economy in 2016. This encompassed loans, the operation of social and income transfer programs, investments in the bank's infrastructure, personnel remuneration and the social investments financed by the lotteries, among others.

During the year, the bank had a net income of R\$ 4.1 billion while its own assets increased by 13%. [G4-9](#)

**CAIXA attributions include the operation of federal government social and income transfer programs.**

### MISSION [G4-56](#)

To promote citizenship and the sustainable development of the country, acting as a financial institution, an agent of public policy and a strategic partner to the Brazilian state.

### VALUES

- Our work is important to society
- We are proud to work at CAIXA
- Together we can do more
- Our activities are guided by ethics
- We respect the ideas, the choices and the differences of the whole of society
- Leadership by example
- We are innovative in everything we do



## BUSINESS MODEL G4-4, G4-8, G4-FS6

Since its foundation, the bank has generated economic and social development

CAIXA is present nationwide with a network that includes branches, lottery units, banking correspondents, ATMs, mobile units and floating branches. Currently there are over 57,000 service points in the country, meeting the needs of clients with the most diverse profiles and characteristics. Moreover, the bank maintains an overseas presence in more than 20 countries, providing services such as FGTS withdrawals, overseas trade and real estate loans.

Currently, the institution has two floating agencies: the Chico Mendes, inaugurated in 2010, and the Ilha do Marajó, which came into operation in 2014. These units provide banking services for riverside communities, helping drive inclusion and citizenship for the populations in remote regions in the states of Amazonas and Pará, respectively. CAIXA also has eight mobile truck-based agencies which provide services, especially at agribusiness events and fairs.



### BANKING SERVICES

Today CAIXA has a base of 82.9 million checking and savings account holders. Of this total, 4.6 million opened their accounts in 2016 (*further information in Dedication to the client*).



### COMPANY CLIENTS

The CAIXA company client segment is divided into four business lines or categories: Medium and Large Enterprises (MLE), Micro and Small Enterprises (MSE), International Operations and Government and Judiciary (*further information in Economic-Financial Performance*).

SERVICE NETWORK 2016 G4-9	CAIXA	NORTH	NORTHEAST	MIDWEST	SOUTH	SUDESTE
Branches	3,412	315	183	643	646	1,625
Service points (PA)	837	119	51	109	273	285
Self-service centers	3,979	399	214	724	833	1,809
Electronic service points (PAE)	2,172	482	189	362	494	645
Lottery units	13,080	1,136	807	3,076	2,292	5,769
Caixa Aqui correspondents	11,178	903	556	2,529	2,550	4,640
Banco 24Horas terminals	19,868	1,685	1,198	3,702	1,827	11,456
Caixa shared service with Banco do Brasil	2,953	428	303	704	557	961
<b>TOTAL</b>	<b>57,474</b>	<b>5,465</b>	<b>3,500</b>	<b>11,850</b>	<b>9,473</b>	<b>27,186</b>

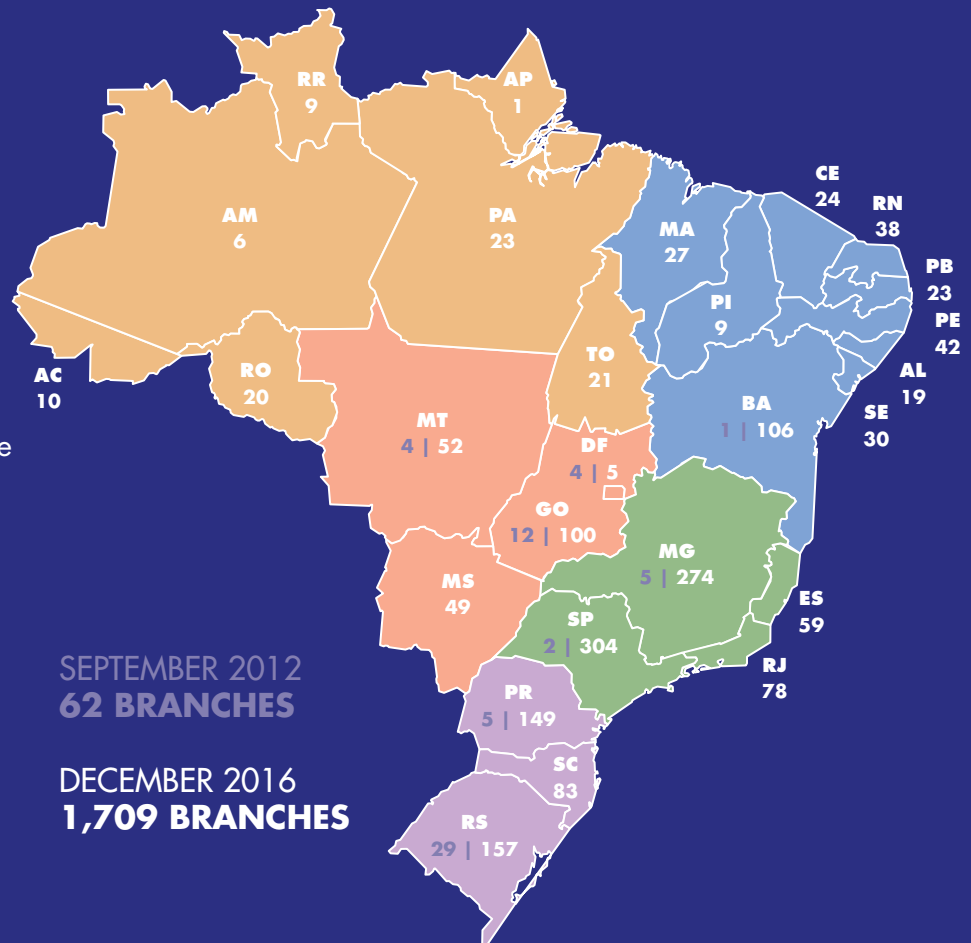
\* The numbers reported for Branches, Service Points (PA), Self-Service Centers and Electronic service points (PAE) are provided by BACEN.





## RURAL/ AGRIBUSINESS LOANS

CAIXA is active in the provision of rural loans all over the country. The bank's differential is its speed and agility in processing loans. Applications may be made at any one of the 1,709 branches qualified to provide rural loans, or at the CAIXA agribusiness trucks which serve as agencies in sector events and fairs.



Individuals, agricultural industries and cooperatives benefit from the CAIXA Rural Loans lines, which use mandatory funds and cash deposits, as well as BNDES onlending lines, such as the Warehouse Construction and Expansion Program(PCA), Inovagro and Moderfrota.

In 2016, in addition to its costing, investment and commercialization lines, CAIXA started offering production oriented cooperatives a financing option oriented to the manufacture of agricultural products, covering costs such as labor, support materials, industrial inputs, taxes, among others. This line, which has limits of up to R\$ 400 million, was well received and greatly

sought after by cooperatives, due to the robust pace of investment in expanding and modernizing agro-industrial infrastructure to enable the offer of value added products.

In 2016, CAIXA granted a total of R\$ 5.8 billion in rural loans, with 74% of this amount directed at mandatory operations, in line with market trends and the guidelines of the 2016/2017 Agriculture and Livestock Plan.



## ▶ CAIXA CONGLOMERATE G4-17

This is a group of companies formed by CAIXA and its direct and indirect holdings. The aim is to optimize the companies' performance by generating synergies in their operations. To do this, the CAIXA Conglomerate establishes guidelines related to management, investment and financing, ranging from commercial relations to the identification and formation of partnerships that enable access to strategic markets on competitive terms. Worthy of note among these alliances are:

- Banco Pan (payroll loans, vehicles, high-income housing and insurance);
- CAIXA Seguros (insurance, savings bonds, supplementary pensions and health);
- Elo, Vale Presente and CIELO: aimed at the card market;
- CAIXA Crescer (microfinance);
- Partnerships that support CAIXA operations, such as Capgemini (IT) and TecBan
- (service network);
- Branes (support in capturing and processing credit operations);
- Habitar (housing correspondent network).

## ▶ CAIXA INTERNATIONAL G4-6

CAIXA initiated its international operations in 2004 with remittance services. Today its portfolio has expanded to operations involving currency exchange, overseas trade, housing loans for emigrants, and FGTS withdrawals. The bank currently has representative offices in Caracas (Venezuela), Hamamatsu (Japan) and New Jersey (United States).

In 2016, the bank expanded its relations with Germany and took part in discussions with the Ministry of Foreign Relations to provide support for the cooperation and development plan in the border region with Uruguay.

In the commercial area, it has expanded relations with foreign financial institutions to develop trade in 37 countries, having correspondent banks in 21 of them.

CAIXA also has agreements for sending remittances from Japan and Portugal to Brazil with the Iwata Shinkin Bank and Millennium BCP, respectively.

**CAIXA ensures business profitability and efficiency by means of strategic holdings.**

Regarding International Technical Cooperation, CAIXA continued to execute projects with Portuguese speaking African countries (Mozambique, São Tomé e Príncipe) and parts of Latin America (Nicaragua). The working plan for the Brazil-Colombia border region integration project was concluded during the year and execution is scheduled for 2017.

During the course of 2016, CAIXA financed exports by means of its ACC/ACE products to 54 countries with **more than 80% of the amount financed destined for Holland (36%), USA (22%), Singapore (17%), United Kingdom (5%) and Switzerland (4%)**. In this area a new product, Import Future Exchange Rate, was created to meet importers' need for protection against exchange rate variations when making international payments via CAIXA.



## SANITATION AND INFRASTRUCTURE

CAIXA maintains specific lines for the sanitation and infrastructure segments, providing support for projects that drive the country's development. In 2016, CAIXA disbursed R\$ 12.1 billion in financing for sanitation and infrastructure works. (*further information in More than just a Bank*).



## ▶ CAIXA LOTTERIES

Since 1970, CAIXA has managed and executed the federal lotteries service in Brazil, overseen by the Ministry of Finance. The exploitation of this segment is the result of an exception made to the penal code, with the establishment of specific rules to protect society and to generate funding for social projects. In 2016, revenues totaled R\$ 12.8 billion, a 13.8% decrease against the previous year as a result of the retraction of the Brazilian economy. From this amount, around R\$ 6 billion was transferred to social programs (*more information in More than just a Bank*).

The publication of decree nº8.897/2016 in November, which extinguished the Loteria Instantânea, led to the creation of Caixa Instantânea S.A., a wholly owned CAIXA subsidiary established specifically to exploit a new type of lottery, the Loteria Instantânea Exclusiva (Lotex). Both Lotex and Caixa Instantânea S.A. were included in the country's Denationalization Program under the scope of the Investment Partnerships Program. This model is being executed by the foment bank Banco Nacional de Desenvolvimento Econômico e Social (BNDES), which will adopt the measures necessary to identify the best partner for CAIXA in the operation of the Lotex in a transparent and impartial manner. G4-13

**R\$ 6 billion  
from CAIXA  
lotteries  
funded social  
programs**

**54  
countries**

impacted by ACC/ACE  
funded exports in 2016

## OPERATION OF FEDERAL GOVERNMENT PROGRAMS

As a strategic partner of the federal government, the bank runs more than 17 programs that foment citizenship and social inclusion, as well as guaranteeing the rights of Brazilian workers. There is more information on these initiatives in the chapter *More than just a Bank*.

### ▶ SOCIAL AND INCOME TRANSFER PROGRAMS

- Alfa Grant (DF)
- Athlete's Grant
- Escola do Ipojuca Grant
- Bolsa Família (Family Allowance)
- Municipal Family Allowance - Manaus (AM)
- Bolsa Verde (Green Grant)
- Cartão Família Carioca (Rio de Janeiro Family Card)
- Chapéu de Palha (Straw Hat Program)
- De Volta Para Casa (Back Home)
- DF Sem Miséria (Misery Free DF)
- Família Paranaense (Paraná Family)
- Fomento (Foment)
- Garantia Safra (Crop Guarantee)
- Hiato RS Mais Igual (More equal RS)
- Incluir Capixaba (Include Espírito Santo)
- PETI Rural e Urbano (Rural and Urban PETI)
- Programa Primeiro Passo (First Step)
- Renda Melhor (RJ) (Better Income)
- Santa Renda (SC) (Santa Income)
- Vida Nova - Nova Lima (MG) (New Life)

### ▶ LABOR PROGRAMS

- Unemployment Insurance
- Social Integration Program (PIS) (Quotas and Income)
- Salary Bonus
- State Severance Fund (FGTS)

### ▶ INCLUSIVE CREDIT PROGRAMS

- Minha Casa Minha Vida (My House My Life) program
- National Rural Housing program (PNHR)
- Guided Production Microcredit (Crescer program)

# GOVERNANCE AND LEADERSHIP



## IN THIS CHAPTER

- ▶ GOVERNANCE MODEL
- ▶ ETHICS AND INTEGRITY
- ▶ RISK

## CONNECTION WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

This chapter is aligned with the guidelines:



GOVERNANCE



INFORMATION DISCLOSURE AND REPORTING





## ATTUNED TO BEST PRACTICES

Investments in policies and management systems ensure CAIXA is aligned with market benchmarks

CAIXA is striving to be a reference in corporate governance, both through the management model in force and the adoption of best practices aimed at driving accountability, social and environmental responsibility, compliance and strategic risk management. Such practices are translated into policies that promote rapid, decentralized joint decision making that prevents conflicts of interest and generates synergy between the different areas of the company, its managers and its subsidiaries.

To define the competencies and responsibilities of each one of these forums, as well as the mechanisms via which they interact with the areas and managers, CAIXA has its Corporate Governance Manual (available [here](#)), applied in conjunction with other key documents such as the Code of Ethics, the bylaws, company policies (including Internal Controls and Compliance, Corporate Governance and Social and Environmental Responsibility) and its Authorization Regime.

In 2016, the Anti-Corruption Policy was included among the CAIXA rules and regulations, in response to Decree 8,420/15, that regulates federal law 12,846/13 making companies administratively and civilly responsible for illicit acts against public administration. The elaboration of the policy culminated in the development of the CAIXA Integrity Program, which consolidates the controls aimed at risk management, fraud and corruption, demonstrating the institution's commitment to systematically combating any active or passive involvement in illicit acts.

The principles governing the program are:

- Senior management support in the implementation and ongoing improvement of actions to prevent and combat corruption;
- Ethical conduct on the part of all employees, directors and third-parties involved in CAIXA businesses;
- Effective risk assessment methods and procedures for the diagnosis of CAIXA's vulnerabilities;
- Adequate and sufficient internal controls to monitor, prevent and mitigate the vulnerabilities identified;
- Corrective actions, understood as timely and effective detection and prevention of inadequate conduct, as well as the punishment of those responsible.

**Worthy of note in 2016 was the development of the CAIXA Integrity Program,**

# 5

principles govern the Integrity Program, focused on combating corruption, promoting ethical conduct and managing risk



## ► STRATEGIC PLAN

As a result of significant changes in the economic scene and the need to comply with the requirements of the new State Companies Law (13,303/2016), at the end of 2016 the CAIXA Conglomerate initiated a review of its strategic plan aimed at defining its corporate guidelines for the next 10 years. The idea is to obtain a detailed diagnosis which will enable the company to anticipate threats and identify opportunities that will help qualify it and make it innovative and profitable given the challenges it faces in the market,

The intention is also to assess the institution's maturity in relation to contemporary questions, such as sustainability, the creative, shared economy, purpose and happiness, the digital world and the cosmopolitan world.

Around 25% of the employees took part in research into their expectations and perceptions related to the CAIXA mission and values. Interviews were also conducted with the institution's vice presidents, executive directors and members of the Board of Directors to assess achievements over recent years. This collectively constructed scenario, together with assessments of the performance of the main businesses, was presented to the executive directors, who then outlined the new macro-directives for CAIXA in a workshop organized specifically for this purpose.

Validated by the Steering Council and by the Board of Directors, these orientations demonstrated the importance of strengthening a sustainable proactive stance with the purpose of inducing and executing public policies that support economic and social transformations in the country. The plan also underscored the importance of developing products and services that win clients over and are highly relevant in their respective segments.

After the review of the CAIXA vision and corporate values, the next step calls for the reassessment of each one of the organization's areas, as well as business strategies and functional plans.



## GOVERNANCE RECOGNIZED

In 2016, CAIXA received the Brazil Merit Award for Governance and Public Administration promoted by the federal accountability authority the TCU (Tribunal de Contas da União). The choice of the winners, that included three direct administration bodies, three indirect ones and five municipalities (one in each region of Brazil), was based on the criteria of leadership, strategy and control compiled in the General Governance Index (IGC), developed by the TCU for federal bodies, and the Municipal Management Effectiveness Index (IEGM), applied by the state accountability tribunals.



## GOVERNANCE MODEL G4-34, G4-38

The corporate governance reference adopted by CAIXA is aligned with Decree 6,021/2007, which created the Federal Business Holdings Corporate Governance and Management Inter-Ministry Commission (CG-PAR). This is one of the elements of the CAIXA management model and permits the definition and organization of the attributions and relations between governance agents, driving greater agility, accountability and assertiveness in the decision making process, in addition to promoting significant advances in management with the objective of ensuring:

Alignment with good corporate governance practices;

Enhanced relationship with control and regulatory bodies, society, employees and clients;

Disciplining of the attributions and relations between the bodies and the other management actors;

More granular monitoring of businesses;

Effectiveness of governance forums;

Economy in decision making efforts, with clear responsibility for decisions in the forums;

Discipline in approaches to critical questions for CAIXA;

Adequate management of matters inherent to the business and the CAIXA functions;

Strategic alignment between decisions and actions;

Visibility in managing strategic and operational matters.

The adoption of best practices has enabled CAIXA to respond to the key challenges for modern organizations: integrating the social, economic and environmental dimensions aimed at promoting sustainability, by means of responsible business performance that prioritizes transparency, social and environmental responsibility, the control environment and efficiency and ethics in generating value for society. For CAIXA, good practices need to be improved continuously, for which reason they are closely monitored to assess the need to update the governance model in force.



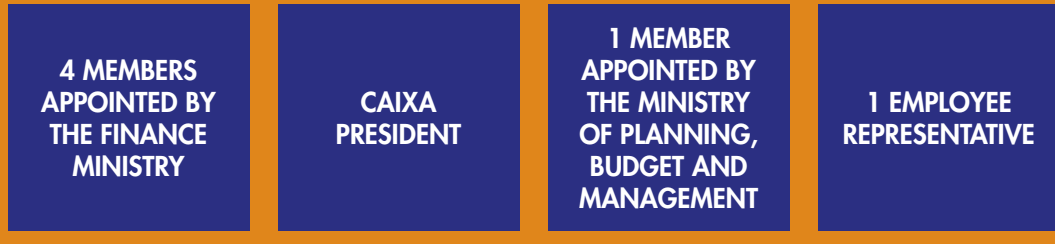
### CHALLENGES

The model permits CAIXA to respond proactively to the challenges in the sector



## CAIXA GOVERNANCE STRUCTURE G4-39, G4-4

### BOARD OF DIRECTORS



### DIRECTORS



### STEERING COUNCIL



### THIRD-PARTY ASSET MANAGEMENT COUNCIL



### GOVERNMENT FUNDS AND LOTTERIES COUNCIL



### FISCAL COUNCIL



### STEERING COUNCIL COMMITTEES



### STATUTORY COMMITTEES





The CAIXA governance bodies are regulated by internal regimes, that establish their purpose, competencies, composition, working models, forms of assistance, procedures and the obligations of their members. Within these bodies, the ones linked with administration share responsibility for representing and managing the company. Their competencies and attributions are set forth in the CAIXA bylaws. These bodies are:

- Board of Directors: responsible for general oversight of the CAIXA businesses and services, including the definition of corporate guidelines, challenges and objectives, as well as monitoring and assessing its results;
- Steering Council: among other competencies, responsible for executing company strategy and determining areas of responsibility;
- Third-Party Asset Management Council: responsible for managing and representing CAIXA where third-party assets are concerned;
- The Government Funds and Lotteries Council: represents CAIXA and oversees the administration of the federal lotteries and federal government funds, including the FGTS severance guarantee fund.

In support of these management bodies there are five Steering Council committees comprising the president and vice presidents. These committees have the function of streamlining CAIXA decision

making and ensuring the achievement of business targets in their respective areas of competence,

Additionally, there are statutory and advisory committees and commissions which are responsible for providing support for senior management in tactical, operational and administrative decisions within their areas of competency and limits of authority,

These are: Audit Committee, Remuneration Committee, Anti-Money Laundering Committee, Head Office Procurement and Contract Committee, Business Assessment and Renegotiation Committee and the Ethics Commission. The composition of the Audit and Remuneration committees is the responsibility of the Board of Directors. The members of the other committees are indicated by the CAIXA president and by managers. The composition and the attributions of these committees are described on page 116, in the *Attachment*, G4-35, G4-36,

Lastly, the CAIXA Governance Model includes the Fiscal Council which controls and oversees management, verifying compliance with legal and statutory obligations.

**The Fiscal Council controls and oversees the work done by the institution's managers**

► **In addition to the Steering Council committees, there are commissions and committees that provide support for management in areas such as audit, remuneration, ethics and business assessment.**





## ► CONFLICTS OF INTEREST

All members of the CAIXA management bodies must be Brazilians residing in the country, with a flawless reputation and relevant knowledge, encompassing governance, experience and the technical capacity necessary for the position, as well as meeting the requirements set forth in the bylaws and specific items in accordance with the body. No specific criteria are adopted with respect to diversity. Members of the Audit Committee must fulfill the statutory requirements and undergo a selection process that involves assessment of their curriculum and an interview with the Board of Directors. For the Remuneration Committee, the indications are made by the CAIXA president. [G4-40](#)

The prevention of conflicts of interest between different management areas is assured by the rule-based governance model, an example being the non-participation of vice presidents of specific areas as members of the Steering Council, in addition to other provisions in the CAIXA bylaws. In parallel with these governance bodies, CAIXA maintains specific structures to oversee management, supervision and external controls, such as the Fiscal Council, the Audit Committee and Internal Audit. [G4-41](#)

The CAIXA Code of Conduct also provides guidance for all employees in relation to conflicts of interest, including specific points for those working in the Third Party Asset Management, Control and Risks and Treasury Operations areas. This is also the case with senior management, who are subject to restrictions to ownership of shares in suppliers and other stakeholders, to rules governing majority shareholders and/or shareholder agreements and the disclosure of information about related parties.

Employees and other public agents linked with CAIXA may resolve doubts related to conflicts of interest by means of the Conflict of Interests Electronic System (SeCI) maintained by the Ministry of Transparency, Supervision and Controls. In 2016, there were 161 enquiries, 91 of which were consultations and 70 were requests to conduct parallel professional activities.

**The Bank maintains a specific system for preventing conflicts of interest,**

## ► GOVERNANCE FOR SUSTAINABILITY

[G4-36](#), [G4-42](#), [G-48](#), [G4-DMA-FS1](#)

CAIXA's commitment to sustainability is expressed in its mission and in its business goals, which envisage the company as a financial agent that promotes citizenship and public policy to drive the development of the country, in partnership with the Brazilian state,

The launch of the CAIXA Social and Environmental Responsibility Policy (PRSA), in line with Brazilian Central Bank Resolution CMN n<sup>o</sup>, 4.327/14, represented the formal evolution of policies that had already been in force for over a decade, such as the Corporate Social Responsibility and Environmental Responsibility policies which were revoked with the publication of the CAIXA PRSA.

In function of the change in organizational architecture, at the end of 2016 the Social and Environmental Responsibility area became part of the Organization and Strategy Executive Directorate (DEORE), linked with the National Superintendency of Corporate Intelligence and Strategy (SUICE). This modification permits sustainability to permeate the company's strategic planning process, penetrating the entire organization.

To bolster this process, the area is supported by the Sustainability and Social and Environmental Responsibility Committee (RSA Committee), a strategic, independent body working nationwide to ensure articulation among the diverse CAIXA areas in the process of developing, implanting, assessing and monitoring sustainability actions in line with the company's businesses. The RSA Committee is presided by the vice president of Corporate Operations, who reports to the Steering Committee on social and environmental projects and is accountable for information for the Sustainability Report.

In 2017, however, considering the change in organizational structure, Governance of Sustainability at CAIXA is scheduled to be reviewed, including the composition and attributions of the RSA Committee.



## ETHICS AND INTEGRITY

Guided by the values of respect, honesty, commitment, transparency and responsibility, CAIXA complies rigorously with all standards and laws in its activities. The Brazilian banking system is part of a complex and wide-reaching regulatory environment submitted to the control of government bodies such as the tax authority Receita Federal and regulation by the Sistema Financeiro Nacional and the Comissão de Valores Mobiliários, as well as the self-regulatory mechanisms in capital market operations. Public institutions, such as CAIXA, are also monitored and overseen by the federal court of accounts, the Tribunal de Contas da União (TCU) and the Comptroller General (CGU).

Therefore, the CAIXA Internal Controls System (SCI) gains even greater importance by ensuring the rigorous detection and assessment of any cases of corruption and fraud. The Internal Controls Policy is based on the components of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and orientates the monitoring of wholly owned CAIXA subsidiaries and the supplementary pension plans sponsored by the organization; operational risk management, business continuity and crisis management; information security and communication; compliance; and the prevention of money laundering, financing of terrorism and corruption.

Using a strategy involving the construction of "lines of defense", CAIXA has been strengthening its internal control environment. In 2016, after reviewing the timetable for the implementation of these lines, 39 management processes were prioritized, with the adoption of at least one of them in each key company area. The CAIXA IDentity Program communication and engagement campaign, developed to consolidate an internal control culture among employees and senior management, was continued during the course of 2016, with the launch of four new cases in the format of animated cartoons.

This time, the subjects addressed were information security, use of email, safe contracting

and internal fraud. Policies and programs such as CAIXA IDentity, as well as communication channels, seek to reinforce a culture of ethics in the organization.

### ► **CODE OF ETHICS** G4-56

The [CAIXA Code of Ethics](#) systematizes the values that should guide the way CAIXA does business and provides orientation for the actions and relations of all internal and external agents. Disseminated to all employees by means of the CAIXA Standards Manual (SISMN), the code must be signed electronically by employees and senior managers by means of a Term of Acknowledgement. In December 2016, 96.61% of a total of 94,978 employees had signed the document. Elaborated in compliance with the Federal Public Administration Code of Ethics, Decree n° 1.171/94, and aligned with CMN Resolution n° 2554/1998 - article 4, any violation is examined by the Ethics Commission, which has the internal support of an Executive Secretary.

In the Employee Portal electronic channel, CAIXA employees have access to frequently asked questions and specific guidance on the code and the composition of the Ethics Commission and its resolutions, as well as materials on harmonious relations in the work environment, psychological harassment and ethics in state companies. The CAIXA University provides a specific module entitled Verifying Knowledge of the CAIXA Code of Ethics. In 2016, 3,500 employees took this verification. The code is also available in Brazilian sign language (Libras).

External stakeholders may access the code through the CAIXA website, which also provides means for contacting the Ethics Commission. Since 2006, CAIXA has included basic notions of

**Policies and programs such as CAIXA IDentity, as well as communication channels, seek to reinforce a culture of ethics in the organization.**

# 39

management processes were reformulated in the construction of lines of defense related to compliance, ethics and integrity



ethics, applied ethics and the company's ethical standards in the banking entry exam content.

### ► BUSINESS CONDUCT G4-56

Similar to the Code of Ethics, this is also available on the intranet and is addressed in wiki-videos and articles, as well as being the object of a verification module in the CAIXA University. In 2016, the number of participants reached 58,056 employees, equivalent to 61.13% of the total workforce.

The [CAIXA Employee and Director Code of Conduct](#), approved by the Board of Directors, establishes rules for preventing conflicts of interest and provides guidance on conduct and behavior both on a professional and non-professional level. Employees and managers must sign a Term of Acknowledgement of the Code of Conduct electronically and renew this signature on an annual basis. By December 2016, 36.88% of the total work force of 94,978 people had signed the term.

Contracts with suppliers contain a Term of Commitment to Combat Corruption and Collusion among Bidders and a Term of Social and Environmental Responsibility, which must be signed by companies winning tenders. Winning companies must also present a declaration prohibiting nepotism, which becomes part of their contract. In the event of any breach of the clauses, fraud or illegal practices, CAIXA may rescind the contract unilaterally without being subject to penalties.

**61.13% of all the employees were engaged in verification of the Employee and Manager Code of Conduct.**

### ► REPORTING CHANNELS

Reports involving infractions of the Employee and Director Code of Conducts are made through a specific electronic channel, which enables the classification of the report by employees or third-parties. The reports may be made anonymously and may remain confidential, when this is requested the person submitting the report and is permitted by law. It is also possible to send a message to the emails [co-red01@caixa.gov.br](mailto:co-red01@caixa.gov.br) or [comissao.etica@caixa.gov.br](mailto:comissao.etica@caixa.gov.br). The Ethics Commission's decisions on the reports received are published in the form of menus, both on the intranet and internet.

The Ombudsman is responsible for receiving reports from CAIXA clients. Reports made by the work force – both employees and contract workers – are the responsibility of the People Management area (VIPES). Contacts may also be made through the Fale Conosco service, the internal Ombudsman and the National Consumer Protection System (SNDC), such as the Procons, Public Affairs Ministry, Public Defender Service and public administration controlling bodies.

All reports received are recorded by the Ombudsman and channeled to the responsible unit. The average response time with the measures taken is from two to three days.

The Ombudsman consolidates this information every six months in an Activities Report (CMN Res. 4.433/2015), which is submitted to the CAIXA Audit Committee, Internal Audit and Board of Directors. In 2016, there was a total of 8,252 reports. (further information about the Ombudsman on page 42 ).

The channels mentioned are publicized in accordance with the target public of each. For the external audience – clients and the public – they are publicized on the CAIXA website, via flyers in the branches, lottery units and banking correspondents, as well as on contracts and statements.

For the internal audience – employees and contract workers – the channels are disseminated via email, the corporate newspaper, as well as in the Code of Ethics and the company bylaws.





## ► COMBATING CORRUPTION AND FRAUD G4-14, G4-50

In 2016, in function of the CAIXA Anti-corruption Policy, work involving the identification of operational risks and the launch and repositioning of products and services incorporated the risk of corruption as a mandatory check. A total of 11 of the company's 21 areas are being assessed. The processes in which there is greater exposure to the risk of corruption are related to contracting goods and services, managing sensitive information, commercial and housing operations, fund operations, social programs and relations with third-parties. G4-SO3

In the course of the year, there were nine corruption-related reports. Seven led to investigations to determine responsibility that were still in progress at the end of 2016. The other two reports were not deemed to characterize corruption and were dealt with by the areas responsible. G4-SO5

In 2016, 58.06% of the employees took courses related to combating corruption and fraud, a subject which permeates all educational activities. In the CAIXA University, there are 15 training courses related to ethics, conduct, prevention of fraud and money laundering, internal controls, operational risks and the development of management skills. There is also a module on expenditure efficiency in the Goods and Services Management Education Program which addresses corruption-related questions.

Furthermore, by means of the "CAIXA IDentity" campaign, the company periodically addresses these topics in the form of cartoons designed to reinforce employee and manager commitment to the highest standards of business conduct, compliance with the law and with internal and external standards and procedures, aimed at the systematic combat against any illegal acts within the company and in its relations with third-parties. G4-SO4

For 2017, CAIXA will design specific anti-corruption courses for employees and for senior managers.

**11 of 21  
CAIXA  
areas  
assessed for  
corruption-  
related  
risks.**

## ► PREVENTING MONEY LAUNDERING

G4-45, G4-46, G4-47, G4-SO4

Principles and guidelines related to preventing money laundering and combating financing of terrorism are communicated to CAIXA employees by means of a specific policy, meaning that procedures and the responsibilities of employees and business areas are set forth in internal standards.

In addition to a specialized technical area, the company has an autonomous Anti-Money Laundering Committee. Both these bodies are supported by systematized tools and procedures that detect, analyze and control indications of money laundering, verifying the economic grounding and compatibility of the clients' financial capacity with the transactions and operations they undertake.

The CAIXA University offers two specific training courses on this question, one of which is based on conceptual questions and an interactive game with practical applications. The course is mandatory for all employees and is a prerequisite for internal selection processes.

Externally, CAIXA has been a member and sponsor of the National Anti-Corruption and Money Laundering Strategy (Enccla) since it was started, participating in the annual plenary sessions and in the working groups. In 2016, the bank took part in three of these, related to the creation of mechanisms to drive integrity in public contracts, the enhancement of banking and fiscal confidentiality rules and the improvement of procedures and controls for operations involving cash transactions.

**+ than 58%**

of the bank's employees  
received anti-corruption  
and anti-fraud training

**ANTI-CORRUPTION TRAINING BY FUNCTIONAL CATEGORY AND REGION** G4-SO4

REGION	DIRECTOR	UNIT HEAD	MANAGEMENT - OTHER MANAGEMENT FUNCTION*	NON-MANAGEMENT	OPERATIONAL	PROFESSIONAL	TOTAL
Midwest	3	230	1,132	3,727	1,506	203	6,801
North	0	101	471	863	650	79	2,164
South	0	431	2,062	4,016	3,574	221	10,304
Southeast	0	1,101	5,324	10,619	9,397	435	26,876
Northeast	0	333	1,697	3,624	3,068	275	8,997
<b>TOTAL</b>	<b>3</b>	<b>2,196</b>	<b>10,686</b>	<b>22,849</b>	<b>18,195</b>	<b>1,213</b>	<b>55,142</b>
	<b>0.01%</b>	<b>3.98%</b>	<b>19.38%</b>	<b>41.44%</b>	<b>33.00%</b>	<b>2.20%</b>	<b>100.00%</b>

\* Paid function: additional position occupied by the employee, based on merit and technical qualification.

**TRAINING IN COMBATING CORRUPTION** G4-SO4

FUNCTIONAL CATEGORY	EMPLOYEES TRAINED	ACTIVE EMPLOYEES ON DECEMBER 31, 2016	PERCENTAGE OF EMPLOYEES TRAINED IN 2016
Unit head	2,196	4,267	51.46%
Director	3	37	8.11%
Management - Other management function	10,686	18,082	59.10%
Non-management	22,849	39,503	57.84%
Operational	18,195	30,542	59.57%
Professional	1,213	2,547	47.62%
<b>TOTALS</b>	<b>55,142</b>	<b>94,978</b>	<b>58.06%</b>

**AUDITS** G4-SO3

Linked with the Board of Directors, the CAIXA General Audit (AUDIT) has been concentrating on strategic processes and on forming specialized teams. In 2016, the area conducted 3,079 audits, particularly worthy of note being the areas of commercial credit, housing loans, people management, information technology, taxes and accounting.

The selection of activities took into account CAIXA strategic guidelines, indications by the control bodies, risk events reported by the independent audit and the corporate risk areas, internal

controls and the Ombudsman; risk matrices and suggestions from Senior Management and the Audit Committee. The programs elaborated by AUDIT are also used to assess social and environmental criteria in the processes audited.

In parallel, jointly with the Ministry of Transparency, Supervision and Control, the Audit area assessed the integrity measures existing at CAIXA and possible enhancements aimed at decreasing the risk of corruption and boosting the institution's capacity to detect and remediate irregularities. These measures are a consequence of Brazil's Anti-Corruption law, no 12.846/13.





## RISKS G4-2, G4-45, G4-46, G4-47

CAIXA has risk management units that participate actively in the institution's decision making processes, with the objective of ensuring an adequate rate of return on the capital exposed, based on the risks assumed, good market management practices, determinations of the controlling body and the standards of Brazil's National Monetary Council (CMN) and the Brazilian Central Bank (BCB). Risk management activities are segregated from business and audit activities. The risks inherent to new products and services are identified prior to launch to verify their fit with the procedures and controls adopted by CAIXA (see box).

The Risk Management Policy and the Capital Management and Distribution of Income Policy determine the internal management procedures for the diverse risk categories and establish exposure and loss limits for each to protect solvency, liquidity, profitability and capital structure at CAIXA. Another mechanism is the Internal Capital Adequacy Assessment Process (Icaap), based on CMN Resolution n°. 3.988. At CAIXA, Icaap is used to measure the sufficiency of capital maintained by the institution, taking into account its strategic objectives and the risks to which it is subject, such as credit, operational, interest rates, concentration, liquidity, reputation, among others.

The identification, mitigation and control of social and environmental risks are aligned with company strategy and permeate business management, reducing financial losses relative to any potential non-conformance. CAIXA complies with domestic and international standards, protocols and agreements and recognizes that the construction of a sustainability culture within the organization is the path towards ensuring adequate management and control over this risk category.

In the event that significant risks, either financial or image-related, are identified, the Board of Directors is informed by the Steering Council, by the Audit Committee and by the Fiscal Council, so that mitigation measures appropriate for the company's exposure may be implemented. G4-50



### COMMITTEE

Monthly meetings enable the continuous monitoring of all the organization's risks

### ▶ PRODUCT AND SERVICE RELATED OPERATIONAL RISKS

G4-SO3, G4-SO4, G4-SO5

In 2016, the CAIXA Steering Council approved a series of measures to reinforce security and operational risk processes. One of these was the installation of a specific committee with dedicated commissions that meets on a monthly basis to ensure differentiated governance to offer products and services less susceptible to risk and fraud. The action focuses of the committee include risks in credit origination processes, electronic fraud, physical security of people and assets, as well as internal fraud.

In accordance with the Lines of Defense model adopted by CAIXA, the business areas are responsible for mapping their processes, identifying their risks and presenting a Risk Treatment Plan, if necessary. These plans are then validated and any disagreements are subject to arbitration.

**The business areas are responsible for mapping processes and activities exposed to risk.**



# SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

In 2014, CAIXA elaborated and disseminated its Social and Environmental Responsibility Policy. Since then it has promoted this policy based on an action plan divided into six major components. There follows a summary of the main deliveries related to each component in 2016:



## PROMOTING SUSTAINABLE DEVELOPMENT

**GOAL** – To integrate sustainability into the product and service portfolio, incentivize best practices and promote banking inclusion.

**ACTIONS** – In 2016, the CAIXA Social and Environmental Fund supported three projects aimed at reclaiming the native vegetation around springs and forest areas in the regions of the Joanes and Jacuípe rivers (in the Salvador metropolitan region); Meia Ponte River (in Goiânia-GO) and the River Manso sub-basin (in Belo Horizonte-MG). The investment totals approximately R\$ 8 million and what is new in the projects is the elaboration of plans for the payment for environmental services, combining the preservation of the reclaimed areas with income generation for the community. Furthermore, as a major player in the country's housing market, CAIXA has sustainability practices incorporated into these products. For 2017, a real estate development sustainability assessment for social housing will be elaborated, as well as a post-occupation assessment methodology.



## GOVERNANCE

**GOAL** – Integrated policies, an organizational structure compatible with the business, ethics, an industry-wide presence and the inclusion of social and environmental aspects in decision making.

**ACTIONS** – The Sustainability and Social and Environmental Responsibility Committee (RSA Committee), constituted in 2008, is a strategic, autonomous decision making body. In 2016, studies were undertaken to reformulate the committee with a view to leveraging its efficiency and boosting synchronization with new internal and market demands. Also during the year, the Anti-corruption Policy was incorporated into the CAIXA set of standards, culminating in the CAIXA Integrity Program.



## SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT

**GOAL** – To prevent damage to the environment and to communities by means of risk analysis models for financing, as well as taking social and environmental risk into account in CAIXA activities and operations.

**ACTIONS** – The development of data records on effective losses in function of social and environmental damages has undergone continuous improvement at CAIXA. In 2016, records of losses in administrative and judicial suits were implemented; the process for implementing records in guarantees was established too. The next stages will include the introduction of the records process for credit operations. Responsible financing in 2016 totaled around R\$ 13.8 billion, which involved a structured social and environmental analysis process. Further details on page 80.

A study was undertaken to improve the methodology for assessing and calculating capital needs for the risks arising from exposure to social and environmental damages (ICAAP), aimed at enhancing the report, which is dynamic and which each year presents the improvements obtained in the social and environmental risk management process.



## STAKEHOLDER RELATIONSHIP AND ENGAGEMENT

**GOAL** – To involve the value chain in promoting ethics, diversity, human rights and people development.

**ACTIONS** – Among the measures in this pillar, worthy of note is the CAIXA Volunteers Program, implanted on International Volunteer Day. The program has an exclusive platform which works as a social network enabling the interaction of employees and people they invite to participate in publicizing these actions. The CAIXA University, focused on the internal audience, has a study center dedicated to sustainability. In 2016, the course "Introduction to Social and Environmental Responsibility in the Financial System" was introduced, among others. Further information on page 34.



## INFORMATION DISCLOSURE AND REPORTING

**GOAL** – Open, transparent and permanent communication with stakeholder groups.

**ACTIONS** – Participation in research, rankings and awards is a constant practice. In 2016, for example, CAIXA was the champion in the 6th A3P Award for Best Sustainability Practices in the Waste Management category, with the project Electronic Waste and Social and Environmental Responsibility. During the year diverse communication and marketing measures were undertaken inside and outside the company, such as the publication of the Sustainability Report, the reformulation of the CAIXA website and the internal "Save the Planet" campaign, among other communication actions.



## MANAGING ADMINISTRATIVE PRACTICES AND THE SUPPLY CHAIN

**GOAL** – To guarantee compliance with social and environmental legislation in the supply chain and in the organization's own operations.

**ACTIONS** – One of the highlights in 2016 was the elaboration of the Eco-efficiency Plan, with measures addressing water, energy, sustainable construction, greenhouse gas emissions, waste, paper, awareness, communication and monitoring. Moreover, the Environmental Management System model was developed. Another advance was in the CAIXA Digital Program, whose implementation was concluded all over Brazil, eliminating the need for physical copies of original documents. Regarding renewable energy, in 2016 41 distributed solar energy plants were finalized in branches and administrative buildings, with 12 of them connected to the local power utility grid. Further details on page 94.

### ► CHALLENGES

The Social and Environmental Responsibility Policy is aligned with Brazilian Central Bank resolution 4327/14 and incorporates a structured action plan for the period 2015-2019. With the launch of measures such as the Sustainable Development Goals (SDG) and the Paris Climate Agreement, this planning was reviewed to align it with the SDG. Other focuses include the consolidation of systems for managing losses associated with social and environmental damages; the standards for managing social and environmental impacts on credit operations; the development of products and businesses oriented to adaptation to climate change; work on driving sustainability throughout the value chain; and foment for projects that promote a green, low carbon economy.

# THE PEOPLE BEHIND CAIXA



## IN THIS CHAPTER

- ▶ OUR PEOPLE
- ▶ HUMAN DEVELOPMENT
- ▶ OCCUPATIONAL SAFETY AND HEALTH

## CONNECTION WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

This chapter is aligned with the directives:



GOVERNANCE



INFORMATION DISCLOSURE  
AND REPORTING



PROMOTING SUSTAINABLE  
DEVELOPMENT



STAKEHOLDER RELATIONS AND  
ENGAGEMENT



## VALUING HUMAN CAPITAL

As one of the largest employers in the country, the bank strives to generate growth opportunities for its employees

CAIXA's presence in the life of the Brazilian people also takes the form of the widespread generation of direct and indirect employment. Around 157,000 people, encompassing permanent employees, contract workers, service providers, interns and apprentices, drive the company's daily routines, sharing the belief that together they can do more for Brazilian society, underpinned by ethics and respect.

People management policy at CAIXA is oriented to stimulating innovative thinking, operational excellence, meritocracy and the dissemination of the institution's values and mission among the work force. The organizational climate is monitored closely in order to nurture a work environment that promotes well-being, identification between employees and CAIXA and ongoing improvement in team productivity

EMPLOYEES G4-10	2015			2016		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Active CAIXA employees	44,012	53,446	97,458	42,863	52,115	94,978
Contract workers	7	6	13	1	9	10
Service providers*	29,719	22,810	52,529	27,700	20,588	48,288
Adolescents	1,831	1,479	3,310	1,957	1,405	3,362
Young people**	316	179	495	0	0	0
Interns	7,193	3,988	11,181	6,875	4,123	10,998
<b>TOTAL</b>	<b>83,078</b>	<b>81,908</b>	<b>164,996</b>	<b>79,396</b>	<b>78,240</b>	<b>157,636</b>

Source: SISRH – number for last day of each year

\* Service providers – 48,288 people in 2016 – perform activities of a secondary nature compared with core CAIXA activities. They are employed by especially contracted companies and perform only the services set forth in contract in accordance with Precedent 331 of the Higher Labor Court (TST). The activities performed by these employees are continuous in nature requiring dedicated manpower. In other words they constitute an ongoing, repetitive necessity, requiring the presence of third-party company employees on CAIXA premises or on the premises of third-parties indicated by CAIXA.

\*\* The Jovem Aprendiz (Young Apprentice) program was concluded in November 2016, when the apprenticeship contracts in force were scheduled to end. Since then CAIXA has had only adolescent apprentices aged from 14 years and 6 months until their sixteenth birthday.

## OUR PEOPLE

To be a CAIXA employee, it is necessary to take a civil service examination as required by the federal constitution and the company bylaws. For this reason it is not possible to open specific vacancies for local community members. The application process is published in the official newspaper *Diário Oficial* and on the CAIXA website and is designed to fill available vacancies or to form a reserve list of candidates. After admission, employees assume the effective position for which they applied.

There are two types of effective positions: the administrative career for banking staff, and the professional career for positions such as engineer, occupational physician, lawyer and architect. Senior management consists of managers, who may or may not be employees, and who are appointed in line with the requirements set forth in the CAIXA bylaws (further information in Governance Model).

At the end of 2016, the company had 94,978 permanent employees, of which 370 were admitted during the year, worthy of note being the

new employees aged between 30 and 50 years, who represented 60% of the admissions in 2016. The termination rate was 3.02%, while the staff turnover rate was 1.7%, below the 2015 rate of 2.68%.<sup>G4-LA1</sup>

1:  $[(n^\circ \text{ of terminations} + n^\circ \text{ of admissions})/2] / \text{total employees on last day of period under consideration}$  <sup>G4-LA1</sup>

ALMOST

95,000

permanent employees represent CAIXA's human capital

► **The institution uses the civil service entry examination model for new employees, via an application process published in the *Diário Oficial* and on the CAIXA website.**





## DEVELOPMENT

The CAIXA employee performance management process was created two years ago and is still under implantation. The second appraisal cycle was finalized in 2016, targeting management level employees, corresponding to 19.22% of the total headcount (22.37% working as unit heads and 77.63% in middle management functions). Among the employees appraised, 60.04% are men and 39.96%, women. [G4-LA11](#)

The appraisal cycle begins with the establishment of performance agreements, which take into account the results expected in the employee's work, as well as development of the fundamental CAIXA competencies. After the appraisal period, in which the employee is monitored and orientated by his/her immediate manager, the employee's results

are measured and behavior in terms of the expected competencies is assessed. The results are discussed and consolidated by a forum of leaders who are hierarchically superior to the appraisee. Once the employee has received the results, he/she is provided with feedback by the immediate manager with guidance on training and recognition and, depending on performance, may participate in differentiated selective processes.

Also in 2016 the first phase of the Visto CAIXA process was concluded with the approval of 99 employees from six company areas. This program is part of the Talent Management initiative and is aimed at identifying potential high performers, qualifying CAIXA's intellectual capital and expanding its store of knowledge in strategic areas.

**Performance management at CAIXA drives the ongoing growth of employees.**

### PROFESSIONAL ENHANCEMENT PROGRAM



# 1,071

employees (300 places in 2016) received incentives for higher education, with an investment of R\$ 3.9 million



# 844

employees (316 places in 2016) on postgraduate courses, representing an investment of R\$ 3 million.



# 1,549

employees studying languages (565 new incentives in 2016), with an investment of R\$ 1.9 million



## ► CAIXA UNIVERSITY

Driving the professional development of CAIXA employees and partners, the corporate university offers educational solutions aligned with company strategy to promote the formation of high-performance teams. Faced with an unstable economic conjuncture, 2016 was challenging in terms of growth and the development of creative paths based on cooperation, in line with the global trend in the education area.

Currently, the CAIXA University has 20 active cooperation agreements, involving institutions such as the Associação dos Delegados de Polícia Federal, Banco do Brasil, CAIXA Seguradora, Fundação dos Economistas Federais (Funcfe), Universidade dos Correios and the Presidency

of the Republic. These alliances are aimed at sharing experiences among the partners and fomenting the creation and development of measures to drive enhanced management practices for all those involved.

All CAIXA employees have access to the courses offered by the university. In 2016, more than 90,000 employees took part in programs, totaling 4.8 million class-hours (an average of 51.17 hours per employee). Leadership development is a key focus (98% participation in 2016), based on the premise that well prepared leaders achieve their targets, mobilize and develop their teams and, as a result, promote organizational excellence. G4-LA9

## NUMBER OF HOURS TRAINING – TOTAL G4-LA9

FUNCTIONAL CATEGORY	HOURS	EMPLOYEES TRAINED	ACTIVE EMPLOYEES	AVERAGE HOURS. TOTAL NUMBER OF ACTIVE EMPLOYEES
<b>2015</b>				
Unit head	363,289.70	4,196	4,264	85.20
Director*	418.30	18	33	12.68
Management - Others	1,190,042.44	17,352	18,251	65.20
Non-management	2,583,848.87	37,441	40,614	63.62
Operational**	2,400,875.50	27,606	31,724	75.68
Professional***	176,021.90	2,357	2,572	68.44
<b>TOTALS</b>	<b>6,714,496.71</b>	<b>88,970</b>	<b>97,458</b>	<b>68.90</b>
<b>2016</b>				
Unit head	250,221.53	4,130	4,267	58.64
Director*	423.00	14	37	11.43
Management - Others	1,112,182.39	17,800	18,082	61.51
Non-management	1,915,832.02	38,157	39,503	48.50
Operational**	1,453,419.60	28,075	30,542	47.59
Professional***	127,939.40	2,286	2,547	50.23
<b>TOTALS</b>	<b>4,860,017.94</b>	<b>90,462</b>	<b>94,978</b>	<b>51.17</b>

Source 2015: GEING cross-referenced with information from GEDEC. 2016: Training Management System - Position December 2016 (Gedec)

\* Permanent employees in director positions \*\* Administrative and General Services employees who do not perform additional remunerated activities \*\*\* Professional employees who do not perform additional remunerated activities. Obs.: The data on employee participation in educational activities were extracted from the training management system taking into account only the educational measures promoted by the CAIXA University and the CAIXA units in a decentralized manner, but funded by the university. Formal educational programs such as graduate, postgraduate, master's and doctoral programs were excluded, even when funded by CAIXA.

**► REMUNERATION POLICY** G4-52, G4-53

A specialized team is responsible for undertaking studies and proposing adjustments to the CAIXA remuneration structure. Its work is based on salary surveys undertaken by consultancies; when necessary other experienced external consultants are contracted. In addition to these surveys and applicable legal aspects and standards, CAIXA salary policy takes into account analysis of the company's strategy and requirements, as well as the complexity and levels of responsibility for each position and function. This ensures parity between CAIXA remuneration and remuneration in other comparable financial institutions.

The remuneration of CAIXA directors is based on decisions by the Board of Directors, the Ministry of Finance, the Ministry of Planning, Budget and Management and the Brazilian Central Bank. It comprises a fixed salary and a benefits package (in accordance with the level of responsibility, the degree of fiduciary responsibility and market rates), as well as variable remuneration. The latter component is calculated based on the annual individual performance appraisals of the units for which the person is responsible, as well as the overall performance of CAIXA as a whole, taking into account the risks assumed. In accordance with law 12.813/2013, directors may also receive compensatory remuneration for a period of six months after leaving the position, subject to analysis and approval by the Presidency of the Republic Ethics Commission, at the discretion of the controlling bodies. CAIXA remuneration policy does not provide for share-based bonuses, welcome bonuses, recruitment incentives, or clawbacks, that is, the return of remuneration already paid to the director. G4-51

To fulfill the Variable Remuneration program indicators, CAIXA employs an individual annual performance appraisal tool that provides for the individual appraisal of the president and each vice president by the Board of Directors, as well as the appraisal of the Legal Director and the Executive Directors by the CAIXA president. G4-44

In 2016, the ratio of the total annual remuneration of the highest paid individual at CAIXA and the average annual remuneration of all employees in Brazil was 4.85. The 8% salary increase was applied in a linear fashion to all employees. G4-54, G4-55

**The goal is to ensure CAIXA is competitive in employee remuneration.**

**► BENEFITS** G4-LA2

All employees and directors, regardless of their working hours, position or additional paid function, have access to the 66 benefits offered by CAIXA which are designed to promote quality of life and forge closer links between employees and the company. In addition to the benefits provided for by labor law, the company voluntarily offers a series of strategic benefits, which are divided into three categories:

- Extended legal benefits, such as the extension of paternity leave (an additional five days, consecutive or not), marriage leave (five consecutive days) and mourning leave (eight or six days according to the degree of relationship with the deceased).
- Collective bargaining agreements, which include the Occupational Rehabilitation program (aimed at retraining employees for the labor market); supplementary paid sick leave; full remuneration in cases in which the employee is not entitled to sick leave pay, but an examination undertaken by CAIXA indicates the need for time off work); Additional functional pay (guaranteed for up to 180 days in the event of health treatment) and Private Leave of Absence (leave of absence of for five days a year to take care of personal affairs).
- CAIXA initiatives, worthy of note being the agreement with the INSS social security department for direct enablement (for healthcare treatment involving more than 15 days leave); advance of sick leave pay for employees already off work and awaiting INSS benefit payments; paid leave of up to 90 days in the event of illness of family members; and the Retirement Preparation Plan.

Worthy of note is the dimension of the CAIXA health insurance plan, one of the largest self-managed health insurance plans in the country, with more than 293,000 beneficiaries (employees, spouses, children, retirees and pensioners). The cost of the plan is divided between the participants, who pay 30%, and CAIXA, which pays the remaining 70%. From 2016, the coverage for dental and certain assistance procedures was extended, including, for example, the reimbursement of dental braces, prosthetic devices and implants, wheelchairs and hearing aids.



**CAIXA provides a structured program to prepare employees for retirement**

CAIXA also offers all employees supplementary pension plans managed by the Fundação dos Economiários Federais (FUNCEF). The company contribution is equal to that of the employees. At the end of 2016, 97.39% of the employees were participating in the FUNCEF plans, both defined benefit and variable contribution modules (the latter, known as the New Plan, was opened to new participants). The benefits are calculated based on the employee's salary, and the cumulative amounts are readjusted in accordance with the National Consumer Price Index (INPC). In addition to the monthly contributions, CAIXA obligations include extraordinary contributions and provisioning in accordance with the CPC 33 (R1) accounting standard. **G4-EC3**

**► RETIREMENT PREPARATION PROGRAM G4-LA10**

The CAIXA Retirement Preparation program (PPA) provides support and orientation for employees to plan their retirement from the institution, building competencies and helping to produce socially responsible citizens. Based on recognizing and valuing the employees for their contribution and CAIXA's responsibility for building and managing their future, the PPA also helps to maintain a bond with employees who are retiring. The program is open to permanent employees who are about to retire or who may request full retirement within five years.

Program participants may take the Future Life Workshop which helps them to reflect on their personal and professional life and provides guidance for planning their future. There is also a psychological counseling service aimed at promoting reflection and helping them to deal with the emotional aspects and feelings associated with retirement, as well as a Competencies Development Incentive which offers the employee an opportunity to perform new activities, technical training, preparation to undertake social work or to open their own business. Tools are also made available to help future retirees with financial planning and to encourage them to share their knowledge of the business.

**► DIVERSITY G4-LA12**

Over the last three years, there has been a slight increase in the diversity of the CAIXA work force, both overall and in management functions, with an increase in the number of Afro-Brazilians and disabled. Among directors, there is also greater diversity with respect to race/color, accompanied by a decrease in the number of employees aged over 45 years, leading to greater participation of other generations in positions at this level. However, gender and disability still represent a challenge in senior management, where there are no black or disabled people and where the proportion of women has dropped from 12.12% to 7.32%.

Worthy of note among CAIXA initiatives to promote diversity in 2016 is the participation in the sixth edition of the federal government's Pro Gender and Race Equality program and the adoption of ten new strategic measures related to this issue for the period 2016 - 2018. These measures include recruitment and selection processes, training and qualification, promotions and job and career plans, salary and remuneration, benefits policies and health and safety programs, as well as mechanisms to combat inequality, gender and race discrimination, sexual and psychological harassment, among others.

As a voluntary member of the Empresa Cidadã program, CAIXA extended paternity leave to 20 days, including this in the collective labor agreement and helping drive the concept of conscious fatherhood and promote greater balance between professional and private life with the family. Due to the differentials in CAIXA's health, safety and well being practices for male and female employees, the company received an honorable mention in the 2016 WEP Brasil (Women's Empowerment Principles) awards.

On December 6, men were the target of awareness initiatives undertaken by 17 AP-CEF (CAIXA Employee Associations) units for National Men for the End of Violence Against Women or White Lace Day. To encourage the participation of disabled employees, the employee associations included Paralympic events in their sporting activities.

EMPLOYEES (%)	AS PROPORTION OF TOTAL EMPLOYEES *			MANAGERS AS PROPORTION OF TOTAL MANAGEMENT FUNCTIONS			DIRECTORS AS PROPORTION OF TOTAL DIRECTOR LEVEL POSITIONS **		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Afro-Brazilian Women	9.19%	9.31%	9.43%	7.24%	7.60%	7.95%	0.00%	0.00%	0.00%
Afro-Brazilian Men	13.50%	13.72%	13.83%	13.28%	13.65%	13.76%	10.81%	12.12%	12.20%
<b>TOTAL AFRO-BRAZILIANS</b>	<b>22.69%</b>	<b>23.03%</b>	<b>23.25%</b>	<b>20.52%</b>	<b>21.25%</b>	<b>21.71%</b>	<b>10.81%</b>	<b>12.12%</b>	<b>12.20%</b>
Women	45.43%	45.16%	45.13%	41.06%	41.05%	41.45%	10.81%	12.12%	7.32%
Disabled	1.29%	1.40%	1.43%	0.73%	0.76%	0.84%	0.00%	0.00%	0.00%
People aged over 45 years	38.90%	37.91%	37.98%	50.62%	32.52%	29.40%	83.78%	84.84%	80.49%

Source: GENER Base – data from SISRH – December. 31, 2016.

\*Based on permanent employees \*\* Based on all directors – including contract and CAIXA PAR directors.

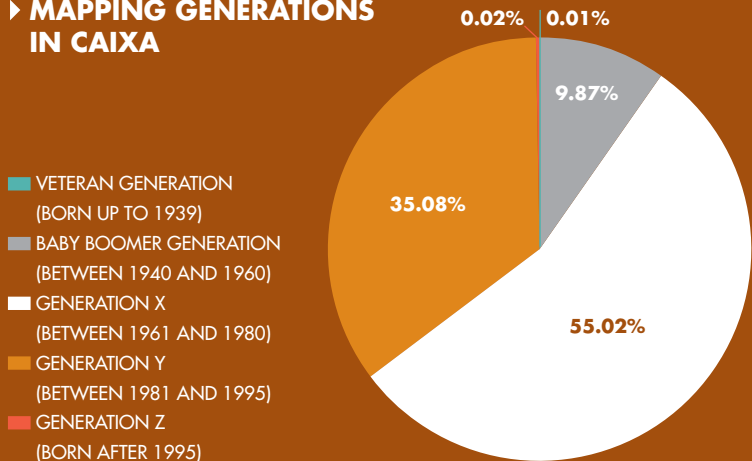
The annual “16 Days of Activism” campaign promoted by the CAIXA Diversity Program was based on the theme “Diversity that Inspires” in 2016, with materials and reflections on human rights that included Black Consciousness Day (November 20), International Day for the Elimination of Violence against Women (November 25), International Disabled Persons' Day (December 3), White Lace Day - Men for the End of Violence Against Women (December 6) and International Human Rights Day (December 10).

**Campaigns, awareness initiatives and programs are adopted to encourage diversity in the institution.**

Employees who had encountered diversity issues during their career recorded statements on video which served as a basis for teams all over Brazil to discuss these questions and derive inspiration from them.

Another front incorporated into the Diversity Program was the question of generations, currently considered relevant in people management. Discussing this question means promoting the integration of people with different ways of thinking and different styles, aimed at expanding the vision orienting work processes.

► **MAPPING GENERATIONS IN CAIXA**





# OCCUPATIONAL HEALTH AND SAFETY

G4-LA5, G4-LA7, G4-LA8



CAIXA strategy to promote employee health and safety and propose improvements in work capacity is underpinned by three pillars: Prevention (comprising the Occupational Health Medical Control Program (PCMSO in the Portuguese acronym) and the Environmental Risk Prevention Program – PPRA), Recuperation (ergonomic analysis of work stations, analysis of working conditions, Occupational Rehabilitation Program and Managing Absenteeism) and Promotion (Wellness Space, Be Well, health campaigns and calendar, and the Internal Work Accident Prevention Week).

However, at CAIXA there are no work activities that present a high incidence or risk of specific diseases. In 2016, the absenteeism rate related to work place accidents grew by 0.03 of a percentage point compared with 2015, with an increase of 6,916 days lost. To improve methods for studying absenteeism and gain more in-depth understanding of the causes of sick leave, CAIXA launched the Health Calendar, the first edition of which addressed the prevention of chronic non-communicable diseases in 2016.

**CIPAs, working groups and awareness measures are aimed at reducing and controlling exposure to risk in the work place.**

The members of the Internal Accident Prevention Commissions (CIPA) represent 100% of CAIXA employees in preventing accidents and promoting health in the work place. Units with over 100 employees have their own commission; the others choose a representative to deal with this question. In 2016, a total of 2,639 elections were held for these commissions, with 3,922 members being indicated or elected. These representatives work with the 67 professionals allocated in the regional Safety Engineering and Occupational Medicine Services (SESMT), who are qualified to monitor, receive comments, provide advice and execute occupational health and safety policies. Together, they represent 4.13% of the CAIXA work force.

# 2,600+

elections for the work accident prevention commissions during the year





## ► Union and labor agreements incorporate health and safety questions with a view to ensuring employee well-being nationwide.

The collective agreements incorporated into the collective work conventions signed with the employee representation organizations Contec and Contraf also encompass occupational health and safety. In 2016, a clause on the execution of campaigns to promote wellness and quality of life in the work place was included. The initiatives in the collective agreements include:

- Health insurance plan (Saúde CAIXA);
- Supplements for sick leave pay;
- Additional pay for working in unhealthy and dangerous conditions;
- Procedures in the event of robbery and kidnapping;
- Leave for health treatment;
- Work during pregnancy;
- Internal accident prevention commissions (CIPA);
- Rest breaks;
- Communication of work accidents;
- Security and working conditions for the executive treasurer;
- Health promotion and quality of life campaigns;
- Constitution of working groups on workers' health and the Saúde CAIXA insurance plan.

G4-LA8

In addition to these areas, CAIXA also complies with other local and global work agreements. These include the supply of personal protective equipment; the formation of joint health and safety committees comprising directors and em-

ployees; the participation of employee representatives in health and safety inspections, accident audits and investigations; guarantee of the right to refuse unsafe work; periodic inspections; and compliance with International Labor Organization (ILO) standards.

### ► BE WELL PROGRAM

Created to encourage the adoption of a healthy life style and to reduce healthcare costs, the Be Well Program encompasses the dimensions of physical, mental, emotional, professional and social well being. The program measures include smoke-free environments, influenza vaccination campaigns, nutritional education and guidance and the Women's and Men's Health Promotion program.

In 2016, the initiative posed eight challenges for employees to take care of their health both inside and outside the work place. These covered emotional balance, healthy eating habits, ergonomics, fire protection, valuing personal talent and taking periodic preventive medical examinations. A total of 1,984 CAIXA units participated in the 2015-2016 Be Well Campaign, of which 316 concluded all the challenges proposed within the deadline.



# DEDICATION TO THE CLIENT



## IN THIS CHAPTER

- ▶ TECHNOLOGY AND SECURITY

### CONNECTION WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

This chapter is aligned with the directives:



INFORMATION DISCLOSURE  
AND REPORTING



PROMOTING SUSTAINABLE  
DEVELOPMENT



STAKEHOLDER RELATIONS  
AND ENGAGEMENT



## DIALOGUE AND TRUST

Client relations are underpinned by technological modernization, by transparency and by enhanced satisfaction levels

In 2016, the Client Service Area (SAC) increased its participation in distributing complaints among the CAIXA relationship channels. Together with the Ombudsman, the area accounted for 87% of all the contacts, demonstrating CAIXA's commitment to resolving clients' issues without them having to resort to regulatory bodies or consumer protection agencies.

This key accomplishment demonstrates clients' increased confidence in the contact channels maintained by CAIXA, the result of recent corporate efforts to improve products and services, such as credit cards, internet banking, social benefits and telephone contact services. Based on client feedback, CAIXA restructured its branches and reviewed the performance of employees who act as interfaces between the management areas, the client service area and the Ombudsman, prioritizing the most important issues.

All these measures are based on the CAIXA Client Management Policy, which provides the main guidelines for ensuring the adoption of best practices and raising quality levels in the bank, emphasizing clear, straightforward communication, ethics and service capacity in mobilizing employees that provide attendance for the different client profiles in different regions. Moreover, the bank has a Service Committee, linked with the Steering Council, which meets on a monthly basis and comprises the CAIXA president and vice presidents from different areas, such as Business and Housing.

**CAIXA Client Management policy oversees relationship measures aimed at users of the bank's products and services.**

CAIXA fielded 98 million telephone contacts in 2016, of which 34.8 million were for the CAIXA Citizen service, historically the most sought after in the bank. Another channel whose performance during the year was noteworthy was the housing channel Habitação na Mão do Cliente (0800 726-0505), which received approximately 200,000 contacts per month.

### VIRTUAL BANK

▶ 1.48 B

internet banking transactions



▶ 609,000

accesses with the CAIXA Cellular application

▶ 175,000

downloads of the CAIXA cards application



735,000



SMS messages

5.8 M



Facebook interactions

91,000



interactions on Twitter

277

collaborative posts  
on Instagram

This saves the client the trouble of having to go to the branch and also reduces printing costs by sending copies of payment orders with bar codes by SMS. The Ministry of Justice Consumer Portal also played a key role in resolving conflicts over the internet, enabling the Brazilian state to use information to improve public policy related to consumer relations.

In 2016, CAIXA made 624 posts on Facebook. The number of interactions with fans was 5.8 million, worthy of note being the areas of Culture and Credit. There were 91,005 interactions on Twitter, generated by sponsored campaigns and posts on subjects such as savings and lotteries. The @caixa profile on Instagram, which works in an entirely collaborative manner, made 277 posts using the hashtag #avidapede in 2016, the first year it was used.

To see all the service channels available, please access [www.caixa.gov.br](http://www.caixa.gov.br) and click on Atendimento.

## ► OMBUDSMAN G4-49, G4-50, G4-57, G4-58

The CAIXA Ombudsman functions as a last resort service channel for clients and product and service users whose requests/demands have not been resolved in the primary channels. In line with CMN Ruling n°. 4.433/15, the service philosophy is underpinned by transparency, independence and impartiality. Additionally, the channel receives reports from clients and the public on cases involving infractions of laws, codes or standards by CAIXA (*further information in Ethics and Integrity, page 23*).

In 2016, the Ombudsman received 104,674 complaints, a 7.54% reduction compared with the previous year, of which 96,422 were complaints from clients, the majority related to cases filed with the Central Bank.

Under the terms of Ruling 4.433, the CAIXA Ombudsman is obliged to record telephone contacts. The response time to requests may not exceed ten working days. Under exceptional and justifiable circumstances this may be extended one time for a further ten days, with the number of extensions limited to 10% (ten percent) of the total requests in the month. The person making the contact must be given the reason for this extension.

Also in accordance with the ruling, the Board of Directors must be informed about any problems or deficiencies detected in the fulfillment of the Ombudsman's attributions and about the result of the measures adopted by management to resolve these. The CAIXA Ombudsman prepares a six-monthly quantitative and qualitative report on its activities. G4-37

The CAIXA Ombudsman's institutional reports, aimed at the general public, may be accessed at [www.caixa.gov.br/faleconosco](http://www.caixa.gov.br/faleconosco), under the option Outras Informações.

Since 2014, CAIXA employees have had access to the Ombudsman Panel, which presents information about complaints filed with the different channels, including the Central Bank, the consumer protection agency Procon, the Ombudsman and the Client Service Channel. The system permits the generation of summarized analytical reports of the cases filed with the Ombudsman and tracks the scores and the evolution in the performance appraisals of CAIXA units, in accordance with the Ombudsman indicator.

**OMBUDSMAN INDICATORS** G4-57, G4-58

BY TYPE	2015	2016	VARIATION
Report	6,201	8,252	33.08%
Complaint	107,015	96,422	-9.90%
<b>TOTAL</b>	<b>113,216</b>	<b>104,674</b>	<b>-7.54%</b>

ORIGIN	2015	2016	VARIATION
Central Bank	43,764	41,292	-5.65%
Procon	33,870	28,922	-14.61%
Ombudsman	29,381	26,208	-10.80%

Source: ATENDER.CAIXA data base

In 2016, once again CAIXA received an award in the Comptroller General (CGU) Best Practices Contest. It was awarded a distinction in the category "Improvement of Ombudsman Activities" because of its knowledge base which enables faster processing of complaints, driving a positive impact on the client experience. The tool helps the Ombudsman staff in resolving clients' demands, providing up-to-date information on products and services and the legislation covering the particular case; this in turn reduces the average response time, resulting in a more rapid conclusion of the cases.

**► CONSCIOUS CREDIT**

In all its forms of relationship, be it personally in the branches, by telephone, through brochures or in the virtual environment, CAIXA seeks to employ simple, straightforward and instructional language to clarify the conditions and rules governing products and services for individual and company clients. It should be noted that the company vehemently condemns product and service bundling, as well as refusal to provide services and other abusive practices. To this end, the company organizes specific courses for staff, monitors occurrences and investigates any deviations. G4-PR3

On the CAIXA website there is a specific page dedicated to financial education, with explanatory materials on money and associated concepts such as credit, debt, controlling spending

and domestic budgeting. The page is designed to offer clients and the general public guidance on how to plan and manage personal and company finances.

In 2016, CAIXA organized a debt renegotiation campaign on the internet and in its branches. The result was the review of R\$ 2.9 billion in contracts, benefiting 486,712 clients, who were able to resume the use of their accounts. The bank's renegotiation policy is based on a series of parameters combined in a system that calculates the client's payment capacity. It attributes credit limits in accordance with an individual's score, behavior and propensity to pay, while observing the standards set forth by the Central Bank and the Basel Agreement, to which Brazil is a signatory.

In parallel, the company launched a specific service channel for the renegotiation of overdue debts, covering commercial, housing, credit card and vehicle related debts.

By means of the telephone number 0800-726-8068, the client may receive information about the collection company responsible for their contract, working hours and renegotiation alternatives, without needing to go to an agency. This channel complements the existing services on the social networks and Internet, which enable the issue of copies of mortgage payment bills and commercial debt renegotiation payment orders respectively.

**Supporting clients in the responsible use of credit is a constant at CAIXA**



## ▶ THE CAIXA CLIENT

G4-8, G4-FS6



### SEGMENTED BY PROFILE

With clients distributed throughout the most diverse income and activity categories in the country, the bank manages to provoke a broad impact on Brazilian society, offering tailor-made products and services in accordance with the needs of each group

### ▶ NUMBER OF CLIENTS BY MARKET DEC/2016



**TOTAL**  
**85,265,540**

# 97%

of CAIXA clients are in the Individual segment

# 2.39%

are companies (not including government)

# 25,946

Company market – Government (data for December 2016)







## ► The majority of individual clients are in the low to mid income groups.

### ► BUSINESS MARKET, BY SEGMENT

DEC/2016

#### EMPREENDER (ENTERPRISE)



#### DESENVOLVER (DEVELOP)



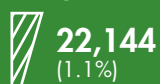
#### FORTALECER (STRENGTHEN)



#### EXPANDIR (EXPAND)



#### MEDIUM ENTERPRISE



#### LARGE ENTERPRISE



#### CORPORATE



#### NON-SEGMENTED (SPECIFIC PORTFOLIOS)



**TOTAL 2,045,040** (100%)

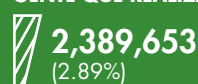
### ► INDIVIDUAL MARKET, BY SEGMENT

DEZC2016

#### EXCLUSIVO



#### GENTE QUE REALIZA (ACHIEVERS)



#### GENTE QUE CONQUISTA (WINNERS)



#### GENTE DE VALOR (VALUED PEOPLE)



#### NON-SEGMENTED (SPECIFIC PORTFOLIOS)



**TOTAL 82,652,224** (100%)



## ► COMFORT AND ACCESSIBILITY IN THE BRANCHES

CAIXA is committed to complying with the laws and standards established for waiting times for attendance. The branches have signs on public display informing the average waiting time for the agency. This is limited to 20 minutes, in line with the Brazilian banking federation Febraban (Federação Brasileira dos Bancos) standard. If the municipality has a law on waiting times, the local regulation prevails.

In terms of accessibility, Internet Banking is adapted for the visually impaired (audio and unified access). CAIXA currently has 76,265 ATMs adapted for this public, with speech technology (software that converts numbers, amounts and names into synthesized speech), totaling 20% of the terminals available. All the terminals installed after 2008 are adapted for wheelchair users or persons who are short in stature.

## ► CLIENT SATISFACTION G4-PR5

Throughout 2016, CAIXA conducted one survey on FGTS service quality and another on the CAIXA image. These enabled the organization to establish its strengths, weaknesses, points for improvement and important trends affecting reputation, as well as providing inputs to enhance its product and service offerings.

The survey on FGTS service quality was conducted nationwide with face-to-face interviews involving 3,267 people. The consolidated average score given by Individual and Company users increased to 8.03, an improvement over the 2014 score of 7.68. The services assessed included use of the FGTS fund for housing, payment by the employer and withdrawal of the funds, both in bank branches and lottery units.

In the CAIXA image survey, which involved 600 household interviews in state capitals, CAIXA received a score of 7.64 (on a scale from 1 to 10) in terms of overall client satisfaction, the best evaluation among all the commercial banks researched. It continues to be the financial institution with the highest spontaneous recall among 34% of the interviewees, giving it a broad advantage compared with the competition. Perceived as a bank that is accessible to everyone by 60.8% of the interviewees – but focused on low-income groups in the opinion of 20.6% –, CAIXA was also recognized as offering the best cost-benefit for 50.3% of the bancarized population, giving it a valuable strategic differential. Generally speaking, the results indicate an important position for CAIXA in 16 of the 17 image attributes researched. However, the item “Technological Innovation” remains a weak point in the perception of clients, with a positive mention among only 15.2% of the interviewees.

TYPE OF SERVICE POINT	ATM WITHOUT ACCESSIBILITY	ATM WITH FALATEXTO TEXT-TO-SPEECH SOFTWARE	ATM WITH VERBIOTT'S SOFTWARE	OVERALL TOTAL
CAIXA Electronic service posts	542	1,244	48	1,834
Self-service spaces	23,315	484	3,944	27,793
Non-adjoined spaces	840	463	32	1,335
<b>OVERALL TOTAL</b>	<b>24,697</b>	<b>2,191</b>	<b>4,074</b>	<b>30,962</b>



## ► SECURITY G4-PR8

By means of its Information Security policy, CAIXA establishes principles and guidelines for protecting and disciplining the use of its own information and information under its custody, ensuring the confidentiality, integrity, authenticity and availability of data. In another specific internal standard, employees also receive guidance on the proper treatment of information in accordance with the degree of confidentiality, regardless of the means of support or the manner in which it is stored, provided or transported.

This policy is overseen by the CAIXA Information and Communication Security Committee, which reports to the Risk area. The committee enforces compliance with the policy as well as with the regulations and laws in force, in particular those related to federal public administration, issued by the Office of Institutional Security of the Presidency of the Republic. This committee works

closely with the recently created Operational Risk and Security Committee, responsible for defining guidelines and rules to mitigate fraud in products and services. (further information in Risk Management, on page 28)

Any cases of fraud involving clients via bank branches, ATMs, internet and authorized agents are addressed in accordance with a series of internal procedures established by the security area aimed at detecting, monitoring, contesting and recovering the amounts involved. The specific rules for products and services also abide by these procedures.

The CAIXA security area also has a specific orientation (AD147) to refund any goods and amounts of money stolen from company premises and in cases involving extortion through kidnapping.

► **The security of client data is a key requirement for good banking management; CAIXA invests in ensuring this security based on its Information Security policy.**



## ► INVESTMENTS IN TECHNOLOGY

Over recent years CAIXA has invested in technological innovation, another key mechanism for protecting its own data and that of its clients and partners. The CAIXA Technology Center (CTC), inaugurated in August 2015, came into full operation in 2016. It was projected to safeguard all the bank's data, by means of replication in the Datacenter; to establish high availability for applications on all platforms; to ensure conditions for the expansion of the bank's businesses; and to rationalize costs by centralizing Information Technology (IT) infrastructure distributed throughout the CAIXA branches nationwide.

The CTC works in conjunction with the Cidade Digital Datacenter Complex, inaugurated in 2013, providing 100% availability with no stoppages due to failures. Located in the Parque Tecnológico Capital Digital, in Brasília (DF), the park guarantees the security of the more than 11 million transactions conducted daily on the CAIXA website – the second most accessed in Brazil, as well as the approximately 13.5 million monthly Bolsa Família payments and the more than 15 million transactions per day in the ATM network.

Together, the Datacenter and the CAIXA Technology Center occupy a physical space for information technology equipment which is 2.2 times bigger than the previous area. Power provision capacity has been multiplied by a factor of 4.5.



**Focus on digitalization and increased process efficiency and security.**

## ► IMPROVEMENTS IN CREDIT AND DEBIT CARDS

Finalized in 2016, the internalization of CAIXA credit card processing resulted in an improved experience for clients and reduced costs, driven by the reformulation of processes and the integration of the new platform with the company's other systems and operations.

The novelties introduced with this initiative include the implantation of an SMS message service for the approval or refusal of purchases; change of address and telephone number; the issue of new passwords or PIN without the need for a new card; distribution of credit card bills via email; more functionalities in the card service systems in the branches and a larger number of partnerships for the redemption of loyalty points.

The CAIXA Cards smartphone application for individual clients was downloaded 177,000 times in 2016, its first year of activity. With an increased number of services, it offers clients greater convenience and practicality – with a secure and intuitive interface, positioning CAIXA in the forefront of market trends.

# 2.2

times more space for processing and storing CAIXA data in the facilities.



## ► In 2016, CAIXA reinforced relationship tools aimed at midsize companies by means of the Opportunities Panel and the Client Portal.

Unprecedented in Brazil, in 2016 CAIXA, in partnership with Samsung, launched a digital wallet solution that permits clients to digitalize their cards and use them for virtual payments via cellular telephone. This is made possible by NFC (Near Field Communication) technology, which enables wireless communication between devices, and MST (Magnetic Secure Transmission), an exclusive Samsung technology that emits a signal that replicates the magnetic strip on a traditional card. Offered initially for Mastercard debit cards, the solution will be extended to other brands and to credit cards, enhancing the technology experience for clients.

From the standpoint of fraud prevention, the internalization enabled the incorporation of strategic activities in processing credit cards. As a result, the definition of security guidelines, the creation and editing of authorization rules, treatment of fraud alerts, as well as the blocking and unblocking of cards suspected of fraud were taken over by CAIXA employees. Currently the fraud prevention system belongs to CAIXA, guaranteeing greater operational stability and information security. The result is

visible in the comparison with the previous year, with a R\$ 70 million gross decrease in fraud, a reduction of 39% over the previous year.

### ► INTEGRATED VISION OF MEDIUM COMPANIES

In 2016, the teams serving medium sized companies gained two important tools for managing their clients. The first, the Opportunities Panel, provides an integrated vision of the businesses, offering support in decision making for managers, head office and the network. The panel permits management to track the portfolio in a dynamic, interactive way, comparing associated units and providing access to actions for prospecting new opportunities.

The second is the Client Portal, designed to provide assistance in managing medium sized company clients by means of the proper qualification of information and the possibility of making individual searches by company number and other key filters.

# ECONOMIC-FINANCIAL PERFORMANCE



## IN THIS CHAPTER

- ▶ PERFORMANCE AND ASSETS

### CONNECTION WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

This chapter is aligned with the directives:



GOVERNANCE



INFORMATION DISCLOSURE AND REPORTING



PROMOTING SUSTAINABLE DEVELOPMENT



STAKEHOLDER RELATIONS AND ENGAGEMENT





## RESILIENCE WITH GROWTH

To mitigate the impacts of the unfavorable macroeconomic conjuncture, CAIXA maintained a positive operational cycle and reinforced management of administrative and financial expenditures

On the international scene, the moderate expansion of the US economy remains on track, as demonstrated by current economic indicators. In the Euro zone, the levels of activity and confidence are surprisingly positive, countering expectations that in the short term the economy would suffer from negative effects generated by the United Kingdom's exit from the European Union. In China, recent economic indicators point to the stabilization of the country's growth rate, driven by the acceleration of public sector investment, in contrast with the weakening of the private sector.

However, in Brazil GDP decreased by 3.6%, slightly less than the 3.8% decrease in 2015. There was retraction in agriculture (-6.6%), in industry (-3.8%) and services (-2.7%). In spite of some positive marginal results in 2016, physical production continued to drop during the year. Performance at the end of the year suggests that the resumption will be more gradual than was previously imagined, with the business community showing a more cautious approach to the recovery. The monthly indicators for the retail trade were mostly weak during the year, indicating a similar retraction to the previous 12-month period. Within this context, indicators which had been showing an upturn in confidence dropped again at the end of the year.

The current account deficit decreased, with a surplus in the balance of payments and a reduction in the services and income accounts. Direct investment in the country continued to surprise, remaining at high levels, while fixed income investments felt the effects of the loss of investment grade.

In terms of the labor market, the deterioration process continues, with an increase in the unemployment rate, which averaged 11.5% in 2016, compared with 8.5% in 2015. Salaries continue to drop in real terms, influenced by the weak level of economic activity.

Inflation slowed down, influenced by the lower pressure from administered prices, mainly electrical energy. Market prices also decelerated influenced by the reduction in the inflation of food prices due to the end of the effects of El Niño. Inflation in services, which excludes more volatile groups of prices, also decelerated. As a result the broad consumer price index, IPCA, ended the year with a 6.30% increase, below the target ceiling (6.50%).

With inflation under better control and advances in the fiscal area, the basic Selic rate was reduced, ending the year at 13.75% per annum. The total credit balance maintained its downward trend, influenced by credit for companies with free funding and directed credit from the BNDES. The result reflects the contraction in economic activity, the low level of confidence of the agents involved, the fiscal adjustment underway and the sustained high basic interest rate.



## PERFORMANCE AND ASSETS G4-9

MAIN CAIXA NUMBERS (R\$ MILLION) G4-EC1	2013	2014	2015	2016
Gross income from financial intermediation	19,205	21,364	21,312	24,101
Revenues from credit operations	46,494	66,349	86,600	94,192
Allowance for loan losses	(9,191)	(13,156)	(19,657)	(20,109)
Income from securities and derivatives	19,708	30,135	43,667	41,788
Expenses for securing capital	(34,862)	(57,413)	(82,272)	(85,247)
Loan and transfer expenses	(9,092)	(12,375)	(18,415)	(16,179)
Service revenues	16,352	18,404	20,715	22,463
Administrative expenses	(25,555)	(28,792)	(31,286)	(33,248)
Personnel expenses	(15,928)	(17,873)	(19,757)	(21,048)
Other administrative expenses	(9,626)	(10,920)	(11,529)	(12,200)
Other operating expenses /revenues	(2,703)	(2,088)	(7,124)	(5,999)
Operating income	5,195	6,635	1,086	4,035
Taxes on income	2,611	2,266	7,944	1,549
Net profit	6,723	7,092	7,112	4,137

In 2016, CAIXA posted net income of R\$ 4.1 billion, the result of a 3.6% increase in revenues from financial intermediation and 8.4% growth in service revenues and tariffs. Operating income, however, increased by R\$ 2.9 billion compared with 2015, ending December at R\$ 4.0 billion, in spite of the challenging macroeconomic situation in 2016. This result was driven by efficient management of financial intermediation expenses, which increased only 2% over the 12 months, and by rigorous control over administrative expenses, which grew only 6.3% in the year. Expenses with the allowance for loan losses increased by 2.3%, demonstrating the quality of the portfolio and

the continuous improvement in credit cycle policies and management processes.

Assets under management at CAIXA totaled \$ 2.1 trillion, worthy of note being the FGTS, with a balance of R\$ 502 billion; and the investment funds, with a balance of R\$ 287.4 billion, growing respectively 9.0% and 12.5% in the 12-month period.

CAIXA's own assets totaled R\$ 1.3 trillion, an increase of 4.3% in the 12 months. The extended credit portfolio represents 56.5% of this total, totaling R\$ 709.3 billion, while securities, at R\$ 181.3 billion, account for 14.4%.

ASSETS (IN R\$ BILLION)	2014	2015	2016
CAIXA assets	1,065	1,203	1,255
Extended Credit Portfolio	607	679	709
Savings	238	242	252
Third-party assets under management	724	805	881



## ► EVOLUTION OF CAIXA INDICATORS

Cash deposits presented a balance of R\$ 31.9 billion and term deposits totaled \$ 210.7 billion, growing 24.7% over the previous year. Savings grew 4.1% in the 12 months, reaching a balance of R\$ 252.4 billion in December 2016. Real estate credit bonds totaled R\$ 101.7 billion, a 9.2% reduction in the year, aligned with the institution's funding strategy.

CAIXA net equity totaled R\$ 63.6 billion, including R\$ 36.5 billion in Hybrid Capital and Debt Instruments eligible for composition of Basel III common equity. In December 2016, the return on cumulative average net equity in the twelve months was 6.6%, while the Basel ratio reached 13.5%, 3.0 p.p. above the minimum requirement of 10.5%.

The administrative expense coverage index improved 1.4 p.p. in the 12 months, reaching 67.6%. Coverage of personnel expenses increased to 106.7%, up 1.9 p.p. compared with the same period in 2015. The operational efficiency ratio reached 52.1%, a reduction of 1.7 p.p. in 12 months, the institution's best result in the last ten years. The improvement in these indices is the result of efficiency measures implemented to drive operational optimization at CAIXA.

**As a reflex of CAIXA risk and credit portfolio management strategy, the plus 90 day default rate was below the market average.**

## ► EXTENDED CREDIT PORTFOLIO

At the end of 2016, the CAIXA extended credit portfolio showed a balance of R\$ 709.3 billion, up 4.4% on the previous year. The commercial credit portfolio had a balance of R\$ 191.0 billion. The quality of the portfolio remained high with approximately 90.8% having AA-C ratings, in line with the bank's track record.

The total plus 90 day default rate was 2.88% at the end of 2016, below the market average of 3.71%. This is the result of the evolution in the bank's risk model and its credit recovery policies, despite the challenging economic situation.

Commercial operations with private individuals reached a balance of R\$ 101.9 billion, a decrease of 0.8% in 12 months. Worthy of note among the products in this segment is payroll deductible credit, with a balance of R\$ 63.9 billion, an increase of 7.2% over the same period of the previous year. The CAIXA share in this market was 22.2% at the end of 2016. The business segment showed a balance of R\$ 89.1 billion at the end of 2016, a 7.4% reduction in 12 months, in line with the behavior of the National Financial System.

Infrastructure operations grew by 10.8% in 12 months, totaling R\$ 78.6 billion at the end of December 2016.

CAIXA FINANCIAL INDICATORS CAIXA (%)	2012	2013	2014	2015	2016
Return on average assets (12 months)	0.9	0.8	0.7	0.6	0.3
Return on average net equity (12 months)*	25.6	24.8	15.2	11.4	6.6
Solvency ratio – Basel	13.0	15.1	16.1	14.4	13.5
Public sector indebtedness	29.0	24.7	28.4	30.6	37.6
Cover. of administrative expenses (12 months)	64.6	64.0	63.9	66.2	67.6
Cover. of personnel expenses (12 months)	105.6	102.7	103.0	104.9	106.7
Operating efficiency ratio (12 months)	61.4	60.5	53.7	53.7	52.1

\* In accordance with CMN Resolution n° 4.192/13, it includes hybrid capital and debt instruments.



CAIXA rural credit reached a balance of R\$ 7.2 billion in December 2016, worthy of note being loans for businesses, which increased 15.5% compared with the previous year. To facilitate access to this line of credit, the CAIXA Agribusiness Truck attends agricultural fairs and events. This is a mobile branch through which producers may obtain information and a number of products, as well as contracting Custeio Fácil CAIXA, a simplified loan facility.

The real estate credit portfolio grew 5.6% over the 12-month period, totaling R\$ 406.1 billion in December 2016, of which R\$ 203.4 billion comprised FGTS funds, R\$ 201.9 billion CAIXA/ SBPE funds and R\$0.8 billion of other types of funding. CAIXA continues to lead this market with a 67.0% share, excluding certificates of real estate receivables.

In 2016, a total of R\$ 41,4 billion was contracted for the Minha Casa Minha Vida program via CAIXA, equivalent to 355,000 new housing units. 9.8% of these new homes were in Band 1 of the program, for beneficiaries with an income of up to R\$ 1,800.

### ▶ OPERATIONS WITH SECURITIES

At the end of 2016, the securities portfolio totaled a balance of R\$ 181.3 billion. From this amount, R\$ 160.2 billion comprised federal public securities and R\$ 20.3 billion corresponded to private securities. The income from security and derivative operations totaled R\$ 41.8 billion, 4.3% down on the same period in 2015.

In compliance with article 8 of Central Bank resolution 3.068/2001, CAIXA declares its intention to maintain the category III securities, which totaled R\$ 49.5 billion in the period, until their respective maturity dates and that it has the financial capacity to do so.

**With almost 69 million savings accounts at the end of 2016, CAIXA is a byword for this category in Brazil.**

### ▶ DEPOSITS AND FUND CAPTURE

The total amount raised presented a balance of R\$ 984.1 billion in December 2016, up 4.5% over the same period of the previous year. The ratio of the total raised to the credit portfolio was 138.7%.

Deposits reached a balance of R\$ 512.2 billion, nominal growth of R\$ 56.5 billion in 12 months. Worthy of note were the term deposits, with a balance of R\$ 210.7 billion, growth of 24.7% in 12 months. Cash deposits totaled R\$ 31.9 billion, growing 16.3% in 12 months.

With a balance of R\$ 252.4 billion, savings grew 4.1% compared with 2015, reaching a market share of 38.0%, representing 1.2 p.p. growth, with a trend towards recovery. At the end of December 2016, the bank had 68.8 million savings accounts, 5 million more than in the same period of 2015.

The checking account base totaled 24.9 million, broken down as follows: 22.7 million individual accounts (including simplified CAIXA Fácil accounts) and 2.2 million company accounts. Escrow deposits grew 19.6% in the 12 months, reaching a balance of R\$ 74.2 billion. The securities balance totaled R\$ 140.9 billion, worthy of note being real estate and mortgage notes which ended 2016 with a balance of R\$ 101.7 billion.

### ▶ BANKING SERVICES

The total number of banking transactions in 2016 was 8.4 billion, 6.8% up on the previous year. The increase in transactions was reflected in the 8.4% growth in income from services and tariffs compared with the previous year, totaling R\$ 22.5 billion at the end of 2016.

The main highlights were revenues from checking accounts, agreements and collection, and the administration of investment funds, which grew 23.7%, 12.7% and 6.8% respectively in the 12 months. From the total transactions, 610 million took place via cellular telephone and smartphone, growth of 67.0% in the 12 months.



## ► CREDIT FOR CONSTRUCTION

CAIXA launched a new version of its Construcard, a line of finance for individuals intending to build, remodel or expand their home. Accepted in a network of more than 80,000 stores nationwide, the Construcard may be used to buy any kind of building materials and fixtures, ranging from bricks, cement, flooring, coatings and toilet fixtures to built-in cupboards and swimming pools, among others.

Clients have from two to six months to buy everything they require. During this period they only pay interest on the amount used. The financing may be paid back in installments over a period of up to 240 months. The average amount financed is R\$ 14,000 and the limit varies in accordance with the client's payment capacity, with no fixed ceiling.

## ► GOVERNMENT SERVICES

As the main operating agent for federal government social programs, CAIXA makes an active contribution towards eradicating poverty and improving income distribution in Brazil. By the end of 2016, the bank had paid around 163.8 million social benefits, totaling R\$ 28.3 billion. The main income transfer program, Bolsa Família, paid around 158.6 million benefits in 2016, amounting to R\$ 27.4 billion during the period.

In workers' programs, during the year institution made 164.6 million benefits payments, which totaled R\$ 242.1 billion. These included unemployment insurance, the national Salary Bonus and PIS, which corresponded to R\$ 54.0 billion.

There were 65.4 million INSS retirement and pension payments, totaling R\$ 81.5 billion in 2016. FGTS revenues reached R\$ 119.1 billion in 2016, while withdrawals totaled R\$ 106.6 billion. At the end of 2016, the FGTS had a total of 151.1 million accounts.



## 50<sup>TH</sup> ANNIVERSARY OF THE FGTS

In 2016, the FGTS severance fund completed 50 years in operation. To commemorate the date, CAIXA launched a special federal lottery ticket to commemorate its 50th anniversary. Since it was created, over R\$ 426 billion has been invested in constructing low-income housing, highways, ports, waterways, airports, railways, renewable energy and sanitation works. More than 4,000 Brazilian municipal districts (73%) have benefited from works financed with FGTS funding. As the operator of this fund, every ten minutes Caixa makes FGTS payments to around 1,000 workers. There are over 57,000 service points spread nationwide and overseas that provide permanent services for more than 10 million users.



## ▶ LOTTERIES

In 2016, CAIXA Lotteries revenue totaled R\$ 12.9 billion. The most popular lottery was the Mega-Sena, corresponding to 39.7% of the total revenue volume during the period.

In addition to fueling the dreams of the betting public with its prizes worth millions, the CAIXA lotteries constitute an important source of funding for social development. From the funds raised by the Lotteries product portfolio, during the year around R\$ 4.8 billion was transferred to federal government social programs in the areas of social security, sports, culture, public security, education and healthcare.



## ▶ STRATEGIC HOLDINGS

The CAIXA Conglomerate, a group of companies consisting of the CAIXA financial institution and its direct and indirect holdings, seeks to optimize its performance based synergies generated by the integration of its strategic holdings.

The CAIXA Conglomerate policy sets forth directives covering the commercial relations and governance between CAIXA and the companies in the conglomerate to manage, invest and undertake contracts aimed at establishing strategic partnerships that enable the competitive access to key markets and services that will enable the group to achieve its objectives.

The following commercially strategic partnerships are particularly worthy of note:

- Banco Pan (payroll loans, vehicles, high-income housing segment and insurance);
- CAIXA Seguros (insurance, savings bonds, supplementary pensions and health);
- Elo, Vale Presente and CIELO: aimed at the card market;
- CAIXA Crescer (microfinance);
- Partnerships that support CAIXA operations, such as Capgemini (IT) and TecBan (service network);
- Branes (support in capturing and processing credit operations);
- Habitar (housing correspondent network).

# 39.7%

the share of the Mega-Sena in CAIXA Lotteries revenue





BREAKDOWN OF HOLDINGS PORTFOLIO (IN R\$ MILLION)	2015	2016
CAIXA Seguros Holding	2,635,360	3,046,972
Banco PAN	1,183,161	878,142
Capgemini	177,957	117,889
Elo Serviços	18,542	23,111
Cia. Brasileira de Securitização (CIBRASEC)	6,956	6,994
Crescer	-	-
Branes	1,841	1,874
Galgo Sistemas de Informações S.A.	-	1,752
BIAPE	238	-
FGO – Fundo Garantia de Operações (1)	76,069	287,712
FGHAB – Fundo Garantidor Habitação Popular	262,766	265,210
Fundo de Investimento em Participações	32,428	32,685
TECBAN	107,004	106,537
PAN Corretora (2)	29,381	33,130
PAN Seguros	353,709	363,179
Other investments (3)(4)	4,734	8,827
<b>TOTAL</b>	<b>4,890,146</b>	<b>5,174,014</b>

1 Value of investment net of provision (R\$ 208,136) on December 31, 2016; (R\$ 344,779) on December 31, 2015.

2 Value of investment net of provision (R\$ 33) on December 31, 2016; (R\$ 33) on December 31, 2015.

3 Value of investment net of provision (R\$ 43,266) on December 31, 2016; (R\$ 11,085) on December 31, 2015.

4 Investments valued at cost of acquisition.

► **Growth and diversity in the portfolio of holdings reflect CAIXA long-term strategy, focused on segments that leverage the institution's results in key market segments.**

# MORE THAN JUST A BANK



## IN THIS CHAPTER

- ▶ FOMENTING CITIZENSHIP
- ▶ SUPPORT FOR WORKERS
- ▶ SUSTAINABLE CITIES AND HOUSING
- ▶ INCENTIVES FOR CULTURE AND SPORT

## CONNECTION WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

This chapter is aligned with the directives:



GOVERNANCE



DISCLOSING AND REPORTING INFORMATION



PROMOTING SUSTAINABLE DEVELOPMENT



STAKEHOLDER RELATIONS AND ENGAGEMENT



## FOMENTING CITIZENSHIP AND DEVELOPMENT

CAIXA's social mission encompasses a series of social and income transfer programs, as well as support for Brazilian workers

As a partner of the federal government, CAIXA incorporates a number of public policies into its business strategy, culminating in the promotion of structural transformations and economic foment for the country. The ideal of "more than just a bank" goes back to the company's origins in the 19th century when slaves could save money to buy their emancipation. Today, this commitment is to be found in services such as the operation of the FGTS employment severance fund and diverse government programs, ranging from Unemployment Insurance, PIS to the Bolsa Família (Family Allowance) and Minha Casa Minha Vida (My House My Life).

These activities, which go far beyond normal banking activities, endorse the notion that sustainability permeates all the company's areas, all its employees' activities and the entire process of planning, developing and delivering services to clients, public authorities and society.

### ► FOMENTING CITIZENSHIP

G4-FS7, G4-EC7, G4-EC8

In paying approximately 167 million social benefits related to income transfer programs in 2016, CAIXA invested more than R\$ 28.5 billion towards eradicating poverty and improving income distribution among the Brazilian population. The Bolsa Família program alone accounted for approximately 95% of the volume of payments and 96% of the total amount transferred.

To manage the social programs, CAIXA maintains the Cadastro Único or Single Register – a tool that provides a set of indicators and information about families classified as poor and extremely poor. This information is used by the federal government, states and municipalities in the implementation of public policy aimed at improving public living standards. The register also ensures the integration of income transfer programs with other initiatives.

CAIXA trains municipal civil servants in the use of the register and the country's benefits system. This training is aimed at improving service for Bolsa Família beneficiaries. In 2016, CAIXA trained 269 new civil servants. The family base in the single register grew by 6.39% in 2016, consolidating data on 40 million families and 143.9 million people. On a daily basis, there are around 5.6 million transactions involving the register, comprehending inclusions and alterations. The CAIXA Cidadão contact center received 25.9 million calls in 2016, 4.9 million (19.12%) of which were attended by operators, with the remaining 20.9 million (80.88%) being handled by Interactive Voice Response technology.

### NEW SERVICE CHANNELS

In 2016, CAIXA launched a new alternative for payment of the Bolsa Família: the Poupança CAIXA Fácil or Easy CAIXA Savings. This medium offers easy access to the benefit, because it permits withdrawals, provides a statement to control expenses and a debit card for making purchases. By the end of the year, approximately one million beneficiaries were using this channel.

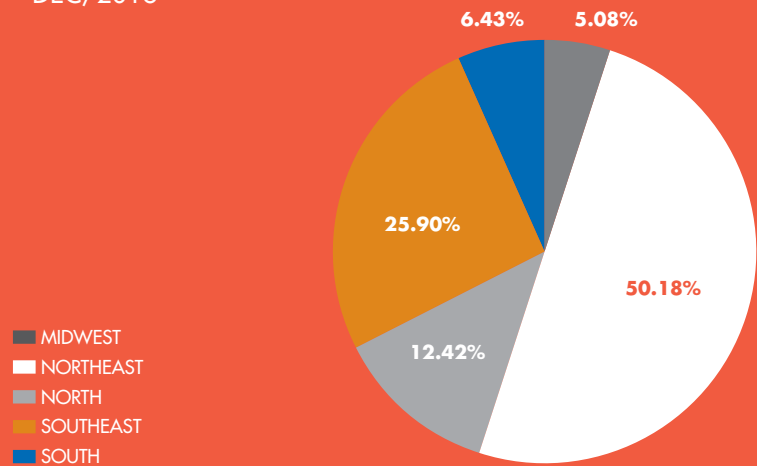
The initiative is part of CAIXA strategy to expand access to the service channels. The Bolsa Família application launched the previous year, for example, reached the mark of 1 million downloads in 2016. This enables beneficiaries to check their withdrawals, verify the payment schedule and the last payments received on the screen of their cell phone.

▶ **BOLSA FAMÍLIA** G4-FS7, EC7, EC8

Created to combat poverty and inequality in Brazil, the Bolsa Família is the main income transfer program operated by CAIXA. There follow the main numbers for 2016:



▶ **BREAKDOWN OF FAMILIES BY REGION**  
DEC/2016



**13.6 M**

families benefited

**45.7 M**

people impacted directly or indirectly

**6.41%**

chose CAIXA Aqui

**158.6 M**

benefits paid

**R\$ 27.4 B**

paid out (3.65% increase compared with 2015)

**5,449**

municipalities served

**R\$ 171.73**

average monthly payment

**15.35%**

opted for the Convenience Rooms

**24.09%**

received the benefit in their accounts (CAIXA Fácil and Poupança Fácil)

**52.94%**

received the benefit via lottery units



## ▶ LOTTERIES

An importance source of funding for social development in the country, the CAIXA Lotteries had revenues of R\$ 12.8 billion in 2016, a 13.8% decrease compared with the previous year, caused by the economic retraction. From this total, approximately R\$ 6.1 billion, including taxes, was transferred to the federal government for investment in the areas of social security, sports, culture, public safety, education and health (further details on these programs in the Attachment).

The CAIXA Lotteries are aligned with the world class practices applied to members of the World Lottery Association (WLA), including ISO/IEC 27001, an international standard for information security management systems. In 2016, the CAIXA system was audited in order to maintain its certification, ensuring the effectiveness of controls and governance processes, risk management, business continuity, control over changes and continuous improvement in lottery games.

As a member of the WLA, the CAIXA Lotteries also develops policies and measures to prevent compulsive gambling and to protect vulnerable groups, such as minors, from the potential damage associated with gaming and betting. Further information at [www.jogoresponsavel.com.br](http://www.jogoresponsavel.com.br). Worthy of note in 2016 were:

- Continuity of the research project Prevalence of Gambling Disorder and Problematic Gambling undertaken with participants in the CAIXA Lotteries and supervised by the researcher Prof. Hermano Tavares, of the Psychiatry Institute of the University of São Paulo Medical School. This study will provide an estimate of the percentage of lottery players who suffer from gambling disorder in Brazil. The data collection phase was concluded in July 2016 – 23,123 people were surveyed in 494 lottery units all over the country, covering all the states and both urban and rural areas.
- Contracts with two organizations (one involved in research and treating gambling disorders and the other specialized in developing educational solutions) to generate content and develop a distance education solution. The course is currently under

development and will be made available to employees in 2017 through the CAIXA Corporate University.

- Inclusion in the code of conduct for members of the CAIXA Lotteries Process mandatory knowledge and compliance with the guidelines of the CAIXA Responsible Gaming Program. Members are also obliged to prevent compulsive gaming and protect groups considered to be vulnerable, such as minors.
- Training in the Lottery Operator Code of Conduct via a distance learning platform, reaching a total of 6,962 people, including lottery unit owners and workers.

The lottery tickets, produced using Forest Stewardship Council (FSC) certified paper, continue to carry photos of missing children and adolescents on a monthly basis, in a partnership with the Human Rights Secretariat of the Presidency of the Republic and the National Council of Children's and Adolescents' Rights (CONANDA). The printed photos are obtained from an online register available to the general public at [www.desaparecidos.gov.br](http://www.desaparecidos.gov.br).

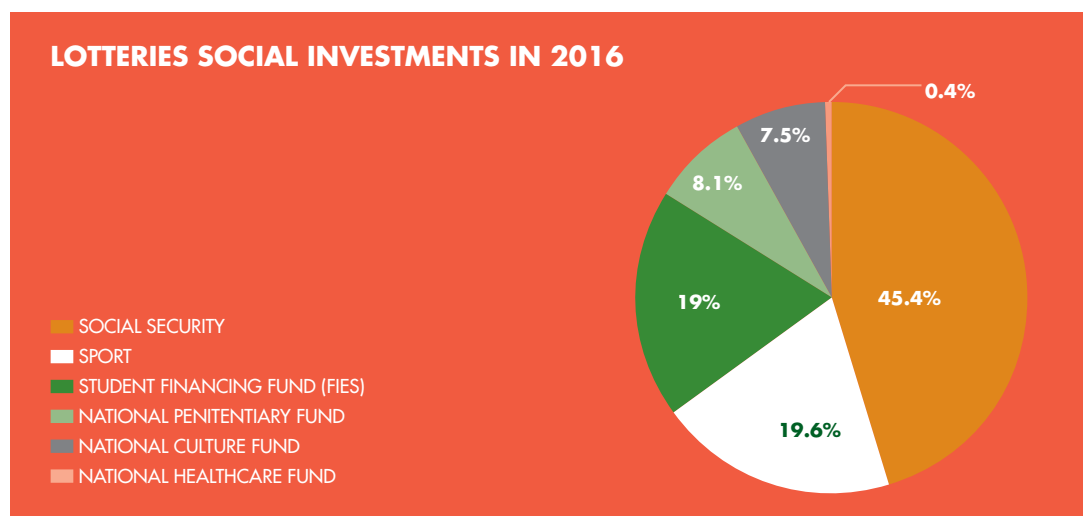
## SECURITY IN LOTTERY OPERATIONS

The CAIXA Lotteries have WLASCS:2012 certification, an international information security control standard for the lottery sector, published in 2012 by the WLA. This standard assesses information security management, including the ISO 27001 standard, with additional security controls specific to lotteries, and is currently recognized as best industry practice.

The certification constitutes recognition of CAIXA's adoption of the best governance, information security management, risk management and business continuity practices in the federal lotteries operation, ensuring the compliance of its processes with legal requirements, the credibility of its image as a games operator and the confidence of lottery players and other stakeholders.



LOTTERY TRANSFERS (IN R\$ MILLION)	2014	2015	2016
Social Investment	4,932	5,450	4,792
Prizes	4,768	5,264	4,519
Taxes	1,220	1,344	1,095
Administration and maintenance expenses	2,608	2,854	2,458
<b>TOTAL REVENUES</b>	<b>13,529</b>	<b>14,911</b>	<b>12,863</b>



## SUPPORT FOR WORKERS G4-EC8

The programs for Brazilian workers distributed approximately R\$ 53.9 billion in 2016, with the payment of over 62 million benefits. The most representative of these in terms of the amounts paid was Unemployment Insurance, which totaled R\$ 36.8 billion.

In 2016 the Salary Bonus benefited 20.5 million Brazilians with payments totaling R\$ 15.8 billion. A new rule was introduced for 2016-2017. To stimulate economic recovery, the federal government started to calculate the bonus based on the number of months worked in the year before the calendar year, maintaining as a reference the minimum salary in force on the date of payment. According to the new rule, workers are entitled to 1/12 of a minimum salary multiplied by the number of months in which they were in formal employment.

The funds used to pay Unemployment Insurance and the Salary Bonus are part of the Worker

Support Fund (FAT in the Portuguese acronym) which is funded by the Pasep program and the Social Integration program (PIS).

In 2016, CAIXA paid around 740,000 quotas of the PIS in the amount of R\$ 908 million, and distributed approximately R\$ 411 million from the program to 7.9 million participants. These funds come from contributions made by employers and are distributed proportionally to the worker's length of service and salary level.

In 2016 it was possible to access information about the PIS, Unemployment Insurance and the Salary Bonus by means of a smartphone application. With the CAIXA Trabalhador app, available for download on the Android, iOS and Windows Phone platforms, users can consult the installments available for withdrawal, receive general advice on how to receive the benefits and clarify any doubts they may have about the





programs. The geolocation tool in the app shows the nearest CAIXA branch, ATM or lottery outlet at which they may make the withdrawal.

PRODUCT	2015		2016	
	NUMBER OF INSTALLMENTS (MILLION)	AMOUNT PAID (BILLION)	NUMBER OF INSTALLMENTS (MILLION)	AMOUNT PAID (BILLION)
Salary Bonus	10.34	R\$ 8.09	20.50	R\$ 15.84
PIS – Quotas	0.57	R\$ 0.75	0.74	R\$ 0.90
PIS – Income	4.30	R\$ 0.21	7.91	R\$ 0.41
Unemployment insurance	36.94	R\$ 37.01	33.00	R\$ 36.77

Obs.: The benefits above cannot be aggregated because of the income paid in the Salary Bonus.

### ► SUPPORT FOR RURAL FAMILIES

- **Chapéu de Palha (Straw Hat):** created by the Pernambuco state government to combat unemployment in the period between the sugarcane and irrigated fruit harvests, as well as adverse conditions in artisanal fisheries or emergency situations. In 2016, the program benefited 171,000 families with payouts totaling approximately R\$ 39.1 million;
- **Harvest Guarantee:** a federal government initiative in partnership with the National Integration Ministry as part of the Risk Management and Disaster Response Program. It provides financial support for families living in areas affected by disasters or in which a state of public calamity or emergency has been declared. More than R\$ 625.1 million was paid out to 3.5 million families in 2016;
- **Bolsa Verde (Green Grant):** this provides support for families that undertake environmental conservation measures in rural areas, such as national forests, extractivist and federal sustainable development reservations; in settlements and projects developed by the national agrarian reform body Incra (Instituto Nacional de Colonização e Reforma Agrária); or in territories occupied by traditional communities such as riverside dwellers, extractivists, indigenous peoples or quilombola communities. In 2016, CAIXA paid R\$ 69 million to 227,000 families.

- **Rural Production Foment Program:** this transfers funds to family agricultural producers, small forestry farmers, aquaculturists, extractivists, fishermen, traditional communities and indigenous people, aimed at the sustainable generation of work and income, training the beneficiaries and encouraging cooperative associations. 46,000 of the 50,000 active benefits were paid in 2016, totaling R\$ 53.3 million.



# R\$ 69 M

paid out to 227,000 families  
in the Bolsa Verde program



## ▶ YOUNG IDENTITY

Launched at the end of 2016, the Young ID Program provides low-income young people (enrolled in the Single Register) aged between 15 and 29 years with a document that permits them to access cultural and sporting events at half price, as well as free or discounted fares on interstate public transportation, in accordance with Decree 8.537, dated October 5, 2015. To provide users with information about the program, two versions of an application were launched, one for the beneficiaries, (Young ID) and the other for establishments (Young Promoter ID). Both are available for download for the Android, iOS and Windows Phone operating systems.

## ▶ ATHLETE GRANT

A Ministry of Sport program to provide those qualifying for the program with a 12-month grant. The program is aimed at providing high performance athletes with a maintenance allowance that will permit them to train and participate in competitions to develop their sporting career. In 2016, a total of R\$ 85.8 million was paid out in 38,000 monthly installments.



## ▶ FGTS

The FGTS severance fund celebrated 50 years of existence in 2016, marked by a series of victories and accomplishments for Brazilian workers and society as a whole (see infographic). CAIXA has been responsible for running the program since the Banco Nacional da Habitação (BNH) was extinguished in 1986. The institution has always pursued excellence and efficiency in managing these funds in line with the directives set forth by the FGTS Curatorship Council.

In 2016, the fund raised the record gross amount of R\$ 119.1 billion. However, withdrawals outpaced this growth, leading to a net result of R\$ 10.2 billion, a reduction of 29.2% compared with the previous year. This was due to the deceleration of the Brazilian economy and the increase in the unemployment rate in the country, reversing the trend from 2010 to 2014.

Under the terms of Resolution n° 806/2016, the FGTS Curatorship Council approved the investment of R\$ 102.7 billion in the fund's traditional operations. Adding this to the R\$ 11.4 billion for the FI-FGTS and the R\$ 5 billion in the portfolio under management, the total budget for 2016 was R\$ 119.1 billion. Moreover, R\$ 10 billion was contracted in Certified Real Estate Receivables (CRI) and Real Estate Receivable Securities (LCI). The fund's total assets exceeded R\$ 505.8 billion, with a balance of credit operations of more than R\$ 298.4 billion.

In spite of the weak performance of the Brazilian economy in 2016, the FGTS maintained its investment capacity to the tune of around R\$ 70 billion in the areas of housing, sanitation and infrastructure, with a 5% increase in the number of units financed. The FGTS discounts granted to low-income groups in financing the purchase of their own home totaled R\$ 6.6 billion in 2016, from a budget of R\$ 8.9 billion. A total of R\$ 4.8 billion of FGTS funds was also invested in the Minha Casa Minha Vida program Residential Leasing Fund (FAR).

## INVESTMENTS WITH FGTS FUNDS IN 2016

AREA (2016)	AMOUNT OF LOAN / FINANCING (R\$ THOUSAND)	NUMBER OF UNITS
Mass housing	50,413,028	476,517
Urban infrastructure	384,625	0
Other housing operations	19,078,373	180,856
Sanitation	226,641	0
<b>TOTAL</b>	<b>70,108,621</b>	<b>657,432</b>

Source: Canal FGTS

### ► IMPROVEMENTS IN ACCESS TO INFORMATION

Management of the FGTS involves the administration of more than 760 million accounts and around 1,000 payments every 10 minutes. Relations are maintained with more than 4 million employers on a monthly basis, while hundreds of millions of communications are sent to workers every year.

To improve management of this huge amount of data, in 2016 CAIXA launched its trial FGTS Management Information system (SIIFG-BI). The tool, based on the concept of business intelligence, enables the organization, analysis, sharing and monitoring of information to support

decision making processes and outline trends and scenarios for the strategic, tactical and operational management of the FGTS fund. An FGTS application for beneficiaries was launched during the year and is available free of charge for the Android, iOS and Windows Phone operating systems. This permits the worker to track the regularity of his employer's contributions and update his address in the FGTS database. By the end of the year, there had been 2.7 million downloads of the application, providing an alternative to email and SMS messages as a means of accessing the user's account. In 2016, the number of workers who opted to receive emails increased by 21.4%, while SMS messages grew by 60.5%. This led to a 46.7% decrease in the volume of statements generated and printed.



## 1966 - 1967

Creation of FGTS  
(Comes into force on January 1, 1967)

## 1986

Extinction of BNH.  
Administration of fund by CAIXA

## 1989

Law no.7.839/89: elaboration of fund balance sheet and control of assets and liabilities

Creation of FGTS Curatorship Council - CCFGTS

## 1990

Law no. 8.036/1990: regulation of the fund

## 1991

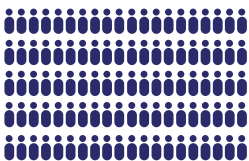
Beginning of centralization of more than 55 million accounts distributed among 76 financial institutions

## 1992 - 1993

FGTS Crisis: suspension of investments; end of centralization of accounts: Law no. 8.727/93: renegotiation of debts; Payment of inactive accounts



## How it works



The FGTS is guaranteed for

# 100%

of workers contracted under Brazil's CLT labor legislation.

It is a monthly deposit made by all employers linked with the work contract. It works as an insurance policy in the event the employee is dismissed without due cause.



# 8%

The deposit is equivalent to 8% of the employee's remuneration. It is not deducted from the employee's salary.

The accumulated amount may be withdrawn in diverse situations, such as purchase of own home, retirement, serious illness, inactive account or public calamity caused by natural disasters.

**1995**

Resumption of investments

**1996**

Segregation of CAIXA FGTS accounts

**2000**

Privatization Mutual Fund (FMP) - Petrobras: R\$ 1.6 billion

**2001**

Complementary Law no. 110/2001: Collor and Verão Plans with payment scheduled between June 2002 and January 2007; launch of Conectividade Social channel - CRF, balance and statement via internet

**2002**

Beginning of payment of economic plans

FMP - Vale: R\$ 1 billion

**2004**

Creation of Calamity Withdrawal

**2008**

Implementation of FI-FGTS Investment Fund

**2009**

Creation of Minha Casa Minha Vida program and creation of Carta Administrada

**2010**

FMP Petrobras: R\$ 423 million

**2011**

Real Estate Receivables Certificates (CRI): R\$2.7 billion

**2012**

Construction of 2012-2022 Strategic Plan and Code of Standards of Conduct of Representatives of Organizations Involved in Managing the FGTS

**2013**

Organization of FGTS Social and Environmental Policy Seminar

**2014**

Publication of FGTS Social and Environmental Policy

**2015**

Implantation of new model for collecting FGTS contributions for domestic workers

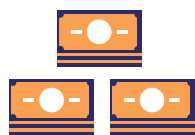
**2016**

Launch of FGTS application; Organization of FGTS Award - Monograph Contest 1st edition; Commemoration of the 50th anniversary of the FGTS

# years of partnership with the Brazilian public

**September 13, 2016**

On this date, the FGTS fund completed 50 years of existence. It is a fundamental social right for each worker, aligned with article 7 of the Federal Constitution.



**R\$ 712**

billion billion injected in the Brazilian economy by means of withdrawals and investments in the last 5 years alone

**R\$ 502**

billion in assets at end of 2016



**R\$ 169.7**

billion is the housing budget for the period 2017-2019

every 10 minutes

**1,000**

payments to workers

**60,000**

service points throughout Brazil and overseas



**R\$ 44**

billion is the sanitation and infrastructure budget for the period 2017-2019

**73%**

of Brazilian cities have had works financed by the FGTS

# SUSTAINABLE CITIES AND HOUSING

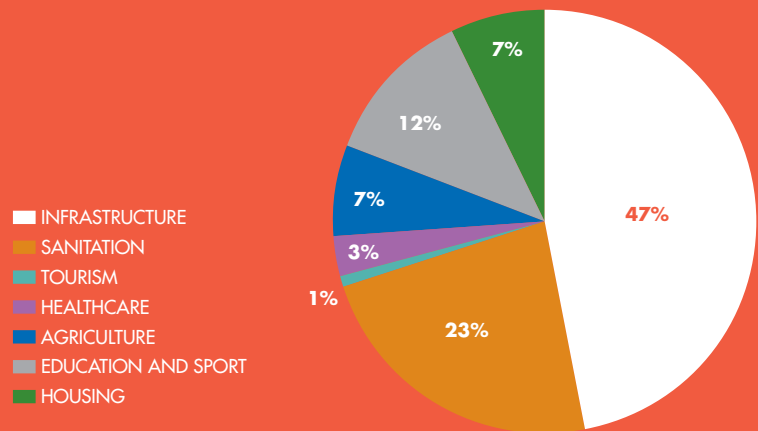
As the main operator for federal government measures aimed at social and urban development for 20 years, in 2016 CAIXA injected more than R\$ 7.9 billion of federal funds into the execution of projects, acquisitions and public works, an increase of 17% compared with the previous year. The number of new contracts increased to 52%, reaching the mark of 7,562 operations. During the course of the year, 7,644 projects (19% up on 2015) were concluded and handed over to the Brazilian public, in works and services that totaled more than R\$ 5.2 billion and benefited 3,382 municipalities.

Currently CAIXA accounts for practically 100% of the fund transfers from the General Federal Budget, which take place via transfer contracts in which public funds are only released as the contracted works and services are executed in line with pre-approved plans. CAIXA also has a distinguished and growing participation in transfers by means of agreements (with a 33.88% share in the transfers undertaken under the SICONV transfer system), in commitments under the Growth Acceleration Program (PAC ) and transfers in the Ministry of Health's fund to fund transfers. Under the latter, CAIXA accounts for 40.03% of the funds transferred by the federal government to the states and municipalities in Brazil's Unified Healthcare System (SUS).

Since 2007, CAIXA has been the main agent in priority projects and works in execution of the government's PAC growth acceleration plan, due to its widespread presence and capillarity, with a specialized team of around 4,000 employees distributed nationwide in 72 units dedicated to the Government sector.

To ensure the transparent and proper application of these public funds, CAIXA works in partnership with control bodies and the Judiciary to provide information on these operations. In 2016, it responded to 2,373 queries from these organizations. [G4-58](#)

## ▶ RELEASE OF FEDERAL FUNDS BY INVESTMENT AREA



**FUNDS TRANSFERRED FROM THE FEDERAL GOVERNMENT TO THE STATES AND MUNICIPALITIES:**  
R\$7.9 BILLION

**IN WORKS AND SERVICES DELIVERED TO SOCIETY:**  
R\$5.2 BILLION IN 3,382 MUNICIPALITIES

**IN NEW CONTRACTS:**  
R\$ 3.75 BILLION AND 7,602 OPERATIONS

**IN AGREEMENTS:**  
R\$ 2.27 BILLION DISBURSED (33.88% OF SICONV)

**IN HEALTHCARE FUND TO FUND OPERATIONS:**  
R\$ 25.71 BILLION TRANSFERRED TO THE PUBLIC HEALTHCARE SYSTEM – SUS (40.03% OF TOTAL)



► **CREDIT FOR SANITATION AND INFRASTRUCTURE**

In 2016, CAIXA disbursed R\$ 12.1 billion in 64 financing contracts for sanitation and infrastructure works. The projects approved by CAIXA are subject to analysis of social and environmental criteria, including those set forth in the Equator Principles (further information on pages 78, 79 and 80).

From the total credit granted, the greater volume (R\$ 4.7 billion ) was invested in power generation, transmission and distribution projects, including hydroelectric, wind power and thermoelectric plants, as well as in the financial restructuring of companies in this area. A further R\$ 3.9 billion was channeled into urban transportation systems, such as underground railways, trains and buses, as well as infrastructure measures in 310 municipalities.

Sanitation works absorbed R\$ 2.5 billion in financing, benefiting 295 municipalities with water supply, sewage and solid waste treatment facilities. The following amounts were also released: R\$ 462 million for urban infrastructure, R\$ 356 million for logistics (roads, railways, ports and airports), R\$ 50 million for multi-sector ventures (Olympic centers, multiple sports centers and communications) and, lastly, R\$ 48 million for naval construction (ships, vessels and shipyards). **G4-FS8**

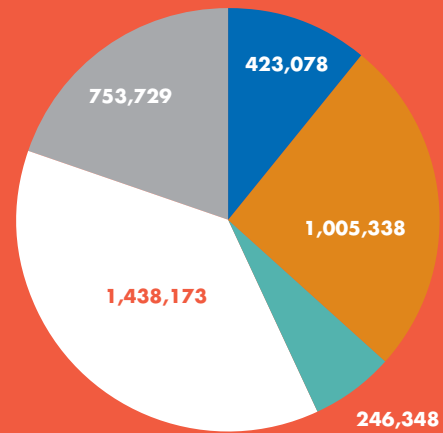
► **MINHA CASA MINHA VIDA PROGRAM**

G4-EC7, G4-EC8

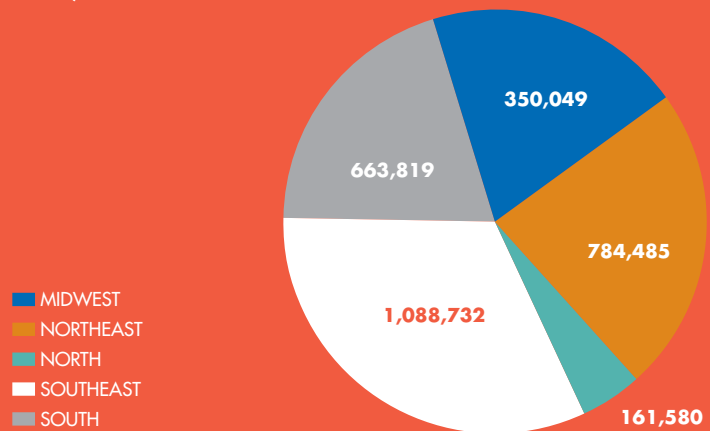
CAIXA is the financial institution responsible for contracting 90% of the total volume of Minha Casa Minha Vida program works. Launched by the federal government in 2009 as part of the efforts to overcome the housing shortage in the country, the program seeks to stimulate the production and acquisition of new housing units or the remodeling of existing urban properties, in addition to producing and remodeling rural housing for low-income families by means of subsidies / discounts.

In 2016, the bank contracted 356,993 new housing units at a total credit of R\$ 41.5 billion. During the course of the year, it handed over 688,990 units ready for habitation that had been contracted previously. Families with incomes between R\$ 1,600.01 and R\$ 3,250.00 received the largest number of units (see details in the tables in the Attachment).

► **UNITS CONTRACTED PER REGION**  
DEC/2016



► **UNITS DELIVERED PER REGION**  
DEC/2016



- MIDWEST
- NORTHEAST
- NORTH
- SOUTHEAST
- SOUTH

To monitor the quality of the homes delivered from the construction phase, acting preventively to ensure client satisfaction, since 2013 CAIXA has had its Focus on Quality program. In 2016, a total volume of 355,450 contacts were received by the specific 0800 721 6268 call center and the other CAIXA institutional channels, including the SAC, branches and Ombudsman.

Of these contacts, 270,686 were related to requests for information on the Minha Casa Minha Vida program, while 84,764 were complaints or reports. Of the complaints related to physical damage to the property, 66,14% were addressed by the construction company with intermediation by CAIXA. In the other 18.05% of cases, the bank applied administrative measures, including construction companies not complying with their legal obligations on internal blacklists. **G4-58**

▶ **MINHA CASA SUSTENTÁVEL  
(MY SUSTAINABLE HOUSE)**

In 2016, CAIXA financed the first wooden building for the Minha Casa Minha Vida program in Brazil. Located in Araucária (Paraná), the development uses wood frame technology, which complies with international standards and with Brazilian structural performance, fire prevention, impermeability and acoustic comfort standards. The main wood used is pinus, a species which grows rapidly and comes from renewable forests. The three-story, two-tower building was assembled in just 40 hours. It has a ten-year guarantee and an estimated working life of 50 years.

This is the second initiative in the program aimed at using a sustainable construction model. In 2015, wood frames were also used in the residential development Moradias Nilo in Curitiba, Paraná, for families with an income of up to R\$ 1,600, and who were in a risk area. The 66 houses in the development were built in just six months, half the normal time for masonry constructions.

**The National Rural Housing Project plans must use certified inputs.**

▶ **NATIONAL RURAL HOUSING PROGRAM (PNHR)**

Focused on family agricultural producers and agricultural laborers, the federal government created this program as part of the Minha Casa Minha Vida program, to facilitate access to dignified rural housing by means of subsidies or credit lines that enable the construction of a new house or the remodeling or extension of an existing one.

In 2016, CAIXA contracted 18,600 new housing units and delivered a total of 19,013 units. Since the beginning of the program, 98.5% of the contracts have involved families with a gross annual income of up to R\$ 17,000, 95% of which for the construction of a home. For this income group, a finance contract is not involved. Instead of this CAIXA, organizes the transfer of a government budget subsidy to a commission of representatives elected by the group of beneficiaries. Families with an income of between R\$ 17,000.01 and R\$ 78,000 receive CAIXA financing from FGTS funds. This does not involve the constitution of a real estate fund or a mortgage.

Under the PNHR, rather than relating directly to the construction companies, CAIXA deals with the private organizing entities formed by the program beneficiaries. The homes, located in pulverized developments in rural areas, must receive prior approval and must comply with the minimum specifications stipulated by the Ministry of Cities, with any decisions related to the projects (including social, economic and environmental criteria) taken in meetings with the beneficiaries, who provide their own or traditional community land for the building.

The plans must be accompanied by a declaration of non-use of native wood or a declaration of forestry origin. When the finance involves FGTS funds, the materials used must comply with Brazil's ABNT

**IN 2016**

**10,941,000**

Guided Production Microcredit contracts signed

**63%**

of the contracts were for private individuals, of which 66% went to women

**2,976,000**

microcredit contracts for entrepreneurs benefiting from the Bolsa Família program (information on page 70)

**PNHR CONTRACTS – AMOUNTS (R\$)**

REGION	2016	2009-2016
Midwest	32,558,248.33	190,094,676.67
Northeast	381,069,951.04	1,949,519,237.99
North	82,230,564.55	619,598,836.47
Southeast	48,666,938.49	636,338,772.00
South	46,487,789.85	1,254,098,548.78
<b>OVERALL TOTAL</b>	<b>591,013,492.26</b>	<b>4,649,650,071.91</b>



standards, as well as those of the Ministry of Cities National Housing Secretariat's Brazilian Habitat Quality and Productivity program (PBQPH). Alternatively, they must be certified by a body accredited by Inmetro, in accordance with the Brazilian Compliance Assessment System.

When the development is concluded, these beneficiaries sign a term of receipt for the housing unit in which they declare that the unit received is in accordance with what was agreed with CAIXA. Guidance on maintenance for the housing is transmitted to the beneficiaries in the course of social work carried out by the organizing body prior to completion of the construction.

### ► PARTNERSHIPS FOR DEVELOPMENT

G4-EC8, G4-FS8

CAIXA renewed its partnership for international technical cooperation with the United Nations Development Program (UNDP) through the Brazilian Cooperation Agency (ABC/MRE). The extension of the project until the end of 2018 has enabled the continuity of joint efforts for the development of key questions for CAIXA and for Brazil, such as microcredit, internationalization, sustainability and agribusiness. In 2016, CAIXA continued to execute projects with Portuguese-speaking African (Mozambique, São Tomé e Príncipe) and Latin American (Nicaragua) nations. This led to important advances in the programmed initiatives:

- Nicaragua: in Managua CAIXA promoted a training seminar in social housing for Nicaraguan technicians, providing support for the country in the revision of its low-income housing policy;
- Mozambique: a mission was sent to monitor a support project for urban development in the country, in particular the setting up of the Namialo Technology Center (CTN), which will provide training in new civil construction and housing technologies. Moreover, together with representatives of Campinas State University (Unicamp), CAIXA organized workshops to train technicians in the manufacture of soil cement bricks and the use of machinery to produce the bricks and corrugated tiling made from cement, sand and biomass;

- São Tomé e Príncipe: support for local urban development, focused particularly on housing policy and non-conventional construction methodologies.

In the field of international cooperation, the relationship with Germany was extended by means of the partnership with the German foment bank KfW Bankengruppe. Based on an agreement between the German Bank and the Brazilian Ministry of the Environment, in 2016 CAIXA acted as the operator for funding to finance the elaboration of the Rural Environmental Register (CAR) in the states of Rondônia, Mato Grosso and Pará. The original agreement was signed in 2015, and was renewed with additional resources during 2016.

To support the Ministry of Foreign Relations in the development of border regions, CAIXA representatives took part in discussions for the cooperation and development plan for the Uruguayan border region, in addition to the conclusion of the work plan to execute the Brazil-Colombia Border Region Integration Project, planned for 2017, together with the Development Bank of Latin America (CAF) and Colombia's Banca de Las Oportunidades.

Lastly, in yet another year of joint actions with the Brazilian Central Bank, CAIXA participated in Financial Citizenship Week, providing speakers and promoting working visits to lottery units and banking correspondents. Undertaken in partnership with the Alliance for Financial Inclusion (AFI), the event was attended by regulators, supervisors, central bank policy formulators and supervisory bodies from 15 countries: Angola, Bangladesh, Bhutan, Burundi, Congo, Costa Rica, East Timor, Indonesia, Ivory Coast, Malawi, Morocco, Ruanda, Senegal, Swaziland and Tajikistan. The goal of this International Week is to share information about best Brazilian financial citizenship practices, aimed at promoting debate and exchanges of experiences related to the applicability of these practices in other countries, given that the Brazilian model is one of the most advanced in this area.

**Technical cooperation agreements and partnerships address key topics for CAIXA and for Brazil, such as microcredit, sustainability and agribusiness.**



## INCENTIVES FOR CULTURE AND SPORTS

The motto “more than just a bank” extends to CAIXA's actions in the areas of culture and sports, as one of the major supporters of these segments in Brazil. The institution maintains seven CAIXA Cultural units around the country, which house art galleries, theaters, cinemas, museums and organize workshops and spaces for multiple uses. In 2016, these cultural centers organized a total of 527 events (including sponsorship of local community initiatives) which attracted over 1.18 million spectators. In addition to Brasília, Curitiba, Fortaleza, Recife, Rio de Janeiro, Salvador and São Paulo, the city of Porto Alegre will also receive a CAIXA Cultural unit in 2018. The programming at the cultural centers is available at [www.caixacultural](http://www.caixacultural) or via the CAIXA Cultural smartphone app and on the CAIXA Cultural fanpage on Facebook.

Cultural sponsorships reached a total of approximately R\$ 76 million in 2016, enabling the execution of 483 projects, either on an isolated basis or via public selection processes. In the latter case, CAIXA selected projects linked with the Occupation of CAIXA Cultural Spaces Program, the Theater and Dance Festival Support Program, the Brazilian Cultural Heritage Program and the 2017/2018 CAIXA New Artists Biennial. The calls for proposal, the projects submitted and those selected may be seen at [www.programasculturaiscaixa.com.br](http://www.programasculturaiscaixa.com.br)

In 2016, CAIXA also provided support for the Carnival, the most popular Brazilian festival, in particular initiatives involving street parades in the cities of Brasília, Recife, Rio de Janeiro, Salvador and São Paulo, with an overall investment of some R\$ 4.7 million.



### SOCIAL AND ENVIRONMENTAL RETURNS

The CAIXA cultural and sporting initiatives involve partnerships with NGOs that collect and ensure the proper disposal of the solid waste generated by the projects, as well as the reutilization of promotional materials, such as using the canvas from banners to make ecological bags. All the promotional material is produced using certified or recycled paper. In the cities where the events are held, these partners organize the planting of trees and the distribution of seedlings and seeds.







## ► FOMENT FOR SPORT

CAIXA believes that sport is an instrument for social inclusion, the promotion of civic awareness, a symbol of accomplishment and national pride. For this reason, the institution invested approximately R\$ 261.6 million in Brazilian sport in 2016, including a new basketball sponsorship arrangement worth R\$ 5.5 million for New Brazilian Basketball (Novo Basquete Brasil - NBB), which comprises 16 teams, and the Women's Basketball League (LBF).

Currently, CAIXA is the major sponsor of paraspports in Brazil, with an annual investment of approximately R\$ 30 million in the Brazilian Paralympic Committee via the Lotteries Development Fund (FDL). It is also recognized internationally for the creation of incentive programs for high performance athletes (63 athletes in 13 different sports) and unique parasport circuits (Circuitos Loterias CAIXA Brasil Paralímpicos), in addition to providing funding to enable Brazilian teams to participate in international competitions.

In 2016, via CAIXA Lotteries, the bank sponsored the Rio de Janeiro Paralympic Games, including the opening and closing events and the Paralympic torch relay. The 14 gold medals the country won ensured that Brazil climbed from 26th to 23rd place in the competition ranking, overtaking Switzerland, Belgium and Finland. The company was also involved in the creation of the "Parasport Ambassadors" program, which engages retired former gold medal winners in individual categories. CAIXA supported the Instituto Fernando Fernandes Life, whose Civic Canoeing project provides instruction in this sport to children aged over 6, with or without a disability, as well as family members.

In Olympic sports, the volume of sponsorships is growing year on year, driven either by the growth in sports in Brazil, the increase in the types of sport supported or the performance of the athletes sponsored. Since 2013, CAIXA investment policy has been aligned with the Ministry of Sports Brazil Medals Plan, which was aimed at ensuring a distinguished position for Brazil in the Rio de Janeiro Games. The sports supported in 2016 were athletics, fighting and cycling, with a total investment of R\$ 39.5 million provided through the respective confederations.

**CAIXA is a leader in fomenting sporting activities, with emphasis on sports that project Brazil on the international scene.**

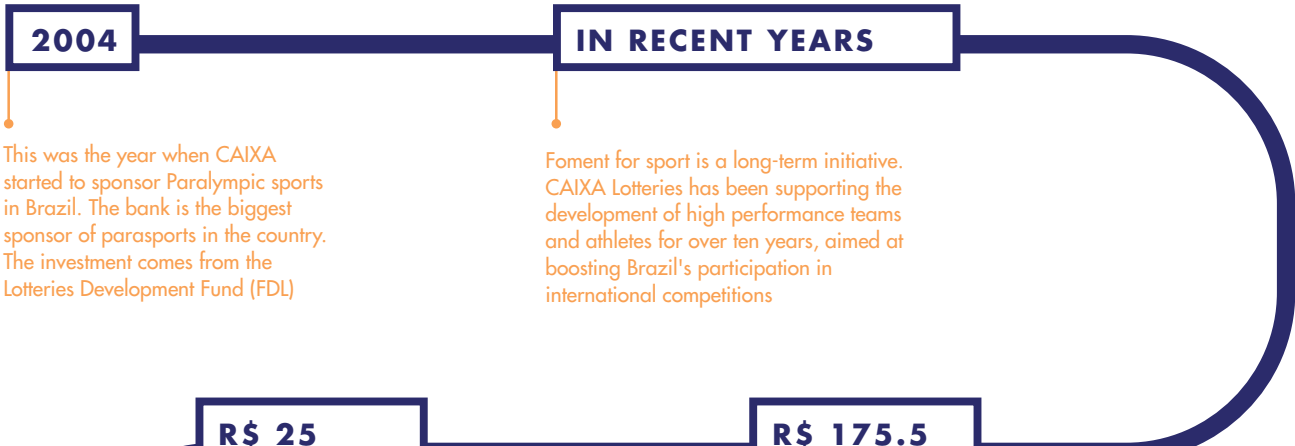
In the soccer area, CAIXA sponsored 21 clubs and 5 championships, including the Brazilian Women's Soccer Championship and the International Women's Soccer Tournament (both using the Lotteries Development Fund). A total of R\$ 150 million was invested in this sport.

Amateurs were also the target of CAIXA investments, with the sponsorship of some 176 street races nationwide, with an average participation of 5,000 athletes. The company supported 18 social projects related to athletics, with an average of 100 athletes benefiting per project. In general terms, the initiatives are aimed at encouraging young people to engage in sports as a means of promoting social inclusion and improving quality of life, as well as revealing and preparing new talents to represent Brazil in international competitions in the future.



# BRAZIL ON THE PARASPORT PODIUM

Having sponsored the Brazilian Paralympic Committee for over 10 years, CAIXA drives high performance and the formation of brilliant athletes



**2004**

This was the year when CAIXA started to sponsor Paralympic sports in Brazil. The bank is the biggest sponsor of parasports in the country. The investment comes from the Lotteries Development Fund (FDL)

**IN RECENT YEARS**

Foment for sport is a long-term initiative. CAIXA Lotteries has been supporting the development of high performance teams and athletes for over ten years, aimed at boosting Brazil's participation in international competitions

**R\$ 25 MILLION**

in CAIXA Lotteries funding for the 2016 Paralympic Games

**R\$ 175.5 MILLION**

Invested in the Brazilian Paralympic Committee from 2014 to 2016



**2016**

The highlight was the Rio 2016 Paralympic Games. Through CAIXA Lotteries, the institution made its presence felt and demonstrated the positive impact of its two investment fronts:

**SPONSORSHIP OF DIFFERENT SPORTS**

**FORMATION AND SUPPORT FOR HIGH PERFORMANCE ATHLETES**

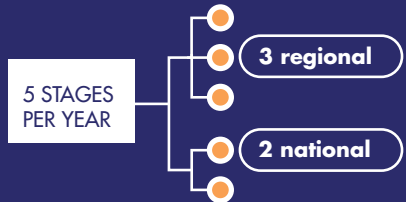


We also believe in discovering and developing athletes. Via the CAIXA Lotteries High Performance Athletes program, we directly sponsor

**61 BRAZILIAN ATHLETES,** mainly in the states of São Paulo and Rio de Janeiro, where the training centers are suitable for boosting performance.

## Other actions

The CAIXA Lotteries Circuit, the biggest Paralympic competition in Brazil, will commemorate 12 years of existence in 2017.



### Experimenting differences

Has enabled people to try adapted sports since 2013 in a mobile arena

### In the Olympics

The 50-day project was in place in the Casa Brasil located on the Boulevard Olímpico



**SPORTS**

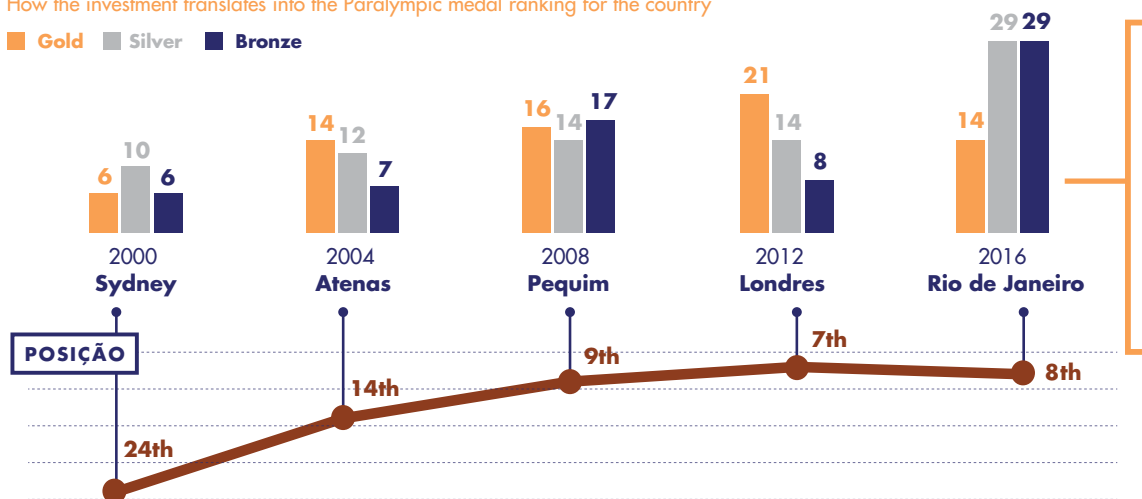
CAIXA Lotteries sponsors diverse key Paralympic sports - in which Brazil has emerged and grown:



**THE RESULTS**

How the investment translates into the Paralympic medal ranking for the country

■ Gold ■ Silver ■ Bronze



In the 2016 Rio Paralympic Games, we came in 8th place. In spite of this, there was a huge leap in the total number of medals: 72

# LIFE NEEDS MORE SUSTAINABILITY



## IN THIS CHAPTER

- ▶ BUSINESS SUSTAINABILITY
- ▶ CAIXA SOCIAL AND ENVIRONMENTAL FUND
- ▶ COMMUNITY DEVELOPMENT
- ▶ ENVIRONMENTAL EFFICIENCY

### CONNECTION WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

This chapter is aligned with the directives:



INFORMATION DISCLOSURE AND REPORTING



GOVERNANCE



MANAGING ADMINISTRATIVE PRACTICES AND THE SUPPLY CHAIN



MANAGING SOCIAL AND ENVIRONMENTAL RISK



PROMOTING SUSTAINABLE DEVELOPMENT



STAKEHOLDER RELATIONS AND ENGAGEMENT



# SIGHTS ON SUSTAINABLE DEVELOPMENT

From social and environmental risk management to fund operations, the bank seeks to drive best practices aligned with benchmarks in the finance sector

For CAIXA, a sustainable mindset is more than just a way of working, rather it is a business vision that permeates the entire organization and the interests and relations with everyone involved. Awareness of the importance of social and environmental responsibility is part of the company's mission and is essential in enabling it to overcome strategic and management challenges.

To define its strategic topics, CAIXA constructed a materiality matrix based on the diagnosis of its stakeholders' expectations in line with the AA1000 engagement guidelines. These groups include business partners, employees, leaders, sector associations, unions and clients from all over the country. Further information on this process may be found on page 101.

In addition to the commitments set forth in its by-laws, mission and values, as a state bank and operator of public policies CAIXA needs to follow federal government orientations and comply with applicable regulatory frameworks. A total of 28 policies set forth the principles and directives that govern decision making in the company.

These include the Social and Environmental Responsibility Policy (PRSA), issued in 2015 under the terms of the Brazilian Central Bank CMN Ruling 4327/2014. An action plan based on this policy, approved by the Steering Council and the Board of Directors, contains deliverables scheduled for up to 2019 involving the entire company. However, the plan may be reviewed in 2017 in the light of the commitment assumed by CAIXA in the Agenda 2030 Brasil aimed at achieving the UNO Sustainable Development Goals.

## ► CENTER FOR SUSTAINABILITY STUDIES

G4-DMA-FS4

Created as part of the CAIXA University in 2014, the Center for Sustainability Studies provides staff with contents and information on sustainability and social and environmental responsibility. It shares and promotes discussion of the institution's social and environmental responsibility principles and guidelines to drive knowledge production and broader experience. In 2016, new courses were initiated in the center, which gained a central position in the CAIXA University Portal. Worthy of note among the new programs was the launch of the course *Introduction to Social and Environmental Responsibility in the Financial Sector* and the dissemination of a series of eight videos on energy efficiency, as well as the course *Leading Sustainable Development in the Cities*, developed by IDB on the edX virtual education platform.

## CAIXA VOLUNTEERS

Launched at the end of 2016, the CAIXA Volunteers program was conceived with the intention of connecting people and leveraging integrated actions to drive civic awareness, social inclusion, sustainability and social and environmental responsibility. The program uses an online platform which permits employees to interact, participate in volunteer activities and create completely new actions, as well as post information and seminal contents. After just one month in operation, in December the portal had 1,557 active users and a total of 155 volunteer actions registered, with the participation of 419 people.



# SUSTAINABILITY IN BUSINESS

G4-DMA-FS1

CAIXA is a signatory to two major international commitments that establish the adoption of social and environmental guidelines in investment and credit concession policies: the Principles for Responsible Investment (PRI), and the Equator Principles. For this reason, the institution analyzes and monitors social and environmental risk both in the possession and acquisition of assets and in the concession of credit.

## ► RESPONSIBLE INVESTMENT G4-15

Overseen by the United Nations Environment Program (UNEP) Finance Initiative and the United Nations Global Compact, the Principles for Responsible Investment (PRI) are aimed at promoting more sustainable markets. The incorporation of social and environmental elements in the valuation of companies traded on stock markets enables fund managers to take these factors into account when pricing assets, favoring companies that adopt best management practices. In the case of structured funds, these same elements seek to guarantee that investee companies assume commitments and are monitored from the beginning of the investment.

Having adhered to the PRI voluntarily since 2013, CAIXA is developing actions which will be part of a formal policy based on the inclusion of social, environmental and governance criteria in investment decisions and taking material risks to sustainability into account in the allocation of its portfolio. The institution publishes its PRI Reporting Framework annually, detailing its assets under management and initiatives related to responsible investments in variable income assets and other classes.

Currently to identify social and environmental risks involved in investments, for net funds participation in business sustainability indices and reports from banks, brokerages and consultancies are taken into account. For structured funds, the mechanisms set forth in investment policies and/or legal rules are adopted.

With respect to structured funds involving third-party assets, the mechanisms set forth in invest-

**Social and environmental risks are assessed using diverse tools, in accordance with the client's segment of activity and level of risk.**

ment policies and/or legal rules are adopted in conjunction with qualitative assessment tools, such as questionnaires and/or audits conducted by independent legal consultants. Clauses related to the social and environmental requirements are included in the contracts for investment operations and vary in accordance with the context of the project, the negotiations between the parties and the social and environmental approach at the time of the contract. These instruments also govern the monitoring process conducted by the technical team responsible and complemented when necessary with analyses by other CAIXA areas or independent third-parties, and they establish the sanctions to be imposed in the event of non-compliance or the identification of risks.

To prove the veracity of the information provided, the institution requests documentation, whenever applicable, such as monitoring reports, environmental impact studies and environmental licenses. Thus, when the disbursement flow for projects is initiated, the investment is integrated into an asset portfolio subject to constant monitoring, accompaniment of the project and compliance with the obligations assumed by the investee companies, including social and environmental ones. In the event that non-compliance or risks are identified, the clauses included in the

## FI SHARE FUND SUSTAINABILITY

The variable income FI Ações ISE fund offered by CAIXA to its individual and company clients uses the BM&FBovespa Corporate Sustainability Index as a reference. This comprises companies with outstanding performance in terms of economic efficiency, environmental balance, social justice and corporate governance. On December 30, 2016, the equity in the FIA ISE was R\$ 3.5 million, with the participation of 225 quota holders and an annual yield of 11.99%.



contract are applied. In this manner, the investee company is engaged in complying with the social and environmental aspects set forth in the contracts. The information obtained is transmitted to the structured fund quota holders in the form of reports or presentations to the investment committees in accordance with the fund regulations.

For funds in the real estate sector, the criteria are based on policies defined beforehand with quota holders and investors. Qualitative assessment mechanisms are applied, based on reports and declarations from the investee companies, as well as all the required documentation. Furthermore, social and environmental risks are incorporated into the diligence conducted by an independent legal advisor. Examples of the kind of information requested in these processes are: verification of environmental licensing, either online or by means of the presentation of certificates; assessment of environmental impacts via document analysis; verification of regularization with respect to legal reserve and permanent environmental preservation areas for rural properties; verification of any intrusion on environmentally protected areas (conservation units) or their surroundings (buffer zones); and verification of ecological and economic zoning rules for developments in rural areas. **G4-FS5, G4-FS10**

After the project disbursement flow has begun, the investment is entered into a portfolio of assets which is monitored constantly. This involves accompanying the progress of the project and the fulfillment of the obligations assumed by the investees, including social and environmental ones. The information obtained is passed on to the quota holders in structured funds in the form of reports or presentations to the investment committees. **G4-FS10, G4-FS11**

**Credit concession policies are aligned with Brazilian and international tools and requirements.**

### ► **FGTS SOCIAL AND ENVIRONMENTAL POLICY** **G4-DMA-FS1**

The Social and Environmental Policy of the FGTS Severance Guarantee Fund (FGTS), approved by the FGTS Curators' Council in 2014 (Resolution 761), was regulated by the Standard Instructions 10, 11 and 12 issued by the Ministry of Cities and published in the Diário Oficial da União on June 10, 2015. Approval of this policy enabled the establishment of the guidelines for investing FGTS funds in the areas of basic sanitation, housing and urban infrastructure, with a focus on preventing and mitigating environmental impacts, ensuring responsible use of natural resources, protecting human and workers' rights, and as well as defending the country's historical, cultural, artistic and archeological heritage and its landscape.

### ► **SOCIAL AND ENVIRONMENTAL REQUIREMENTS FOR CREDIT** **G4-15, G4-EC2, G4-EN27, G4-DMA-FS2, G4-DMA-FS3, G4-FS9, G4-FS10, G4-FS11**

As a state bank, CAIXA formulates its policies in line with federal government guidance and in compliance with relevant regulatory frameworks. In addition to the Social and Environmental Responsibility Policy or PRSA, since 2014 the bank has had its Credit, Capture, Asset & Liability Management and Pricing Policy, as well as internal standards that address management of social and environmental risks to be observed by the business areas.

These policies guide CAIXA activities as a driver of sustainable development in the country. The application of the social and environmental guidelines in risk management takes place by means of verification of social and environmental compliance, tracking of cases of environmental degradation and violation of human and labor rights, concession of credit for regularization and adaptation to requirements of environmental bodies, among others.

CAIXA also has internal standards that address social and environmental risk management with specific guidelines for credit concession. For loan operations involving activities with the potential





to generate pollution, degradation or that consume natural resources, environmental licensing is required. For larger scale operations, a social and environmental analysis of the company is undertaken, involving verification of its registration and regularity with environmental agencies, the existence of fines, embargos or Terms of Conduct Adjustment related to social and environmental infractions, as well as the use of child or slave labor.

Where project finance is involved, CAIXA applies the Equator Principles, to which it has been a signatory since 2012. The Equator Principles are a set of directives established by the International Finance Corporation (IFC) to be adopted by banks in granting financing. These directives determine that the companies receiving financing should incorporate practices including care for the environment, respect for human rights, the prohibition of the use of slave or child labor, protection of health and cultural and ethnic diversity, as well as the adoption of occupational health and safety systems. The principles should be taken into account in analyzing project finance applications (with investments of US\$ 10 million or more) and in corporate loans that are linked to projects worth US\$ 100 million or more.

By adhering to the principles, CAIXA reaffirmed its commitment to implementing policies and adopting internal processes and procedures that guarantee that credit granted for projects be conditioned to the analysis of social and environmental responsibility parameters. Projects are classified as high, medium and low risk/impact according to the social and environmental risks involved. This classification involves the analysis of environmental impact studies and reports (EIA/RIMA), the basic environmental plans and action plans. It also takes into account questions related to human rights, labor legislation, ethical and legal compliance and climate change related impacts. Depending on the nature of the project, institutions such as Iphan (Instituto do Patrimônio Histórico e Artístico Nacional), the Fundação Nacional do Índio (Funai) and the Fundação Cultural Palmares (*quilombolas*) may be involved in the assessment.

Once the financing has been approved and contracted, the projects are monitored by the CAIXA technical areas. These areas verify documentation demonstrating compliance and conduct

on-site audits of the venture, reporting to the management areas as set forth in the contract. Projects classified under the Equator Principles are accompanied by the CAIXA Sustainability and Social and Environmental Responsibility (GERSA) area, which reports on compliance with social and environmental requirements to the contract manager.

For projects classified as being of high social and environmental risk (and some medium risk ventures), such as hydroelectric and thermoelectric plants, ports, highways and airports, an independent audit must be contracted. In these cases, CAIXA validates the audit action plan and, when necessary, takes part in the inspections of the development. At the end of each inspection, a report is produced indicating any non-conformance and opportunities for improvement so that those responsible for the project may make the necessary corrections and comply with the required social and environmental conditions.

The frequency of the independent audits is determined by the scale and the impact generated by the project, with the minimum interval being one year for smaller scale projects and the maximum quarterly for high impact developments.

## RESPONSIBLE FINANCING IN 2016

# 105

social and environmental reports on company clients involved in large operations costing over R\$ 12 billion

# 7

projects contracted under the terms of the Equator Principles, involving Caixa investments totaling more than R\$ 1.6 billion





## ► CAIXA is a signatory to the Equator Principles, analyzing credit and finance applications in accordance with international risk assessment criteria.

Finance contracts contain clauses on compliance with environmental standards, labor legislation and human rights. This guarantees that, in addition to fulfilling social and environmental obligations, the projects financed are in accordance with international directives.

### ► **SECTOR GUIDES** G4-DMA-FS5

To provide its internal and external audiences with guidance on the social and environmental criteria employed in the analysis of corporate credit and structured finance operations, in 2016 CAIXA published its first *Sector Good Practices Guides*. The goal of these publications is to address the main social and environmental impacts in each sector, best management practices for dealing with these and a summary of the minimum requirements to ensure the social and environmental compliance of ventures in these industries. The first sector guides targeted the Agriculture, Livestock, Planted Forest, Civil Construction and Electrical Energy industries.



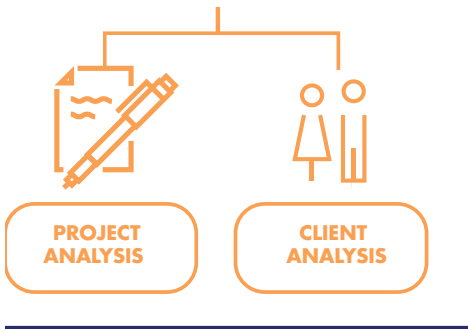


# ▶ FOCUS ON THE RISKS

## How we do it

The bank's analysis is based on its Social and Environmental Responsibility Policy (PRSA), on internal social and environmental risk assessment rules and the verification of requirements, in addition to the Equator Principles (an international standard).

**CAIXA works with two types of processes:**



## Step-by-step Clients

**What it applies to:** applications for credit from public or private companies in diverse sectors

1

### Analysis of impediment

As soon as it receives the application for a loan, CAIXA checks whether the company has any problems (convictions for slave labor or non-payment of INSS social security or FGTS contributions). If it has, the application is refused. If not, it goes to the next stage.

2

### Licensing and value

The bank checks whether the company's activity requires an environmental license. If not, the credit approval process continues. If it does, the license must be presented. Its validity and extension is verified and, depending on the amount requested, the need for a specific social and environmental analysis is determined.

3

### In-depth analysis

The National Sustainability and Social and Environmental Responsibility Management area (GERSA) undertakes the social and environmental analysis for operations of R\$ 10 million or more. This analysis involves documents such as a Social and Environmental Questionnaire (filled out by the applicant), licenses, permits, fines, convictions and Terms of Conduct Adjustment.

4

### Emission of report

The analysis results in a social and environmental report which will be used to approve or not the concession of credit.

## Understand how CAIXA analyzes, measures and controls social and environmental risks related to credit and structured financing operations

### Context: our challenge

CAIXA serves a diversified client base with its products - including companies and large projects.

Before closing a deal with a client, the bank takes into account a series of non-financial matters, ranging from environmental problems to potential violations of human rights and labor laws.

### Step-by-step projects

**What it applies to:** large projects (such as infrastructure works - hydroelectric plants, ports and airports) and corporate loans

1



### Classification

The first step in analyzing large projects is to verify the type/class of financing, whether it is Project Finance (US\$ 10 million or more) or corporate loans for projects worth US\$ 100 million or more. If they come under one of these categories, the applications for financing are classified either under the Equator Principles.

2



### Equator Principles

The analysis based on these principles classifies the projects in three categories: low, medium or high social and environmental risk/impact. This analysis involves checking documents such as licenses, environmental studies, permits etc, as well as verifying the need for consultation with official agencies (IPHAN, FUNAI and Fundação Cultural Palmares) when there is an impact on historical and artistic heritage or indigenous/*quilombola* communities, respectively. If the possible social and environmental impacts are deemed to be significant, the application is submitted to stage 3.

3



### Independent social and environmental audit

The audits are contracted to provide CAIXA with technical support in verifying the project's compliance with the necessary social and environmental requirements, social and environmental legislation (environmental, occupational health and safety aspects, as well as impacts on neighboring/affected communities), licenses and authorizations etc. After the financing has been approved, a monitoring process is set up in accordance with the size of the project and its schedule.

4



### Monitoring

A routine of periodic audits and reports is established, with technical inspections of the project, contract clauses and action plans to ensure social and environmental regularity.

#### IMPORTANT:

If GERSA identifies that the project is not in compliance with requirements, it advises the business area to notify the applicant of the pending items in order to reestablish project conformance with CAIXA social and environmental standards.



## ▶ CLEAN DEVELOPMENT MECHANISM G4-EC2

CAIXA is the first bank in the country to offer a financial solution to enable compliance with Brazil's National Solid Waste Policy (law 12.305/10, on the eradication of garbage dumps and the implantation of sanitary landfills), conjugated with carbon credits for projects incorporated into a Clean Development Mechanism (CDM) Activities Program (POA). Its implementation contributes to the reduction of greenhouse gas emissions in line with the country's National Climate Change Policy (law 12.187/2009).

In 2016, the Solid Waste Center (CTR) in São Gonçalo (RJ) became part of the POA CAIXA - Caixa Econômica Federal Solid Waste Management and Carbon Finance Project, joining the Santa Rosa Solid Waste Center in the municipality of Seropédica (RJ). The CAIXA Activities Program had its third emission of CERs (Certified Emissions Reductions) audited by the United Nations Organization, referring to the volume generated in 2015. This was the first international audit in which CAIXA assumed the role of Coordinating Agency, taking full control of the technical and operational aspects of the procedure for the UNO and the World Bank. The Candeias CTR (Solid Waste Center), located in Recife (PE) is an isolated project that was also audited by the United Nations in 2016.

With the emissions from 2014 to 2016, CAIXA has been responsible for mediating more than one million metric tons of CO<sub>2</sub>e generated by projects in its portfolio. For 2017, it is expected that another 900,000 metric tons of CO<sub>2</sub>e related to 2016 will be emitted.

## ▶ CAIXA GUIDED PRODUCTION MICRO-CREDIT

Created to drive business expansion and generate employment and income in the country, this product is aimed at formal and informal entrepreneurs with annual revenues of up to R\$ 120,000. The loans granted range from R\$ 300 to R\$ 15,000, depending on the entrepreneur's capacity to pay, the needs, size and growth of the business. Once the loan has been granted, CAIXA monitors the entrepreneur during the term of the contract by means of its microcredit agents, who may be employees, CAIXA CRESCER agents or apprentices.

**CAIXA is aligned with the most up-to-date tools for compliance with environmental commitments in the country.**

In 2016, 154,405 contracts were signed totaling approximately R\$ 390 million. The majority (150,378) were granted to private individuals, with a prevalence of women (59%). Worthy of note was the fact that 40,705 of the contracts were signed with beneficiaries of the Bolsa Família (Family Allowance) and another 8,107 with individual entrepreneurs.

## ▶ BUSINESSES GENERATING SOCIAL IMPACT

In 2016, CAIXA launched its "Social Impact Business Challenge" focused on financial literacy and the provision of financial services for everyone. This is an unprecedented initiative in partnership with Artemísia, with support from the CAIXA Social and Environmental Fund. The idea is to leverage the generation of solutions and businesses that drive financial inclusion and meet the needs of low-income groups in Brazil.

Among the 460 valid submissions sent in, initially up to 15 proposals will be accepted, which will receive amounts of up to R\$ 15,000. After this, the startups selected will work on improving their business models to go to the next stage of the selection process where the five with the greatest social impact will be chosen. The finalists will receive up to R\$200,000 to test their solutions in Minha Casa Minha Vida program communities, with mentoring from CAIXA and Artemísia.

## ▶ COOPERATION BETWEEN BRAZIL-GERMANY

Based on an agreement signed between the German foment bank KfW Bankengruppe and the Brazilian Ministry of the Environment (MMA), in 2016 CAIXA was the operating agent for a €10 million supplementary fund to finance the implantation of the Rural Environmental Register (CAR) in the states of Rondônia, Mato Grosso and Pará. So far a total of €23 million has been invested in this financial cooperation project signed between Brazil and Germany in 2015 to reduce the effects of global warming.

Since 2012, CAIXA has also been responsible for managing KfW funds for the Cerrado Jalapão Project, the result of an agreement between the Environment Ministry and the German Ministry of the Environment, Nature Conservation and Nuclear Security (BMU). Aimed at preventing, controlling and monitoring irregular burning and forest fires in the Brazilian Cerrado region, the project supports organizations like the fire prevention body Prevfogo (Centro Nacional de Prevenção e Combate aos Incêndios Florestais) and the environmental agency IBAMA (Instituto Brasileiro de Meio Ambiente e Re-



ursos Naturais Renováveis), the Instituto Nacional de Pesquisas Espaciais (INPE) and the Tocantins State Departments of the Environment and Sustainable Development, among others.

The total amount donated by KfW reached € 4.3 million, with disbursements proportional to the pace at which the project is being executed. In 2016 alone, R\$ 9.4 million was invested in the acquisition of goods and services, such as the organization of a regional seminar and scientific research. The purchase of motorcycles, trucks and 4-wheel drive pickup trucks has contributed to the work being done on mobilizing communities and raising awareness, as well as facilitating monitoring and inspecting the Jalapão state park and providing assistance for the fire brigade. In return for this support, the project beneficiaries are supposed to provide goods, services and labor. The amount contributed so far is valued at approximately R\$ 27 million.

#### ► FIEMG/CAIXA AGREEMENT G4-FS8

Since 2013, the financing of environmental adjustment projects with CAIXA credit lines has benefited more than 40 companies in Minas Gerais, that have used the credit to finance the environmental regularization of their operations.

In 2015, CAIXA and the Minas Gerais Federation of Industries (FIEMG) renewed the agreement which enables partnerships in the provision of financing solutions to permit environmental regularization under the Minas Sustentável Program. During 2016, the program was expanded to cover the entire state of Minas Gerais.

This represents an opportunity for CAIXA also to expand its business, given that the agreement is still in force.

CAIXA opened a dialogue channel with FIEMG to reinforce its strategy of disseminating the agreement to all the Minas Gerais Regional Superintendency areas in 2017.

This type of agreement facilitates the identification and qualification of companies that need technical and financial solutions to obtain environmental licenses. Participating companies have access to the CAIXA product and service portfolio, while FIEMG provides a team of qualified environmental specialists to provide free advice on all the administrative, legal and technical procedures necessary.

## MADEIRA LEGAL PROGRAM (LEGAL TIMBER) G4-EN27

The Legal Timber program is a set of measures agreed upon between CAIXA, the environmental agency Ibama and the Ministry of the Environment (MMA) to monitor the use of legal timber in housing works and developments financed by CAIXA. Under the program all the native timber used in developments that involve direct contracts with the construction companies must be accompanied by a Forestry Origin Document (DOF) attesting to its legal origin, as well as details about the volume of timber used and its purpose.

#### ► SOCIAL HOUSING

G4-FS7, G4-FS8, G4-EC2, G4-EC8

In partnership with the Ministry of Cities National Housing Department, CAIXA is discussing quality and sustainability in the conception, implementation and post-occupation of new housing developments, with the objective of enhancing urban, social and environmental development.

With consulting support from Building Research Establishment (BRE), in 2016 tools such as a Balanced Scorecard for preparing urban development and steering plans, the Sustainability Standard for Social Housing (HIS) and Post-Occupation Assessment Methodology were finalized for the definition and implementation of a governance model for the project.

CAIXA is also engaged in other initiatives aimed at local human development and incentives for sustainable constructions, including:





- CAIXA Casa Azul Seal: This initiative is aimed at recognizing and encouraging the adoption of sustainable practices in the construction of housing developments. It comprises 53 ideas that could be incorporated into the design of housing developments financed by CAIXA. These are divided into six categories (urban quality, design and comfort, energy efficiency, conservation of material resources, water management and social practices). So far, the seal has been granted to 20 developments, making a total of 7,963 more sustainable housing units. **G4-EC2**
- Generating Income and Energy: generation of income for low-income families by means of the installation of micro wind and solar energy generation systems in Minha Casa Minha Vida housing units that are either located on housing estates or have residents' associations. The photovoltaic plant installed in the Sol Morada do Salitre and Praia do Rodeadouro housing developments located in Juazeiro, Bahia, is the largest in Brazil operating with solar panels installed on roofs, generating 2.1 MW to supply power to the common areas of the estates. From February 2014 to October 2016, the project generated 8.077 GWh of energy, which was sold on the open market. The net revenue totaled R\$ 2,651 million, and was distributed among estate residents and owners. Each family received R\$ 1,590.66 in this period, an average of R\$ 64 per month.
- Best Practices in Local Management: This is an initiative that recognizes excellence in projects that have received financial and/or technical support from CAIXA. Launched in 1999, the measure is based on the United Nations model "Best Practices and Local Leadership Programme" and supports the implementation of the Habitat Agenda, a United Nations document that provides guidelines for the creation of sustainable living standards in human settlements. The 9th edition of the award for the period 2015/2016 recognized 20 best practices among the 300 submissions. The 10th edition, for the period 2017/2018, will award best practices in the categories Housing, Environmental Management and Sanitation, Municipal Management, Local Development and Social Inclusion, and Social Work. All the practices that are submitted correctly become part of the

**Casa Azul Seal, a project generating energy and income, and the Best Practices Award are some of the measures that recognize good practices in the value chain.**

- program's archive and are made available to inspire the creation and development of new projects. For further information, see: [www.caixa.gov.br/melhorespraticas](http://www.caixa.gov.br/melhorespraticas)).
- Micro-credit for Housing Improvements: as a result of its partnership with the United Nations Development Program (UNDP), CAIXA commissioned a study on institutional and financial arrangements that incentivize housing improvements, including the elaboration of a guided micro-credit program. Even though the Minha Casa Minha Vida program has already delivered more than 1 million homes, the number of inadequate housing units in Brazil is still large, particularly in informal settlements undergoing urbanization in large cities. However, lines of credit for low-income families to finance building materials, labor and qualified assistance to build walls, lay floors, install windows and do the other work necessary to ensure a minimum of comfort and hygiene are almost inexistent. Institutions that have already implanted remodeling and improvement projects in social housing are contributing to the study, exchanging experiences, providing the results of research and discussing potential business models. The solutions proposed will complement the Cartão Reforma (Remodeling Card), a credit line launched by the federal government to enable families with a monthly income of up to R\$ 1,800.00 to acquire building materials.
  - Emerging and Sustainable Cities Initiative: The result of a term of commitment signed between CAIXA and the Inter-American Development Bank (IDB), the program is aimed at the most pressing challenges facing cities using a methodology that elaborates local action plans oriented to the construction of a long-term sustainability agenda. Using the CAIXA Social and Environmental Fund, the bank invested around R\$ 1 million in each of four pilot cities benefiting from the project: João Pessoa (PB), Vitória (ES), Florianópolis (SC) and Palmas (TO). With the action plans concluded and launched, these cities are now developing monitoring networks to control and assess the evolution of priority questions, encouraging transparency in management and public engagement. **G4-8**





# CAIXA SOCIAL AND ENVIRONMENTAL FUND

G4-FS7, FS8, EC8

CAIXA has over 150 years experience supporting measures to overcome persistent economic, social and regional inequalities and as a strategic agent in fomenting government actions to reduce poverty and fight social exclusion. This posture was reinforced in 2010 with the creation of the CAIXA Social and Environmental Fund (FSA), with the objective of financing social and environmental projects that will benefit low-income groups.

The funds are composed of up to 2% of CAIXA's net profit, calculated in accordance with specific legislation, and are invested in line with a rigorous standard of governance that determines validation by a Social and Environmental Management Committee and approval by the Steering Council. FSA CAIXA investments may also be complemented by resources from external Brazilian and international public and private funds.

In strict alignment with the CAIXA Vision and Values, the main areas supported by the FSA are: social housing; sanitation and environmental management; generation of employment and income; health, education, sport and culture; food and institutional development; rural development and sustainable development.

In 2016, FSA CAIXA signed 11 financial cooperation agreements totaling R\$ 24,739,769.88 in the areas of Water Sustainability, Sustainable Cities, Social and Economic Promotion and Agroforestry Sustainability. Together with the projects already underway, the current portfolio comprises 58 agreements that involve the execution and financial management of FSA CAIXA funds totaling R\$ 86.2 million. The ten largest projects account for 35% of this amount.

## 10 LARGEST PROJECTS IN THE ACTIVE FSA CAIXA PORTFOLIO IN 2016

PROJECT	EXECUTING AGENT	GEOGRAPHICAL SCOPE	FSA CONTRIBUTION (R\$)
CASA Partnership (109 projects)	Fundo Casa	Brazil	4,000,000.00
Juazeiro River Park	Juazeiro City Government	BA	3,324,402.25
Januária River Park	Januária City Government	MG	3,261,233.73
Petrolina River Park	Petrolina City Government	PE	3,068,487.15
DIST Ilha do Marajó Floating Agency	IEB	PA	2,999,990.95
Preservation area forestry reclamation (water resources) Salvador	EMBASA	BA	2,900,641.87
Biodigesters	Diaconia	RS, SC, MG, BA, PE, GO	2,787,757.42
Preservation area reclamation (water resources) Belo Horizonte	COPASA	MG	2,644,780.48
Pirapora River Park	Pirapora City Government	MG	2,546,082.20
Forestry Reclamation (water resources) Goiânia	SANEAGO	GO	2,435,284.36
<b>TOTAL</b>			<b>29,968,660.41</b>

# ▶ CAIXA SOCIAL AND ENVIRONMENTAL FUND

From theory to practice, understand how CAIXA supports projects and social and environmental investments

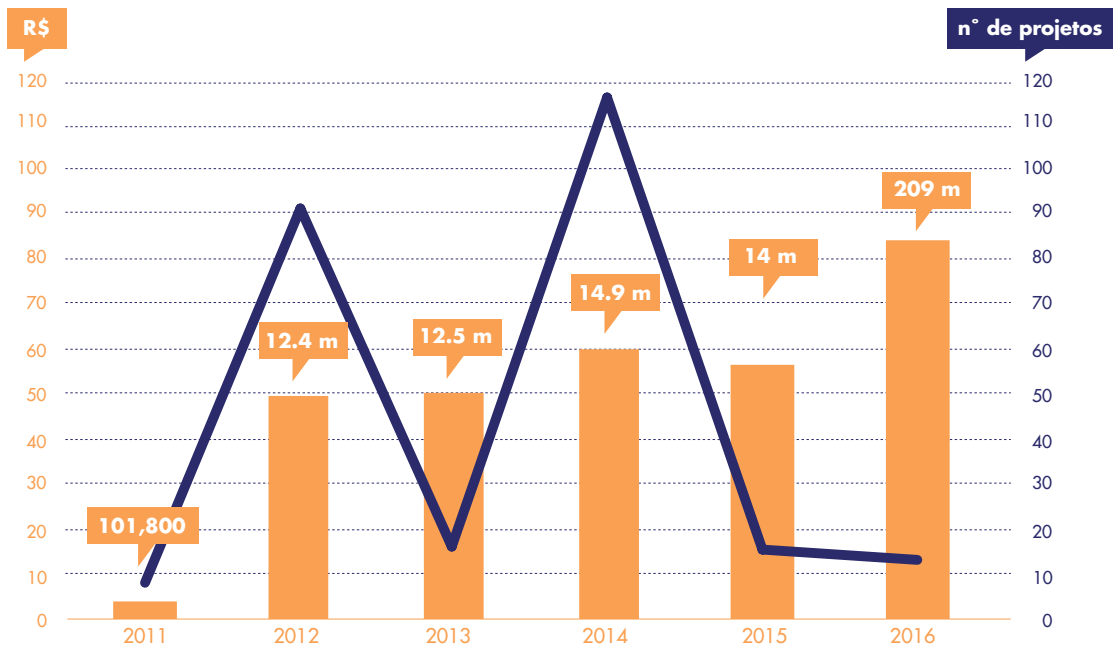
...and the practice

## The concept...

Created in 2010, the Social and Environmental Fund (FSA CAIXA) is a driver of best practices that reinforces the bank's commitment to sustainable development. CAIXA allocates up to 2% of its net profit to the fund. **This money is then invested in projects in the target areas, addressing key sustainability topics**

Since its creation, more than 250 projects have been supported from the North to the South of the country.

## Amounts disbursed



## Thematic line

FSA CAIXA defines a key theme for the year with which the projects submitted must be aligned. See the themes for recent years:

**2010**

The investment plan established four thematic lines: Sustainable Cities, Sustainable Human Development, Sustainable Local Development and Protecting Biodiversity

**Between 2011 and 2014**

The thematic line was "Sustainable Cities"

**2015**

The thematic line was "Climate and Development - Green and Inclusive Economy"

**2016**

In 2016, the thematic line was "Incentive for Promoting the Green and Inclusive Economy"



## Social and economic promotion

This addresses actions capable of driving economic activity and community well-being, on fronts such as entrepreneurship and inclusive businesses

## Inclusive, resilient and sustainable cities and communities

Projects that seek innovative management solutions for municipalities in areas such as mobility, resource application and urban planning



## Renewable energy and energy efficiency

Finance initiatives to produce clean, renewable energy - wind and solar energy, energy generated from biomass, for example

### How it works

The project proposals reach CAIXA in three different ways:

#### Public selection

Regulations are disseminated based on each year's thematic line and activity fronts.

#### Support for internal policies

Support for projects proposed by external organizations, donors and bodies funding FSA CAIXA

#### Financial incentives for sustainable businesses

Support for internal CAIXA demands: financial products that generate proven social and environmental benefits

## Water efficiency

Foment for projects for rational use of water, protection of production areas and innovations in water reuse and recycling

## Agroforestry sustainability

Projects that seek new ways of working in agro-industry, better soil use and the conservation of green areas and ecosystem services

## Sustainable vegetable extraction

O projeto, executado no Mosaico Sertão Veredas Peruaçu, no norte de Minas Gerais, capacita produtores locais para a geração de emprego e renda com bases sustentáveis a partir do extrativismo de frutos do Cerrado, como pequi, buriti, coquinho azedo, cajú, jatobá, araticum e fava d'anta.

## Agro-ecological cookers

The initiative, also supported by FSA CAIXA in partnership with the Ministry of the Environment National Environment Fund, received R\$ 900,000 in investments for the implantation of eco-efficient cookers in communities in the Caatinga region.

## O que já foi feito: temas de projetos apoiados

- Habitação de interesse social
- Saneamento ambiental
- Geração de trabalho e renda
- Alimentação
- Desenvolvimento rural

### FSA na prática

Dois exemplos do impacto gerado pelos projetos apoiados pelo Fundo



# COMMUNITY DEVELOPMENT

G4-FS7, G4-EC7, G4-EC8

The Integrated Sustainable Territory Development (DIST in the Portuguese acronym) methodology implemented by CAIXA is aimed at strengthening governance, articulating and revitalizing networks, promoting relations and integrating public policies in specific locations. With support from the Social and Environmental Fund, DIST is applied in areas covered by the Minha Casa Minha Vida program and in the region served by the floating branch Ilha do Marajó, territories inhabited mostly by beneficiaries of the Bolsa Família (Family Allowance).

To enable this, CAIXA forms partnerships of up to three years with non-profit organizations recognized for the quality of their project execution. In accordance with the characteristics of the territory, the initiatives are adapted to cover the four action fronts (see the actions undertaken in 2016 below).

## ► DIST MINHA CASA MINHA VIDA (MCMV)

In 2016, the project was expanded from 12 to 18 territories, with the inclusion of new ones in Campinas (SP), Fortaleza (CE), Lauro de Freitas (BA), Ribeirão das Neves (MG), Rio Largo (AL) and São José do Ribamar (MA). As a result, the number of developments served increased from 48 to 89, benefiting a total of over 59,386 families, with FSA investments of approximately R\$ 29.22 million.

## ► TERRITORIAL GOVERNANCE

- Elaboration of community Plans for the Future in all the territories, based on territorial governance workshops;
- Creation of the Arapiraca (AL) Territorial Development Forum with the participation of the local government;
- Creation of the Bosque das Bromélias Territorial Development Forum (Territory Civic Integration and Social Management) in Salvador (BA), comprising local community and territorial governance organizations;
- Operation Borboleta (Territory Management Commission): community leaders participating in territory management and development of public and private partnerships;

**The DIST strategy seeks to promote a positive social impact in key locations in the country in which CAIXA operates.**

- Constitution of MCMV (Minha Casa Minha Vida) Residents Association in Queimados (RJ);
- Creation of two governance bodies in Goiânia (GO): the Inter-municipal Management Group, a local government initiative which also involved Sebrae, CAIXA, departments of the Goiás state government; and the Territory Social Management Council (CGST), comprising local representatives.

## ► ECONOMIC DEVELOPMENT

- Training sessions in Manaus (AM) for the organization of a community newspaper and radio station with 80 participants (30 in radio techniques and 50 in newspaper production. 10 of the participants were integrated into the labor market in private newspapers and radio stations);
- Creation of five organic production businesses in Manaus (Crescer e Florescer Project):
- bio-fertilizers, ornamental plants, ecological market garden products, organic compost, bar and liquid soaps;
- Creation of Solidarity Credit and Community Bank in Manaus (AM): training of group of entrepreneurs in financial education and the offer of micro-credit. 40 of the 50 entrepreneurs who applied for access to credit and incubation were selected. They are receiving support in the preparation of their business plans and in basic accounting. They also receive individual orientation for their businesses;
- In Manaus (AM), the constitution of the Waste Pickers Cooperative Reciclar da Vida, which commercialized 65 metric tons of recyclable materials in 2016;
- Brisa do Lago Community Bank in Arapiraca (AL): individual financial support for 24 ventures, amounting to a total of R\$ 18,500, an average of R\$ 770.00 per business (Arapiraca);
- Training and consulting in the start up and management of businesses to drive entrepreneurship and promote small businesses in Salvador (BA) and Londrina (PR);
- Incubation of economic, social, cultural and environmental ventures in Arapiraca (AL) and Goiânia (GO). In Goiânia, 40 businesses are now being incubated;
- Constitution of the Brisa do Lago Entrepreneurs



Association in Arapiraca (AL) and signature of contract with the local government to use a warehouse for the installation of a business center;

- Creation and implementation of a Food Cooperative and Community Bakery for residents of Jd. Bassoli, in Campinas (SP), in partnership with the local government Labor and Income department;
- Bons Frutos Market Garden in the Santos coastal region in São Paulo: a community project involving the participation of eight entrepreneurs (four paid and four voluntary). CPFL loaned the land and Sabesp donated the hydraulic installations for irrigation, while the local government maintains the market garden. The production, which employs bio-techniques, is sold to the local community at lower than market prices and to other partners on request;
- Creative Economy Festival "Bromélias em Ação", in Salvador (BA): exhibition of works produced by local residents for the entire community, promoting culture and leisure, as well as boosting the local economy.

### ► ENVIRONMENTAL MANAGEMENT

- In Manaus (AM), implantation of Agroforestry System; ornamental plant seedling nursery; cooking oil reprocessing unit, producing bar soap, liquid soap and ecological detergent; demonstration unit for production of organic fertilizer and bio-fertilizer, with 12 worm-based and domestic organic waste composting compartments;
- Creation of CRESCER recycling cooperative in Goiânia (GO), which is being incubated by the project in a partnership with the Federal University of Goiás. It is linked with a network of recycling cooperatives in Goiás and receives truckloads of recyclable waste directly from the

local government every day. The cooperative sorts the waste and commercializes it via the network; it also develops education measures to discuss questions related to the environment and waste in schools;

- In the Santos coastal region (SP), presentation of a square for the community based on a project involving residents, public authorities and other partners. An open air gym was installed in the square and residents received training in urban permaculture aimed at revitalizing the space. As a result, the lake has now been reclaimed and has fish in it. Similarly, trellises and benches made from waste wood encountered on empty plots of land were installed;
- Planting of 980 tree seedlings in Manaus (AM), revitalizing public spaces with gardens and landscaping in 76 blocks of housing. A total of 56 collective cleaning and conservation efforts were organized involving 35 blocks of housing.

### ► SOCIAL AND CULTURAL PROMOTION

- DIST School in Londrina (PR): in partnership with Sesi, 130 people took specific subjects, as well as primary and secondary education courses for young people and adults. The students and community members also use the community information technology laboratory installed in the school;
- EITA Bromélias - Education, Integration, Theater and Arts, in Salvador (BA): theater and recycled material handicraft workshops organized by two residents in the community. A total of 40 children and adolescents aged from 12 to 17 years took part;
- Creation of the Jornal Comunitário (Community Newspaper) in Manaus (AM), organized and implemented by residents who took part in courses and workshops;
- Partnership with the BiblioSESC library in Salvador (BA): the development receives the mobile library three times a month, providing access to books, newspapers and magazines, as well as book loans;
- Bromélias Cineclube, in Salvador (BA): the objective is to reinforce the notion of community and identity through cinema. Thus, leisure is complemented by dialogue because the residents may debate the films after watching them.
- The first Bromélias film club workshop was held with young people from the group managing the film club;

# 18

territories impacted by the DIST strategy all over Brazil, six more than in the previous year.





- Films in the community in districts in the Santos coastal region (SP), led by the group Coletivo Guerreiros da Progresso (managing group created based on the project). Part of the project is aimed at films on civic participation and conflict mediation, the idea being to encourage debate among residents;
- Centro Cultural Brinquedoteca (Toy Library Cultural Center), in the Santos coastal region (SP): the project trained community play agents and invested in infrastructure, based on International Right to Play guidelines. The toy library is open to all and the opening hours are compatible with school hours. The space is also used for training and showing films;
- In Queimados (RJ), creation of communication media and network operation, such as the websites of the Valdariosa project, a group of the Residents' Association in the Minha Casa Minha Vida development in Queimados and a Group of Environmental Agents, with communication within the territory.

## ► THE EXPERIENCE IN MARAJÓ

Integrated and Sustainable Territory Development (DIST) is also applied by CAIXA in the 10 municipalities served by the Ilha do Marajó Floating Branch. The goal is to interconnect the dimensions of territorial governance, economic development, social and cultural promotion and environmental management, using as a base the initiative of the local communities served by the floating agency, together with the organization of public and private partnerships and support networks for the territories in which the projects are implemented. The initiative benefits some 3,200 people, with an FSA CAIXA investment of R\$ 3 million. The following actions were worthy of note in 2016:

- Construction of a social and environmental agenda to promote the Sustainable Development Goals (SDGs) based on a training course for municipal public administrators, (4 modules), which focused on strengthening local government organization;
- Creation of two social currencies with community participation, the idea being to promote an economy based on solidarity;
- Installation of two community banks: Banco Pracuuba, in Muaná, and Banco Rio Canaticu, in Curralinho. They are also CAIXA AQUÍ correspondents and are included in the National Community Bank Network;
- Elaboration of socially oriented Community and Family Forestry Stewardship Plan (preparation of technical notes on use of wood in the construction of mass housing via the PNHHR);
- Institution of four Community Forestry Funds located in the municipalities of Curralinho, Portel and Soure. The funds, which are based on the extraction of açai, chestnuts, andiroba, and others, were included in the Rede Amazônica de Fundos Solidários network;
- Social reinforcement and strengthening of production in the following chains: timber (Portel), açai, andiroba and shrimp (Curralinho and Salvaterra).







## ENVIRONMENTAL ECO-EFFICIENCY

Part of the Social and Environmental Action Plan, the CAIXA Eco-Efficiency Plan was elaborated and validated in 2016, in a joint effort involving the Social and Environmental Responsibility area and a consultancy, with contributions from the areas involved in the processes that were mapped, especially infrastructure, safety, logistics and technology. The document contains a series of short, medium and long-term actions that will be executed between 2017 and 2019. The topics to be addressed are water, energy, sustainable construction, greenhouse gas emissions, waste, paper, awareness and communication, as well as monitoring.

A model of the Environmental Management System was also developed, incorporating measures for waste management, GHG emissions

and the efficient consumption of water, energy and resources. Given the scale of the company, model excellence units were defined: two administrative buildings (head office and branch), one site, one large bank branch, one medium branch and a small one, all located in Brasilia (DF).

In parallel, CAIXA proceeded with the initiatives already underway to promote sustainability in its day-to-day activities. On the one hand, there were measures to enhance eco-efficiency in the operations, such as energy consumption and waste disposal. On the other, the ongoing development of sustainable procurement processes and the development of the supply chain in strategic social and environmental responsibility questions.



### SAVE THE PLANET CAMPAIGN

Organized for the second year running, the initiative was aimed at raising employee awareness of the importance of adopting a sustainable mindset in environmental questions. Employees were encouraged to take part in an interactive game comprising questions and answers, challenging their colleagues. Moreover, they had the opportunity to post statements about the eco-efficient measures their units had already implanted on the campaign hotspot. At the end, there was a draw for the distribution of prizes among the 6,218 participants in the challenges proposed.





**For more than two years, CAIXA has been running an energy efficiency campaign that covers diagnosis, investments in modernization and projects to reduce consumption.**

## ► OPERATIONAL INITIATIVES

### Energy efficiency *G4-EC7, G4-EN27*

Since 2014, CAIXA has been adopting initiatives to drive energy efficiency and to reduce consumption and spending on electricity. Worthy of note among these measures in 2016 was the determination of time limits for the operation of different types of equipment, in particular air conditioning combined with room temperature control measures in buildings. This measure was endorsed by the Steering Council and led to a 3.2% reduction of energy consumption, from 693 GWh to 670 GWh. Energy savings in financial terms for 2016 totaled R\$ 40.5 million, the result of internal awareness measures.

CAIXA also receives support from a company specialized in diagnosing and monitoring energy use. The contract covers monitoring the 200 company units with the highest electricity consumption nationwide. It has already produced important results, such as the verification of the demand and tariffs in these buildings, analysis of the consumption profile, the proposition of energy efficiency measures, among others. During

the last three years of the contract, CAIXA has saved more than R\$ 2 million.

With the organization of three tenders for the replacement of 212,000 fluorescent lamps with ones using TuboLED technology in units in the Distrito Federal, Paraná, Santa Catarina and Rio Grande do Sul, a further 10.6 GWh reduction in consumption is projected, generating savings of R\$ 6.8 million.

Regarding renewable energy, the photovoltaic plant installed in the CAIXA branch in Vazante (MG), consisting of 276 solar panels with a power output of 74.5kWp produced 92 MWh in 2016. CAIXA has the target of investing R\$ 100 million in the installation of approximately 200 distributed solar energy plants in its branches and administrative buildings. In 2016, 41 units were finalized and 12 of these were connected to the local utility grid.



### ▶ PROJECT NUMBERS

# 100

million reais invested

# 195

units

# 19

GWh generated per year, enough to power 10,000 homes for 12 months

# 3%

will be the reduction in energy consumption

# 13

million reais saved per year

### ▶ CAIXA SOLAR ENERGY GENERATION MAP

UNITS WHERE THE PHOTOVOLTAIC SYSTEMS WILL BE INSTALLED



It is expected that all the systems will be in operation by mid-2017



## PROCEL/INMETRO SEAL FOR UBATUBA

The plan for the CAIXA branch in Ubatuba (SP) received the Procel/Inmetro ENCE AAA class energy economy seal. In addition to reusing rainwater, the branch will have a photovoltaic energy generation system. Since 2009, CAIXA has required a minimum of ENCE B classification for its new construction projects, with the application of high efficiency engineering solutions in building, air conditioning systems and lighting, with extra points for the rational use of water. The process of contracting engineering companies is aligned with CAIXA Social and Environmental Responsibility policy. In addition to sustainability, plans should prioritize the physical security of the building and its users, acoustic comfort and air quality.

### Reduction in water consumption

Measures to reduce consumption and wastage of water were maintained in 2016, with a 7% decrease in use of the resource compared with the previous year, equivalent to 132,000 m<sup>3</sup> of water. Initiatives range from repairing leaks, regulating mains, installing new flush valves and flow reducers on taps to advising cleaning contractors to economize on water use. In cases where use is shared in buildings or complexes, CAIXA interacts with the building management to promote the adoption of consumption reduction practices.

### Consumption of materials

The CAIXA Digital program was validated after the execution of a pilot in the branches in Brasília (DF). Based on the learnings from the pilot, a strategy to extend the model simultaneously to the whole of Brazil was developed. Called Centralized Digital Conformance, the program was concluded in 2016, leading to the closure of the RERET branch backup units. The digitalization of all original client documents eliminated the need for physical copies, representing significant savings in the volume of paper used.

CAIXA continued to control consumption of materials in 2016. Deposit envelopes, one of the three most significant expenditures, will be the object of rationalization studies in the coming year. Additionally, the next request for proposal for printing services will include a series of requirements such as a greenhouse gas neutralization and / or offsetting agreement, a reverse logistics system for equipment and inputs (cartridges, ink, trays, among others) and selective collection of the waste generated, such as cartridges and cylinders

### Civil construction residues

The CAIXA Solid Construction Waste Management Handbook provides guidance on the proper management of this waste and is aimed at small, medium and large construction companies and those involved in the building process to ensure compliance with Brazil's national solid waste policy (law 12.305/2010). Waste management on building sites must begin at the planning phase and is indispensable for environmental management in urban centers.

### Acquisition of furniture

The acquisition of furniture by CAIXA must observe requirements related to suppliers and the raw materials used. Manufacturers for example, must have IBAMA environmental registration. Vendors of tables, cupboards and drawer units must ensure ecological labeling in accordance with ABNT specifications and standards. All timber products or byproducts used in the furniture must come from legal sources, which means native or planted forests with sustainable stewardship certification.



### ► PILOT PROJECT IN THE TRANSPORTATION OF VALUABLES

Social and environmental responsibility criteria will be included in tenders for contracting the transportation of valuables and ATM servicing. Initially, a pilot project is being conducted in the São José dos Campos region in São Paulo. Some of the requirements include improved control over greenhouse gas emissions, the collection and proper disposal of potentially pollutant materials (used tires, lubricant oil, among others) and the provision of training and refresher courses for guards, as well as health and psychological aptitude tests.

### Electronic waste G4-EC7, G4-EC8, G4-FS7

In partnership with the Instituto GEA - Ética e Meio Ambiente, with financial support from the CAIXA Social and Environmental Fund, the Electronic Waste and Social and Environmental Responsibility project continued to generate income for recyclable waste picker cooperatives in the cities of Belém, Belo Horizonte, Curitiba, Recife, Fortaleza, Salvador, Rio de Janeiro, São Paulo, Porto Alegre, Goiânia and Brasília. The initiative encompasses the training of the cooperative members, the provision of technical information and the monitoring of the donation of materials no longer used by CAIXA to ensure their environmentally correct disposal. This waste includes not only electronic materials, but also security equipment, white goods and furnishings. In total, CAIXA has trained 119 cooperatives and donated 18,502 waste items, which generated approximately R\$ 158,000 in sales for the cooperatives.

### ► SUPPLIERS G4-12, G4-DMA-FS3, EC9 [IDEC]

In 2016, CAIXA acquired approximately R\$ 4 billion worth of goods and services through 7,242 contracts signed with a total of 2,284



### GHG PROTOCOL G4-15, G4-EN27

From 2013 to 2015, the greenhouse gas (GHG) emissions inventories elaborated by CAIXA received the Brazilian GHG Protocol Program Gold Seal because of their scope, reliability and external verification. The data for the 2016 inventory, as well as any mitigation measures, will be available on the website [www.registropublicodeemissoes.com.br/](http://www.registropublicodeemissoes.com.br/) from the second half of 2017.

The external assurance of the CAIXA Greenhouse Gas Emissions (GHG) Inventory was conducted by Instituto Totum.

suppliers (of which 95% were companies). From this amount, around R\$ 3 billion was purchased via electronic bidding.

CAIXA suppliers are selected based on the General Tender Law n° 8.666/1993, on the Bidding law 10520/2002 and on decree 5450/2005, which regulate tenders, bids and contracts for state companies. Prioritizing the choice of suppliers is aligned with the guidelines set forth by complementary law n° 123/2006, as amended by complementary law n° 147/2014, which establishes the right to favor micro-companies and small companies as a means of stimulating municipal economies.

Decisions related to contracting local manpower are entirely up to the suppliers contracted by CAIXA. Due to the civil nature of the contracts and legal questions, state companies are not permitted to interfere in any labor questions in the contracted companies. Twelve logistics branches (Belém, Belo Horizonte, Brasília, Curitiba, Fortaleza, Goiânia, Porto Alegre, Recife, Rio de Janeiro, Salvador and São Paulo) are responsible for the decentralized management of contracting.

**In 2016 alone, CAIXA contracted goods and services totaling around R\$ 4 billion**





Contracts signed with suppliers include clauses related to ethics, social and environmental responsibility and human rights. They cover questions such as proof of payment of labor and social obligations, payment of taxes and contributions. Suppliers are also required to demonstrate rigorous compliance with the behavior established in the CAIXA Supplier Code of Conduct, based on law 12.846/2013 and presented to the supplier upon signature of the contract. It should be noted that supply contracts also contain clauses related to Anti-Corruption, Anti-Collusion, as well as a Term of Social and Environmental Responsibility.

CAIXA is entitled to inspect and audit compliance with contract clauses and to initiate administrative processes in the event of reports of anti-ethical practices, fraud or corruption. The bank may take the measures it deems necessary to verify the supplier's compliance with legislation. Suppliers who violate any contract obligations will be subject to penalties that range from warnings, prohibition from participating in tenders or contracts with the federal government to a declaration of negative good standing.

## PAYMENT TO SUPPLIERS IN 2016

REGION	AMOUNT	% AMOUNT	GILOG
Midwest (*)	8,058,311,698.66	55.84%	BR and GO
North	216,545,208.32	1.50%	BE
Northeast	1,153,645,235.37	7.99%	FO, RE and SA
South	1,056,422,145.02	7.32%	CT and PO
Southeast	3,945,154,979.39	27.34%	BH, BU, RJ and SP
<b>TOTAL</b>	<b>14,430,079,266.76</b>	<b>100.00%</b>	

\*Payments made in Rondônia and Tocantins were included in the Midwest region since they come under the Goiânia Logistics Branch and this information is not discriminated in the system

## ► SUSTAINABLE PROCUREMENT

By means of the ADO20 Standards Manual, CAIXA managers are oriented to establish sustainability criteria and practices in specifications for the procurement of goods and services. These rules are applied in conjunction with the principles and guidelines set forth in the Sustainable Procurement and Supplier Relations Policy, which is aimed at involving all management areas in assessing the environmental impact generated by the goods and services they acquire. As a result, these areas should indicate means of preventing and/or mitigating the effects of these purchases or identify opportunities for aggregating social and environmental criteria to the goods and services as a means of inducing the suppliers and, by extension, the market to adopting these, driving ongoing evolution towards excellence in sustainability.

In 2016, in line with this strategy, CAIXA joined the CDP Supply Chain program with the objective of engaging the supply chain in questions involving climate change and the water crisis. The initiative provided suppliers with training, diagnoses related to GHG emissions risks, and water management, as well as support in the elaboration of a work plan.

To engage them, it was necessary to prepare multipliers of the Sustainable Procurement policy in matters related to climate change and water management. Half of the companies invited responded to the CDP (Carbon Disclosure Project) questionnaire, and this information will be used to measure risk in the supply chain. Participants' good practices were recognized in a specific event, particularly noteworthy being the performance of IBM, Bic and the Brazilian postal service Empresa Brasileira de Correios e Telégrafos

**A highlight in 2016 was CAIXA's adherence to the CDP Supply Chain program, engaging the supply chain in climate change and water-related issues.**





(ECT). The latter was also selected to present its successful case in a workshop organized by the CDP at the end of the year.

In addition to the CDP Supply Chain, the Goods and Services Management Program was maintained, focused on efficiency in spending. This encompasses everyone involved in the CAIXA procurement process, seeking to streamline purchasing in the company, eliminate losses and reduce environmental impact. In 2016, 3,972 CAIXA employees took part in courses offered on the program.

#### ► PARTNER NETWORKS G4-SO4, G4-FS5

The CAIXA Ongoing Partner Network Training program includes distance learning and face-to-face courses addressing subjects such as customer service, consumer rights, sales techniques and social and environmental responsibility.

In distance training, CAIXA developed its CAIXA Partners Distance Learning (EAD) program, comprising 33 courses, including Consumer Relations; Managing Service Quality; Managing People and Managing Process Knowledge.

Available since April 2015, the training has already been taken by 10,789 business owners, 5,222 assistants and 2,228 managers in the partner network.

Exclusively for partners in the lottery network, there are two classroom courses: the Lapidar (Enhance) course and the Induction program for new lottery units. Both address areas such as Ethics in Business Management; Service Excellence; Consumer Defense Code; Sales Consultancy and People Management. By the end of 2016, 7,108 of the 13,069 lottery units had received training.

CAIXA AQUI Correspondents benefit from a face-to-face program focused on subjects such as interpreting social and economic conjunctures and planning with the use of sustainability tools, including customer relationship and credit risk. Of the 11,120 correspondents, 8,678 took part in training in 2016, the first year of the initiative. It should be noted that the remuneration model of CAIXA AQUI correspondents involves progressive increases depending on productivity. On the other hand, reductions in remuneration may be made in the event of repeated non-conformance in customer service, in the quality of the documentation presented to CAIXA, in the standardization of treatment of the public, in signage for clients (such as price lists, contact details for the Ombudsman, the Consumer Defense Code), among other irregularities.

**► CAIXA strives to mobilize its business partners in key issues for the country and the planet, as well as verifying their social, environmental and business practices.**



# REPORT AND MATERIALITY



## IN THIS CHAPTER

- ▶ GRI CONTENT SUMMARY
- ▶ ATTACHMENT
- ▶ ASSURANCE REPORT
- ▶ CREDITS

## CONNECTION WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

This chapter is aligned with the directives:



INFORMATION DISCLOSURE AND REPORTING



STAKEHOLDER RELATIONS AND ENGAGEMENT



## OPEN COMMUNICATION WITH SOCIETY

Once again, the report presents the bank's performance in its main social and environmental projects and in its businesses during the year

CAIXA hereby presents Brazilian society with its ninth consecutive Sustainability Report. Combining the bank's experience in disclosing its financial and non-financial performance - from the publication of the former Social Balance Sheets -, these documents give an account of the projects, indicators, performance and the strategies adopted by this financial institution, which have touched the lives of almost 100% of the Brazilian people.

This report contains indicators and information for the period from January 1 to December 31, 2016. It is based on the Comprehensive option of the Global Reporting Initiative (GRI) reporting guidelines. The content was assured by independent audit. *G4-32*

The information concerns the CAIXA branches and administrative units in Brazil. Data are also provided on the external impacts of the social and income transfer programs operated in partnership with the federal government. The report gives a summary of the business lines developed for clients.

The financial indicators are based on the CAIXA Management Report and follow Brazilian accounting guidelines (BR GAAP). The non-financial information is based on the perspectives of the institution's main internal and external stakeholder groups, derived from a direct consultation process held in 2015, and which resulted in a new materiality for the organization.

The materiality test undertaken encompassed the whole of Brazil and was based on GRI guidelines, as well as on the AA1000 Stakeholder Engagement standards, sector and corporate

documents. 11 stakeholder groups in the bank's relationship network were engaged, including employees and leaders, sector associations, unions, clients and business partners. The groups were mapped based on the bank's accumulated experience in its relations with Brazilian society.

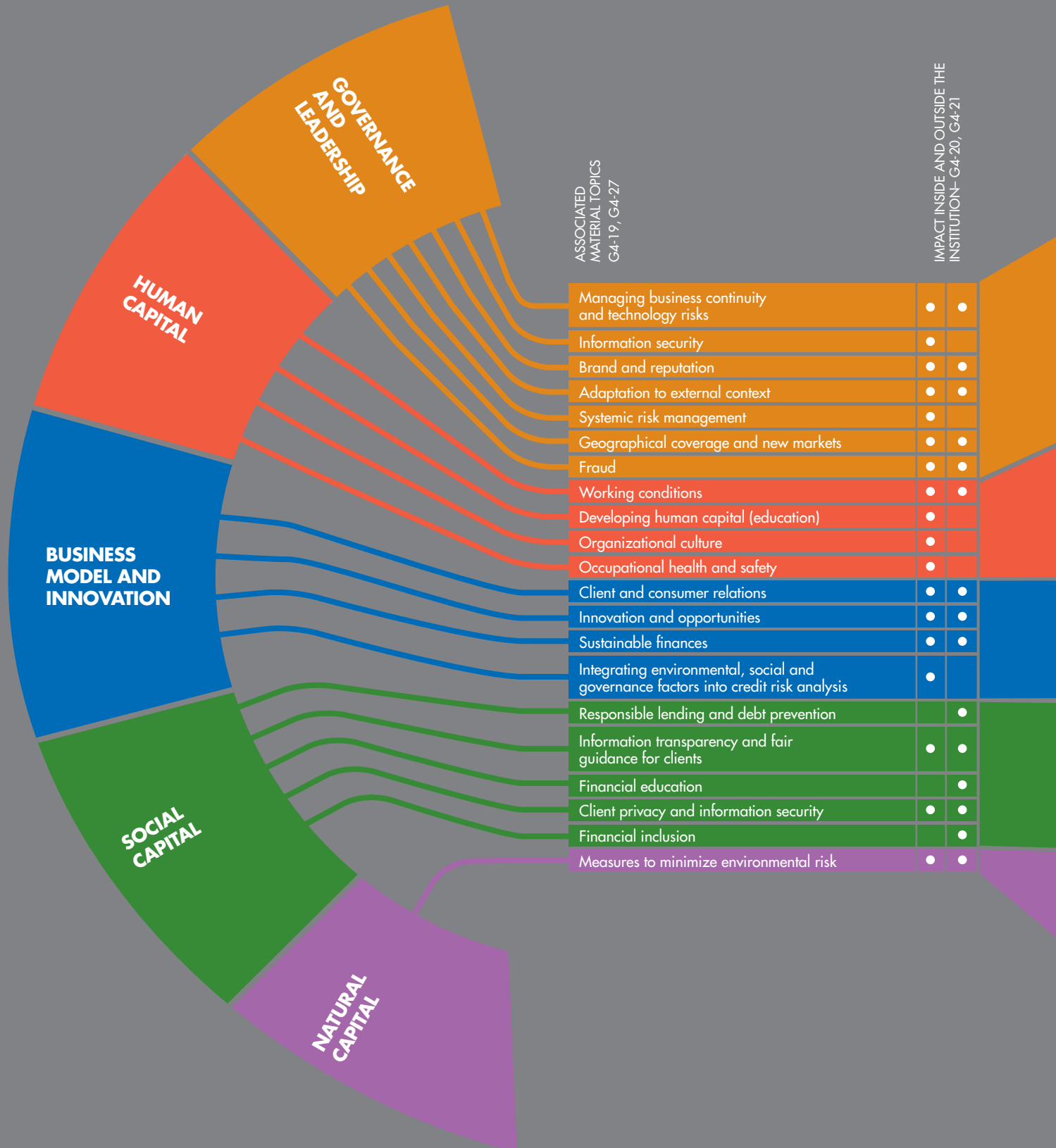
*G4-18, G4-24, G4-25, G4-26*

Other important sources of relevant social, economic and environmental topics in the context of the CAIXA operation were RobecoSAM, SASB and GRI studies, as well as some of the institution's own internal policies, standards and documents. More than 3,330 people took part in the materiality test either through targeted interviews or online consultations. In the consultation, the stakeholder groups selected the priority topics based on a list mapped by the company which took into consideration the topics and documents mentioned above, pertinent questions for the sector and those in which CAIXA is exposed to reputation risk. *G4-18*

The confrontation of the stakeholders' perceptions with the relevance of the topics for the business (in aspects such as financial implications, influence on long-term performance, level of risk and impact on the organization's competitive advantage) resulted in the mapping of five material macro-topics: Governance and Leadership; Business Model and Innovation; Human Capital Development; Social Capital; and Natural Capital. *G4-27*

This set of topics is linked with the GRI aspects and indicators selected for presentation in this document, on the same basis as those presented in the prior Sustainability Report for the year 2015, available at [WWW.CAIXA.GOV.BR](http://WWW.CAIXA.GOV.BR).

# ▶ MACRO-TOPICS AND ASSOCIATED MATERIAL TOPICS





ASSOCIATED GRI ASPECTS

ASSOCIATED GRI INDICATORS

FURTHER INFORMATION

<ul style="list-style-type: none"> <li>Organizational profile</li> <li>Report profile</li> <li>Governance</li> <li>Ethics and integrity</li> <li>Client privacy</li> <li>Economic performance</li> <li>Indirect economic impacts</li> <li>Procurement practices</li> <li>Anti-corruption</li> </ul>	G4-2, G4-3, G4-4, G4-5, G4-6, G4-8, G4-9, G4-13, G4-14, G4-34, G4-42, G4-43, G4-45, G4-46, G4-47, G4-56, G4-57, G4-58, G4-EC1, G4-EC2, G4-EC7, G4-EC9, G4-SO3, G4-SO4, G4-SO5, G4-PR8	<ul style="list-style-type: none"> <li>- GOVERNANCE AND LEADERSHIP</li> <li>- DEDICATION TO THE CLIENT</li> <li>- MORE THAN JUST A BANK</li> <li>- ECONOMIC-FINANCIAL PERFORMANCE</li> </ul>
<ul style="list-style-type: none"> <li>Employment</li> <li>Occupational health and safety</li> <li>Training and education</li> <li>Diversity and equality of opportunity</li> <li>Grievance and complaint mechanisms related to labor practices</li> <li>Product portfolio</li> </ul>	G4-EC3, G4-LA2, G4-LA5, G4-LA6, G4-LA7, G4-LA8, G4-LA9, G4-LA10, G4-LA11, G4-LA16, G4-DMA-FS4	<ul style="list-style-type: none"> <li>- THE PEOPLE BEHIND CAIXA</li> </ul>
<ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>Governance</li> <li>Product portfolio</li> <li>Active ownership</li> </ul>	G4-24, G4-27, G4-37, G4-DMA-FS1, G4-DMA-FS2, G4-DMA-FS3, G4-DMA-FS4, G4-DMA-FS5, G4-FS6, G4-FS10, G4-25, G4-26, G4-34, G4-47, G4-43, G4-45, G4-FS7, G4-FS8, G4-EC7, G4-EC4	<ul style="list-style-type: none"> <li>- CAIXA</li> <li>- GOVERNANCE AND LEADERSHIP</li> </ul>
<ul style="list-style-type: none"> <li>Product portfolio</li> <li>Governance</li> <li>Product and service labeling</li> <li>Indirect economic impacts</li> <li>Client privacy</li> </ul>	G4-DMA-FS2, G4-49, G4-50, G4-PR3, G4-PR4, G4-PR5, G4-DMA-FS3, G4-PR8, G4-EC8	<ul style="list-style-type: none"> <li>- MORE THAN JUST A BANK</li> <li>- DEDICATION TO THE CLIENT</li> </ul>
<ul style="list-style-type: none"> <li>Products and services</li> <li>Emissions</li> <li>Organizational profile</li> <li>Governance</li> <li>Audit</li> <li>Active ownership</li> </ul>	G4-EN27, G4-EC2, G4-14, G4-42, G4-46, G4-47, G4-FS9, G4-FS11	<ul style="list-style-type: none"> <li>- LIFE NEEDS MORE SUSTAINABILITY</li> <li>- GOVERNANCE AND LEADERSHIP</li> </ul>

GROUP

WHO

<b>Senior management</b>	Board, Executive Board, Superintendency areas
<b>Shareholders</b>	CAIXAPAR
<b>Clients</b>	Retail, Corporate, Municipal governments
<b>Communities</b>	Metropolitan regions, remote regions
<b>Suppliers</b>	Main suppliers (higher volume and/or more frequent), lottery units (sampling – regions of country)
<b>Partners</b>	Banks, CAIXA correspondents, CAIXA Aqui, Inter-American Development Bank (IDB), Lottery units
<b>Government (federal, state and municipal)</b>	Ministries (Finance, Environment, Planning, Budget and Management, National Integration, Justice, Agricultural Development, Labor and Employment, Tourism, Social Development and Anti-Hunger, Industrial Development and Overseas Trade), BNDES and Federal Chamber
<b>Regulatory authority</b>	Brazilian Central Bank
<b>Internal public</b>	Own workers (management and non-management employees and employees without commissioned position/function with gratification), third-parties (service providers)
<b>Representative associations and organizations</b>	Febraban, ABDE, ABDIB, ABECIP, ABCS, ABVCAP, ACREFI, CEBDS, Ethos, IBGC, WSBI, The Equator Principles Association, ICLC, Conar and Cities Alliance
<b>Unions</b>	Banking worker unions and other unions with which CAIXA maintains relations



# SUMMARY OF GRI CONTENT

GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GENERAL STANDARD DISCLOSURES			
<b>STRATEGY AND ANALYSIS</b>			
G4-1 Declaration from key decision maker in the organization (e.g.: CEO, chairman of board of directors or equivalent) about relevance of sustainability for the organization and its sustainability strategy	Page 8		Yes, page 112
G4-2 Description of main impacts, risks and opportunities: focus on the organization's main impacts on sustainability and the effects for stakeholders.	Pages 8 and 27		Yes, page 112
<b>ORGANIZATIONAL PROFILE</b>			
G4-3 Name of organization	Page 11		Yes, page 112
G4-4 Primary brands, products, and services	Pages 1, 12 and 20		Yes, page 112
G4-5 Location of organization's headquarters	Page 11		Yes, page 112
G4-6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or ones that are specifically relevant in terms of the sustainability topics addressed in the report	Page 14		Yes, page 112
G4-7 Nature of ownership and legal form	Page 11		Yes, page 112
G4-8 Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Pages 12, 44 and 86		Yes, page 112
G4-9 Scale of the organization	Pages 11, 12 and 52		Yes, page 112
G4-10 Total number of employees UNGC	Pages 31, 121, 124 and 125		Yes, page 112
G4-11 Percentage of total employees covered by collective bargaining agreements. UNGC	100%		Yes, page 112
G4-12 Description of organization's supply chain	Page 97		Yes, page 112
G4-13 Significant changes during the reporting period regarding the organization's scale, structure, ownership, or its supply chain	Page 15		Yes, page 112
G4-14 Whether and how the precautionary approach or principle is addressed by the organization	Page 25		Yes, page 112
G4-15 List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Pages 78, 79, 97 and 114		Yes, page 112
G4-16 Participation in associations (such as industry federations) and/or domestic/international advocacy organizations	Page 114		Yes, page 112
<b>MATERIAL ASPECTS IDENTIFIED AND BOUNDARIES</b>			
G4-17 List of all the entities included in the consolidated financial statements or equivalent documents	Page 14		Yes, page 112
G4-18 Process for defining the report content and boundaries of aspects	Page 101		Yes, page 112
G4-19 List of material aspects identified in the process of defining report content	Page 102		Yes, page 112
G4-20 Boundary, within organization, for each material aspect	Page 102		Yes, page 112





GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
G4-21 Boundary, outside organization, for each material aspect	Page 102		Yes, page 112
G4-22 Effect of any restatements of information provided in previous reports and the reasons for such restatements	There were no restatements.		Yes, page 112
G4-23 Significant alterations in relation to periods covered in previous reports in terms of scope and boundaries of aspects	When this is the case, it is described in the report.		Yes, page 112
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24 List of stakeholder groups engaged by the organization	Page 101		Yes, page 112
G4-25 Basis for identification and selection of stakeholders with whom to engage	Page 101		Yes, page 112
G4-26 Approach to stakeholder engagement, including frequency of engagement, discriminated by type and group, indicating whether any engagement was promoted specifically as part of preparing this report	Page 101		Yes, page 112
G4-27 Key topics and concerns raised through stakeholder engagement and the measures adopted by the organization to address these topics and concerns, including the process of reporting them. List which stakeholder group raised each topic and concern	Page 101		Yes, page 112
<b>REPORT PROFILE</b>			
G4-28 Period covered by report (e.g. fiscal or calendar year) for information presented	January 1 to December 31 2016		Yes, page 112
G4-29 Date of most recent previous report	November, 2016		Yes, page 112
G4-30 Reporting cycle (annual, biennial, etc.)	Annual.		Yes, page 112
G4-31 Point of contact for questions regarding the report or its content	gersa03@caixa.gov.br		Yes, page 112
G4-32 "In accordance" option for application of guidelines and external verification	Page 101		Yes, page 112
G4-33 Policy and current practice adopted by organization with regard to seeking external assurance for the report	The CAIXA Sustainability Report is verified externally by independent audit. The Internal Audit area monitors the process.		Yes, page 112
<b>GOVERNANCE</b>			
G4-34 Governance structure in the organization, including the committees of the highest governance body. Identify any committees responsible for advising the highest governance body on topics provoking economic, environmental and social impacts	Pages 19 and 116		Yes, page 112
G4-35 Process of delegating responsibility for economic, environmental and social questions from the highest governance body to senior executives and other employees	Pages 21 and 116		Yes, page 112
G4-36 Executive level positions with responsibility for economic, environmental and social topics and whether these report directly to the highest governance body	21 and 22		Yes, page 112
G4-37 Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated to other areas or people, indicate who and also indicate any feedback processes to the highest governance body	In accordance with Bacen Resolution 4.433, CAIXA keeps senior management informed about any problems or deficiencies detected in the performance of business attributions, as well as about the result of measures adopted to solve them (further information in Governance, Management and Ethics).		Yes, page 112
G4-38 Composition of the highest governance body and its committees	Pages 19 and 116		Yes, page 112



GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
G4-39 Whether the chair of the highest governance body is also an executive director (and, if so, his/her function in managing the organization and the reasons for this overlap).	Pages 20 and 116		Yes, page 112
G4-40 Nomination and selection processes and criteria for the highest governance body and its committees	Page 22		Yes, page 112
G4-41 Processes for avoiding and managing conflicts of interest. Report whether conflicts of interests are revealed to stakeholders	Page 22		Yes, page 112
G4-42 Role of highest governance body and executives in development, approval and updating of purpose, mission statement, vision and values and definition of strategies, policies and targets related to the organization's economic, environmental and social targets	Page 22		Yes, page 112
G4-43 Measures taken to enhance highest governance body's knowledge of economic, environmental and social topics	CAIXA adopts measures to develop the occupants of senior management positions and intends to systematize these measures.		Yes, page 112
G4-44 Performance appraisal processes for highest governance body regarding governance of economic, environmental and social topics. Report whether this appraisal is independent or not and how often it is conducted. Report whether this appraisal is a self-assessment	Page 35		Yes, page 112
G4-45 Role played by the highest governance body in identifying and managing impacts, risks and opportunities arising from economic, environmental and social questions. Mention the role played by the highest governance body in implementing due diligence processes	Pages 25 and 27		Yes, page 112
G4-46 Role of highest governance body in analysis of effectiveness of organization's risk management processes for economic, environmental and social topics	Pages 25 and 27		Yes, page 112
G4-47 Frequency with which highest governance body reviews impacts, risks and opportunities	Pages 25 and 27		Yes, page 112
G4-48 The highest position responsible for formally approving the sustainability report and ensuring all material aspects are covered	In addition to the areas responsible, the text is approved by the Sustainability and Social and Environmental Responsibility Committee.		Yes, page 112
G4-49 Process adopted for communicating critical concerns to the highest governance body	Page 42		Yes, page 112
G4-50 Nature and total number of critical concerns communicated to the highest governance body and the mechanisms used to address them	Pages 25, 27 and 42		Yes, page 112
G4-51 Remuneration policies applied to highest governance body and senior executives	Page 35		Yes, page 112
G4-52 Process adopted for determining remuneration. Report involvement of internal or independent consultants in determining remuneration. Report other relationships between remuneration consultants and the organization	Pages 35 and 118		Yes, page 112
G4-53 Consultation of stakeholders about remuneration and its application to organizational policies	Pages 35 and 118		Yes, page 112



GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
G4-54 Ratio of highest salary to general median in the organization, by country in which the organization has significant operations and total average annual remuneration of all employees (excluding the highest paid) in the same country	Page 35		Yes, page 112
G4-55 Ratio of proportional increase in highest salary to median increase in the organization, by country and percentage average increase in annual remuneration of all employees (excluding the highest paid) in the same country	The salary adjustment was a flat 8% increase for all employees.		Yes, page 112
<b>ETHICS AND INTEGRITY</b>			
G4-56 Values, principles, standards and norms of behavior in the organization, such as codes of conduct and ethics	Pages 11, 23 and 24		Yes, page 112
G4-57 Internal and external mechanisms for guidance on ethical behavior and compliance, such as relationship channels (e.g.: ombudsman)	Pages 42 and 43		Yes, page 112
G4-58 Internal and external mechanisms for communicating concerns about unethical conduct or conduct incompatible with the legislation and questions related to organizational integrity, such as reporting concerns via hierarchical channels, mechanisms or channels for reporting irregularities	Pages 42, 43, 68 and 69		Yes, page 112



ASPECT	DESCRIPTION	PAGE/RESPONSE	OMISSION	EXTERNAL VERIFICATION
STANDARD SPECIFIC DISCLOSURES				
<b>ECONOMIC CATEGORY</b>				
Economic performance UNGC	G4-DMA Management approach	Pages 36, 52, 79, 84, 85 and 86		Yes, page 112
	G4-EC1 Direct economic value generated and distributed	Page 52		Yes, page 112
	G4-EC2 Financial implications and other risks and opportunities for organization's activities due to climate change	Pages 79, 84, 85 and 86		Yes, page 112
	G4-EC3 Coverage of organization's pension plan obligations	Page 36		Yes, page 112
	G4-EC4 Significant financial help received from government	No financial help was received from government.		No
Indirect economic impacts	G4-DMA Management approach	Pages 59, 62, 69, 71, 85, 90, 94, 97, 127 and 128		Yes, page 112
	G4-EC7 Impact of infrastructure investments and services offered for public benefit	The amounts reported for ventures supported and families benefiting do not include the DIST - Floating Branch Pages 59, 69, 90, 94, 97, 127 and 128		Yes, page 112
	G4-EC8 Description of significant indirect economic impacts, including extent of impacts	Pages 59, 62, 69, 71, 85, 90, 97, 127 and 128		Yes, page 112
Procurement practices	G4-DMA Management approach	Page 98		Yes, page 112
	G4-EC9 Policies, practices and proportion of spending on local suppliers	All the units in the network are considered to be important operating units. For CAIXA, local suppliers supply anywhere in Brazil.		Yes, page 112
<b>ENVIRONMENTAL CATEGORY UNGC</b>				
Products and services	G4-DMA Management approach	Pages 79, 85, 94 and 97		Yes, page 112
	G4-EN27 Extent of initiatives to mitigate environmental impacts	Pages 79, 85, 94 and 97		Yes, page 112
	G4-EN28 Percentage of products sold and packaging materials reclaimed, by category		This does not apply to CAIXA operations. Initiatives related to product and service environmental efficiency are described in the indicator G4-EN27 and in the corresponding management approach.	Yes, page 112
<b>SOCIAL CATEGORY – LABOR PRACTICES AND DECENT WORK UNGC</b>				
Employment	G4-DMA Management approach	Pages 32, 35, 120 and 121		Yes, page 112
	G4-LA1 Total number and rates of new employee admissions and employee turnover by age group, gender and region	Pages 32 and 120		Yes, page 112



ASPECT	DESCRIPTION	PAGE/RESPONSE	OMISSION	EXTERNAL VERIFICATION
	G4-LA2 Comparison of benefits for full-time and part-time and temporary workers, discriminated by organization's important operating units	Page 35		Yes, page 112
	G4-LA3 Return to work and retention rates after maternal / paternal leave, discriminated by gender	Page 121		Yes, page 112
Occupational health and safety	G4-DMA Management approach	Pages 38, 39 and 122		Yes, page 112
	G4-LA5 Percentage of labor force represented on formal health and safety committees, comprising different hierarchical levels, that help monitor and guide occupational health and safety programs	Page 38		Yes, page 112
	G4-LA6 Types of work-related injuries and illnesses, days lost rates and number of fatalities, discriminated by region and gender	Page 122 Number of fatalities not reported		Yes, page 112
	G4-LA7 Workers with high incidence or high risk of diseases related to their occupation	Page 38		Yes, page 112
	G4-LA8 Health and safety aspects covered in formal agreements with trade unions	Pages 38 and 39		Yes, page 112
Training and education	G4-DMA Management approach	Pages 33, 34, 36 and 123		Yes, page 112
	G4-LA9 Average number of hours training per year per employee, discriminated by gender and functional category	Pages 34 and 123		Yes, page 112
	G4-LA10 Programs for skills management and life-long learning that contribute to continued employment when preparing for retirement	Page 36		Yes, page 112
	G4-LA11 Percentage of employees receiving performance and career development reviews, discriminated by gender and functional category	Page 33		Yes, page 112
Diversity and equality of opportunity	G4-DMA Management approach	Pages 36 and 124		Yes, page 112
	G4-LA12 Composition of governance bodies and breakdown of employees by functional category, in accordance to gender, age group, minority group and other diversity indicators	Pages 36 and 124		Yes, page 112
Grievance and complaint mechanisms related to labor practices	G4-DMA Management approach	—		Yes, page 112
	G4-LA16 Number of grievances about labor practices filed, processed and resolved by means of formal mechanism		CAIXA considers this information confidential, for which reason it is not reported.	No
<b>SOCIAL CATEGORY – SOCIETY</b>				
Anti-corruption UNGC	G4-DMA Management approach	Pages 25, 26, 27 and 119		Yes, page 112
	G4-SO3 Total number and percentage of operations assessed for corruption-related risks and significant risks identified	Pages 25, 26, 27 and 119		Yes, page 112
	G4-SO4 Communication and training in anti-corruption policies and procedures	Pages 25, 26 and 27		Yes, page 112
	G4-SO5 Confirmed incidents of corruption and measures taken	Pages 25 and 27		Yes, page 112



ASPECT	DESCRIPTION	PAGE/RESPONSE	OMISSION	EXTERNAL VERIFICATION
<b>SOCIAL CATEGORY – PRODUCT RESPONSIBILITY</b>				
Product and service labeling	G4-DMA Management approach	Pages 43 and 46		Yes, page 112
	G4-PR3 Type of product and service information required by the organization's labeling procedures and percentage of significant categories subject to these requirements	Page 43		Yes, page 112
	G4-PR4 Total number of cases of non-compliance with regulations and voluntary codes related to product and service labeling, discriminated by type of result	Due to the nature of CAIXA operations, products and services there are no records of the violation of labels or non-compliance with regulations and voluntary codes.		No
	G4-PR5 Results of surveys measuring customer satisfaction	Page 46		Yes, page 112
Client privacy	G4-DMA Management approach	—		Yes, page 112
	G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and loss of customer data	Page 47	This information is confidential and strategic, for which reason it is not reported.	No
<b>SECTOR CATEGORY – FINANCIAL SECTOR SUPPLEMENT</b>				
Product portfolio	G4-DMA FS1 Policies with social and environmental components specifically applied to business lines	Pages 22, 78 and 79		Yes, page 112
	G4-DMA FS2 Procedures for assessing and screening environmental and social risks in business lines	Page 79		Yes, page 112
	G4-DMA FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Pages 79 and 97		Yes, page 112
	G4-DMA FS4 Processes for improving staff competency to implement environmental and social policies and procedures as applied to business lines	Page 77		Yes, page 112
	G4-DMA FS5 Interactions with clients/investees/commercial partners regarding environmental and social risks and opportunities	Page 81		Yes, page 112
	G4-FS6 Percentage of portfolio by business lines, by specific region, size and sector	Pages 12 and 44 The business lines related to this indicator adopted by CAIXA in Brazil are: Individual, Business, Government and Non-Segmented. Internationally it is the international operations.		Yes, page 112
	G4-FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose	Pages 59, 60, 85, 87, 90 97		Yes, page 112
	G4-FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line, broken down by purpose	Pages 69, 71, 85 and 87		Yes, page 112
Audit	G4-DMA Management approach	Page 79		Yes, page 112
	G4-FS9 Range and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	Page 79		Yes, page 112





ASPECT	DESCRIPTION	PAGE/RESPONSE	OMISSION	EXTERNAL VERIFICATION
Active ownership	G4-DMA Management approach	Page 79		Yes, page 112
	G4-FS10 Percentage and number of companies in the institution's portfolio with which it has interacted on environmental or social questions	Page 79. Regarding interactions with investee companies in 2016, there were: (i) two engagements by means of the Research and Scenarios team of National Third-Party Assets Risk Management area GERAT /VITER, to obtain more information about the companies' ESG indicators. This represents about 25% of the companies covered by the Research and Scenarios team of the National Third-Party Assets Risk Management area GERAT /VITER.		Yes, page 112
	G4-FS11 Percentage of assets subject to environmental or social triage (positive and negative)	Page 79. In the case of the VITER Structured Funds Management area, the actual technical team itself is responsible for tracking the social and environmental indicators, when applicable. These indicators are determined during the constitution of the investments incorporated and are verified by the agents involved in managing the assets, in line with the pertinent legislation. Regarding the triage model, the assets under management are subject to a positive environmental and/or social triage, a format that is not specified in the laws that regulate the investments under management. In relation to the total assets managed by the structured funds area, 89% of the assets are subject to some positive form of environmental or social triage. In terms of the total third-party assets managed by CAIXA, the percentage is approximately 9.5%.		Yes, page 112



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## Relatório de Asseguração Limitada dos Auditores Independentes do Relatório Anual de Sustentabilidade da Caixa Econômica Federal, com base nas diretrizes GRI, versão G4 e opção de reporte “Abrangente”.

Aos Administradores da  
**Caixa Econômica Federal - CAIXA**

### Introdução

Fomos contratados pela administração da Caixa Econômica Federal - CAIXA (“CAIXA” ou “Instituição”) para apresentar nosso relatório de asseguração limitada sobre os indicadores contidos no Relatório Anual de Sustentabilidade, com base nas diretrizes do Global Reporting Initiative (“GRI”), versão G4, relativos ao exercício findo em 31 de dezembro de 2016 (“Relatório”).

### Responsabilidades da administração da CAIXA

A administração da CAIXA é responsável pela elaboração e apresentação de forma adequada das informações constantes no Relatório de acordo com critérios, premissas e metodologias GRI (opção de reporte “Abrangente”) e pelos controles internos que ela determinou como necessários para permitir a elaboração dessas informações livres de distorção relevante, independentemente se causada por fraude ou erro.

### Responsabilidade dos auditores independentes

Nossa responsabilidade é expressar conclusão sobre as informações constantes no Relatório, com base no trabalho de asseguração limitada conduzido de acordo com o Comunicado Técnico do Ibracon (CT) Nº 07/2012, aprovado pelo Conselho Federal de Contabilidade e elaborado tomando por base a NBC TO 3000 (Trabalhos de Asseguração Diferente de Auditoria e Revisão), emitida pelo Conselho Federal de Contabilidade – CFC, que é equivalente à norma internacional ISAE 3000, emitida pela Federação Internacional de Contadores, aplicáveis às informações não históricas. Essas normas requerem o cumprimento de exigências éticas, incluindo requisitos de independência e que o trabalho seja executado com o objetivo de obter segurança limitada de que os indicadores constantes no Relatório, estão livres de distorções relevantes.

Um trabalho de asseguração limitada conduzido de acordo com a NBC TO 3000 (ISAE 3000) consiste principalmente de indagações à administração e outros profissionais da CAIXA que foram envolvidos na elaboração das informações constantes do Relatório através da aplicação de procedimentos analíticos para obter evidências que nos possibilite concluir na forma de asseguração limitada sobre os indicadores do Relatório. Um trabalho de asseguração limitada requer, também, a execução de procedimentos adicionais, quando o auditor independente toma conhecimento de assuntos que o leve a acreditar que as informações constantes do Relatório podem apresentar distorções relevantes.

Os procedimentos selecionados basearam-se na nossa compreensão dos aspectos relativos à compilação e apresentação das informações constantes no Relatório de acordo com critérios, premissas e metodologias próprias da CAIXA. Os procedimentos compreenderam:

- (a) o planejamento dos trabalhos, considerando a relevância, o volume de informações quantitativas e qualitativas e os controles internos que serviram de base para a elaboração das informações constantes do Relatório;
- (b) o entendimento da metodologia de cálculos e dos procedimentos para a preparação e compilação do Relatório através de entrevistas com os gestores responsáveis pela elaboração das informações;
- (c) aplicação de procedimentos analíticos e verificação amostral de determinadas evidências que suportam



os dados utilizados para a elaboração do Relatório;

(d) confronto dos dados de natureza financeira com as demonstrações financeiras e/ou registros contábeis.

Os trabalhos de asseguarção limitada compreenderam, também, a aderência às diretrizes da estrutura de elaboração dos indicadores da GRI - G4, aplicável na elaboração das informações constantes no Relatório.

Entendemos que as evidências obtidas em nosso trabalho foram suficientes e apropriadas para fundamentar nossa conclusão na forma limitada.

### **Alcance e limitações**

Os procedimentos aplicados em um trabalho de asseguarção limitada são substancialmente menos extensos do que aqueles aplicados em um trabalho de asseguarção que tem por objetivo emitir uma opinião sobre as informações constantes no Relatório. Consequentemente, não nos possibilitam obter segurança de que tomamos conhecimento de todos os assuntos que seriam identificados em um trabalho de asseguarção que tem por objetivo emitir uma opinião. Caso tivéssemos executado um trabalho com objetivo de emitir uma opinião, poderíamos ter identificados outros assuntos ou eventuais distorções nas informações constantes do Relatório. Dessa forma, não expressamos uma opinião sobre essas informações. Adicionalmente, os controles internos da CAIXA não fizeram parte de nosso escopo de asseguarção limitada.

Os dados não financeiros estão sujeitos a mais limitações inerentes do que os dados financeiros, dada à natureza e a diversidade dos métodos utilizados para determinar, calcular ou estimar esses dados. Interpretações qualitativas de materialidade, relevância e precisão dos dados estão sujeitos a pressupostos individuais e a julgamentos. Adicionalmente, não realizamos qualquer trabalho em dados informados para os períodos anteriores, nem em relação a projeções futuras e metas.

Os indicadores G4-EC4, G4-PR4, G4-PR8 e G4-LA16 não foram escopo de nosso trabalho de asseguarção limitada, assim não efetuamos quaisquer procedimentos de auditoria sobre estes indicadores citados.

### **Conclusão**

Com base nos procedimentos realizados, descritos neste relatório, nada chegou ao nosso conhecimento que nos leve a acreditar que os indicadores GRI constantes no Relatório Anual de Sustentabilidade da CAIXA, objetos do nosso escopo, relativos ao exercício findo em 31 de dezembro de 2016, não tenham sido elaboradas, em todos os aspectos relevantes, de acordo com critérios, premissas e metodologias para elaboração dos indicadores da *Global Reporting Initiative - G4* (opção de reporte "Abrangente").

São Paulo, 10 de maio de 2017.

**ERNST & YOUNG**  
Auditores Independentes S.S  
CRC - 2SP 015.199/O-6

Flávio Serpejante Peppe  
Contador CRC-1SP 172167/O-6



# ATTACHMENT

## List of charters and external commitments to which CAIXA is a signatory G4-15, G4-16

### Global Compact – UNDP

This is an initiative developed by the United Nations Organization (UNO) aimed at mobilizing the international business community around the promotion of fundamental values in the areas of human rights, labor, the environment, sustainability and inclusive markets.

### World Water Council/WWC

The World Water Council is a network of broad competencies distributed worldwide. Working towards the future of water does not boil down to being a substitute for the capacities of this network. Its objective is to drive actions aimed at creating synergies and proposing innovative solutions in water management.

Based in Marseilles, France, its mission is to promote awareness and drive policies revolving around the supply and use of water at all levels, including the highest levels of political decision making.

### ETHOS

The Instituto Ethos de Empresas e Responsabilidade Social is a civil society public interest organization whose mission is to drive awareness, mobilize and help companies to manage their businesses in a socially responsible manner, making them partners in the construction of a fair and sustainable society.

### Natural Capital Declaration

In 2012 during the Rio+20 Conference CAIXA signed the Natural Capital Declaration – NCD, the largest coalition of companies and organizations focused on integrating natural capital into the finance sector on a global level. Currently the Management Committee is presided by the IFC – International Finance Corporation.

### Equator Principles

This is a set of procedures adopted by financial institutions to manage social and environmental matters linked with project finance operations. CAIXA joined the program in August 2009. (ref. CD 4073/2009) CAIXA assumed the commitment to execute the action plan set forth in attachment I of the aforementioned resolution.

### Climate Action

Climate Action partners with the United Nations Environment Program (UNEP) - the most important environmental protection and management agency in the world.

Climate Action establishes partnerships involving companies, governments and public authorities to accelerate sustainable international development and promote a “green economy”.

### CEBDS

This is a non-profit civil association promoting sustainable development among companies operating in Brazil in conjunction with government and civil society, in addition to disseminating the most up-to-date sustainability-related concepts and practices.

### Pacto Nacional pela Erradicação do Trabalho Escravo (National Pact for the Eradication of Slave Labor)

An association that promotes the prevention and eradication of slave or forced labor in Brazil and internationally.

### Empresa Pró-Ética (Pro-Ethical Company)

Program developed by the Brazilian Ministry of Transparency and Control and the Federal Comptroller General to foment the voluntary adoption of measures driving integrity in companies committed to preventing and eliminating corruption and fraud.

### Principles for Responsible Investment -PRI

An initiative of the Secretary General of the United Nations. Implemented by the United Nations Environment Program Financial Initiative - UNEP FI and by the Global Compact.



## ▶ OTHER SECTOR RELATIONSHIPS

To participate in sector discussions, relate to stakeholder groups and strengthen its position as an agent and promoter of federal public policy, CAIXA is a member of a series of associations, groups, forums and organizations, listed below:

- Associação Brasileira de Anunciantes (ABA - Brazilian Advertising Association)
- Associação Brasileira de Educação a Distância (Abed - Brazilian Distance Education Association)
- Associação Brasileira de Educação Corporativa (Abec - Brazilian Corporate Education Association)
- Associação Brasileira de Empresas de Cartões de Crédito (Abecs - Brazilian Credit Card Company Association)
- Associação Brasileira de Engenharia Sanitária e Ambiental (Abes - Brazilian Sanitary and Environmental Engineering Association)
- Associação Brasileira de Entidades de Crédito Imobiliário e Poupança (Abecip - Brazilian Real Estate Credit and Savings Association)
- Associação Brasileira de Entidades dos Mercados Financeiro e de Capitais (Anbima - Brazilian Financial and Capital Markets Association)
- Associação Brasileira de Infraestrutura e Indústria de Base (Abdib - Brazilian Infrastructure and Heavy Industry Association)
- Associação Brasileira de Instituições Financeiras de Desenvolvimento (ABDE - Brazilian Association of Development Finance Institutions)
- Associação Brasileira de Marketing Direto (Abemd - Brazilian Direct Marketing Association)
- Associação Brasileira de Marketing e Negócios (ABMN - Brazilian Marketing and Business Association)
- Associação Brasileira de Normas Técnicas (ABNT - Brazilian Technical Standards Association)
- Associação Brasileira de Private Equity e Venture Capital (ABVCAP - Brazilian Private Equity and Venture Capital Association)
- Associação Brasileira de Recursos Humanos (ABRH - Brazilian Human Resources Association)
- Associação Brasileira de Telesserviços (ABT - Brazilian Teleservices Association)
- Associação Central Nipo-brasileira (ACNB - Brazil-Japan Association)
- Asociación Latinoamericana de Instituciones Financieras para el Desarrollo (Alide - Association of Latin American Development Finance Institutions)
- Associação Nacional das Instituições de Crédito, Financiamento e Investimento (Acrefi - Brazilian Association of Credit, Finance and Investment Institutions)
- Brazilian-American Chamber of Commerce
- Câmara Brasileira de Comércio Eletrônico (Câmara-e.net - Brazilian Chamber of E-Commerce)
- Câmara de Comércio Brasileira no Japão (Brazilian Chamber of Commerce in Japan);
- Centro Brasileiro de Relações Internacionais (Cebri - Brazilian International Relations Center)
- Centro Internacional Celso Furtado de Políticas para o Desenvolvimento (Cicef - Celso Furtado International Development Policies Center);
- Cities Alliance
- Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável (Cebds - Brazilian Business Council for Sustainable Development)
- Conselho Nacional de Autorregulamentação Publicitária (Conar - National Advertising Self-Regulatory Council)
- Corporación Iberoamericana de Loterías y Apuestas de Estado (Cibelae - Ibero-American State Lottery and Betting Corporation)
- Natural Capital Declaration– NCD
- Federação Brasileira de Bancos (Febraban - Brazilian Banking Federation)
- Fundação Centro de Estudos do Comércio Exterior (Funcex - Overseas Trade Center of Studies)
- Institute of International Center for Local Credit (ICLC)
- Instituto Brasileiro de Governança Corporativa (IBGC - Brazilian Corporate Governance Institute)
- Instituto Ethos de Empresas e Responsabilidade Social (Brazilian Enterprise and Social Responsibility Institute)
- International Function Point Users Group (IFPUG)
- Principles of the United Nations Organization Global Compact (COP)
- Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (Sebrae - Brazilian Micro and Small Enterprise Support Service)
- The Equator Principles Association
- União Nacional das Instituições de Autogestão em Saúde (Unidas - Union of National Health Self-Management Institutions)
- Unión Interamericana Para la Vivienda (Uniapra-vi - Inter-American Housing Union)
- World Lottery Association (WLA)
- World Savings Banks Institute (WSBI).





## GOVERNANCE AND LEADERSHIP

### CAIXA GOVERNANCE [G4-34](#), [G4-35](#), [G4-37](#), [G4-38](#), [G4-39](#)

ATTRIBUTIONS		COMPOSITION
Board of Directors	Body responsible for general oversight of CAIXA businesses, defining guidelines and business goals and monitoring and assessing results	<ul style="list-style-type: none"> <li>- 4 members appointed by the Minister of Finance;</li> <li>- CAIXA president;</li> <li>- 1 member appointed by the Minister of Planning, Budget and Management;</li> <li>- 1 member representing the employees.</li> </ul>
Steering Council	Responsible for managing and representing CEF	<ul style="list-style-type: none"> <li>- Comprising the CAIXA president and ten vice presidents to be appointed and dismissed ad nutum by the President of the Republic, at the indication of the Minister of Finance and taking into account the opinions of the Board of Directors.</li> </ul>
Third-Party Asset Management Council	Management and representation of third-party assets	<ul style="list-style-type: none"> <li>- CAIXA president;</li> <li>- Vice president responsible for managing third-party assets;</li> <li>- Vice president responsible for control and risk;</li> <li>- Vice president responsible for service, distribution and business management.</li> </ul>
Government Funds and Lottery Council	Management and representation related to administration and operation of federal lotteries and federal government funds, including FGTS	<ul style="list-style-type: none"> <li>- CAIXA president;</li> <li>- Vice president responsible for managing federal lotteries and federal government funds, including FGTS;</li> <li>- Vice president responsible for control and risk;</li> <li>- Vice president responsible for service, distribution and business management.</li> </ul>





Fiscal Council	<p>Oversees administration and verifies compliance with legal and statutory obligations; Provides an opinion on CAIXA accountability as well as that of the funds and programs operated or managed by CAIXA; Analyzes CAIXA's six-monthly and annual balance sheets, as well as those of the funds and programs operated or managed by CAIXA; Examines CAIXA's interim and annual financial statements and the end of year statements of funds and programs operated or managed by CAIXA, and provides an opinion on them, as well as on the company's economic-financial situation; Provides an opinion on the disposal or encumbrance of assets, except for judicial liens related to properties for own use; Reports errors, fraud, and irregularities to the pertinent administrative bodies, and suggests appropriate action; provides an opinion on:</p> <p>a) CEF budget proposals and the funds and programs operated or managed by the organization;  b) the destination of net income;  c) the payment of dividends and interest on own equity;  d) modification of capital;  e) constitution of funds, reserves and provisions;  f) absorption of eventual losses with profit reserves; and  g) capital investment or budget plans.</p> <p>Assesses the six-monthly reports on the CEF internal controls systems; assesses the results of the work done by the external, internal and integrated audits, related to the evaluation of credit management and market analysis processes and the approval of CEF operations and the respective funds and programs managed or operated by the organization;  undertakes the other attributions related to its audit responsibilities, in line with the legislation in force.</p>	Five members and their respective alternates, chosen and appointed by the Minister of Finance.
Business, Assets and Liabilities Committee	Decides business strategies, assets and liabilities prior to approval by the Steering Council, and decides on questions related to the Corporate, Government, Housing, Emerging Businesses and Retail segments, including companies working in the sanitation, infrastructure, civil construction and emerging businesses, services, in line with the strategic objectives of government at federal, state and municipal level, including state-run companies and questions related to CAIXA management of its assets and liabilities, including rates and margins, driving value creation and ensuring the return stipulated by the controllers, observing risk exposure limits, within the limits of its attributions and sphere of authority as set forth in internal rules.	I. CAIXA president; II. Vice president, Finance and Control; III. Vice president, Clients, Businesses and Digital Transformation; IV. Vice president, Corporate; V. Vice president, Retail Products; VI. Vice president, Housing; VII. Vice president, Government; VIII. Vice president, Risk.
Credit and Businesses Committee	Decides on credit, business, and renegotiation operations within its remit and within the limits of its attributions and sphere of authority as set forth in internal rules.	I. Vice president, Finance and Control; II. Vice president, Corporate; III. Vice president, Housing; IV. Vice president, Government; V. Vice president, Retail Products VI. Vice president, Clients, Businesses and Digital Transformation; VII. Vice president, Risk;
Risk and Capital Committee	Decides on risk control and capital management for the CAIXA financial conglomerate, and ensures alignment with the other areas, within the limits of its attributions and sphere of authority as set forth in internal rules.	I. CAIXA president; II. Vice president, Risk III. Vice president, Finance and Control; IV. Vice president, Information Technology; V. Vice president, Logistics and Operations.



Personnel and Service Committee	Decides on questions related to personnel management, as well on CAIXA client service and satisfaction, ensuring alignment with the other areas, within the limits of its attributions and sphere of authority as set forth in internal rules.	<ul style="list-style-type: none"> <li>I. CAIXA president</li> <li>II. Vice president, People Management;</li> <li>III. Vice president, Clients, Businesses and Digital Transformation;</li> <li>IV. Vice president, Logistics and Operations.</li> <li>V. Vice president, Corporate;</li> <li>VI. Vice president, Retail Products;</li> <li>VII. Vice president, Housing.</li> <li>VIII. Vice president, Government;</li> <li>IX. Vice president, Information Technology;</li> </ul>
Technology and Efficiency Committee	Establishes corporate governance of information technology at CAIXA, debating information technology strategy prior to approval by the Steering Council, as well as coordinating efficiency improvement measures and actions to integrate the Corporate Operations and Information Technology areas with CAIXA businesses and strategy, within the limits of its attributions and sphere of authority as set forth in internal rules.	<ul style="list-style-type: none"> <li>I. CAIXA president;</li> <li>II. Vice president Corporate Operations</li> <li>III. Vice president, Finance and Control;</li> <li>IV. Vice president, People Management;</li> <li>V. Vice president, Information Technology;</li> <li>VI. Vice president, Clients, Businesses and Digital Transformation;</li> <li>VII. Vice president, Risk</li> </ul>
Audit Committee	Statutory body regulated by the National Monetary Committee, with the purpose of monitoring and strengthening internal and external audit activities, as well as internal and external controls, in accordance with the legislation in force.	3 members and 1 alternate, selected and appointed by the Board of Directors, with no fixed term of office.
Remuneration Committee GRI G4-52, G4-53	Decision making body which advises the Board of Directors on remuneration policy for CAIXA administrators.	3 members and 1 alternate. The permanent members, including the Chairman of the committee and the alternate, are selected and nominated by the Board of Directors, in accordance with the CAIXA bylaws.
Anti-Money Laundering Committee	Independent decision making body that oversees questions related to the prevention of money laundering throughout CAIXA.	Up to 5 members, appointed by the CAIXA president, in accordance with the bylaws.
Procurement and Contracting Committee	Independent decision making body that decides on purchases and contracts, as well as contracts exempt or ineligible for bidding processes, pursuant to specific legislation, and decides on direct tender processes.	Up to 5 members, appointed by the CAIXA president, in accordance with the bylaws.
Business Assessment and Renegotiation Committee	Independent decision making body responsible for overseeing credit operations, business, renegotiations, and purchases in the Residential Leasing Program.	5 members appointed by the CAIXA president, in accordance with the bylaws.
Ethics Commission GRI G4-57	Independent decision making body whose mission is to provide guidance and advice on professional conduct and ethics for CEF directors and employees in their dealings with people and with public property. It also rules on unethical conduct and violations of CEF standards brought to its attention.	3 members and 3 alternates, selected from among the permanent employees and appointed by the CAIXA president. One appointee sits as Chairman.

**WORK DONE BY CAIXA AUDIT IN 2016** G4-SO3

TYPE	UNITS COVERED BY INTERNAL AUDITS	TOTAL	PERCENTAGE OF UNITS ASSESSED
Branches and Service Points	959	<b>4,249</b>	23%
Branch management areas	116	<b>228</b>	51%
Regional superintendency areas	83	<b>106</b>	78%
National management areas	65	<b>143</b>	45%
National superintendency area	45	<b>63</b>	71%
Vice Presidencies and Presidency	13	<b>13</b>	100%



## THE PEOPLE BEHIND CAIXA

### TOTAL EMPLOYEES ADMITTED IN 2016, DISCRIMINATED BY GENDER, AGE GROUP AND REGION <sup>G4-LA1</sup>

REGION	ADMITTED IN 2016 BY AGE GROUP								SUBTOTAL
	UNDER 30 YEARS		FROM 30 TO 50 YEARS		OVER 50 YEARS		TOTAL		
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
Midwest	1	2	2	7	0	0	3	9	12
North	2	5	4	2	0	0	6	7	13
South	0	1	0	4	0	0	0	5	5
Southeast	61	42	107	66	4	5	172	113	285
Northeast	11	13	12	18	0	1	23	32	55
	<b>75</b>	<b>63</b>	<b>125</b>	<b>97</b>	<b>4</b>	<b>6</b>	<b>204</b>	<b>166</b>	-
<b>TOTAL</b>	<b>138</b>		<b>222</b>		<b>10</b>		<b>370</b>		
	<b>37.30%</b>		<b>60.00%</b>		<b>2.70%</b>		<b>100.00%</b>		

Source: Base GENER– extracted from SISRH on December 31, 2016

### TERMINATION RATE IN 2016, DISCRIMINATED BY GENDER, AGE GROUP AND REGION <sup>G4-LA1</sup>

REGION	TERMINATION RATE - 2016								SUBTOTAL
	UNDER 30 YEARS		FROM 30 TO 50 YEARS		OVER 50 YEARS		TOTAL		
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
Midwest	1.38%	2.30%	0.67%	0.72%	12.48%	7.08%	2.82%	2.48%	2.63%
North	0.86%	2.20%	0.61%	1.19%	7.22%	6.37%	1.71%	2.36%	2.09%
South	1.30%	2.18%	1.26%	0.83%	11.17%	6.44%	3.49%	2.80%	3.11%
Southeast	1.88%	1.77%	1.01%	1.07%	10.43%	8.19%	3.16%	3.16%	3.16%
Northeast	0.79%	1.35%	0.53%	0.95%	12.52%	7.43%	3.48%	2.94%	3.15%
	<b>1.45%</b>	<b>1.88%</b>	<b>0.91%</b>	<b>0.96%</b>	<b>11.09%</b>	<b>7.47%</b>	<b>3.16%</b>	<b>2.91%</b>	-
<b>TOTAL</b>	<b>1.70%</b>		<b>0.94%</b>		<b>8.86%</b>		<b>3.02%</b>		

Source: Base GENER– extracted from SISRH on December 31, 2016

**TOTAL EMPLOYEES, DISCRIMINATED BY CAREER, GENDER AND REGION** G4-10

	ADMINISTRATIVE			PROFESSIONAL			CAREERS IN EXTINCTION			TOTAL		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Midwest	6,635	8,054	14,689	207	416	623	4	4	8	6,846	8,474	15,320
North	1,583	2,204	3,787	57	127	184	2	4	6	1,642	2,335	3,977
South	7,272	8,757	16,029	155	449	604	0	4	4	7,427	9,210	16,637
Southeast	20,156	21,346	41,502	410	786	1,196	7	58	65	20,573	22,190	42,763
Northeast	6,199	9,360	15,559	174	511	685	2	35	37	6,375	9,906	16,281
<b>TOTAL</b>	<b>41,845</b>	<b>49,721</b>	<b>-</b>	<b>1,003</b>	<b>2,289</b>	<b>-</b>	<b>15</b>	<b>105</b>	<b>-</b>	<b>42,863</b>	<b>52,115</b>	<b>-</b>
	<b>91,566</b>			<b>3,292</b>			<b>120</b>			<b>94,978</b>		

Source: Base GENER– extracted from SISRH on December 31, 2016

Careers: Administrative – effective position New Banking Technician - (TBN).

Professional – comprising effective positions: Lawyers, Engineers, Architects, Doctors, Psychologists and Dentists.

**ADOPTION, MATERNITY AND PATERNITY LEAVES GRANTED IN 2016** G4-LA3

TYPE OF LEAVE	NUMBER OF EMPLOYEES* WHO TOOK LEAVE IN 2016		NUMBER OF EMPLOYEES WHO TOOK LEAVE AND RETURNED TO WORK IN 2016		NUMBER OF EMPLOYEES WHO TOOK LEAVE IN 2015 AND REMAINED ON JOB 12 MONTHS AFTER THE END OF THE LEAVE		RETENTION RATE***	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Maternity	1,902	0	1,897	0	1,798	0	98.41%	-
Adoption	19	4	15	3	16	3	88.89%	100.00%
Paternity (**)	0	1,878	-	1,878	1	2,276	100.00%	98.96%

Source: Base GENER– extracted from SISRH on December 31, 2016

\* Considers permanent employees.

\*\* In 2016, the leave was not continuous – CAIXA permits employees to take ten working days off in non-consecutive periods up to 180 days after the child's birth.

\*\*\* The terminations in the period are not linked with taking leave. At CAIXA, taking maternity or paternity leave is not linked with termination – because involuntary termination only occurs in administrative processes (due cause), as a result of non approval after trial period, judicial decision or death. All other reasons involve a voluntary decision on the part of the employee, that is, the employee must resign.

The methodology for calculating the number of employees who took paternity leave in 2016 was changed, considering from the 10th day of the leave since the employee has 180 days to take the 10 days leave, meaning the leave may continue in the year after the birth/adoption.

**LEAVES OF ABSENCE DUE TO WORK-RELATED ACCIDENTS (LAT) AND HEALTH TREATMENT (LTS) IN 2016**

G4-LA6

EMPLOYEES	LAT		OCCUPATIONAL DISEASE			TYPICAL ACCIDENTS			COMMUTING ACCIDENT		
	WORKING DAYS CONTRACTED	TOTAL EMPLOYEES	DAYS LOST	EMP. ABSENT DUE TO WORK RELATED ACCIDENT	ABSENTEEISM RATE DUE TO WORK RELATED ACCIDENT	DAYS LOST	EMP. ABSENT DUE TO WORK RELATED ACCIDENT	ABSENTEEISM RATE DUE TO WORK RELATED ACCIDENT	DAYS LOST	EMP. ABSENT DUE TO WORK RELATED ACCIDENT	ABSENTEEISM RATE DUE TO WORK RELATED ACCIDENT
Men	18,989,444	52,115	43,145	236	0.227%	1,927	31	0.010%	4,606	53	0.024%
Women	15,606.905	42,863	47,063	267	0.302%	3,099	55	0.020%	3,209	72	0.021%
<b>TOTAL CAIXA</b>	<b>34,596,349</b>	<b>94,978</b>	<b>90,208</b>	<b>503</b>	<b>0.261%</b>	<b>5,026</b>	<b>86</b>	<b>0.015%</b>	<b>7,815</b>	<b>125</b>	<b>0.023%</b>

Source: SISRH on December 31, 2016

\* Typical work-related accidents: accidents suffered by employees in the work place during working hours as a result of: an act of aggression, sabotage, or terrorism carried out by a third-party or co-worker; intentional physical injury inflicted by co-workers or third parties due to a work-related dispute; imprudence, negligence, or incompetence on the part of a third party or coworker; an act of a person deprived of reason; landslides, floods, fires and other fortuitous force majeure events.

A typical accident may also be one suffered by the employee outside the work place and working hours: when following orders or conducting company business; acting spontaneously to prevent losses for or to benefit the company; travelling on company business, including specialized studies, regardless of the means of transportation used, including the employee's own vehicle, provided such use is previously authorized by the company; robbery or kidnapping related to company business.

Commuting accidents: accidents suffered by employees while commuting between their residence and work place or vice-versa, from the moment the employee enters a public thoroughfare, regardless of the means of transportation, including the employee's vehicle, or any change in route undertaken for a work-related reason.

Occupational illnesses: those which are produced or induced by a specific work-related activity and are included on the respective list developed by the Ministry of Labor and Social Security.

**LEAVE OF ABSENCE FOR HEALTH TREATMENT**

EMPLOYEES	DAYS LOST	EMP. ABSENT DUE TO HEALTH TREATMENT	TOTAL EMPLOYEES	WORKING DAYS CONTRACTED	ABSENTEEISM RATE DUE TO HEALTH TREATMENT
Men	371,551	21,921	52,115	18,989,444	1.96
Women	416,209	24,611	42,863	15,606,905	2.67
<b>CAIXA TOTAL</b>	<b>787,760</b>	<b>46,532</b>	<b>94,978</b>	<b>34,596,349</b>	<b>2.28</b>

Source: SISRH on December 31, 2016

Observation: The indicator is not generated by geographical region, because the administrative allocation of employees may vary during the period. During extended leaves, the employee is allocated to a Personnel Management unit – which is responsible for monitoring and reintegrating the employee.



**NUMBER OF HOURS TRAINING IN 2016** G4-LA9

## TOTAL NUMBER OF HOURS TRAINING

FUNCTIONAL CATEGORY	NUMBER OF HOURS	EMPLOYEES TRAINED-ACTIVE ON DECEMBER 31, 2016	EMPLOYEES ACTIVE ON DECEMBER 31, 2016	AVERAGE NUMBER OF HOURS - TOTAL ACTIVE EMPLOYEES
Head of unit	250,221.53	4,130	4,267	58.64
Director level*	423.00	14	37	11.43
Management - additional remunerated activity	1,112,182.39	17,800	18,082	61.51
Non-management	1,915,832.02	38,157	39,503	48.50
Operational**	1,453,419.60	28,075	30,542	47.59
Professional***	127,939.40	2,286	2,547	50.23
<b>TOTALS</b>	<b>4,860,017.94</b>	<b>90,462</b>	<b>94,978</b>	<b>51.17</b>

Source: Training Management System - Position December 2016 (GEDEC)

(\*)Permanent employees in director level positions

(\*\*)Employees not exercising additional remunerated activities in Administrative and General Services careers

(\*\*\*)Employees not exercising additional remunerated activities in Professional career

Obs.: The data on employee participation in educational activities were extracted from the training management system, taking into account only educational measures promoted by the CAIXA University and by the CAIXA units in a decentralized manner, but funded by the University. The data do not include formal education programs, such as graduation, post-graduation, master's and doctoral courses, even when funded by CAIXA

**NUMBER OF HOURS TRAINING IN 2016 (DISCRIMINATED BY GENDER)** G4-LA9

FUNCTIONAL CATEGORY	NUMBER OF HOURS		EMPLOYEES TRAINED-ACTIVE ON DECEMBER 31, 2016		EMPLOYEES ACTIVE ON DECEMBER 31, 2016		AVERAGE NUMBER OF HOURS - TOTAL ACTIVE EMPLOYEES	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Head of unit	74,903.20	175,318.33	1,177	2,953	1,211	3,056	61.85	57.37
Director level*	8.00	415.00	1	13	3	34	2.67	12.21
Management - additional remunerated activity	490,827.15	621,355.24	7,937	9,863	8,053	10,029	60.95	61.96
Non-management	943,357.43	972,474.59	18,546	19,611	19,061	20,442	49.49	47.57
Operational**	689,044.00	764,375.60	12,816	15,259	13,703	16,839	50.28	45.39
Professional***	40,375.40	87,564.00	752	1,534	832	1,715	48.53	51.06
Subtotal	2,238,515.18	2,621,502.76	41,229	49,233	42,863	52,115	52.22	50.30
<b>TOTAL</b>	<b>4,860,017.94</b>		<b>90,462</b>		<b>94,978</b>		<b>51.17</b>	

Source: Training Management System - Position December 2016 (GEDEC)

(\*)Permanent employees in director level positions

(\*\*)Employees not exercising additional remunerated activities in Administrative and General Services careers

(\*\*\*)Employees not exercising additional remunerated activities in Professional career

**WORKFORCE DIVERSITY: GENDER, AGE GROUP AND REGION** G4-10

REGION	UNDER 30 YEARS			FROM 30 TO 50 YEARS			OVER 50 YEARS			TOTAL		
	WOMEN	MEN	SUBTOTAL	WOMEN	MEN	SUBTOTAL	WOMEN	MEN	SUBTOTAL	WOMEN	MEN	SUBTOTAL
Midwest	724	998	1,722	4,920	5,385	10,305	1,202	2,091	3,293	6,846	8,474	15,320
North	232	364	596	1,147	1,516	2,663	263	455	718	1,642	2,335	3,977
South	694	917	1,611	5,068	5,280	10,348	1,665	3,013	4,678	7,427	9,210	16,637
Southeast	1,705	1,977	3,682	14,312	13,898	28,210	4,556	6,315	10,871	20,573	22,190	42,763
Northeast	636	1,182	1,818	4,182	5,763	9,945	1,557	2,961	4,518	6,375	9,906	16,281
<b>TOTAL</b>	<b>3,991</b>	<b>5,438</b>	<b>9,429</b>	<b>29,629</b>	<b>31,842</b>	<b>61,471</b>	<b>9,243</b>	<b>14,835</b>	<b>24,078</b>	<b>42,863</b>	<b>52,115</b>	<b>-</b>
			<b>9.93%</b>			<b>64.72%</b>			<b>25.35%</b>			<b>94,978</b>

Source: Base GENER– extracted from SISRH on December 31, 2016

**TOTAL NUMBER OF ACTIVE EMPLOYEES, DISCRIMINATED BY FUNCTIONAL LEVEL AND LEVEL OF SCHOOLING** G4-LA12

SCHOOLING	DIRECTOR		HEAD OF UNIT		MANAGEMENT - ADDITIONAL REMUNERATED ACTIVITY				TOTAL
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
Literate with no regular schooling	0	0	0	0	0	0	0	0	0
Primary	0	0	0	0	0	0	0	0	0
Secondary or Technical	0	0	0	4	35	39	606	1,193	1,799
Higher	0	6	6	515	1,390	1,905	4,068	4,968	9,036
Extension / Specialization / Postgraduate	3	25	28	659	1,535	2,194	3,258	3,673	6,931
Master's	0	3	3	27	91	118	112	190	302
Doctorate/Post Doctorate /PhD	0	0	0	6	5	11	9	5	14
<b>TOTAL</b>	<b>3</b>	<b>34</b>	<b>-</b>	<b>1,211</b>	<b>3,056</b>	<b>-</b>	<b>8,053</b>	<b>10,029</b>	<b>-</b>
			<b>37</b>		<b>4,267</b>				<b>18,082</b>

**EMPLOYEES BY LEVEL OF SCHOOLING** G4-10

SCHOOLING	NON-MANAGEMENT			OPERATIONAL			PROFESSIONAL			TOTAL		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Literate with no regular schooling	0	0	0	0	0	0	0	0	0	0	0	0
Primary	0	0	0	0	2	2	0	0	0	0	2	2
Secondary of Technical	2,339	4,603	6,942	3,472	5,700	9,172	38	105	143	6,459	11,636	18,095
Higher	8,874	9,579	18,453	7,122	7,893	15,015	314	712	1,026	20,893	24,548	45,441
Extension / Specialization / Postgraduate	7,583	6,007	13,590	2,966	3,050	6,016	381	746	1,127	14,850	15,036	29,886
Master's	250	236	486	134	175	309	89	140	229	612	835	1,447
Doctorate/Post Doctorate /PhD	15	17	32	9	19	28	10	12	22	49	58	107
<b>TOTAL</b>	<b>19,061</b>	<b>20,442</b>	<b>-</b>	<b>13,703</b>	<b>16,839</b>	<b>-</b>	<b>832</b>	<b>1,715</b>	<b>-</b>	<b>42,863</b>	<b>52,115</b>	<b>-</b>
				<b>39,503</b>		<b>30,542</b>		<b>2,547</b>		<b>94,978</b>		

Source: Training Management System - Position December 2016 (GEDEC/GENER) Work force level of schooling - December 2016



## ECONOMIC-FINANCIAL PERFORMANCE

### INTERNATIONAL OPERATIONS BY SEGMENT AND REGION (2014/2015/2016)

REGION	ACC/ACE* - MSE (2014)		ACC/ACE* - MSE (2015)		ACC/ACE* - MSE (2016)	
	TOTAL	AMOUNT (R\$ MILLION)	TOTAL	AMOUNT (R\$ MILLION)	TOTAL	AMOUNT (R\$ MILLION)
Midwest	1	1	-	-	-	-
Northeast	14	4	14	5	5	3
North	13	16	14	18	7	2
Southeast	239	84	217	74	156	48
South	88	24	137	42	89	24
<b>TOTAL</b>	<b>355</b>	<b>129</b>	<b>382</b>	<b>139</b>	<b>257</b>	<b>77</b>

\* ACC : Exchange contract advance pre-shipment; ACE: Exchange contract advance post shipment.  
MSE - Micro and Small Enterprises

### INTERNATIONAL OPERATIONS BY SEGMENT AND REGION (2014/2015/2016)

REGION	ACC/ACE* - MLE (2014)		ACC/ACE* - MLE (2015)		ACC/ACE* - MLE (2016)	
	TOTAL	AMOUNT (R\$ MILLION)	TOTAL	AMOUNT (R\$ MILLION)	TOTAL	AMOUNT (R\$ MILLION)
Midwest	21	55	26	64	20	62
Northeast	38	38	47	67	79	100
North	10	23	32	52	62	48
Southeast	197	1,609	362	3,955	510	6,202
South	190	319	279	569	362	670
<b>TOTAL</b>	<b>456</b>	<b>2,044</b>	<b>745</b>	<b>4,707</b>	<b>1,033</b>	<b>7,081</b>

\* ACC : Exchange contract advance pre-shipment; ACE: Exchange contract advance post shipment.  
MLE - Medium and Large Enterprises

### INTERNATIONAL OPERATIONS BY SEGMENT AND REGION (2016)

REGION	MLE		MSE	
	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE
Midwest	20	2%	-	-
Northeast	79	6%	5	0%
North	62	5%	7	1%
Southeast	510	40%	156	12%
South	362	28%	89	7%
<b>TOTAL</b>	<b>1,033</b>	<b>80%</b>	<b>257</b>	<b>20%</b>



## MORE THAN JUST A BANK

### SOCIAL BENEFIT PAYMENTS G4-EC8

ANO	BOLSA VERDE		CHAPÉU DE PALHA		CROP GUARANTEE	
	NO. OF FAMILIES	AMOUNT PAID(R\$)	NO. OF FAMILIES	AMOUNT PAID(R\$)	NO. OF FAMILIES	AMOUNT PAID(R\$)
2014	248,783	75,431,400.00	151,080	41,298,786.97	5,885,586	1,012,104,795.00
2015	285,014	85,820,700.00	188,531	38,983,645.05	3,383,807	621,012,265.00
2016	227,234	68,991,600.00	171,442	39,135,460.37	3,498,299	625,104,580.00

### CAIXA LOTTERIES – TRANSFERS IN 2016\* G4-EC7, G4-EC8

DESTINATION		TOTAL
Sport	Ministry of Sport	R\$ 489,502
	Soccer clubs	R\$ 72,563
	Brazilian Olympic Committee - COB	R\$ 208,004
	Brazilian Paralympic Committee - CPB	R\$ 122,184
	Brazilian Confederation of Clubs - CBC	R\$ 58,011
<b>SUBTOTAL SPORT</b>		<b>R\$ 950,264</b>
Education	Higher Education Student Investment Fund - FIES	R\$ 905,630
	Unclaimed Prizes Transferred to FIES	R\$ 320,425
<b>SUBTOTAL EDUCATION</b>		<b>R\$ 1,226,055</b>
Culture	National Culture Fund - FNC	R\$ 359,949
Security	National Penitentiary Fund -FUNPEN	R\$ 385,672
Social Security	Social Security	R\$ 2,159,460
Others	Health and special exams (APAE, Red Cross)	R\$ 8,997
<b>SUBTOTAL</b>		<b>R\$ 2,914,078</b>
Income tax on prizes paid		R\$ 1,076,809
<b>TOTAL TRANSFERS</b>		<b>R\$ 6,167,206</b>

\* Data in thousands of R\$. Sources: SISFIN



## MINHA CASA MINHA VIDA PROGRAM PERFORMANCE 2009-2016O (UP TO DECEMBER 31, 2016) G4-EC7, G4-EC8

BAND/YEAR	UNITS CONTRACTED	UNITS DELIVERED	AMOUNT CONTRACTED
Band 1	143,894	142,838	6,012,590,214.45
Band 2	98,593	91,362	6,516,460,208.29
Band 3	43,818	22,889	3,025,943,090.68
<b>2009 TOTAL</b>	<b>286,305</b>	<b>257,089</b>	<b>15,554,993,513.42</b>
Band 1	275,075	248,750	11,128,057,422.57
Band 2	274,770	248,162	19,382,499,257.04
Band 3	100,458	56,636	7,834,768,901.39
<b>2010 TOTAL</b>	<b>650,303</b>	<b>553,548</b>	<b>38,345,325,581.00</b>
Band 1	98,641	92,706	4,785,294,689.14
Band 2	325,007	266,774	21,639,747,308.29
Band 3	72,658	45,318	5,092,044,185.07
<b>2011 TOTAL</b>	<b>496,306</b>	<b>404,798</b>	<b>31,517,086,182.50</b>
Band 1	306,381	243,615	15,954,294,625.40
Band 2	297,703	265,535	22,602,763,062.12
Band 3	55,225	36,527	3,814,415,128.46
<b>2012 TOTAL</b>	<b>659,309</b>	<b>545,677</b>	<b>42,371,472,815.98</b>
Band 1	388,277	210,248	22,296,997,456.47
Band 2	263,973	235,445	23,275,711,328.26
Band 3	37,464	27,412	3,102,009,734.35
<b>2013 TOTAL</b>	<b>689,714</b>	<b>473,105</b>	<b>48,674,718,519.08</b>
Band 1	138,543	50,839	6,947,108,141.85
Band 2	208,624	214,420	24,623,247,900.51
Band 3	33,541	22,020	3,394,735,352.70
<b>2014 TOTAL</b>	<b>380,708</b>	<b>287,279</b>	<b>34,965,091,395.06</b>
Band 1	16,011	2,668	554,239,941.89
Band 2	291,161	224,818	34,061,137,586.72
Band 3	39,856	22,309	5,114,511,364.99
<b>2015 TOTAL</b>	<b>347,028</b>	<b>249,795</b>	<b>39,729,888,893.60</b>
Band 1	36,858	250,524	1,409,830,484.73
Band 2	252,534	352,480	31,018,547,380.82
Band 3	67,601	85,986	9,121,496,811.30
<b>2016 TOTAL</b>	<b>356,993</b>	<b>688,990</b>	<b>41,549,874,676.84</b>
<b>OVERALL TOTAL CAIXA</b>	<b>3,906,709</b>	<b>3,109,396</b>	<b>297,856,742,300.63</b>

Band 1: families with a gross monthly income of up to R\$ 1,800.00.

Band 1.5: families with a gross monthly income of up to R\$ 2,600.00.

Band 2: families with a gross monthly income from R\$ 2,600.00 to R\$ 4,000.00.

Band 3: families with a gross monthly income from R\$ 4,000.01 to R\$ 9,000.00.





## LIFE NEEDS MORE SUSTAINABILITY

### OPERATIONS CONTRACTED UNDER THE EQUATOR PRINCIPLES G4-FS2

SECTOR	N° OF PROJECTS CONTRACTED	TOTAL INVESTMENT	CAIXA SHARE
Sanitation	2	R\$ 406,747,044.69	R\$ 313,668,960.12
Infrastructure	2	R\$ 5,901,033,983.00	R\$ 1,287,288,000.00
Energy	3	R\$ 433,599,701.66	R\$ 51,192,000.00
<b>TOTAL</b>	<b>7</b>	<b>R\$ 6,741,380,729.35</b>	<b>R\$ 1,652,148,960.12</b>

EP CLASSIFICATION	N° OF PROJECTS CONTRACTED	TOTAL INVESTMENT	CAIXA SHARE
A (high risk)	0	R\$ 0.00	R\$ 0.00
B (medium risk)	6	R\$ 6,596,650,583.66	R\$ 1,521,891,829.00
C (low risk)	1	R\$ 144,730,145.69	R\$ 130,257,131.12
<b>TOTAL</b>	<b>7</b>	<b>R\$ 6,741,380,729.35</b>	<b>R\$ 1,652,148,960.12</b>

### CAIXA UNIVERSITY SUSTAINABILITY AND SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COURSES

COURSE	N° OF EMPLOYEES	PERCENTAGE OF EMPLOYEES
Financial Education - Managing Personal Finances	1,261	1.33
Introduction to Social and Environmental Responsibility in the Financial System	4,615	4.86
LIBRAS - Brazilian Sign Language - Module I	525	0.55
LIBRAS 2012 - Brazilian Sign Language - Module II	503	0.53
Virtual Libras - Basic Virtual Module	1,131	1.19
Leadership and Sustainable Results	677	0.71
Round of Dialogue: CAIXA Diversity Handbook	720	0.76

Source: CAIXA University Portal

2016 data



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