

# CAIXA SUSTAINABILITY REPORT





# 2017

## CAIXA SUSTAINABILITY REPORT

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## Socioenvironmental Responsibility Policy

We refer to the pillars of our Socioenvironmental Responsibility Policy throughout this report. Check the icons:



STAKEHOLDER RELATIONSHIP AND ENGAGEMENT



MANAGING SOCIOENVIRONMENTAL RISKS



MANAGING ADMINISTRATIVE PRACTICES AND THE SUPPLY CHAIN



GOVERNANCE



DISCLOSING AND REPORTING INFORMATION



PROMOTING SUSTAINABLE DEVELOPMENT

## SDG

We also refer to the Sustainable Development Goals in the report. You can track Caixa's actions aligned with the SDGs and their targets by means of the indications throughout the document.



# INTRODUCTION

Caixa presents the 2017 edition of its *Sustainability Report* to Brazilian society. This document summarizes the institution's projects, indicators, results and strategies for the year, once again based on the Global Reporting Initiative (GRI) guidelines, marking the transition to the new version of the methodology, Standards.

Economic-financial, socioenvironmental and governance topics are presented in accordance with their relevance, taking into account the Caixa material topics mapped in consultation with its stakeholders.

These include the social contribution made by the bank as partner to the federal government in the execution of social programs; risk management, including socio-environmental risks; employee engagement and client relationship measures; and foment for projects in areas such as culture, sport and community development.

**Enjoy reading it.**

# THE YEAR IN highlights

## BUSINESSES

BRL **12.5 b**

net income  
in 2017, 202.6% up on the  
previous year

**BRL 2.2 trillion**

in assets under management (+1.9%  
compared with 2016)

**BRL 6.1 billion**

in agricultural credit operations

**BRL 13.88 billion**

Caixa Lotteries revenues  
(+8.14%)

## CORPORATE INTEGRITY

+ than **2,000**

participations in verification of  
knowledge of the Caixa Code of Ethics

+ than **15,400**

employees and managers trained  
in verification  
of knowledge of the Code  
of Conduct

## HUMAN DEVELOPMENT

**62.78%**

of the employees  
submitted to performance  
appraisal in the 2017 cycle

+ than **4.3 m**

hours of training

**6.36%**

reduction in absenteeism rate

## CLIENT RELIABILITY

**2.25%**

Caixa default  
rate in 2017 – the bank's best level in  
five years

**4 million**

new clients

**SOCIAL AND LABOR BENEFITS**

**161 million**

social benefits related to income transfer programs

**BRL 54.18b**

in benefits payments to workers

MINHA CASA MINHA VIDA (MY HOUSE MY LIFE)

**482,844**

housing units contracted in 2017

**BRL 63 billion**

contracted

**18,100**

housing units delivered in the National Rural Housing Program

**CULTURE AND SPORT**

**BRL 82m**

in cultural sponsorship, with

**950**

initiatives impacting more than **8.1 million** people

**BRL 244,192 m**

invested in fostering sports

**SUSTAINABILITY AS A BUSINESS**

Clean Development Mechanism (CDM) Solid Urban Waste Activities Program (Caixa POA):

**1.7 million**

metric tons of CO<sub>2</sub>e emitted by projects

**4 issues**

certified up to 2017

**BRL 9,050,141.75**

in Caixa Socioenvironmental Fund commitments (FSA Caixa), encompassing

**14 cooperation**

agreements already signed and another **31 projects** awaiting signature

INTEGRATED AND SUSTAINABLE TERRITORY DEVELOPMENT (DIST)

**18 projects**

in **91** Minha Casa Minha Vida developments executed or being executed

**ECO-EFFICIENCY**

**109**

**Caixa units** connected to the grid, generating photovoltaic power





# MESSAGE FROM THE PRESIDENT 102-14



**In 2017, our efforts were focused on maintaining the institution strong, solid and present in essential segments for the country's economy.**

With its 156 year history, Caixa is proud to be part of the daily life of the Brazilian people. With a history and an operating model intricately linked with the country's social agenda, Caixa is an institution that operates nationwide, with 55,000 service points. It is recognized for its commitment to economic, social and environmental development.

In 2017, attuned with the country's gradual economic recovery, Caixa ended the year with a record net income of BRL 12.5 billion, an increase of 202.6% compared with 2016. Recurring net profit totaled BRL 8.6 billion, an increase of 106.9% in the year, Caixa's best result ever.

This result is the fruit of management and control measures and the enhancement of our governance model. These include the revision of strategy and the updating of the company's Mission and Values, undertaken with the participation of 25 thousand employees.

**The revision of the Caixa mission and values was executed collaboratively**

In the last year, the institution performed robustly, with expressive leadership in segments such as social housing, credit concession to key sectors of the economy, the promotion of entrepreneurship, the generation of employment and income, the operation of funds and social programs for workers and cultural and sports sponsorship.

Reinforcing fundamental aspects of the organization's culture whilst adopting a positioning as an innovative institution, Caixa is focused on investing in digital businesses, improving processes, mitigating risks and allocating capital properly, always focused on client and user satisfaction.

From an operational standpoint, the year demanded exceptional performance. In addition to boosting the base by more than four million clients, totaling approximately 88 million checking and savings account holders, the bank undertook its biggest operation ever with the payout of over BRL 40 billion to inactive FGTS accounts, benefiting 30 million workers. For the first time, half of the FGTS earnings in 2016 was credited to workers' accounts. A total of BRL 7.3 billion was paid out.





Diverse administrative measures were implemented, from the improved reallocation of employees, process automation, to the voluntary employee termination program, which were adopted to ensure effective resource management. As a result, our operational efficiency ratio reached the level of 49%, a 2.3% improvement over 2016.

In the government policy area, BRL 29 billion was invested in combating poverty and improving income distribution in the country, worthy of note being the Bolsa Família (Family Allowance) – a Caixa operated program whose impact ranges from improvements in schooling for children to the eradication of hunger.

Another outstanding program is Minha Casa Minha Vida (My House, My Life), which in eight years has delivered more than 3.6 million housing units nationwide. In 2017, more than 482,000 housing units were contracted and almost 250,000 were delivered. The amount contracted reached the mark of BRL 63 billion, confirming our leadership in financing for social housing. This is a successful policy which has been responsible for reducing the housing shortage in the country and providing access to dignified housing both in cities and in the countryside.

More than BRL 37.8 million in Caixa Socioenvironmental Fund financing was approved for investments in projects encompassing environmental protection, social and economic inclusion and territorial development.

The revenue from the Caixa lotteries grew by 8.14% in the year, totaling BRL 13.88 billion, part of which was invested in federal government social programs.

Caixa believes in culture, art and sports as tools for social inclusion and for strengthening national pride: more than BRL 244 million was

## Caixa has been and will continue to be a financial institution that is essential for every Brazilian.

invested in sports sponsorship in 2017, in projects and categories ranging from para athletics, through soccer to Olympic gymnastics.

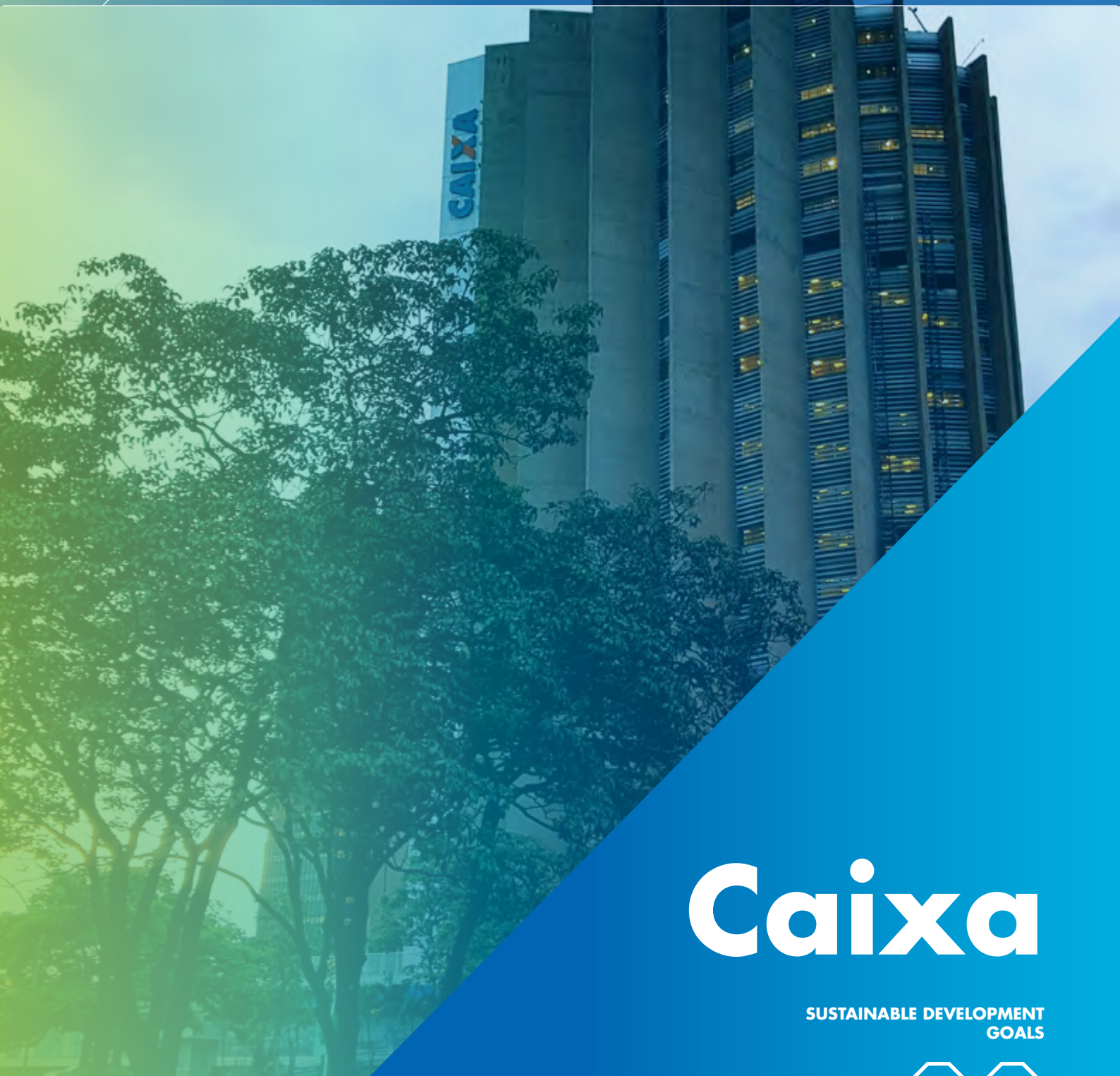
We do all of this aware that each employee is an agent of transformation for Caixa. We consolidated our internal selection and succession policy and expanded well-being and development programs. An example of this was the landmark of 4.3 million hours of training, addressing areas such as risk management, service, leadership and innovation.

I would further underscore Caixa's commitment to disseminating a culture of sustainability at all levels and in all the organization's processes, which includes painstaking analysis for the concession of credit to clients and for projects.

The plans, measures, policies, strategies and results of each one of these areas are presented throughout the pages of this *Sustainability Report* – a document which is essential for showing Brazilian society how Caixa has been and will continue to be a financial institution that is essential for each Brazilian.

**Nelson Antônio de Souza**  
President, Caixa

CAIXA / GOVERNANCE AND LEADERSHIP / THE PEOPLE BEHIND CAIXA / DEDICATION TO THE CLIENT / ECONOMIC-FINANCIAL RESULTS / MORE THAN JUST A BANK / LIFE NEEDS MORE SUSTAINABILITY / REPORT AND MATERIALITY



# Caixa

SUSTAINABLE DEVELOPMENT GOALS



CONNECTION WITH THE SOCIOENVIRONMENTAL RESPONSIBILITY POLICY



IN THIS CHAPTER  
PRESENCE AND RELEVANCE



# MORE THAN A HUNDRED YEARS OLD, WE ARE A 100% PUBLIC INSTITUTION, **which is among the biggest banks in the country.**

Founded in 1861 with the objective of encouraging Brazilians to save, Caixa is linked with the Ministry of Finance. Based in Brasilia (DF), it is present in the life of virtually every Brazilian.

With more than 57,000 service points and over 70 million checking and savings account holders, the bank is not restricted to the offer of banking services; it is also responsible for operating a number of federal government benefits and social programs – such as the FGTS severance guarantee fund, Unemployment Insurance, the Family Allowance and the Minha Casa Minha Vida program. It also offers loans to businesses and organizations and is one of the major sponsors of culture, art and sports in Brazil. [102-2](#), [102-3](#), [102-5](#), [102-6](#)

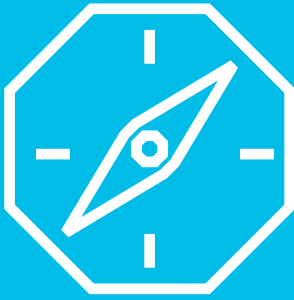
The slogan “More than just a Bank”, incorporated into Caixa’s identity, translates its mission as an agent of social and economic development and inclusion in the country. Proof of this is the maintenance of three floating agencies – providing services for riverside communities – and eight mobile truck agencies, as well as the Caixa Socioenvironmental Fund (FSA Caixa), the Best Practices in Local Management Program and the credit lines provided for small businesses and rural populations.

The leader in housing loans and holding an important position in the infrastructure sector, Caixa focused its effort on overcoming the adverse macroeconomic situation in the country.

As the main operator of federal government social programs, CAIXA contributes actively to eradicating poverty and improving income distribution in Brazil. In 2017, CAIXA injected BRL 28.7 billion in social benefit payments into the economy. Under the Family Allowance Program, 153.8 million benefits worth BRL 27.8 billion were paid out; the program is fundamental for reducing the infant mortality and the school dropout rates.

Regarding programs geared to workers, during the year the institution was responsible for paying out 292.3 million benefits totaling BRL 313.7 billion. These included unemployment insurance, salary bonus and PIS, corresponding to BRL 52 billion. The bank made 71.7 million INSS social security pension payments totaling BRL 94.7 billion in the year. The amount paid into the FGTS fund reached BRL 123.5 billion in 2017, while withdrawals, including the payment of inactive accounts, totaled BRL 166.9 billion.

**Its nationwide presence ensures the bank fulfills its social mission**



**MISSION 102-16**

To promote the sustainable development of Brazil, generating value for clients and society as a public financial institution and an agent of state policies

**VALUES**

- We work to ensure the satisfaction of our clients
- We work to increase the wealth and the well-being of Brazilian society
- We are proud and passionate about our work

- Our activities are always guided by ethics
- We believe in leadership by example
- We are innovative in what we do
- We respect all ideas, options and differences
- We are responsible for efficient and sustainable performance
- We promote professional development based on merit
- We can do more together

**The operation includes banking services, social programs, lotteries and strategic shareholdings**

**PRESENCE AND RELEVANCE** 102-4, 102-6, 102-7

Caixa is part of the daily lives of workers and the population of all regions of the country, with a broad service network that includes branches, lottery units, correspondent banks, mobile units and ATMs. There are more than 57,000 points, covering the entire country and reaching virtually 100% of the population.

Caixa also has eight mobile truck agencies and three floating agencies: Chico Mendes, inaugurated in 2010; Ilha do Marajó, in operation since 2014; and Rio São Francisco, which provides services for the communities in the vicinity of Lago do Sobradinho.

A novelty in 2017 was the implantation of the Digital Agency project, with a new structure for client relations (*read more in the chapter Dedication to clients*)

**CONGLOMERATE 102-7, 102-45**

The Caixa Conglomerate is a group of companies comprising the institution and its direct and indirect shareholdings.

Caixa Seguridade is the holding company that oversees Caixa interests in the insurance and brokerage areas. The company is the fourth largest insurance group in the country, comprising the Caixa Seguradora, PAN Seguros and PAN Corretora businesses. Its competitive differential is the Caixa brand and access to its more than 80 million clients.

CAIXAPAR is Caixa's strategic arm with holdings in companies operating in other economic sectors linked with activities that complement or are related to the parent company's businesses.

The Conglomerate's policy establishes guidelines for management, investment and contracting,



## THE CAIXA NETWORK 102-7

OUR INSTALLATIONS FOR SERVING CLIENTS, WORKERS AND THE PUBLIC

	CAIXA	NORTH	NORTH	MIDWEST	SOUTHEAST	SOUTHEAST
Branch	3,412	315	183	643	646	1,625
Service Post	835	117	51	110	274	283
Self-service Space	3,977	399	214	724	833	1,807
Electronic Service Post	2,171	482	188	362	494	645
Lottery Unit	13,080	1,136	807	3,076	2,292	5,769
Caixa Aqui Correspondent	11,178	903	556	2,529	2,550	4,640
Banco 24H	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>

encompassing the commercial relationship and governance between Caixa and the member companies. The objective is to drive gains in performance and establish strategic partnerships to ensure access to specific markets and segments. Key partnerships include:

- Branes (support in capturing and processing credit operations);
- Habitar (network of housing correspondents).

### CAIXA SEGURIDADE

- Caixa Seguradora (insurance, bonds, pension plans and healthcare);
- Pan Seguros (insurance, bonds, pension plans and healthcare);
- Pan Corretora (insurance brokerage).

### CAIXAPAR

- Banco Pan (payroll deductible loans, vehicles, high income housing segment);
- Elo, Vale Presente and CIELO: operating in the card market;
- Caixa Crescer (microfinance);
- Partnerships involving support for Caixa operations, such as Capgemini (IT) and TecBan (service network);

### FOR COMPANIES

Caixa has a portfolio specifically for businesses, with products and services tailored in accordance with the size of the client.

In 2017, the segmentation of business clients was updated and is now split into four categories: Medium Companies (gross annual revenues between BRL 30 million and BRL 150 million); Medium and Large Companies (from BRL 150 million to BRL 500 million); Corporate (from BRL 500 million to BRL 2 billion); and Large Corporate (over BRL 2 billion per year).

During the year, the bank also launched a new strategy for the large and corporate segments combining online pricing, a new simulator, a new set of authorization limits and updated categorization. As a result, the average time for contracting loans decreased from 57 to 17 working days.

**FOR AGRIBUSINESS**

With working capital, investment, industrialization and commercialization lines for individuals and businesses, the bank’s agricultural clients range from companies and producers to cooperatives. It operates with mandatory and free resources, as well as BNDES (Banco Nacional de Desenvolvimento Econômico e Social) onlending.

In addition to soy and corn, some of the other crops supported by Caixa in this segment are cotton, garlic, rice, coffee, sugarcane, oranges and beans. Moreover, livestock (beef and dairy cattle, poultry and swine) breeding benefits from a portfolio adapted to its needs.

In August 2017, Central Bank resolution n° 4.597 established that interest rates for agricultural credit should be flexible in line with the rate set in the crop plan. With this opportunity, in the following month Caixa was the first financial

institution to launch an agricultural credit campaign with promotional rates below those in the market. The campaign involved working capital, commercialization and industrialization lines and was aimed at individual producers, cooperatives and agro-industry.

In 2017, the bank totaled BRL 6.1 billion in agricultural credit operations, compared with BRL 5.8 billion in 2016. The working capital lines corresponded to 70% of the loans granted by Caixa, using mandatory funds, in line with the market trend and the guidelines of the 2017/2018 Agriculture and Livestock Plan.

The service network for agricultural credit reached 1,731 branches compared with 1,709 in 2016 – and an impressive increase in relation to 2012, when there were just over 60 branches in the country. The bank’s presence in agricultural regions is expressive.

**Fostering agricultural credit is a key activity for the bank**

**GROWTH IN AGRICULTURAL CREDIT**  
2012-2017

Sep. 2012

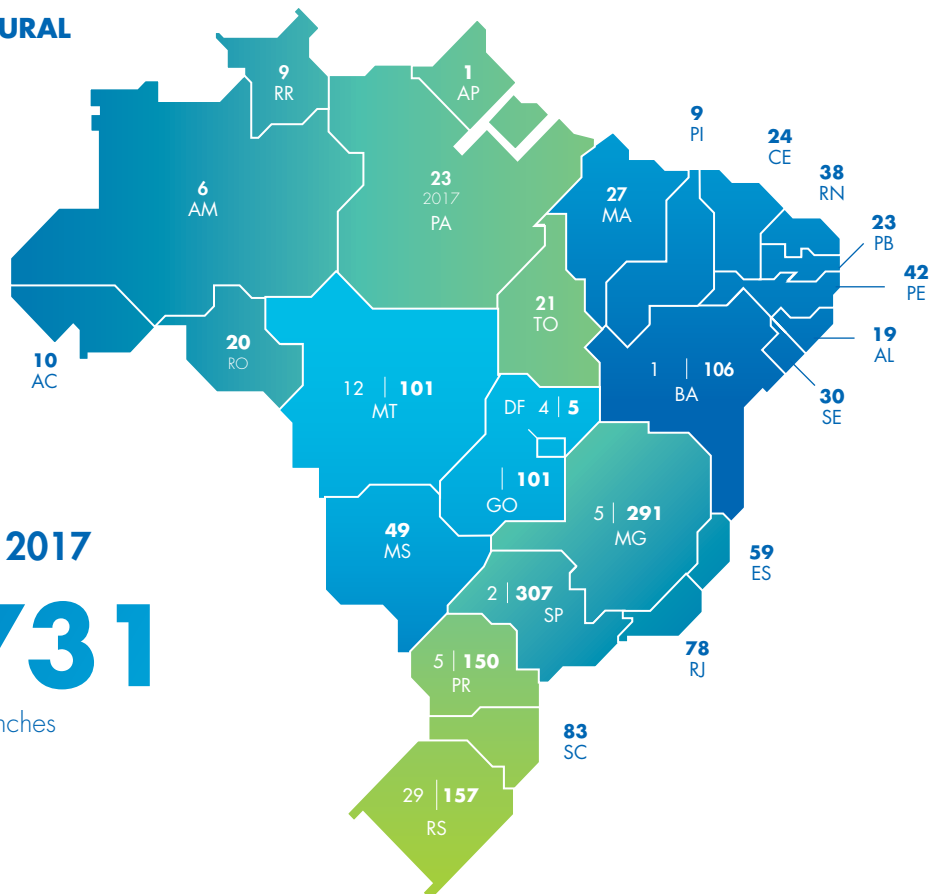
62

Branches

Dec. 2017

1,731

Branches





**CAIXA LOTTERIES 102-6**

The federal lotteries in Brazil have been administered by Caixa since 1962. Authorization to exploit this business was granted by the federal government as an exception to penal law, based on the premises of protecting Brazilian society and generating funding for social ends. The service is executed under the supervision of the Ministry of Finance.

Part of the funds raised by the lotteries are transferred to the federal government for investments in social security, public security, culture, sports, healthcare and education. In 2017, the lotteries completed 55 years of existence with an 8.14% increase in revenues (*further information in More than just a Bank*).

**CAIXA INTERNATIONAL 102-4, 102-7**

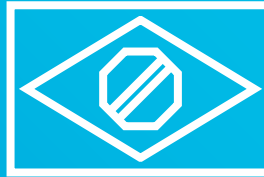
In its international operations, Caixa provides services for Brazilian emigrants, such as housing loans, remittance of funds to and from Brazil and FGTS withdrawals. Additionally, Caixa offers foreign exchange products and services for clients in Brazil. The bank has two representative offices, one in the United States and the other in Japan. The Caixa office in Venezuela was closed at the beginning of 2018.

**55**

years of Caixa  
Lotteries operations

almost **20**

government programs  
are operated by Caixa



**OPERATION OF FEDERAL PROGRAMS**

Almost 20 federal programs oriented to social inclusion, citizenship and the protection of workers are administered by Caixa in its role as agent of state policies. Further details about Caixa initiatives and performance in 2017 in the chapter *More than just a Bank*.

- |   |   |
|---|---|
| Bolsa Família (Family Allowance)        | Hat Program)                                    |
| DF Sem Miséria (Misery Free DF)         | De Volta para Casa (Back Home)                  |
| Ipojuca School Grant                    | Fomento (Foment)                                |
| Pacto Manaus (Manaus Pact)              | Garantia Safra (Crop Guarantee)                 |
| Família Paranaense (Paraná Family)      | Incluir Espírito Santo (Include Espírito Santo) |
| Bolsa Verde (Green Grant)               | PETI  |
| Família Carioca (Rio de Janeiro Family) | Primeiro Passo (First Step)                     |
| Chapéu de Palha (Straw Hat Program)     | Renda Cidadão GO                                |
|   | Santa Renda (SC)                                |
|   | Pacto Nova Lima (MG)                            |



**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)
- National Rural Housing Program (PNHR)
- Targeted Production Micro-credit (Crescer program)

# GOVERNANCE AND leadership

## SUSTAINABLE DEVELOPMENT GOALS



## CONNECTION WITH THE SOCIOENVIRONMENTAL RESPONSIBILITY POLICY



## IN THIS CHAPTER

DECISION MAKING STRUCTURE  
CORPORATE INTEGRITY



# EFFICIENCY AND MODERNITY driving management aligned with the market

In its governance practices, the bank strives to ensure focus on future opportunities, integrity and the technical competency of directors and leaders

Adopting market best practices, Caixa strives to respond to the challenges facing modern organizations with a robust governance capable of integrating financial and non-financial aspects into its decision making; valuing efficiency and ethics throughout the company; strengthening internal controls and transparency; and generating value for society.

Corporate governance is part of the Caixa management model and enables the definition and organization of attributions and relations among the governance agents, promoting greater agility, accountability and accuracy in the decision making process, as well as significant advances in management.

Governance objectives include aligning the institution with best governance practices; improving relations with regulatory agencies and the state, as well as with society, employees and clients; and ensuring discipline in addressing critical questions and in aligning decisions and actions.

The bank has a Corporate Governance Manual which shapes decision making in conjunction with the other management policies – such as the Code of Ethics, the company bylaws, operating policies (including internal controls, compliance, corporate governance and socioenvironmental responsibility) and the authorization regime.

## STRATEGIC VISION<sup>102-16</sup>

As a public company aligned with Brazilian state company law (13.303/2016) and required to revise its long-term plans to ensure business continuity, Caixa once again reviewed its strategic plan containing corporate directives for the period 2017-2027.

The process took into account Caixa’s history of innovation - which includes helping slaves to save and win their emancipation in the 19th century; being a pioneer in hiring female employees and in being presided by a woman; and in helping to remove 36 million people from misery in recent years.

In 2016, more than 25,000 Caixa employees collaborated in the discussion of bank strategy, analyzing the institution’s strengths and weaknesses and generating more than 250 pages of suggestions and ideas. The material resulting from these discussions was used in interviews and workshops with leaders to debate market, trends and to determine Caixa’s positioning.

As a result, the Mission was reformulated to promote the sustainable development of Brazil, generating value for clients and society as a public financial institution and an agent of state policies” – a direct allusion to the idea that it is the state’s responsibility to foster economic prosperity, social justice and environmental care simultaneously. The organizational values were also reformulated (*read more in Caixa*).

**The Strategic Plan contains corporate directives for 2017-2027**

## Tactical actions enabled the bank to recover earnings during the year

As a practical result of this long-term vision, tactical actions were adopted to leverage business results, generating a substantially higher net income in 2016 (*read more in Economic-financial Results*).

### GOVERNANCE FOR SUSTAINABILITY

Socioenvironmental Responsibility and sustainability are integrated into the conglomerate's strategic planning. In the formal Caixa structure socioenvironmental questions were underscored, with a unit directly linked to the company's president.

Caixa institutionalized the Sustainability and Socioenvironmental Responsibility Committee (RSA Committee) – as a strategic autonomous decision making body that operates on a national level. This body is responsible for coordinating diverse Caixa areas in the process of developing, implanting, assessing and tracking matters related to social and environmental responsibility questions in alignment with the businesses.

The chair of the RSA Committee is the director of Organization and Strategy, linked directly to the Caixa president.

The chair of the RSA Committee is responsible for informing the Steering Committee about socioenvironmental projects and the funds involved and their impact on the company and on society. Moreover, the Committee chair provides senior management with information on the Sustainability Report.

+ than  
**25 thousand**  
employees participated in discussing Caixa strategy

## DECISION MAKING STRUCTURE<sup>102-18</sup>

The corporate governance model adopted by the organization is aligned with Decree 6.021/2007, which created Brazil's Federal Business Holdings Corporate Governance and Management Inter-Ministry Commission (CG-PAR). In line with the Caixa management model, this establishes attributions, levels of authority and relations between governance agents.

The institution's decision making bodies are governed by internal regulations that set forth the members' routines, procedures and obligations. They are also aligned with Central Bank requirements and national regulations governing the financial sector.

Alterations in the company's bylaws and statutes are being studied for implementation in 2018, in line with the requirements set forth in the State Company law (13.303/2016).

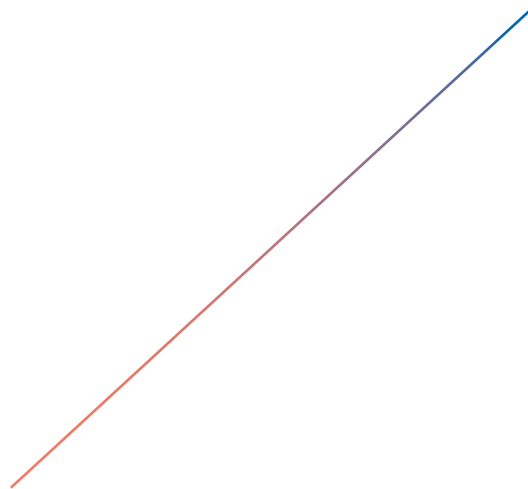
The main Caixa governance bodies are:

- **General Meeting**, constituted by the single Caixa controller, it has the power to decide on all the company's businesses, under the terms of law 6.404/1976 and the bylaws.
- **Board of Directors**, responsible for general oversight of the Caixa businesses and services, including the definition of corporate guidelines, challenges and targets, as well as monitoring results.
- **Steering Council**, responsible for executing Caixa strategy and determining levels of au-

thorization and areas of responsibility.

- **Third-Party Asset Management Council**, responsible for oversight and representation of Caixa regarding the management of third-party assets.
- **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.
- **Fiscal Council**, this controls and oversees the work done by administrators, verifying their legal and statutory duties.
- **Steering Council delegate committees**, all of which comprise a president and vice presidents and are responsible for improving effectiveness and agility in decision making in specific areas.
- **Management support bodies** responsible for operational, tactical and administrative decisions in accordance with their competencies and authorization limits, providing support for senior management decision making. These are:
  - **Audit Committee**, regulated by the Brazilian National Monetary Council (CMN), it is responsible for monitoring and strengthening internal and external audit activities, as well as internal and external controls, reporting to the the Board of Directors, in accordance with the legislation in force.
  - **Remuneration Committee**, also regulated by the CMN, it is linked with the Board of Directors and advises on remuneration policy for Caixa administrators.
  - **Anti-Money Laundering Committee**, an independent decision making body that oversees questions related to combating this crime within the institution.
  - **Procurement and Contracting Committee**, an independent decision making body that decides on purchases and contracts exempt or ineligible for bidding processes, pursuant to specific legislation, as well as assessing tender processes to be decided on by the Steering Committee.
  - **Business Assessment and Renegotiation Committee**, an independent decision making body responsible for overseeing credit operations, business transactions, renegotiations and purchases in the Residential Leasing Program.
  - **Ethics Commission** is an independent deci-

# The institution's governance comprises the General Meeting, Board of Directors, councils and committees



sion making body responsible for providing guidance and advice on the professional conduct of Caixa directors and employees in their dealings with people and public property, as well as ruling on unethical conduct and violations of Caixa standards.

## CRITERIA AND REQUIREMENTS

The rules for the selection and appointment of Caixa governance bodies and committees are available in the [Caixa Bylaws](#).

All members of these bodies must be Brazilians residing in the country, with a flawless reputation and relevant knowledge in their areas of competence. No specific criteria related to diversity are adopted officially by the organization.

Members of the Audit Committee must fulfill the statutory requirements and undergo a selection process that involves an interview with the Board of Directors. For the Remuneration Committee, the appointments are made by the CAIXA president.

**Operational, tactical and administrative decisions are supported by committees and commissions**

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

### BOARD OF DIRECTORS



### DIRECTORS



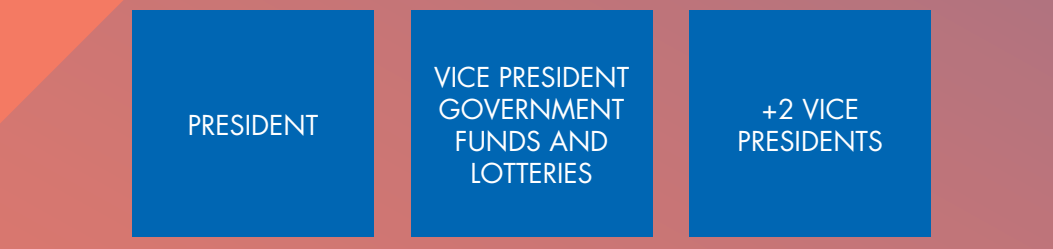
### STEERING COUNCIL



### THIRD-PARTY ASSET MANAGEMENT COUNCIL



### GOVERNMENT FUNDS AND LOTTERIES COUNCIL



### FISCAL COUNCIL



### STEERING COUNCIL DELEGATE COMMITTEES



### STATUTORY COMMITTEES







One of the most important questions for companies such as Caixa is the prevention of conflicts of interest. There are diverse rules related to this, such as the non-participation of vice presidents of segregated areas as members of the Steering Council.

The bank maintains specific structures to oversee management, supervision and external controls, such as the Fiscal Council, the Audit Committee and Internal Audit. In diverse policies, such as the Code of Ethics, the institution provides formal guidance on conflicts of interest (*further information ahead*).

Another tool is the Electronic Prevention of Conflicts of Interest System (Seci), developed by the Ministry of Transparency and the Federal Comptroller General (CGU), by means of which Caixa employees and civil servants may consult or request authorization for the exercise of parallel professional activities.

In 2017, Caixa received 68 inquiries and 123 requests for authorization to conduct parallel professional activities.

## CORPORATE INTEGRITY

**Caixa seeks to evolve its practices, mitigating risks and addressing incidents associated with the business**

As a public institution, Caixa is obliged to comply fully with regulations, laws and standards in place in all the segments in which it operates – including financial operations with different types of clients, the lottery sector and the administration of federal programs .

The Brazilian banking system is submitted to a complex and wide-reaching regulatory environment controlled by government bodies such as the tax authority Receita Federal and regulated by the National Financial System and the Brazil's Securities and Exchange Commission (CVM), which oversees the capital market. Public institutions like Caixa are also overseen by the federal court of accounts, TCU (Tribunal de Contas da União ) and the Federal Comptroller General (CGU).

The Caixa Internal Controls System (SCI Caixa) is a set of policies, norms and standards of conduct adopted to ensure it achieves its objectives, maintains and reports consistent management and financial information and conducts its activities in accordance with the law and applicable external standards.

The Conglomerate's Internal Controls Policy is aimed at reinforcing and promoting the effectiveness of the Internal Controls System to provide a reasonable guarantee that the conglomerate will achieve its objectives and is aligned with the Committee of Sponsoring Organizations of

the Treadway Commission (COSO) based on the following principles: control environment, risk assessment, control activities, information and communication, monitoring activities and lines of defense. The Internal Controls area is responsible for managing the SCI. Its attributions include monitoring the control environment in subsidiaries, shareholdings and complementary pension plans; compliance and prevention of corruption, money laundering and the financing of terrorism.

To reinforce ethics and integrity as organizational values, the institution maintains engagement programs – such as the Caixa Integrity Program –, and conducts training focused on its main management policies. It also maintains specific channels for reporting, investigating and addressing any complaints.

Due to the investigations underway related to the "A Origem", "Cui Bono?", "Sepsis" and "Patmos" operations, which involved vice presidents of the institution during the course of 2017, the Board of Directors promoted measures aimed at ensuring transparency and providing the support necessary for investigations.

With this end, Caixa set up an independent committee aimed at guaranteeing that this work would be done impartially. Moreover, the bank contracted a law firm with recognized capacity in investigations of this type, aimed at identi-



ifying any breaches of laws and regulations by its employees, managers and suppliers, collaborating actively with the public authorities responsible for the investigations.

The independent investigation was concluded and did not identify any event that would generate a material impact on Caixa’s financial statements. However, new inquiries are underway based on a broader investigation front and are receiving full support from Caixa and the independent committee.

In the constant process of enhancing governance and internal controls, Caixa promoted certain statutory alterations, particularly worthy of note being the new process for the selection and appointment of directors, aimed at ensuring alignment with best governance practices in the market.

Other practices adopted to drive ethical conduct and ensure maintenance of an adequate internal control environment are:

- Governance structure with multiple committees;
- Independent internal audit structure and external audits;
- Segregation of control and risk management activities;
- Decision making regime with clearly defined authorization limits;
- Wide-reaching policies and rules of conduct for employees, service providers and sensitive activities;
- Code of Ethics;
- Clearly defined processes for attributing responsibility and applying corrective measures.

**The audit structure, segregation of control functions and multiple committees ensure ethical conduct**

## CAIXA CODE OF ETHICS 102-16

The values and ethical principles that guide the conduct of the institution’s employees and directors are set forth in the Caixa Code of Ethics. Available in two languages, Portuguese and English (click [here](#)), work on elaborating the code began at the end of the 1990s. The code is aligned with the Federal Public Administration Code of Ethics, Decree n° 1.171/94, and with CMN Resolution n°. 2554/1998 – article 4, which establishes that the boards of financial institutions promote high standards of ethics and integrity among all employees.

The code is available to all employees and managers in the Caixa Standards Manual. It may be accessed via a link in the Employee Portal on the intranet – where a version in Brazilian sign language (Libras) may also be encountered. The code may be accessed both by the internal audience and outsiders. Reports of any violations or non-conformance may be made to the Ethics Commission.

The Term of Acknowledgment of the Caixa Code of Ethics is signed electronically by employees and senior managers on an annual basis. At the end of 2017, 96.06% of 87,655 employees had signed the term electronically. The percentage varies essentially in function of employee turnover.

Knowledge of the Caixa Code of Ethics is verified In the Caixa University Fundamental Trail. In 2017, more than two thousand employees participated. Since this tool was made available, 93.35% of Caixa employees have verified their knowledge of the code.

**+93.35%**

of Caixa employees verified their knowledge of the code

To underscore the importance of this area for its different stakeholder groups, since 2006 Caixa has included basic notions of ethics, applied ethics and the company's ethical standards in the banking entry exam content.

All breaches of the Code of Ethics are assessed by the corresponding commission, which posts its decisions on the intranet and internet, omitting the names of the par-

ties involved. The contents of the decisions are available at <http://www.Caixa.gov.br/sobre-a-Caixa/etica/Paginas/default.aspx>.

In addition to this channel, employees and the public may send messages or inquiries by email: CO-RED01@Caixa.gov.br or [comissao.etica@Caixa.gov.br](mailto:comissao.etica@Caixa.gov.br). Caixa also provides the physical and electronic addresses of the Executive Secretary of the Ethics Commission, as well as the SAC Call Center.

## CODE OF CONDUCT 102-16

The Caixa Employee and Director Code of Conduct was elaborated by a working group at the request of the Caixa president and was approved by the Board of Directors in 2013. It sets forth the rules that shape behavior inside and outside the company, in accordance with its Vision, Mission and Values.

The rules encompass preventing conflicts of interest and cover all forms of conduct both on a professional and non-professional level.

As with the Code of Ethics, employees and directors must sign a term of acknowledgment of

the Code of Conduct and renew it annually. By December 2017, 38.08% of a total of 87,654 employees had signed the term.

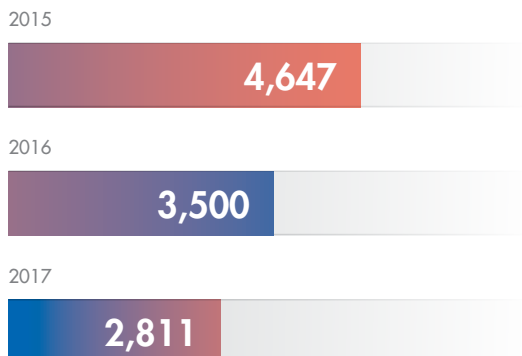
The code is available on the Employee Portal, accompanied by informative videos. It may also be accessed on the Caixa public website, in the Corporate Governance section.

To measure knowledge and adherence to the code, the Caixa University Fundamental Trail includes a verification of knowledge of the Code of Conduct. In 2017, more than 15,400 employees and directors took this training (see the charts).

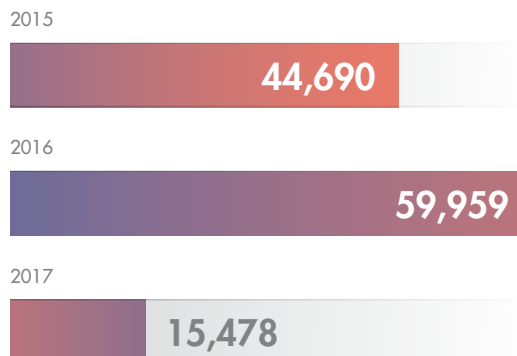
**Document is available on the Caixa website and in the Employee Portal**

### VERIFICATION OF KNOWLEDGE N° OF EMPLOYEES

#### CODE OF ETHICS



#### CODE OF CONDUCT



## Caixa contracts include rescission clauses for partner non-compliance

All reports on breaches of the Code of Conduct are received via an electronic tool which classifies contacts as originating from employees or third-parties while maintaining anonymity. Breaches are investigated in accordance with disciplinary and civil responsibility. Employees may receive a warning, suspension or have their work contract rescinded by Caixa.

The Internal Affairs area, which is responsible for overseeing the code, has a page on the intranet providing guidance for employees and managers in matters such as the receipt of gifts and presents.

Indicating the advances made in this area within the organization, contracts with suppliers contain a Term of Commitment to Combat Corruption and Collusion among Bidders, as well as a Term of Socioenvironmental Responsibility, which must be signed by companies winning tenders. Winning companies must also present a declaration banning nepotism, which becomes part of their contract.

Caixa contracts include rescission clauses for the reasons specified in Art. 78 of law 8.666/93 in the event of breaches of contract clauses, fraud or illegal practices without nullifying the applicable penalties.



## CAIXA IDENTITY 103-2 | 205, 103-3 | 205

The Caixa IDentity Program is aimed at consolidating an internal control culture among employees and leaders, reinforcing commitment to the highest standards of business conduct.

This playful, good-humored campaign uses routine situations to clarify different aspects of ethical conduct.

Aligned with Brazil's Anti-Corruption law nº 12.846/2013, regulated by decree nº 8.420/2015, the program was launched in 2015. Since then, twelve cartoons addressing corruption, security, internal control, behavior and ethical conduct have been launched.

# ANTI-CORRUPTION

102-11, 102-16, 205-2, 102-2 | 205, 102-3 | 205

Brazil's Anti-corruption law (12.846/2013), complemented by decree 8.420/2015, sets forth the mechanisms for attributing administrative and civil responsibility to businesses for illicit acts against public administration in general. The law details responsibilities, types of administrative sanction, leniency agreements and the concepts and parameters of the Integrity Program.

The Caixa Anti-Corruption Policy was introduced in 2016 and contains a set of principles and guidelines the objective of which is to prevent and correct deviations in conduct, mitigating the risk of the involvement of Caixa conglomerate directors, employees, contract workers and partners in corrupt acts.

The Integrity Program, which was developed based on the specific requirements of Caixa business, was approved and published as an internal standard in 2016. It may be accessed on the bank's website (see [here](#)).

In order to publicize the integrity measures, in 2017 the Risk and People Management areas prepared a guidebook on the program, which was distributed to all employees by means of the education platform. The initiative was aimed at fostering discussion about this question and boosting management, employee and third-party awareness in order to drive the effectiveness of the measures in day to day routines and ensure high quality results.

## TRAINING AND AWARENESS

In the Caixa University, anti-corruption related questions are addressed in various cross-cutting educational measures. In addition to verifying comprehension of the code of ethics and code of conduct, there are courses on subjects such as fraud prevention, determining responsibility, process audits, preventing money laundering, operational risks, goods and service management, personal conflicts, conflicts of interest and capital management.

As part of the Integrity Program policies, in 2017 a round of discussions was organized on this topic. Also worthy of note in the year was the organization of the workshop Prevention of Money Laundering and Financing of Terrorism. This was a face to face program for three groups of administrative managers from the Regional Superintendency Areas.

During 2017, 72.24% of the managers and members of technical teams took courses on this subject.

## LINES OF DEFENSE

Consistent with best banking market practice, Caixa adopted the lines of defense model. The model represents a simple and effective way to manage risks and controls by clarifying the essential roles and responsibilities of each unit.

The model seeks to simplify and ensure effectiveness in communicating risk management at all levels of the company. It comprises three lines which play distinct roles within the structure of the organization. In Caixa, the structure comprehends:

- **First line of defense:** comprising all the areas. This is responsible for identifying, assessing, monitoring, reporting and mitigating the risks inherent to processes for which the area is responsible and to working across the board to address the risks that impact their processes. Thus, this first line is responsible for managing all stages of its processes/products/services, establishing controls and elements of mitigation, as well as elaborating indicators for the controls, limits and reports for monitoring the second line of defense.

**Lines of defense mitigate the risk of corruption and fraud in the bank**

- **Second line of defense:** corresponds to the Risk, Control and Compliance units. This is responsible for monitoring the controls of the first line of defense, assessing the existence and effectiveness of the first line indicators, elaborating second line indicators for Caixa's main weaknesses and assessing the effectiveness of mitigating actions.
- **Third line of defense:** this is executed by the Audit area, which is responsible for auditing the units exercising the first and second lines of defense. It is responsible for assessing the effectiveness of governance, risk management and internal controls, including how the first and second lines achieve their risk management and control goals.



**TRAINING AND AWARENESS**

The question, control over which must be embedded in the organizational culture, is addressed by the Lines of Defense microlearning course, that employs distance learning methodology and is available to all employees via the Caixa University.

**RISK MANAGEMENT**

102-14, 103-2 | 205, 103-3 | 205

As a public financial institution, subject to the sector's laws and regulations as well as the risk factors inherent to its activities, Caixa maintains risk and capital management structures in compliance with the norms of the National Monetary Council (CMN) and the Brazilian Central Bank (Bacen).

The risk and capital management structures are compliant with the regulations in force and adequate for the nature and complexity of Caixa's financial instruments, products, services and operations, and they are aligned with good corporate governance practice. This enables senior management to identify the capital necessary to face the risks, assess the impacts on results and decide rapidly on the levels of exposure that are acceptable.

The Caixa Conglomerate's Risk Management Policy shapes the management of credit, market, operational, interest rate variation, liquidity and other relevant risks, including socioenvironmental risk, aimed at maintaining risk exposure at levels considered acceptable by management within clearly defined limits.

Caixa establishes exposure and loss limits for each category of risk, ensuring solvency, liquidity, profitability and the protection of its capital structure. Another important reference is the Capital and Profit Share Distribution Management Policy, which sets forth the principles and guidelines that shape the Caixa conglomerate's capital management and the distribution of its results.

**Advances in risk control cover different aspects and processes of the operation**



## INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS – ICAAP

By means of its Resolution 4557/17, the National Monetary Council rules on capital management structure, which includes, among other minimum requirements, the Internal Capital Adequacy Assessment Process (Icaap), whose procedures and parameters are set forth in the Central Bank Communication 3.846/17.

By means of Icaap, Caixa assesses sufficiency of capital in the light of its objectives and the risks to which it is subject. The risks evaluated include: credit, market, operational, interest rates of operations not classified in the negotiation portfolio, counterparty credit, concentration, liquidity, actuarial, strategy, reputation, socioenvironmental and other relevant risks to which the conglomerate is exposed.

# policies

Risk management adopts policies such as Capital and Profit Share Distribution Management

## RISKS AND MEASURES



### SOCIOENVIRONMENTAL

this covers the possibility of the occurrence of financial losses due to potential social and environmental damages related to the institution's products, services and processes.

#### Response

identification and mitigation of risk by means of business analyses, reinforcement of the sustainability culture and adhesion to Brazilian and international protocols and agreements (*read more in Business Sustainability*).



### OPERATIONAL

the possibility of the occurrence of losses due to external events or the failure, deficiency or inadequacy of internal processes, people or systems. The definition covers legal risks.

#### Response

risk management should be integrated, enabling the identification, measurement, assessment, monitoring, reporting, control and mitigation of adverse effects resulting from interactions between the risks.



Read more about corruption-related risk management practices in the previous topic (page 25) on Caixa capital and risk management: click [here](#).

# THE PEOPLE BEHIND **Caixa**

## IN THIS CHAPTER

DEVELOPMENT, EXCELLENCE AND INNOVATION  
HEALTH AND SAFETY

## SUSTAINABLE DEVELOPMENT GOALS



## CONNECTION WITH THE SOCIOENVIRONMENTAL RESPONSIBILITY POLICY





# HUMAN CAPITAL

## strategic asset for the future

Focused on the need to attract and retain talent Caixa invests in employee qualification, well-being and performance

Caixa is a public financial institution present in the routine of practically all Brazilians. To work effectively, the company depends on the mobilization and performance of human capital comprising some 144,000 people, including employees, service providers, apprentices and interns.

At Caixa, managing people means stimulating innovation, efficiency, merit and the dissemination of the company's Mission, Vision and Values, valuing its more than 100 years of history and the construction of its future. The absolute majority of the work force is located in the Southeast Region, but the bank's network is present in every state and region of the country.

To be a Caixa employee, the professional must take a civil service exam, in accordance with the Federal Constitution and the bank's bylaws. As such, Caixa does not specifically prioritize hiring from the local community. When application processes are launched they are published in the Diário Oficial and on Caixa's internet page, with a view to filling available vacancies or constituting a reserve pool of potential employees.

Effective permanent employees may follow two career paths: administrative – for the position of New Banking Technician (TBN) – or professional, for the positions of engineer, occupational physician, lawyer and architect. The company's senior management comprises individuals who may be formally contracted or not. They are appointed in accordance with the hiring requirements defined in the Caixa bylaws.

In recent years, efforts have been concentrated on valuing operational excellence, innovation, ethics and integrity among Caixa employees.

### OUR HUMAN CAPITAL

103-2 | 401, 103-2 | 401, 404-1, 405-1

At the end of 2017, the institution had 87,654 active employees, a 7.7% decrease compared with the previous year. This reduction occurred in function of the Extraordinary Voluntary Termination Program undertaken in 2017, with more attractive and wide-ranging incentives than the 2016 Retirement Support Plan.

During the year, 418 permanent employees were admitted, worthy of note being people aged between 30 and 50 years, who represented 59.33% of the staff admitted in 2017. The increase in terminations due to the voluntary termination program led to an expressive alteration in the workforce, the majority (68.7%) of whom are currently in the 30 to 50 year age group. Among directors, however, employees aged over 50 years correspond to 57%.

The functional breakdown of employees shows a gender balance in the operational category up to middle management level, with women representing around 44% of the employees in all the functional categories. From the unit head category up to director level, the presence of women decreases.

**In 2017, there was a decrease in headcount as a result of the Voluntary Termination Program**

Women are a majority in non-management functions, in the 30 to 50 year age group (50.8%), as well as among apprentices, interns and service providers. Moreover, on a percentage basis, the higher the employees' level of schooling, the greater the participation of women, except in the operational category, as shown in the table for the GRI 102-8 indicator, people by schooling (see Attachment, p. 126).

Regarding the governance bodies, there is a predominance of white men aged over fifty years, with an increase in the representation of Afro-Brazilian men and people aged between 30 and 50 years and a decrease in women in recent years. There has also been a trend denoting career progression for disabled people in management functions in recent years (see the diversity indicator tables in the Attachment, page 127).

**CAIXA EMPLOYEES** 102-8

	2016			2017		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Active Caixa Employees	42,863	52,115	94,978	39,245	48,409	87,654
Non-permanent	1	9	10	1	19	20
Apprentices	1,957	1,405	3,362	2,213	1,524	3,737
Interns	6,875	4,123	10,998	4,483	2,686	7,169
Service providers*	27,700	20,588	48,288	24,902	21,740	46,642

\* The total number of service providers working under ongoing service contracts with dedicated manpower. Service providers – 46,156 people in 2017 – perform secondary activities as opposed to Caixa core activities. They are from specialized contracted companies and perform the services described in the contract in accordance with ruling 331 from the Brazilian Supreme Labor Court (TST). The activities performed by these workers are ongoing services using dedicated manpower – in other words, work of a repetitive nature that is a permanent requirement, demanding the presence of employees of the third-party company on the Caixa premises or the premises of third-parties indicated by Caixa.

**DIVERSITY IN FOCUS**

In 2017, the topic of diversity earned a specific web page in the Caixa University People Management Business School. This was one of the ten measures agreed upon in the Training and Qualification Dimension of the 6th edition of the federal government's Pro-Gender and Race Equality Program.

Employees may access contents related to this subject, such as research, handbooks, articles and multimedia content related to the five areas of the Caixa Diversity Program: gender, race/color and ethnic background, the disabled, sexual orientation, gender identity and generations.

The contents are produced by specialists and contribute to the development of a culture that respects and values diversity in the bank. They

also encourage management practices that promote equal opportunities, inclusion and the mitigation of all forms of prejudice and discrimination.

The work on identifying the limits of gender balance in senior management functions led to the implementation of the internal survey Women, Career and Leadership, which surveyed female employees' perceptions of factors that impact their career choices. The response rate to the survey was 21%, providing a reliable sample of the diverse perceptions of female Caixa employees.

A number of campaigns, awareness measures and specific events were also organized around the theme of diversity .

**At Caixa, women correspond to 44% of middle management employees**

**EMPLOYEE DIVERSITY**<sup>405-1</sup>  
%

Managers in relation to total management positions	2015	2016	2017
Afro-Brazilian women	0.00%	0.00%	0.00%
Afro-Brazilian men	10.81%	12.20%	13.51%
<b>Total Afro-Brazilians</b>	<b>10.81%</b>	<b>12.20%</b>	<b>13.51%</b>
Women	13.51%	7.32%	2.70%
Disabled people	0.00%	0.00%	0.00%
People aged under 30 years	0.00%	0.00%	0.00%
People aged from 30 to 50 years	32.43%	41.46%	43.24%
People aged over 50 years	67.57%	58.54%	56.76%

Managers in relation to total management functions	2015	2016	2017
Afro-Brazilian women	7.60%	7.95%	8.26%
Afro-Brazilian men	13.65%	13.76%	14.15%
<b>Total Afro-Brazilians</b>	<b>21.25%</b>	<b>21.71%</b>	<b>22.41%</b>
Women	41.05%	41.45%	41.36%
Disabled people	0.76%	0.84%	0.94%
People aged under 30 years	7.94%	6.42%	5.49%
People aged from 30 to 50 years	76.05%	77.69%	80.62%
People aged over 50 years	16.02%	15.89%	13.89%

In relation to total employees	2015	2016	2017
Afro-Brazilian women	9.31%	9.43%	9.66%
Afro-Brazilian men	13.72%	13.83%	14.23%
<b>Total Afro-Brazilians</b>	<b>23.03%</b>	<b>23.25%</b>	<b>23.89%</b>
Women	45.16%	45.13%	44.77%
Disabled people	1.40%	1.43%	1.51%
People aged under 30 years	12.93%	9.93%	7.90%
People aged from 30 to 50 years	63.70%	64.72%	68.78%
People aged over 50 years	23.37%	25.35%	23.32%

The current challenge is to increase the participation of Afro-Brazilians, women and people from varied age groups in leadership positions

\* Item 405-1 requires the specific dissemination of information about groups recognized as being associated with diversity topics; as such, white men and women and the related indicators are not presented specifically or separately from other groupings, such as age group.

# DEVELOPMENT, EXCELLENCE AND INNOVATION

103-2 | 404, 103-3 | 404, 404-3

At Caixa, recognition of employees' efforts and the implantation of a performance culture based on excellence have been key focuses in recent years. Reflecting efforts in this area, People Performance Management (GDP) was initiated in 2014, aimed at managers that head units; in 2015 and 2016 the focus was on all Caixa leaders (in management functions).

The fourth cycle, referring to 2017, covered all employees with an effective gratified function – the equivalent of around 60,000 people.

People Performance Management is based on the establishment of performance agreements at the beginning of each cycle, taking into account the expected results and performance quality – linked with the set of fundamental competencies (denominated style).

**Managing the performance of 60,000 people was a highlight during the year**

Based on the agreements, immediate managers track the work done by employees and carry out a performance appraisal at the end of each cycle, comprising three stages:

- Assessment of Results;
- Assessment of Style;
- Assessment Boards.

The boards operate as forums of leaders who are hierarchically superior to the appraisees. They are responsible for assessing the results and style and consolidating the appraisees' performance based on the performance chart.

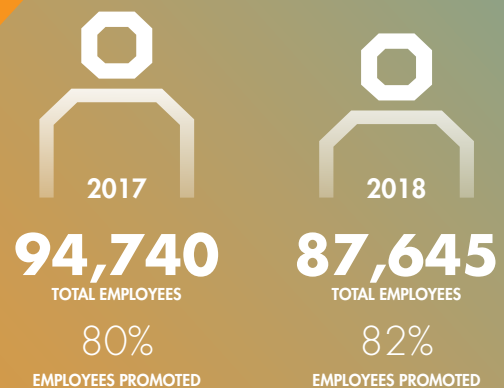
The performance appraisal always occurs in the year following the beginning of the GDP cycle. On December 31, 2017, 62.78% of Caixa employees were participating in the 2017 cy-

## PROMOTION BASED ON MERIT

The current model permits employees to receive up to two salary references (delta) in their effective position, based on a system in which the criteria are defined in collective bargaining with the unions representing the employees. These have been granted on an annual basis, from January of each year, based on the previous year. It is calculated based on the results of the accumulated scores for the criteria agreed in bargaining.

The chart at the side shows the numbers and percentages of employees promoted (with 1 or 2 career bands – delta) in 2017 (base year 2016) and 2018 (base year 2017).

Discrimination by functional category does not apply because promotion by merit is a system oriented to progression only in effective positions, regardless of the gratified function the employee occupies.



\*Reference data for calculation of the results : February 2018 – total employees corresponds to the number on the date of calculation. The data refer to the target public eligible for promotion by merit in 2017 and 2018.



cle. Of the participating employees, 55.46% are men and 44.54% are women. In terms of functional category, 7.39% are managers heading units, 31.10% occupy management positions (middle management) and 61.51% occupy functional positions. 404-3

The application of performance management generates corporate actions aligned with the employee’s performance classification in the current cycle, with the possibility of ascension in the Gratified Functions Plan, educational solutions to enhance the employee’s professional performance and recognition measures.

**CAIXA UNIVERSITY** 103-2 | 404, 102-3 | 404, 404-1

The organization’s main vehicle for driving professional development, the university provides employees and partners with opportunities for learning and growth, employing educational solutions geared to the bank’s strategic challenges.

The tools are applied to the performance of daily activities, to career planning, the development of competencies and to enhancing employee performance, helping to promote the formation of high performance teams.

In line with the new Digital Transformation program that is being implanted by the company, the Caixa University has been prospecting innovative ideas in the organizational learning process, driving the company’s ongoing competitiveness in the new digital economy.

By means of partnerships with other institutions, the university establishes technical, scientific and cultural cooperation agreements aimed at the exchange of knowledge and experience. The agreements established include one with the Fundação dos Economistas Federais (FUNCEF) and with the Ministry of Labor and Social Security. In 2017, a cooperation agreement was signed between Caixa and the intelligence agency ABIN (Agência Brasileira de Inteligência), promoting the sharing of educational measures and best practices between the institutions.

A highlight for the Caixa University in 2017 was the revitalization of its website, with a more modern layout and improved navigation, focused on a better user experience.

The university was also one of the winners of the 2017 GlobalCCU Awards, which recognize the best corporate universities in the world. The initiative won the silver medal in the Best Corporate University Culture and Brand category. This is the second time the Caixa University has won. In the first edition (2013), it received the bronze medal.

Regardless of gender or functional category, Caixa offers specific training in diverse modalities. Among the organization’s 22,132 leaders, 98% took part in training courses, underscoring how the institution prioritizes leadership development. On average, each employee received 49.18 hours of training, totaling more 4.3 million hours of training.

**TRAINING BY FUNCTIONAL CATEGORY AND GENDER** 404-1

	Total hours of training		Average hours per total active Caixa employees	
	WOMEN	MEN	WOMEN	MEN
Director*	0.00	219.90	0.00	9.16
Head of Unit	68,413.90	172,549.41	59.39	57.96
Management– Other Functions	408,660.18	512,900.91	51.07	51.28
Non-Management	894,381.94	904,164.13	51.12	48.11
Professional**	38,754.60	85,457.90	49.50	51.39
Operational***	567,948.10	657,716.68	48.09	44.00
<b>SUB-TOTAL</b>	<b>1,978,158.72</b>	<b>2,333,008.93</b>	<b>50.41</b>	<b>48.19</b>
<b>TOTAL</b>	<b>4,311,167.65</b>		<b>49.18</b>	

\* Permanent employees in director-level positions. \*\* Professional career employees not exercising gratified function. \*\*\* Administrative and General Service employees not exercising gratified function. Obs.: The data on employee participation in educational actions were extracted from the training management system, considering only educational actions promoted by the Caixa University and the Caixa units on a decentralized basis but funded by the university for Training and Qualification. Formal forms of education such as graduate, postgraduate, masters and doctoral programs were excluded, even when they were funded by Caixa.



# PROFESSIONAL ENHANCEMENT PROGRAM

103-2 | 404, 102-3 | 404

Caixa maintains a program to support employee development in graduate, postgraduate degree and non-degree level, language and certification programs. Highlights in 2017 were:



**82%**

of Caixa employees have graduate and/or postgraduate degrees.



**1,214**

EMPLOYEES receiving higher education incentives (292 new places in 2017), involving an investment of BRL 1.778 million.



**1,012**

EMPLOYEES on postgraduate courses (456 new places in 2017) degree and non-degree courses (masters and doctoral programs), representing an investment of BRL 718,000.



**1,092**

EMPLOYEES studying languages (356 new incentives in 2017), involving an investment of BRL 1.325 million.

## **BENEFITS** 401-2, 103-2 | 401, 103-3 | 401

Caixa offers diverse benefits that may be grouped in two categories: mandatory (provided for by law) or strategic (offered voluntarily). The latter are divided into extended legal benefits, established in collective bargaining agreements (CCT/ACT) and exclusive Caixa initiatives. The benefits cover all employees, regardless of the length of their working day, as long as the associated rules are observed.

The benefits currently offered to employees include: marriage leave with an additional five days beyond the period established in Brazil's CLT labor laws; bereavement leave in excess of the period established by law; Caixa adoption leave; Occupational Rehabilitation Program (PRO); complement to sickness allowance; private leave of absence, five days leave per year to dedicate to non work-related interests.

## CAIXA HEALTHCARE

Today this is one of the largest self-managed healthcare plans in the country, serving more than 298,000 beneficiaries (employees, spouses, children, retirees and pensioners).

In 2017, Caixa Healthcare implanted its Service Center for beneficiaries and service providers. This operates 24 hours a day, seven days a week, to drive improved access to healthcare services.

During the year, the plan was rated in the top band of the National Health Care agency ANS Operator Qualification Program in the Supplementary Healthcare Performance Index (IDSS – base year 2016). The assessment rates four factors: quality of healthcare treatment, guarantee of access, market sustainability and process management and regulation.



## SUPPLEMENTARY PENSION

Caixa sponsors three benefits plans administered by the Fundação dos Economistas Federais (Funcef): REG/Replan, REB and Novo Plano, which are administered by the Fundação dos Economistas Federais (FUNCEF). Adhesion to the plans is voluntary. Caixa contributions match the participants' contributions, observing the lim-

its established in the regulations (in the REB plan it is up to 7%; in the Novo Plan, the sponsor's contribution is limited to 12%). The percentages cited observe the total salary payroll participating. Employee adhesion to Funcef was 96.56% at the end of 2017.

# HEALTH AND SAFETY

403-2; 403-4; 103-2 | 403; 103-3 | 403

Caixa is active on various fronts in this area with a view to promoting employee health and safety and proposing improvements to working routines. Health and safety management is underpinned by three pillars:

- Promotion: Be Well Program campaigns; healthcare calendar; workplace activities; Wellness space, Healthy Habits program and incentives.
- Prevention: by means of occupational medicine and health actions; risk prevention; workplace ergonomic analyses; working conditions analyses; funding of preventive examinations; influenza vaccination, Internal Accident Prevention Week (SIPAT) and specific preventive actions in diverse areas.
- Recuperation: Managing Absenteeism; Occupational Rehabilitation Program; and No Smoking Program .

In 2017, the Be Well program was reformulated and incorporated all the Healthcare Promotion, Prevention and Recuperation actions and programs. It received a new visual identity and was divided into the following areas: Be Well in Health, Be Well in Prevention and Be Well Renewed.

The Be Well programs were reviewed and improved with the objective of providing employees with more complete services. The Healthy

Habit Education and Guidance Program is an example of this movement, replacing the old Education and Guidance in Nutrition Program, going beyond the focus on eating habits. With the objective of aligning the program with the concept of integral health, specialized support from psychologists and physical education instructors (or sports doctors) was introduced to complement nutritional support.

Another novelty was the review and complete restructuring of the Occupational Recovery – Financial Guidance Program. Participation in the initiative was disassociated from the need to renegotiate debts and the focus shifted to the recovery of the psychosocial capacity of indebted employees whose financial situation is impacting their capacity to work. With this, instead of consulting focused exclusively on financial planning, the program will provide financial coaching sessions focused on emotional and behavioral factors. Additionally, in December a series of videos on financial health was launched aimed at preventing indebtedness.

One of the main Be Well measures was the review of the communication strategy, which should drive improvements in health and absenteeism indicators in the coming years. For 2018, the implantation of a structured healthcare calendar is scheduled with awareness measures focused on specific areas for each month of the year.

**The Be Well program was reformulated during the year, encompassing actions on the health promotion, prevention and recuperation fronts**

During the year, the Be Well Campaign mobilized approximately 26,000 employees in three major challenges involving more than 2,500 Caixa units nationwide. Overall, there was a 25% increase in the number of Caixa units enrolled in the program in Brazil.

As a result of the program and diverse other initiatives aimed at improving Caixa employee well-being, the institution's absenteeism rate was 6.36% lower than in 2016.

**PERFORMANCE IN THE YEAR**

Reflecting the organization's efforts, the analysis of injury, days lost and occupational disease rates for 2017 showed respective reductions of 6.36%, 7.63% and 7.66%, compared with 2016.

**EMPLOYEE HEALTH AND SAFETY<sup>403-2</sup>**

2016 Region	Injury Rate		Days Lost Rate		Occupational Disease Rate		Absenteeism Rate	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Midwest	0.232	0.355	0.211	0.344	0.211	0.343	0.211	0.343
Southeast	0.181	0.296	0.142	0.224	0.142	0.224	0.142	0.224
South	0.246	0.307	0.216	0.286	0.215	0.285	0.215	0.285
Northeast	0.460	0.522	0.413	0.516	0.411	0.514	0.411	0.514
North	0.368	0.357	0.368	0.357	0.367	0.356	0.367	0.356
<b>TOTAL GENDER</b>	<b>0.145</b>	<b>0.159</b>	<b>0.125</b>	<b>0.140</b>	<b>0.125</b>	<b>0.140</b>	<b>0.125</b>	<b>0.140</b>
<b>CAIXA TOTAL</b>	<b>0.299</b>		<b>0.262</b>		<b>0.261</b>		<b>0.261</b>	

Source SISRH – Ref. 31.12.2016

2017 Region	Injury Rate		Days Lost Rate		Occupational Disease Rate		Absenteeism Rate	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Midwest	0.204	0.312	0.176	0.282	0.175	0.281	0.203	0.311
Southeast	0.173	0.316	0.133	0.251	0.133	0.251	0.173	0.315
South	0.189	0.326	0.154	0.299	0.153	0.298	0.188	0.325
Northeast	0.387	0.465	0.367	0.444	0.365	0.442	0.386	0.462
North	0.343	0.411	0.316	0.389	0.315	0.388	0.342	0.409
<b>TOTAL GENDER</b>	<b>0.229</b>	<b>0.342</b>	<b>0.196</b>	<b>0.298</b>	<b>0.196</b>	<b>0.297</b>	<b>0.228</b>	<b>0.341</b>
<b>CAIXA TOTAL</b>	<b>0.280</b>		<b>0.242</b>		<b>0.241</b>		<b>0.279</b>	

Source SISRH – Ref. 31.12.2017

Calculation of Injury Rate: (Total days lost ÷ Total days worked) × 100

Calculation of Days Lost Rate: (Total days lost due to occupational diseases ÷ Total days worked) × 100

Calculation of Occupational Disease Rate: (Total days lost due to occupational diseases ÷ Total work contract days) × 100

Calculation of Absenteeism rate: (Total days lost ÷ Total work contract days) × 100



## PARTICIPATION IN AGREEMENTS

Health and safety questions are frequently part of formal union agreements. The bank negotiates with two financial industry confederations: The Confederação Nacional dos Trabalhadores no Ramo Financeiro (Contraf/CUT) and the Confederação Nacional dos Trabalhadores em Empresas de Crédito (Contec).

The Caixa Negotiating Commission is appointed in accordance with instructions from the company president defining the employee responsible for coordinating the negotiation process. The collective bargaining process takes place at two different moments: on the category base date involving a specific negotiation; and during the rest of the year, via ongoing negotiation.

On the Collective Negotiation Base Date, Caixa signs Collective Work Agreements (ACT), amendments to the Collective Work Convention (CCT) with the unions representing the employees. These are valid nationwide.

The initiatives covered by the collective agreements are:

- healthcare plan (Caixa Healthcare);
- procedures in the event of robbery and kidnapping;
- work during pregnancy;
- internal accident prevention commission (CIPA);
- communication of workplace accidents;
- campaigns promoting health and quality of life;
- working group to address workers' health;
- working group to address the sustainability of the Caixa Healthcare Plan;
- Incentives to increase levels of schooling;
- prior/voluntary reconciliation commissions.

Caixa also signs amendments to agreements for the prevention of conflicts in the work place with unions linked to Contraf and Contec on a voluntary basis. In order to ensure the promotion of best practices, the bank addresses diverse additional subjects such as the existence of committees, training and education measures, personal protective equipment, the right to refuse unsafe work and compliance with International Labor Organization (ILO) standards.

## CLIMATE MANAGEMENT 103-2 | 401, 102-3 | 401

The Caixa Organizational Climate Management Model was implanted over ten years ago and is aimed at fostering a work environment characterized by well-being, identification with company values and improved team productivity. One of the main organizational climate management tools is the systematic and periodic application of surveys involving all the employees.

The sixth climate survey cycle, held in May and June of 2017, involved the participation of over 40,000 employees. They answered questions on the local and the corporate environment: material support; fairness and transparency; autonomy, innovation and performance; relations with peers; remuneration and benefits; identification; meaning; diversity and ties.

The findings of the survey were disclosed to all the Caixa units at the end of the second half of 2017. In 2018, measures aimed at improving the climate based on the survey findings will be implanted nationwide.



## CAIXA IN THE STREETS

Developed as a relationship measure with employees, the program involves aerobic activities in the open air to improve health and prevent diseases. To participate, employees have a daily target of 20 minutes of walking, running or riding a bicycle. This activity is recorded on an application that the employee downloads to his/her smartphone, with the data fed into a specific web platform. Individuals and Caixa units receive prizes and recognition upon accumulating a given number of points.

In 2017, the initiative was incorporated into the Be Well Program and was also featured in the Internal Work Accident Prevention Week (SIPAT), with the organization of specific challenges designed to encourage physical exercises and raise employee awareness. A total of BRL 640,000 was invested in the actions, which took place in three major phases (More Passion; More Energy; More Drive).





**SUSTAINABLE DEVELOPMENT GOALS**



**CONNECTION WITH THE SOCIOENVIRONMENTAL RESPONSIBILITY POLICY**



**IN THIS CHAPTER**

RELATIONSHIP PRACTICES

TECHNOLOGY DRIVING SECURITY

# DEDICATION TO **the client**



# RELATIONS BASED ON A **commitment to excellence**

Aware of the needs of different client profiles, the bank invests in security, technology and service channels

For Caixa, it is important to have a solid reputation among clients. Given the intense competition in the financial sector and in Brazil as a whole, the bank understands that it is fundamental to ensure transparency, reliability, speed and convenience for the people who use its services.

In compliance with Central Bank Resolution 4539/2016, at the end of 2017, the Client Relationship Policy elaborated by Caixa was approved by the Board of Directors, replacing the former Caixa Client Management policy.

The purpose of the document is to shape good practices and measures to boost organizational performance. Its basic principles are clear and straightforward communication, service tailored to the client profile and the region in which he/she lives, ethics and mobilization of the work force.

Governance in this area includes the Service Committee, linked with the Steering Council. This meets on a monthly basis and members include the Caixa president, diverse vice presidents, including the heads of the Housing and Business areas.

The mindsets and conduct expected of Caixa employees and partners are disseminated by means of internal standards and policies such as the Code of Ethics – which positions values such as respect, commitment and transparency as central to client relations.

In the event of any irregularity on the part of an employee that jeopardizes a client, Caixa provides channels for reporting the employee's conduct via the intranet (ATENDER.Caixa), the internet ([click here](#)), the telephone call center (SAC - 0800 726 0101), and the Ethics Commission ([click here](#) – *read more about this subject in Management Policies*).

2017 was a year of challenges for the institution: as well as the addition of over four million people to its client base, which demanded an increased service effort, during the year the bank undertook its largest operation ever: the payout of over BRL 40 billion corresponding to inactive FGTS accounts as a result of provisional measure 763/2016, which benefited 30 million workers.

Caixa made every effort to create effective measures to provide quality service for the more than 50 million people who sought its branches to obtain information, clarify doubts and to receive the money due to them.

**Withdrawal from inactive accounts mobilized Caixa to fulfill the high transaction volume**

## **4 million**

new clients captured in the year



## INACTIVE FGTS ACCOUNTS – TRANSACTION VOLUME

**31.3**

**million transactions**  
in branches

BRL **44**

**billion**  
paid



**2.4**

**million workers**  
updated their FGTS accounts  
for the withdrawal

**328**

**million accesses**  
to the webpage  
[www.Caixa.gov.br/contasinasivas](http://www.Caixa.gov.br/contasinasivas)

**25.9**

**million workers**  
**benefited**  
March to July 2017

## RELATIONSHIP PRACTICES

**The Caixa Digital Branch project was a highlight in the year – a new model for serving clients**

The Call Center (SAC) and the face to face service points – in particular the branches and the lottery units – are the bank’s main relationship channels with its clients.

The main highlight for the call center during the year was the approval of centralized handling of the complaints aimed at the branches – which had hitherto been responsible for the entire process of analyzing, responding to and contacting clients. This measure is aimed at relieving the workload at the branches, boosting efficiency, standardizing and improving the quality of the treatment of complaints by the SAC.

The branches are responsible for providing inputs for the Tele-service Centers (CERAT), when necessary, and for adopting corrective and preventive measures, based on diagnosis of the main reasons for the complaints.

In 2017, 34 regional superintendency areas and 1,463 branches were included in this model, with more than 74,000 contacts receiving responses from the centralized Call Center. It is expected that 100% of the superintendency areas and branches will operate within the new model by June 30, 2018.

### TELEPHONE CHANNELS

- Caixa Call Center (SAC - 0800 726 0101): this receives complaints, suggestions, praise, requests and inquiries about products and services. It is available 24 hours a day, seven days a week, receiving calls from cellular and fixed telephones. There is also a special version adapted for people with hearing impairments (0800 726 2492), also available 24/7. For clients overseas, there is the +55 61 3533-2000 number for collect calls, with service in Portuguese.

- Caixa Cidadão (0800 726 0207): provides service from Monday to Friday, from 08:00 to 21:00, and on Saturdays from 10:00 to 16:00; this service accepts calls from fixed and cellular telephones. The service answers inquiries related to PIS, social benefits, FGTS, Cartão Social and the results of the Caixa Lotteries. The electronic consultation service is available 24/7.
- Commercial Service (3004-1105, in state capitals and metropolitan regions, and 0800 726 0505 for other regions): this provides services for account holders, such as information about balances, statements via fax, requests to unblock cards etc.
- Debt renegotiation (0800 726 8068 – option 8): available for clients to regularize their situation with Caixa.
- Focus on Quality (De Olho na Qualidade) (0800 721 6268): specifically for doubts, complaints, suggestions and praise related to the Minha Casa Minha Vida program. Available from Monday to Friday from 08:00 to 21:00, and on Saturdays from 10:00 to 16:00. It accepts calls from fixed and cellular telephones.
- Technological Support : 3004-1104 (for state capitals and metropolitan regions ) or 0800 726 0104 (other regions).
- Caixa Ombudsman (0800 725 7474): available on working days from 09:00 to 18:00 to receive reports and complaints not resolved via other channels.

**Channel diversity means convenience and accessibility for clients**

**TELE-SERVICES IN NUMBERS**

- 100 million** telephone transactions by humans
- 33 million** in the citizen service channel
- 360 million** electronic transactions
- 120 million** in the citizen channel
- 60 million** Cards
- 180 million** Commercial
- 258,000** calls per month in the HMC housing channel (Mão do Cliente)
- 197,400** payment orders sent by SMS

**See +** service contacts for cards and other services in <http://www.Caixa.gov.br/atendimento/telefones-app/Paginas/default.aspx>

**34** regional superintendency areas and

**1,463** branches mobilized in new centralized tele-service model

**CAIXA OMBUDSMAN**

The Ombudsman channel is the last resort for client and user complaints related to products and services that were not resolved by the primary service channels and also for handling reports of breaches of conduct or ethics from clients or the public. The channel is aligned with the principles of CMN Resolution n° 4.433/2015.

The channel’s results and indicators are compiled in a six-monthly Ombudsman Activities Report (art. 6, V. CMN Resolution n° 4.433/2015). This report is submitted to the Audit Committee, Internal Audit and the Caixa Board of Directors.

The reports may involve client or public contacts related to the infringement of laws and/or standards. These cases may be communicated via diverse channels: telephone (0800 725 7474, from 9:00 to 18:00 on working days ); Fale Conosco (Talk to Us) (available 24/7). For reports on employees, the channel is the Internal Ombudsman (Viva Voz).

Clients and the public are informed about the reporting channels via the Caixa website, pamphlets and signs in branches, lottery units, banking correspondents, and in contracts and bank statements. Employees and service providers are informed via electronic message, internal communication media and corporate policies.

In 2017, the Ombudsman received 111,983 contacts (see table), an increase of 4.42% over the previous year. The number of complaints remained stable. Regarding the reporting of violations, Caixa has been enhancing its processes and reinforcing governance.

Also during the year, the internet channel used for reporting violations was inserted on the home page of the Caixa website, ensuring greater visibility for whoever wishes to make such a report. This also helps to strengthen the company's culture of transparency and its Integrity Program, in which a number of measures were carried out during the course of the year (read more in Corporate Integrity).



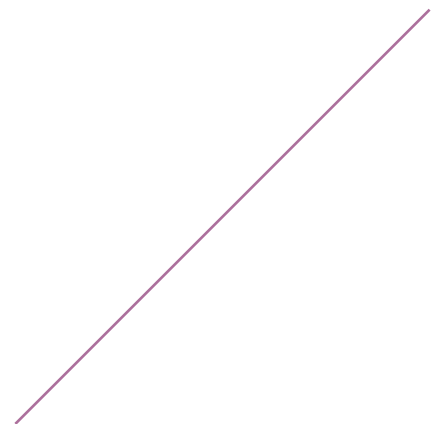
**RESPECT REWARDED**

In 2017, Caixa was recognized by *Consumidor Moderno* magazine as the company that most respected the consumer in Brazil in 2017 in the category Finance and Personal Loans. The award involves assessment of opinions about the brand by means of personal interviews with people who have some experience with the companies being evaluated.

**OMBUDSMAN CONTACTS**

	2016 TOTAL	2017 TOTAL	VARIATION
Report	8,252	13,026	57.85%
Complaint	98,993	98,957	-0.04%
<b>TOTAL</b>	<b>107,245</b>	<b>111,983</b>	<b>4.42%</b>
<b>Origin</b>			
Bacen (Central Bank)	42,292	48,503	14.69%
Procon	28,922	24,155	-16.48%
Multiple channels	27,779	26,299	-5.33%
<b>TOTAL</b>	<b>98,993</b>	<b>98,957</b>	<b>-0.04%</b>

**More than 50% of the contacts in the Ombudsman channel are answered in up to 5 working days (twice as fast as required by law)**





**75.2%**

of the Brazilian public see Caixa as a bank for all profiles

## DIGITAL TRANSFORMATION

The company is attuned to the transformations in the industry and, investing in innovation to provide better service for the Brazilian public, is evolving rapidly in digital tools. The digital transformation program included an internal survey to map employees' knowledge, skills and experience in this universe.

A noteworthy project in 2017 was the Caixa Digital Branch – a new service model that comprehends both the physical structure and the formats for contacting, interacting virtually and serving the client.

The bank implanted six digital branches, in Goiânia (GO), Campinas (SP), São Paulo (SP), Rio de Janeiro (RJ), Brasília (DF) and Curitiba (PR – two branches), which are operating as pilot projects. At these branches, 19,336 clients were contacted at least once to familiarize them with the new system.

The positive results – involving operations worth around BRL 250 million – demonstrate the effectiveness of a business model that explores doing business remotely.

For 2018, the expectation is to expand the model to the rest of the country, opening a digital branch in each one of the regional superintendency areas.

Caixa also plans to increase the service channels for the model, extending it to the cellular telephone application, chats, webchats and

### THE CLIENT'S VISION

Caixa conducted an image survey in December 2017, to monitor society's perception of the quality of its services and practices. 2,541 people were interviewed on aspects including efficiency in solving problems, client service, technological innovation, facilities and flexibility. Some highlights of the study were:

The institution was Top of Mind in 2017, with top recall among 28.9% of the respondents and a broad lead over the competition;

Caixa is perceived as an accessible bank: it is for all types of client profile (75.2%), with a slight tendency towards borrowers (10.5%);

In terms of target public, it is for all income groups (73.4%) but is perceived as being focused to a certain extent on low-income clients (10,8%)

The bank is seen as promoting the best cost-benefit ratio (45.8%).;

Caixa is outstanding in 16 out of 17 attributes, its weak point being recognition for technological innovation.

### Perception of the Caixa brand is aligned with its mission and its institutional values

**RESULTS – DIGITAL BRANCH**

**154,000**  
active calls

**15,000**  
client contacts re-  
ceived

**80,000**  
interactions

Presence in  
**7** cities in  
Brazil

**9,000**  
transactions con-  
tracted in the digital  
branches

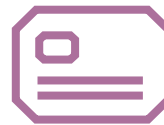
**Technological improvements mark Caixa's commitment to convenience for its clients**

video. With this, the bank will be prepared to consolidate processes that ensure convenience for clients accustomed to digital technology and avid for remote services.

In addition to this project, a number of other measures were implanted during the year to enhance the Caixa client's digital experience, worthy of note being:

- A new version of the app – available for the iOS system – incorporates improvements mapped by the bank based on clients' comments in the virtual stores. The new features include a new layout, balance always on screen, greater visibility for the account number, personalization of the menu and fewer stages to access services. The effect on the evaluation was immediate: the score increased from 1.5, to 2.5 just one day after the launch of the update. Future targets include delivering biometrics services, sharing of receipts and accelerating login and transaction speeds.
- Reverse SMS in Internet Banking – the new feature, implanted in December 2017, permits clients to combat fraud and ensure greater security in electronic fund transfers (TED). The client receives a message informing him/her of a transaction and may block it if it is not recognized.
- Samsung Pay and Google Pay Digital Wallets – Caixa, in partnership with Samsung and Google, enables clients to make payments in a fast, simple and secure way using their cellular telephone. This technology substitutes the plastic card when making purchases. It is just necessary to position the handset close to the card terminal to make the purchase. Clients can also pay for online purchases using applications from stores that accept payment via digital wallet. Clients who have Caixa MasterCard and Visa brand cards can register their card in the digital wallet service to execute transactions. The integration of other brands of Caixa debit and credit cards is scheduled for 2018.
- SMS alert for complaints – a tool for sending SMS alerts to the cellular telephones of business and private clients who have made complaints to the Ombudsman was implanted in 2017. After a test period, the area has sent an average of 450 SMS messages

per day to clients. After it was implanted in the Ombudsman service, the project was extended to cover complaints made to the Caixa SAC call center.



**CAIXA CARD APPLICATION**

In existence for just over a year, the bank's card application received eight new versions, with updates in services and improvements in usability.

Currently in the 2.6 version, the application provides 35 services that include consultation, unblocking, activation, registration, change of address and due date, consultation of quotes and bills, requests for copies and redemption of points. Additional card holders may also access the app. for information about their card without consulting the main card holder.

**2.2 B** million cards (credit + debit)  
transactions undertaken with  
Caixa cards, totaling: **7 million credit**

**BRL 155 B** **99.1 million debit**  
in transactions

**650,000** active clients using the Caixa Cards app.  
**106.1**



# Caixa's investment in digital technologies is aligned with its 2017-2027 strategic planning

## CAIXA DIGITAL SERVICES IN 2017 BY CHANNEL



### INTERNET BANKING

CLIENTS REGISTERED

**22,936,630**<sup>2</sup>

ACCOUNTS REGISTERED

**26,628,907**<sup>2</sup>

ACTIVE CLIENTS

**7,388,746**

TRANSACTIONS

**1,527,256,950**<sup>2</sup>



### SMS MESSAGES

CLIENTS REGISTERED

**20,931,924**<sup>3</sup>

FINANCIAL ALERT

ACCOUNTS REGISTERED

**23,567,548**<sup>3</sup>

FINANCIAL ALERT

**17,750,902**<sup>3</sup>

FGTS

**2,844,824**<sup>3</sup>

CREDIT CARD

TRANSACTIONS

**913,951,550**<sup>3</sup>



### CAIXA CELLULAR

ACCESS TO ACCOUNT (APPLICATION)

ACTIVE CLIENTS

**10,438,322**

TRANSACTIONS

**1,184,569,084**<sup>1</sup>

1 Source: SIMCV.

2 Source: SIPER and SICLI.

3 Source: SIGMS and Móvil.





# FINANCIAL LITERACY

103-2 | 417, 103-3 | 417, 417-1, FS15, FS16

**Campaigns, materials and communication platforms publicize service for clients**

Due to the nature of its activities, Caixa is responsible for the bankarization of thousands of people and has become a fundamental agent for their entry into segments such as personal loans and the financing of production activities. For this reason, the bank believes it is responsible for providing people with financial education, in particular regarding the responsible use of credit.

In its branches, communications and information sheets, as well as in the virtual environment, Caixa employs simple informative language to clarify any doubts and the rules applicable to the use of its products and services. The bank is vehemently opposed to the practice of tie-in sales or refusing services, continuously promoting training for employees, as well as investigating any deviations related to these practices.

The Caixa website also contains a specific page on financial literacy, in which specific aspects of the use of money, credit, debt, controlling spending and the importance of household budgets are explained.

In 2017, the bank created an entirely new model for managing default, focused on the full Caixa client credit cycle. Work on this model will continue and be consolidated in 2018.

## DEBT RENEGOTIATION

The Caixa renegotiation policy employs specific parameters in a system which calculates the client's capacity to pay and attributes credit limits based on Behavior Score criteria, payment behavior, propensity to pay, in line with Central Bank standards for the financial market and the parameters of the Basel Agreements, to which Brazil is a signatory.

The dedicated debt renegotiation telephone service was used more than 110,000 times by clients seeking to renegotiate overdue payments, including commercial, housing and vehicle loans and credit card debts. This service may also be executed using the social networks (Facebook and Instagram). In 2017, commercial credit renegotiation payment orders representing debts

totaling BRL 2.8 million were issued under 898 agreements, in addition to BRL 1.6 million in 552 credit card debt agreements.

Another highlight is the service via the Consumer Portal ([consumidor.gov.br](http://consumidor.gov.br)), launched by the Ministry of Justice in June 2014. Some 1,300 cases were handled per month in 2017, with a solution rate of 76.4%.

## SPECIFIC ACTIONS

In line with Resolution 7.542/2016, in 2017 the company reinforced the segregation of the activities inherent to the Credit Recovery process in Risk Management, Product Management and Client and Network Management.

By means of the National Superintendency for Managing Default (SUGAD), processes were implemented to improve relations and the approach to clients for the negotiation and recovery of credits. 84 default platforms were constituted, linked with the regional superintendency areas, with a dedicated structure, in addition to the management of the default management branch in Curitiba (PR).

In May, Caixa executed the special #QuitaFácil measure, aimed at recovering commercial credits more than 360 days overdue. The campaign offered significant discounts for the liquidation of debts in cash, recovering more than BRL 850 million, an amount that was incorporated into Caixa's 2017 Operating Result. Internally, incentive campaigns were conducted to encourage employees to forge closer ties with clients as a means of reducing overdue payments.

As a result of these measures, in 2017 Caixa had its lowest default rate in years, consolidating its position as the bank with the lowest default rate in the Brazilian market.

# ACCESS AND CAPILLARITY FS13, FS14

Due to the nature of its business and its role as financial partner of the federal government in social programs, Caixa maintains a presence in the most diverse regions in the country and has the challenge of providing qualified service aligned with diverse standards of accessibility and being present where the Brazilian population needs it.

Regarding the capillarity of service points in low population density or economically disadvantaged areas, Caixa uses the Instituto Brasileiro de Geografia e Estatística's (IBGE) definition of low population density municipalities – areas with a density lower than 16 inhabitants/km<sup>2</sup> (*source: click [here](#)*).

Economically disadvantaged municipalities are considered to be those with a 2010 Municipal Human Development Index (MHDI) lower than 0.6 (Low and Very Low categories) (*source: click [here](#)*).

## ITINERANT BRANCHES

Caixa has three floating branches, which provide services to riverside populations in the Amazon and the São Francisco River basin regions.

The Ilha do Marajó floating agency is a boat equipped with the infrastructure to operate as a Caixa service point, navigating along a stretch of the river comprising diverse municipalities in Pará: Belém, Salvaterra, Soure, Ponta das Pedras, Muaná, São Sebastião da Boa Vista, Curralinho, Bagre, Breves, Melgaço and Portel, with the possibility of expanding and/or altering its itinerary.

The Chico Mendes floating agency is a vessel equipped to cover the region from Manaus to Coari, in the state of Amazonas, serving the populations in the municipalities of Anamá, Anori, Beruri, Careiro, Codajás and Manhereri. It also has the possibility of expanding and/or altering its itinerary.

The River São Francisco floating agency is a catamaran which provides services for the municipalities and districts of Sobradinho, Santana do Sobrado, Casa Nova, Pau-a-Pique, Remanso, Pilão Arcado, Sento Sé, Piri and Piçarrão, in Bahia.

## SERVICE CHANNELS IN DISADVANTAGED OR LOW POPULATION DENSITY REGIONS

	NORTH	NORTHEAST	MIDWEST	SOUTHEAST	SOUTH
Branch	80	105	94	34	23
Service Post	12	7	7	1	2
Self-Service Space	89	113	100	35	25
Electronic Service Post	33	10	23	5	16
Lottery Unit	418	1146	417	378	264
Caixa Aqui Correspondent	258	561	194	152	84
Banco 24 Horas	64	6	29	18	3
Terminals shared between Banco do Brasil and Caixa	56	53	28	22	22
<b>TOTAL</b>	<b>1,010</b>	<b>2,001</b>	<b>892</b>	<b>645</b>	<b>439</b>

**Adherence to accessibility regulations is a reflex of the bank's commitment to full compliance**

Other itinerant units maintained by the bank are the eight branches installed on truck trailers or semi-trailers.

**ACCESSIBILITY**

The bank has continually sought to advance in ensuring accessibility and incorporating assistive technologies for the disabled. Today, all bank units are aligned with the accessibility standards required by law and are also compliant with the terms of conduct adjustment signed with federal authorities. Additionally, all the ATMs that have been installed since 2008 are adapted for wheelchair users or people who are short in stature.

At the service points, there are 5,230 self-service terminals for the visually impaired with text-

to-speech software that converts names, amounts and numbers into synthesized speech, equivalent to 17.44% of the total terminal park.

In 2017, Caixa engineering and architectural area staff and a specialized company undertook a study to update the Lottery Unit Environmental and Visual Manual in line with the ABNT – NBR 9050 standard on accessibility in buildings, furniture, spaces and urban equipment.

The measure is also aligned with the ABNT NBR 16537 standard for tactile floor indicators. These measures were aimed at providing improvements in accessibility for the disabled at lottery units and ensuring compliance with the new ABNT/NBR standards.

## TECHNOLOGY DRIVING SECURITY

Caixa works with an extensive base containing the personal data of its clients, as well as information on the companies with which it does business. To ensure the protection, integrity and security of this information – a key responsibility for financial institutions –, the company has its Information Security Policy, which regulates the use, storage and administration of the bank's own information assets as well as those in its custody, guaranteeing the confidentiality, integrity, authenticity and availability of data.

In addition to the policy, a specific internal norm disciplines the way employees must handle information in accordance with the degree of confidentiality. It is the institution's understanding that any unauthorized disclosures of data – such as those caused by cybernetic attacks and/or the actions of hackers – may directly impact the

business financially and operationally, as well as in terms of image.

Caixa has its Information and Communications Security Committee, a decision making body linked with the Risk area. This body is responsible for enforcing compliance with the Caixa bylaws, the Caixa Information Security Steering Plan, the Normative Instruction n° 01 issued by the Office of Institutional Security of the Presidency of the Republic, as well as the legislation and standards in force.

The Cidade Digital Datacenter Complex, located in the Capital Digital Parque Tecnológico in Brasilia (DF), completed two years of existence with 100% availability and no stoppages due to failures. The center guarantees the security of more than 12 million operations per day ex-

ecuted by the second most accessed website in Brazil, as well as the more than 15 million Family Allowance payments per month and the more than 11 million operations executed in ATMs every day.

Inaugurated in August 2015, the Caixa Technology Center is aimed at safeguarding all the bank's data by replicating the Datacenter; ensur-

ing high availability for applications; enabling the expansion of the company's businesses; and rationalizing costs by means of the centralization of IT structure.

The Datacenter and the CTC occupy 2.2 times more physical space than the previous facility, with a power supply capacity that is 4.5 times higher.

**Cutting edge infrastructure and systems ensure protection of all Caixa clients' and partners' assets and data**

## PREVENTING ELECTRONIC FRAUD 103-2 | 205, 103-3 | 205

Caixa works continuously on preventing security problems, in line with its integrated anti-fraud system. This investment prevented credit card fraud amounting to BRL 627 million in the period of one year.

Since the National Credit Card Security Center was created, the company has handled almost 600,000 security alerts in the anti-fraud system. In the same period, more than 13.5 million security SMS messages were sent to clients, and 78,291 security contacts were finalized. To reinforce preventive measures, three security areas were implanted and trained in Aracaju (SE), Maceió (AL) and Vitória (ES). The new structure was created as a result of the internalization of credit card fraud prevention at Caixa. Finalized in March, 2016, this system has become a market reference in security.

In the fourth quarter of 2017, Caixa was considered the most secure bank for credit card transactions by the main international card brands.

To manage the risks related to electronic fraud, the bank has specific norms that set forth guidance on procedures for the processes of detecting and monitoring fraud, contesting account movements, recovering money from illicit trans-

actions, the registration of passwords and positive identification, as well as fraud via credit card and multiple function cards used for credit.

The branches have access to a tool that enables the querying of account movements not recognized by clients. These cases are analyzed by a specialized team – which sends the result to the branch to be communicated to the client.

Caixa also maintains a technical cooperation agreement with the federal police whereby it provides reports with information from technical analyses that contain indications of fraud in transactions that have been queried.

Any cases of fraud involving clients in bank branches, ATMs, the internet and authorized agents are forwarded in accordance with a series of security area internal procedures for the detection, monitoring, querying and recovery of funds. The specific standards for products and services also encompass these procedures.

The Caixa security area also has specific orientations for handling the reimbursement of goods and money in cases of robbery and theft on the company's premises, as well as extortion by kidnapping.



**SUSTAINABLE DEVELOPMENT GOALS**



**CONNECTION WITH THE SOCIOENVIRONMENTAL RESPONSIBILITY POLICY**



# ECONOMIC-FINANCIAL results

103-2 - 201 AND 103-3 - 201

**IN THIS CHAPTER**

BUSINESS PERFORMANCE

# RESILIENCE in a challenging conjunction

The bank's priorities in 2017 were to maintain its financial soundness, protect its assets and rationalize its cost base

2017 saw the beginning of a recovery in Brazil's Gross Domestic Product (GDP). After two years of retraction, the indicator recovered slightly in 2017, with a 1% increase, according to the IBGE (Instituto Brasileiro de Geografia e Estatísticas).

Accumulated inflation for the 12-month period was below the 3% target and the 6.3% rate in 2016. The business sector is already projecting figures for 2018: GDP growth is expected to be close to 3%, and inflation measured by the IPCA national consumer price index should be around 3.8% (source: Focus).

Industrial sectors started to feel the effects of the macroeconomic improvement. After three years in decline, industrial production ended 2017 with an increase of 2.5%, according to IBGE. The expansion was driven by the automotive segment, in particular through increases in exports, and by sectors such as extraction, IT, electronics and steel.

## 5.6%

Increase in credit for private individuals in Brazil in 2017

The situation remained negative for the service sector, with a 2.8% drop during the year. Only the transportation, auxiliary and postal sectors grew (2.3%).

The trade balance posted a surplus of US\$ 67 billion. Exports totaled US\$ 217.75 billion (US\$ 185.24 billion in 2016), against imports of US\$ 150.75 billion (US\$ 137.55 billion in 2016).

### FINANCIAL SECTOR: CONTEXT AND SCENARIO

Specifically in Caixa's area of activity, Brazil ended 2017 with a total loan volume of BRL 3.08 trillion, 0.6% below the previous year, according to the Central Bank. Credit for private individuals, however, recovered in 2017, growing 5.6% over the previous year. Consolidated credit for businesses dropped by 7%, with specific increases in the trade (5%) and public administration (3%) portfolios.

The average interest rate for credit operations with free funds (excluding housing and rural credit and BNDES funding) was 55.1% a year in December 2017 for private individuals, a decrease of over 17 percentage points compared with the previous year. For companies, loans using free funds had an annual rate of 21.5% as of December, a 6.6 percentage point drop compared with the end of 2016.

Gradual recovery of the financial sector expected in 2018



The average interest rates charged on revolving credit card debts and overdraft facilities for private individuals decreased in 2017. In December, the average interest rate was 334.6% per year, well below the 497.7% rate for 2016. The average rate for overdraft facilities also decreased – from 328.6% p.a. (2016) to 323% p.a. (2017).

Central Bank forecasts indicate a 3% increase in Brazil’s banking credit for 2018. For private individuals, the expectation is growth of 7% – and a 2% drop for businesses. The increase in the volume of credit should remain below the projected inflation for the year.

## SUMMARY OF RESULTS

Main numbers (BRL million, except when indicated otherwise)	2Q2017	2Q2016	VAR. 12M	2017	2016	VAR. 12M
Net book income	8,442	1,689	399.8%	12,516	4,137	202.6%
Total assets	1,260,768	1,255,452	0.4%	1,260,768	1,255,452	0.4%
Extended credit portfolio	706,276	709,289	-0.4%	706,276	709,289	-0.4
Funds captured	1,016,155	984,113	3.3%	1,016,155	984,113	3.3%
Deposits	506,226	512,191	-1.2%	506,226	512,191	-1.2%
Savings deposits	276,693	252,403	9.6%	276,693	252,403	9.6%
Basel Ratio – percentage	17.7%	13.5%	4.1 p.p.	17.7%	13.5%	4.1 p.p.
Operating Efficiency Ratio <sup>1</sup> – percentage	49.8%	52.1%	-2.3 p.p.	49.8%	52.1%	-2.3 p.p
Social benefit payments	14,455	13,694	-1.6%	28,689	28,234	1.6%
Labor benefit payments	135,356	123,269	9.8%	313,658	242,057	29.6%

<sup>1</sup> Does not take into account non-recurring effect of reversal of post-employment actuarial benefit.

## FROM STRATEGY TO RESULT

In a still complex business environment, marked by political instability and by the challenging economic conjuncture, the institution focused on maintaining its relevance in key segments – such as savings and housing loans –, strengthening relations with production sectors and driving gains in operational efficiency, in line with best public administration practices. The priorities were:

- Strengthening corporate governance;
- Improving efficiency and boosting client confidence and satisfaction;
- Ensuring profitability in all business areas;
- Guaranteeing excellent capital allocation;
- Accelerating the digital transformation;
- Reinforcing the bank's risk management culture.

As a result of these actions, the bank's book income was BRL 12.5 billion, an increase of 202.6% over the previous year. The recurrent net profit (which excludes the extraordinary event relative to the reversal of the actuarial provision for Saúde Caixa, after the adoption of the maximum limit of 6.5% of the payroll) was BRL 8.6 billion, 106.9% higher than in 2016.

The institution ended the year with a 0.4% increase in own assets, while there was a slight retraction in the credit portfolio, which totaled BRL 706.3 billion.

Revenues from service provision and bank charges increased by 11.5%, reaching BRL 25 billion in 2017, driven by agreement and collection services and the administration of investment funds and checking accounts. The coverage rate of administrative expenses grew 5.3 percentage points, reaching 72.9%; while the coverage rate of personnel expenses totaled 111.6%, an improvement of 4.8 p.p. In 12 months.

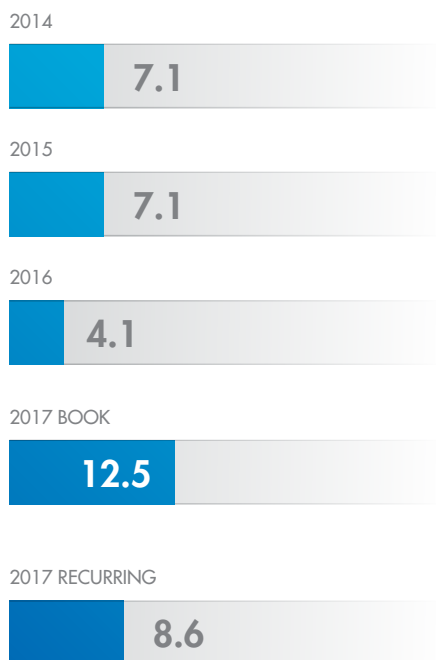
Consolidated administrative expenses grew by 3.4% driven by personnel expenses, which increased as a result of the voluntary termination program and the collective labor agreement. Other administrative expenses decreased by 2.3% in 12 months, demonstrating Caixa's ongoing efforts to reduce spending.

**Controlling expenses was a key focus in the year**

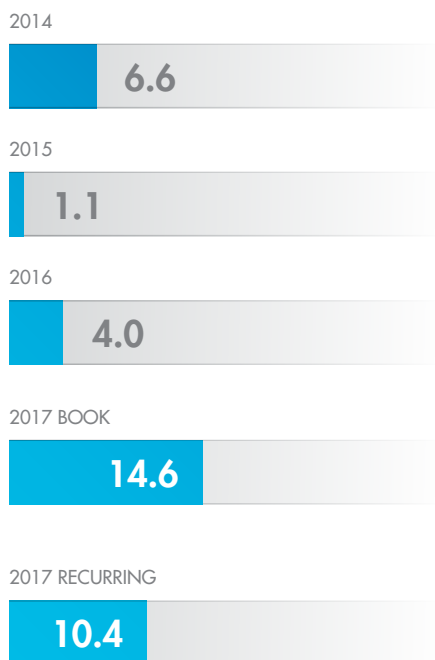
**49.8%** the Caixa Operating Efficiency Ratio in 2017, a 2.3 percentage point improvement in 12 months, the result of rationalized spending

**EVOLUTION IN RESULTS**  
 BRL BILLION

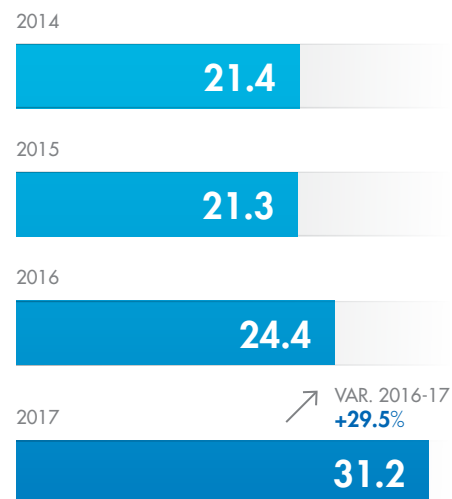
**NET INCOME**



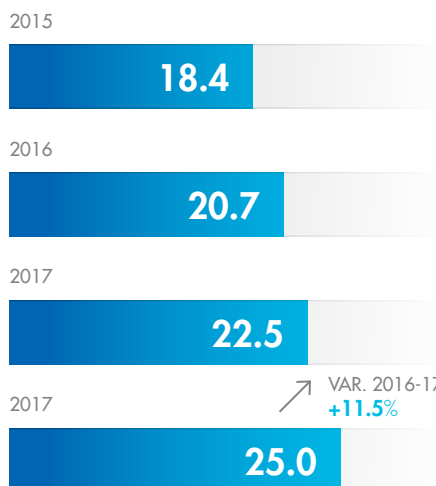
**OPERATING INCOME**



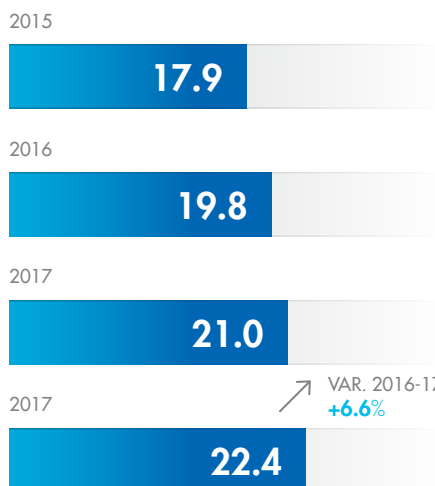
**GROSS INCOME FROM FINANCIAL INTERMEDIATION**



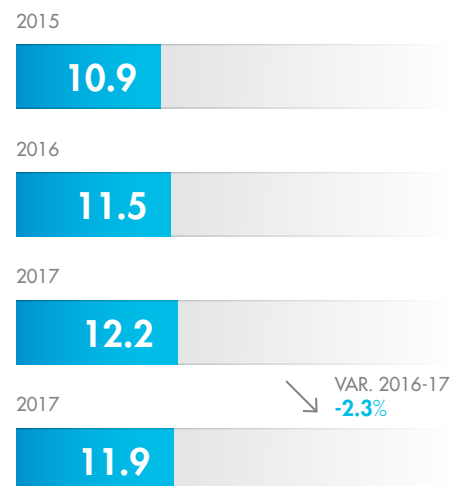
**REVENUE FROM SERVICES RENDERED AND BANKING CHARGES**



**PERSONNEL EXPENSES**



**ADMINISTRATIVE EXPENSES**



# BUSINESS PERFORMANCE

## ASSETS AND LIABILITIES

Caixa assets totaled around BRL 1.3 trillion, growing 0.4% in 12 months. Total assets under management reached BRL 2.2 trillion, 1.9% up on December 2016. Worthy of note were the FGTS severance fund, with a balance of BRL 489.1 billion, and the investment funds, which grew 17.3%, reaching BRL 337 billion. Caixa net equity was BRL 71.4 billion, an increase of 12.2% in the year.

## EXTENDED CREDIT PORTFOLIO

The Caixa credit portfolio ended 2017 with a balance of BRL 706.3 billion, a decrease of 0.4% compared with the previous year. The indicator reflects the strategy of optimizing the portfolio in order to drive profitability.

- **Commercial credit:** the balance was BRL 161.8 billion, a reduction of 15.3%, in function of the low demand for loans and the company's Capital Plan. The business portfolio had a balance of BRL 68.1 billion in the fourth quarter, a reduction of 23.1% in 12 months. Commercial operations with private clients reached a balance of BRL 93.7 billion, decreasing 8.6% compared with the previous year. The product with the highest growth was payroll deductible credit, whose balance reached BRL 64.3 billion.
- **Housing credit:** a traditional segment for the bank, this grew 6.3% in 12 months, with a balance of BRL 431.7 billion. From this total, BRL 237.6 billion represents FGTS funds and BRL 194.1 billion Caixa/SBPE funds.
- **Credit for infrastructure:** the total balance at the end of 2017 reached BRL 82.7 billion, driving advances in the country's economic development and generating long-term relationships with business clients.
- **Rural credit:** with a 2.8% share in this market, Caixa posted a balance of BRL 6.9 billion in December 2017.

## FUND CAPTURE

Total funds captured reached BRL 1,016 billion in December 2017, 3.3% up on the previous year. Deposits totaled BRL 506.2 billion. Cash deposits

accounted for BRL 32.4 billion, growth of 1.6% over the 12 month period.

Caixa savings, a key feature in the bank's history, had a balance of BRL 276.7 billion, growing 9.6% in the year. With this balance, the bank maintains its market leadership, with a 0.23 percentage point gain in share.

Securities totaled BRL 117.5 billion, a 16.6% decrease in the 12-month period, in line with the institution's fund capture strategy.

## GOVERNMENT SERVICES

As the main operator of federal government social programs, Caixa contributes towards improving income distribution in the country. In 2017, 158.4 million social benefits were paid, amounting to a total of BRL 28.7 billion (*read more in More than just a Bank*).

## STRATEGIC HOLDINGS

The Caixa Conglomerate is a group of companies comprising Caixa and its direct and indirect holdings, aimed at reinforcing the institution's presence in relevant segments, aligned with its strategy and market positioning.

Results demonstrate success of efficiency strategy



# Caixa's business performance reflects efforts to improve operating income, rationalize cost base and help drive resumption of economic activity in the country

## SOME HIGHLIGHTS

**20.7%**

Caixa share in the payroll deductible loan segment in 2017, with a balance of **BRL 64.3 billion**



**BRL 431.7 b**

in the housing portfolio, segment which Caixa leads with a **69% share**

**10.7%**

increase in rural credit for private individuals

**5.2%**

growth in infrastructure portfolio in 12 months



### Caixa Savings

**38.2%**  
market share

**74.8 m**  
savings accounts

**6 m**  
more than in 2016

**BREAKDOWN OF SHAREHOLDINGS PORTFOLIO**

BRL THOUSAND

Breakdown of holdings portfolio (BRL thousand)	Dec. 2017	Dec. 2016
Caixa Seguros Holding	3,402,526	3,046,972
Banco PAN	759,948	878,142
Capgemini	13,178	117,889
Elo Serviços	44,692	23,111
Cia. Bras. De Securitização – CIBRASEC	7,025	6,994
Crescer	3,479	-
Branes	1,898	1,874
Galgo Sistemas de Informações S.A.	1,285	1,752
BIAPE	-	-
FGO – Fundo Garantia de Operações	467,384	287,712
FGHAB – Fundo Garantidor Habitação Popular	265,210	265,210
Fundo de Investimento em Participações	27,156	32,685
TECBAN	112,049	106,537
GIC – Gestora de Inteligência de Crédito	28,724	-
PAN Corretora	26,698	33,130
PAN Seguros	368,764	363,179
Other investments	10,535	8,827
<b>TOTAL</b>	<b>5,540,551</b>	<b>5,174,014</b>

\* Further information about the holdings portfolio may be found in the Explanatory Notes to the Financial Statements available at <http://www.Caixa.gov.br/sobre-a-Caixa/informacoes-financeiras/Paginas/balancos-e-demonst.aspx>





**SUSTAINABLE DEVELOPMENT GOALS**

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**CONNECTION WITH THE SOCIAL ENVIRONMENTAL POLICY**

- 
- 
- 
- 

# MORE THAN JUST a bank

**IN THIS CHAPTER**

- CITIZENSHIP AND INCOME DISTRIBUTION
- WORKERS' BENEFITS
- SUSTAINABLE CITIES AND HOUSING
- FOSTERING CULTURE AND SPORT

# DRIVING social development for the country

From government programs to credit lines, see how Caixa contributes towards improving life for each Brazilian

Revisiting its vision for the future in the course of 2017, with the direct participation of employees, Caixa assumed the mission of contributing to sustainable development. In this respect, one of the fundamental pillars is constituted by its partnership with the federal government, putting public policy into practice in its business strategies and operating programs responsible for redistributing income, improving quality of life and providing support for workers and the population nationwide.

The Caixa range of activities is broad, going beyond the potential positive impacts of the

financial market – the reason for its slogan of being more than just a bank, providing its client base of over 70 million not only with banking services, but also with labor benefits, social measures and incentive programs for production sectors.

Worthy of note in 2017, was the sum of around BRL 29 billion invested in eradicating poverty and improving income distribution, as well as the investments in key sectors of the economy – important measures for addressing the country’s ongoing adverse economic conjuncture.

**The bank invested BRL 29 billion in improving income distribution and eradicating poverty**

## CITIZENSHIP AND INCOME DISTRIBUTION

203.1, 203-2, FS7, 103-2 | 203, 103-3 | 203

Currently, Caixa operates more than 15 nationwide income transfer programs – worthy of note being the Bolsa Família or Family Allowance program, one of the most successful income redistribution policies in Latin America.

In 2017, a total of 161 million social benefits linked with income transfer programs were paid. The Family Allowance program alone was responsible for 96% of the payment volume and 96% of the total amount paid out (BRL 27.8 billion).

Caixa also operates the social benefit concession pillar, the Cadastro Único or Single Register – the information bank on Brazilian families who

live in poverty or extreme poverty. In addition to the Bolsa Família, Caixa operates the Bolsa Verde (Green Grant), Garantia Safra (Crop Guarantee), Chapéu de Palha and DF Sem Miséria programs (*see the full list in Caixa, p. 15*), totaling 7.2 million benefits amounting to BRL 1.094 billion.

The Cadastro Único information provides important inputs for government at municipal, state and federal level in formulating and implanting public policies oriented to improving living conditions for families. Between 2016 and 2017, the register increased by 10.24%, with data on 44 million families and 153 million people.

**CADASTRO ÚNICO**

**5.4 million**  
transactions a day

**44 million**  
families registered

**10.24%**  
growth in the registration base (17x16)

**TELE-SERVICES (SAC CIDADÃO)**

**22 million**  
calls

**82.81%**  
attended by Interactive Voice Response

**17.19%**  
handled by operators

**TRAINING MANAGERS**

Year on year, Caixa trains municipal civil servants in the Single Register and in the Citizens Benefits System. In 2017 alone, 11,664 people were trained in a total of 592 groups

**BOLSA FAMÍLIA (FAMILY ALLOWANCE)**

The program was created in the 2000s to combat poverty and inequality in Brazil. Today it is still the most wide-reaching initiative among the income distribution policies operated by Caixa.

The main indicators for the year and the charts showing the numbers for the last decade:

**14.1 million**  
families benefited

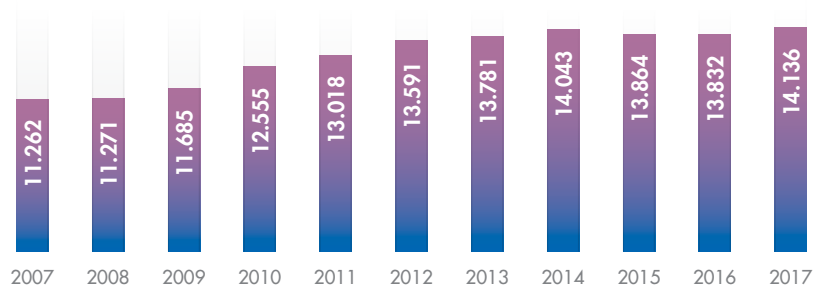
**44.5 million**  
people impacted

**+ BRL 30 billion**  
paid out to families (payroll)

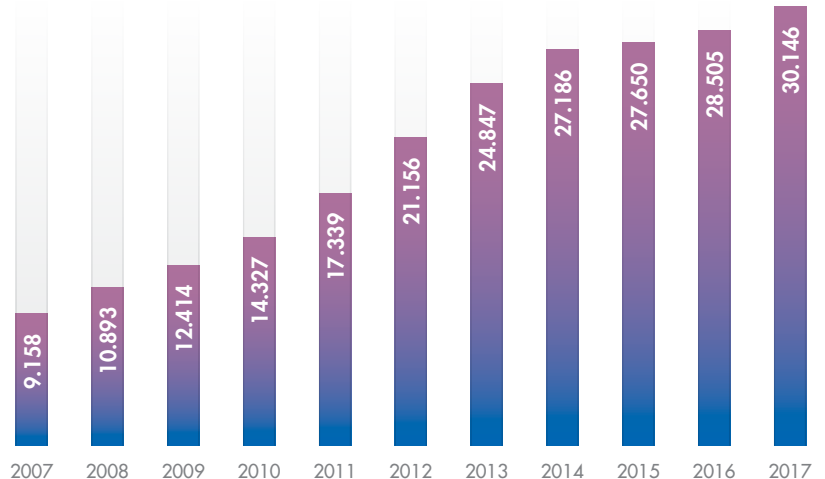
**5.79%** increase (17x16)

**BRL 177.73**  
average monthly benefit

**AVERAGE NUMBER OF FAMILIES ON THE BOLSA FAMÍLIA PAYROLL BRL MILLION**

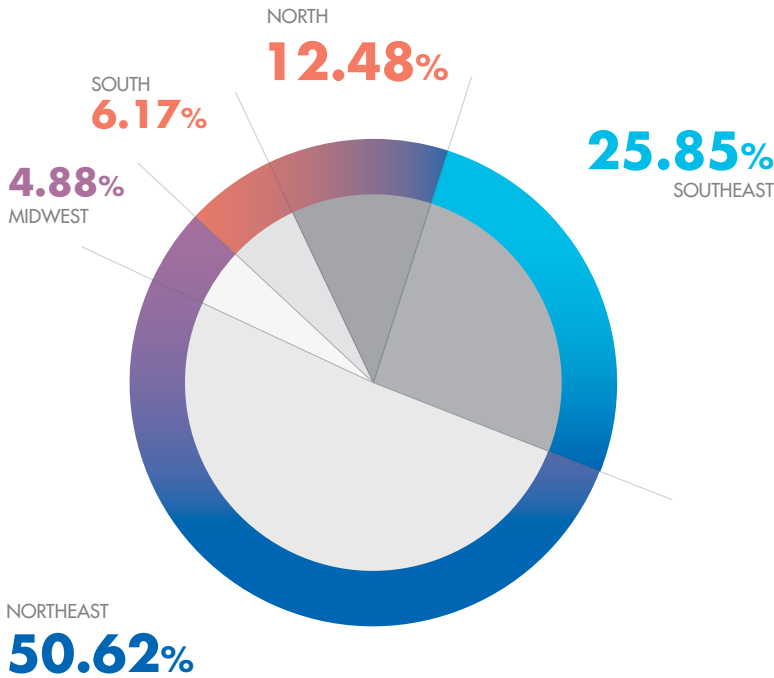


**TOTAL AMOUNT PAID OUT – BOLSA FAMÍLIA BRL MILLION**



**BREAKDOWN OF FAMILIES BY REGION**

DECEMBER 2017



More than 50% of the families benefiting from the program are located in the Northeast, followed by the Southeast region, with 25.85%. Together, the North, South and Midwest regions total 23.53%.

In recent years, the effort to make relations with beneficiaries more practical and convenient was highlighted by the Bolsa Família application – which enables users to check withdrawals, the payment calendar and consult the payments received. The app, which receives around 19 million accesses per month, is available for the Android and iOS operating systems.

**153.7 million** benefits paid

**5,442 municipalities** covered

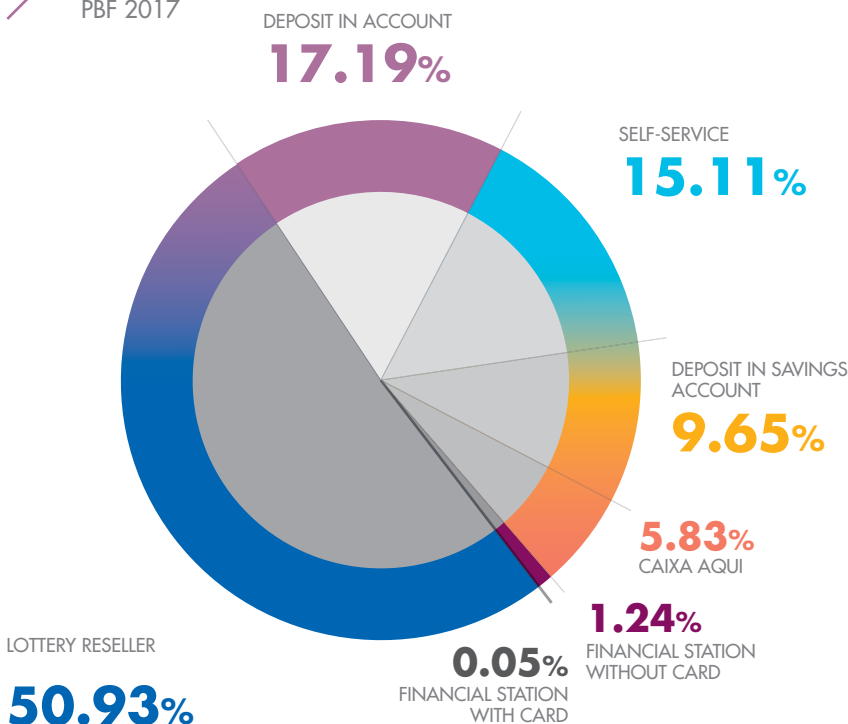
**81,021 terminals** available for beneficiaries

**50.93% of the payments** made through the lottery channel

**4.5 million** downloads of the Bolsa Família app

**BREAKDOWN OF PAYMENTS BY CHANNEL**

PBF 2017



**CAIXA LOTTERIES FS7**

The Caixa lotteries completed 55 years of existence in 2017 with total revenues of BRL 13.88 billion, 8.14% more than the previous year. The gradual resumption of economic growth meant that the volume of bets exceeded expectations, particularly worthy of note being the Mega Sena – the best selling product, accounting for 42% of the revenue –, Lotofácil (26%) and the Quina (18%).

As part of the objective of reinvesting earnings in federal programs in the social security, culture, education, security and sports areas, in 2017 BRL 6.5 billion was transferred for the execution of these initiatives.

Caixa has diverse global certifications attesting to the quality, security and efficiency of the lottery services, worthy of note being ISO/IEC 27001 – the main international standard for information security management systems. In 2017, an audit was undertaken to maintain the ISO 27001 and WLA-SCS:2012 certifications. The process concluded that the Caixa lotteries are in compliance with the scope of the audit plan. Furthermore, WLA-SCS:2012 certification from the World Lottery Association (WLA) attests that the Caixa Lotteries adopt best security practices in administering this service.

**CAIXA LOTTERIES TRANSFERS – 2017**

- Sport – BRL 1.057 billion
- Education – BRL 1.295 billion
- Culture – BRL 384 million
- Security – BRL 417.1 million
- Social Security – BRL 2.309 billion
- Others – BRL 14.7 million
- Income tax on prizes paid out – BRL 1.078 billion
- Total – BRL 6.557 billion**

**CAIXA LOTTERIES TRANSFERS – 2016**

- Sport – BRL 950.2 billion
- Education – BRL 1.226 billion
- Culture – BRL 359.9 million
- Security – BRL 385.6 million
- Social Security – BRL 2.159 billion
- Others – BRL 9 million
- Income tax on prizes paid out – BRL 1.076 billion
- Total – BRL 6.167 billion**



**RESPONSIBLE GAMING**

The Caixa Lotteries respect and execute the best global corporate social responsibility practices applied to state lotteries in association with the World Lottery Association (WLA).

The practices are aimed at combating compulsive gambling and protecting vulnerable people, such as minors, from the potential damage associated with gaming and gambling. The Caixa responsible gaming structure is standardized and is compatible with the WLA structure, which consists of four levels of certification: Commitment; Self-assessment and gap analysis; Planning and implementation; and Continuous improvement.

In June 2017, Caixa Lotteries obtained Level 3 certification in responsible gaming, representing the second highest WLA level. This certification attests that Caixa plans and implements good practices and recognizes the adoption of governance, information security, risk management and business continuity practices, based on international standards for the operation of federal lotteries.

In the second half of the year, a number of measures were taken to consolidate practices along these lines:

- Launch of the online course “Introduction to Responsible Gaming”, available in the Caixa University;
- Promotion of the 1st Responsible Gaming Week, with diverse communication measures;
- Participation in the International CSR/Responsible Gaming Seminar in Spain.

As a member of the World Lottery Association, Caixa’s role is to sell lotteries, organize draws, pay out prizes and channel funds from sales to good causes (transfers to Social Security, FIES, National Culture Fund, National Healthcare Fund, Brazilian Olympic Committee, Brazilian Paralympic Committee etc.).



## GOOD SOCIOENVIRONMENTAL PRACTICES

Check out some important Caixa Lotteries actions

- Diversity and Socioenvironmental Responsibility – during the year once again lottery revenue addressed some key social questions, such as diversity, anti-discrimination, awareness of diseases and other important subjects. Worthy of note in the environmental area were World Water Day and the Amazon Region and the Seabed series.
- Certified paper – Federal Lottery tickets are produced by print shops that use paper

certified by the Forest Stewardship Council (FSC), an international organization that promotes responsible forest management in accordance with principles and criteria that combine ecological safeguards with social benefits and economic feasibility.

- Sponsorship for parasports – in 2017, Caixa Lotteries renewed its sponsorship contract with the CPB, the Brazilian Paralympic Committee, a partnership initiated in 2004 that has promoted growth and visibility for parasports in Brazil. The sponsorship will be worth BRL 22 million over the next two years. *(Further information in the infographic on page 84).*

## WORKERS' BENEFITS

103-2 | 203, 103-3 | 203

Programs for workers were responsible for more than 61.5 million benefit payments, totaling approximately BRL 54.8 billion, including Unemployment Insurance, PIS and the country's Salary Bonus in 2017. The results and projects are summarized on the following pages:

### PIS

The PIS Social Integration Program was instituted by the complementary law n° 7, dated 7/9/1970, to enable workers to participate in the development of companies through the distribution of the proceeds from the companies' contributions among the participants proportionally to their length of service and their salary. For workers registered up until 4/10/1988, their PIS account represents an individual asset that is updated annually.

Today the funds raised by the PIS, together with the PASEP (Programa de Formação do Patrimônio do Servidor Público) program, are part of the FAT (Workers Support Fund), the objective of which is to generate funding to pay Unemployment Insurance and the Salary Bonus.

The provisional measure n° 797/2017, published on 24/8/2017, reduced the minimum age for withdrawal of PIS quotas to 62 years for women and 65 years for men. With the reduction in age, around 6.4 million people were entitled to withdraw their PIS quotas, amounting to approximately BRL 11.2 billion.

In 2017, Caixa paid out approximately 1.59 million PIS quotas amounting to BRL 2 billion, and distributed around BRL 431 million in income from the program to 7.6 million participants.

### CAIXA WORKER APP

The application enables consultation about the PIS, Salary Bonus and Unemployment Insurance, in addition to providing information on service outlets via geolocation. By December 2017, the app, available for the Android and iOS platforms, had been downloaded 4.9 million times.

### Salary Bonus

Payments were made to 20.5 million Brazilian workers, amounting to some BRL 14.6 billion.



## LABOR BENEFIT PAYMENTS

Product*	2016		2017	
	NO. OF INSTALLMENTS (MILLION)	AMOUNT PAID (BILLION)	NO. OF INSTALLMENTS (MILLION)	AMOUNT PAID (BILLION)
Salary Bonus	20.50	BRL 15.84	20.48	BRL 14.59
PIS – Quotas	0.74	BRL 0.90	1.59	BRL 2.06
PIS – Yield	7.91	BRL 0.41	7.67	BRL 0.43
Unemployment Insurance	33	BRL 36.77	31.8	BRL 37.1
<b>TOTAL</b>	<b>62.15</b>	<b>BRL 53.92</b>	<b>61.54</b>	<b>BRL 54.18</b>

Obs.: The benefits above may not be aggregated because the yield is paid in the bonus.

### UNEMPLOYMENT INSURANCE

BY TYPE (2017)

	NUMBER (MILLION)	AMOUNT (BILLION)
Formal/Domestic/Redeemed Insurance	29.2	BRL 34.7
Defense Insurance	2.6	BRL 2.4
Total	31.8	BRL 37.1
<b>TOTAL</b>	<b>62.15</b>	<b>BRL 53.92</b>

### UNEMPLOYMENT INSURANCE

BY REGION (2017)

	NUMBER (MILLION)	AMOUNT (BILLION)
Midwest	2.6	BRL 2.8
Northeast	6.9	BRL 7.4
North	2.7	BRL 3.09
Southeast	14.5	BRL 17.6
South	5.1	BRL 6.2

## Unemployment Insurance

Caixa paid 31.8 million benefits, totaling BRL 37.1 billion



## SUPPORT FOR RURAL FAMILIES

The institution also administers a series of initiatives aimed at supporting workers and their families in rural regions. See the main results for the year

### Rural Production Activities Promotion Program

What it is: instituted by law n° 12.512/2011 and regulated by decree 7.644, dated December 16, 2011, this is aimed at stimulating the sustainable generation of work and income on an organized basis, providing funding for families involved in silviculture, aquaculture, extractive activities, as well as for fishermen, traditional communities and indigenous peoples.

#### IN 2017

**44,134** made available

**42.192** benefits paid

**BRL 52.3 million** in payments

### Bolsa Verde (Green Grant)

What it is: an Environmental Conservation Support Program that benefits disadvantaged families who help preserve the environment. Funding is provided to families who work on environmental conservation in rural areas, including traditional communities, settlement projects or reservations and forests

#### IN 2017

**202 thousand** benefits available

**193 thousand** benefits paid

**BRL 57.9 million** in payments

### Chapéu de Palha (Straw Hat)

What it is: a program created by the Pernambuco state government to combat the effects of unemployment in sugarcane and irrigated fruit growing between harvests, as well as in adverse conditions for small fishing communities or caused by emergency situations

#### IN 2017

**184,000** families benefited

**BRL 39.4 million** in payments

**BRL 94.4 million paid out in Athlete Grants in 2017, distributed in 64,000 monthly installments**

### Garantia Safra (Harvest Guarantee)

What it is: a federal program in partnership with the Ministry of National Integration, linked with the Risk Management and Disaster Response program, offering financial support to families living in areas affected by disasters in which a state of public calamity or emergency has been decreed

#### IN 2017

**2.7 million** families benefited

**BRL 555 million** in payments

### BOLSA ATLETA (ATHLETE GRANT)

This Ministry of Sport program guarantees the payment of a monthly allowance for a one-year period based on specific legal norms.

The objective is ensure the basic maintenance of high performance athletes enabling them to train and participate in competitions to fully develop a sporting career.

### IDENTIDADE JOVEM (YOUNG ID)

The Young ID program provides disadvantaged young people aged between 15 and 29 years whose families are registered in the Single Register with an ID card that enables access to cultural, artistic and sports events at half price, and free or discounted fares on public interstate transportation, in accordance with decree n° 8.537, dated October 5, 2015.

Applications were launched to facilitate user access to information for the Young ID beneficiaries and Young ID Promoters. These may be downloaded for the Android, iOS and Windows Phone operating systems.

By December 2017, the app had been downloaded more than 860,000 times.

**FGTS**

In 2017, the FGTS state severance fund completed 51 years of existence, in a historical partnership that marks the life of each worker in Brazil. The year was especially challenging for Caixa due to the payment of inactive accounts, instituted by the provisional measure nº 763, dated December 22, 2016, later converted into law 13.446, May 25, 2017. Caixa was responsible for ensuring service excellence throughout its network.

Counting only the withdrawals from inactive accounts, Caixa paid out more than BRL 44 billion, directly benefiting almost 26 million workers.

From March to August 2017, the volume of FGTS withdrawal applications from overseas was around 10 times greater than in the same period of the previous year.

Between 2010 and 2016, Caixa granted the withdrawal applications of 6,775 workers living overseas, paying out just over BRL 263 million. However, in 2017 alone, withdrawal applications from 19,591 workers living abroad were granted, totaling almost BRL 540 million.

**The FGTS has supported Brazilian workers for more than five decades**

Caixa is the operator of the fund, demonstrating excellence and efficiency in managing the fund and in complying with the directives of the fund’s Curatorship Council

From 2010 to 2014 the FGTS benefited from the positive labor market, characterized by low unemployment and gains in real average income for workers. This resulted in record revenues for the fund. However, from 2015, there was a decrease in the net revenues generated by company contributions, due to the labor market and employment situation.

Even so, in 2017 FGTS revenue reached a record BRL 123.5 billion. The volume of withdrawals during the year, discounting the withdrawals from inactive accounts, totaled BRL 118.6 billion, growing at a higher percentage than the contributions, which resulted in a net revenue of around BRL 5 billion. The nominal 51.3% reduction compared with 2016 also reflects the deceleration of the economy, with a perspective of growth based on the resumption of an increase in Gross Domestic Product (GDP).

**FGTS MOVEMENTS**  
IN BRL

Year	GROSS REVENUE	WITHDRAWALS	NET REVENUE
2010	61,797,213,442.77	49,890,310,136.85	11,906,903,305.92
2011	72,260,939,292.62	57,646,929,757.99	14,614,009,534.63
2012	83,033,513,518.83	65,049,000,360.25	17,984,513,158.58
2013	94,415,141,165.54	75,663,002,033.88	18,752,139,131.66
2014	104,744,192,951.54	86,320,173,011.54	18,424,019,940.00
2015	113,529,384,750.98	99,124,208,039.14	14,405,176,711.84
2016	119,089,336,907.90	108,892,614,296.48	10,196,722,611.42
2017	123,535,007,570.02	118,564,184,177.70	4,970,823,392.32

# FGTS IN NUMBERS

**107.4 million**

physical FGTS account statements posted (drop of 19%)

**208.9 million**

statements sent by SMS (increase of almost 47%)

**21.5 million**

statements sent by email (23.6% increase)

**19.9 million**

statements sent by SMS (60.5% more than 2016)

**2.9 million**

adhesions to email (19.6% more than 2016)

**Almost 10 million** downloads of the FGTS app

**23.7 million** accesses to the FGTS website, with an average of 1.97 million visits per month

## INACTIVE ACCOUNT WITHDRAWALS IN NUMBERS

**BRL 44 billion**

injected in the Brazilian economy

**25.9 million**

workers benefited

**328 million**

visits to the exclusive website

### READ MORE

About services for workers related to law 13.446/2017 in Dedication to the Client

## DISTRIBUTION OF PROFITS

Law 13.446/2017 authorized the distribution of part of the earnings from the FGTS by deposit in workers' accounts.

As operator, Caixa, undertook the distribution of 50% of the earnings of the fund, increasing FGTS remuneration while maintaining FGTS net equity growth at secure levels.

With 2016 earnings of BRL 14.5 billion, the FGTS distributed BRL 7.2 billion to around 88 million workers in 2017. This represented 245.7 million accounts. Profitability was 7.14%, exceeding the IPCA and INPC indexes, which were 6.28% and 6.58% respectively in 2016.

## New labor law

The 2017 Labor Modernization law, 13.467, altered a number of articles in Brazil's CLT labor legislation. In function of this, as the guarantee fund operator, Caixa updated its computerized processes and systems to put the new FGTS rules into practice.

The modification to the CLT legislation simplified procedures for withdrawals from the FGTS fund. From 11/11/2017 the only documents necessary for access to the FGTS in the event of the termination of work contracts was the individual's CTPS record (Carteira de Trabalho e Previdência Social), containing the respective termination entry and a personal identification document.

To enable the withdrawal, the employer must communicate the date and reason for termination by means of the FGTS and Social Security Company Collection System (SEFIP) or the FGTS Termination Collection Form (GRRF).

Another change in the CLT was the elimination of the requirement of approval of the work contract termination by unions, meaning that a series of documents (TQRCT, THRCT, TRCT) are no longer required.

## FGTS Budget

The Curatorship Council approved the 2017 FGTS investment budget in October 2016. Based on its reformulation (Resolution 847/2017), the FGTS earmarked approximately BRL 88.2 billion for investment in the areas of housing, sanitation and urban infrastructure and consortium operations.

Adding the BRL 4.9 billion for the FI-FGTS (BRL 1.4 billion) and the Portfolio under Management (BRL 3.5 billion), the total budget for 2017 was BRL 93.1 billion.

## FINANCING USING FGTS FUNDS IN 2017

Area	2016		2017	
	LOAN AMOUNTS (BRL THOUSAND)	NUMBER OF UNITS	LOAN AMOUNTS (BRL THOUSAND)	NUMBER OF UNITS
Mass housing	51,283,569	598,193	52,095,327	459,826
Urban infrastructure	386,325	0	227,711	0
Other operations underway	8,209,700	53,244	7,111,500	37,461
Basic sanitation	226,641	0	3,940,799	0
<b>Total</b>	<b>60,106,235</b>	<b>651,437</b>	<b>63,375,338</b>	<b>497,287</b>

Source: FGTS website

(\*) Provisional date (Based on : 08/02/2018)

**BRL 335 billion**  
was the total balance of credit operations using FGTS funds at the end of 2017

**BRL 498 billion**  
Total FGTS assets on December 31, 2017

### MARKET OPERATIONS

By means of the FI-FGTS, the fund invests in operations aimed at generating profitability and boosting its assets. Since the beginning of operations in 2008, the FI-FGTS has invested BRL 22.9 billion, in addition to reinvesting BRL 7.5 billion.

By 2017, the amount of BRL 15.9 billion had been invested in the Portfolio under Management, which was initiated in 2009. The Portfolio of Real Estate Receivables (CRI) and Real Estate Receivable Securities (LCI) contains 26 contracted operations, totaling BRL 12.3 billion.

### Discounted financing

The FGTS grants discounts on financing, focused on the low-income population and the demand for dignified housing. The subsidies are granted by the fund for the acquisition of housing by private individuals, boosting the mortgage holder's payment capacity by means of reduced payments and the liquidation of part of the purchase price.

The lower the mortgage holder's income the higher the discount granted, ensuring that the FGTS investments fulfill their social role of providing housing for the low-income population. Worthy of note was the 155% increase in the amount allocated to the FGTS subsidy program, both for housing under the Minha Casa Minha Vida and similar programs. This increase took place in the period between 2009 (BRL 4 billion) and 2017 (BRL 10.2 billion)

### New withdrawal mode

In 2017 Caixa undertook a study of the regulations for law n° 13.146/2015. This was necessary for the new type of withdrawal from FGTS accounts for the acquisition of prosthetic and orthotic devices, aimed at promoting accessibility and social inclusion for disabled workers. It will be necessary to elaborate an operational model to implement this new type of FGTS withdrawal.

## EVOLUTION OF DISCOUNTS GRANTED BY THE FGTS

BRL MILLION

Year	BUDGETED (BRL)	EXECUTED (BRL)
2009	4,000	2,952
2010	5,048	5,043
2011	5,500	5,403
2012	6,865	6,665
2013	8,900	7,983
2014	8,900	7,897
2015	8,900	7,511
2016	8,900	6,609
2017*	10,200	8,532

\*Position in December 2017 – Provisional.

## SUSTAINABLE CITIES AND HOUSING

103-2 | 203, 103-3 | 203, 203-1, 203-2

Since 1996, Caixa has been the main operator of federal government measures aimed at implanting social and urban development projects in the country. The bank is responsible for analyzing and monitoring projects in areas such as mass housing, sanitation, urban and rural infrastructure, tourism, culture, as well as water resources and solid waste management.

These projects use funds from the federal budget (OGU). To ensure that the funds are applied to the works for which they are destined, Caixa introduced an innovation that consolidated its activities in these federal fund transfers: Caixa only releases public funds upon the execution of the contracted works and services in accordance with the approved plans. Today, Caixa is responsible for practically 100% of these transfers.

With a nationwide presence and capillarity, the institution has consolidated its qualifications for offering these services to the federal government and has impacted the lives of millions of people in all Brazilian municipalities. Since 1996, more than 189,000 federal fund transfer operations have been contracted, totaling over BRL 138.89 billion. More than 156,000 of these operations have been finalized.

Over the years, the bank has proven its qualifications to operate other types of federal fund transfers, such as agreements, terms of commitment and fund to fund transfers. In the agreements, for example, Caixa ended 2017 with a 50.23% market share, as detailed ahead.

**Caixa is one of the main financiers of housing infrastructure projects in the country**



## FEDERAL BUDGET TRANSFER OPERATIONS

BRL

Bank	2016	%	2017	%	2018	%
BB	BRL 6,700,922,223.43	61.06%	BRL 8,484,647,770.50	49.41%	BRL 2,633,077,410.72	49.53%
Caixa	BRL 4,240,975,865.23	38.65%	BRL 8,625,856,813.51	50.23%	BRL 2,664,496,863.84	50.12%
BNB	BRL 31,876,060.38	0.29%	BRL 61,664,008.74	0.36%	BRL 18,742,771.70	0.35%
<b>TOTAL</b>	<b>BRL 10,973,776,165.04</b>		<b>BRL 17.172.168.592,75</b>		<b>BRL 5.316.317.046,26</b>	

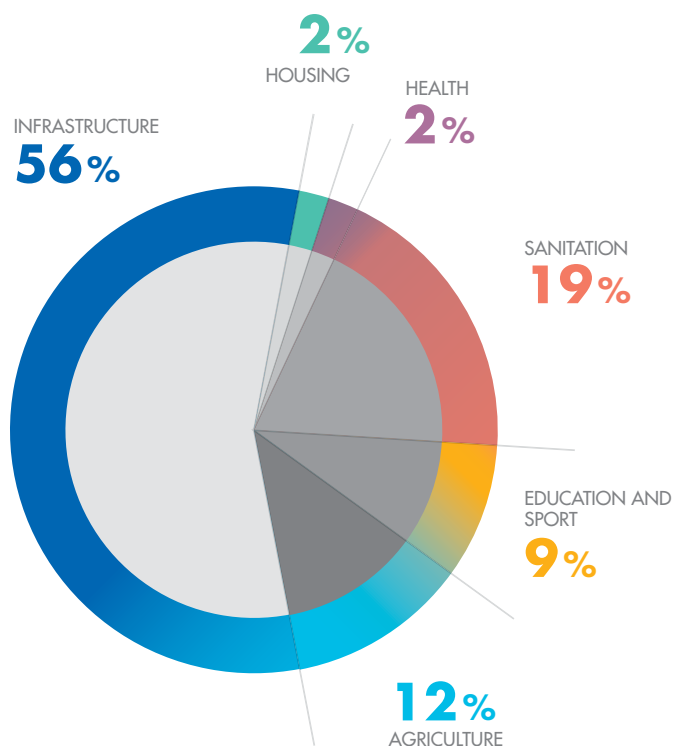
Source: Agreements Panel – <http://paineis.planejamento.gov.br>.

Transparency in relations with public authorities and the public is ensured by diverse accountability mechanisms. On the Caixa website, there is a section for the public sector providing a detailed vision of each operation undertaken by the bank, its stage of development and the funds used.

Whenever necessary and upon demand, the control agencies and the Judiciary receive key information on the operations undertaken in order that they may assess compliance.

## FUNDS BY AREA OF INVESTMENT

%



### CAIXA'S IMPACT

Fund transfers for the execution of public works and projects

**2016 > more than BRL 6.3 b**

**2017 > more than BRL 4.9 b**

**9,416**

**new operations** contracted in 2017, totaling **BRL 5.6 b**

**6,973**

**operations concluded in 2017**, with works and equipment delivered to the public

**SOCIAL WORK**

Caixa analyzes and monitors social projects undertaken with funding from diverse sources – including the FGTS, the federal budget and the Caixa Socioenvironmental Fund (FSA Caixa). Recently, the institution assumed responsibilities such as the provision of support services for concessions and Public-Private Partnerships (PPP), encompassing social aspects as well.

Social work, a set of actions, processes and strategies related to works and public ventures in the transfer and financing operations, involves the commitment to ensuring the proper use of the equipment implanted, guarantee of access to basic services, the conservation and maintenance of installations and – when applicable – the return on the investments.

Undertaken based on integrated and participative studies of the territory and taking local specificities into account, this social work is developed focused on four pillars: Social mobilization, organization and reinforcement; Monitoring and social management of the intervention; Environmental and asset-oriented education; and Socioeconomic development.

# Projects and ventures financed by Caixa and its funds under management involve social work

IN NUMBERS

## social work in transfer and financing operations

**23**

programs and actions have social work as an investment item

**1 to 3%**

of the investment in these interventions applies to social work

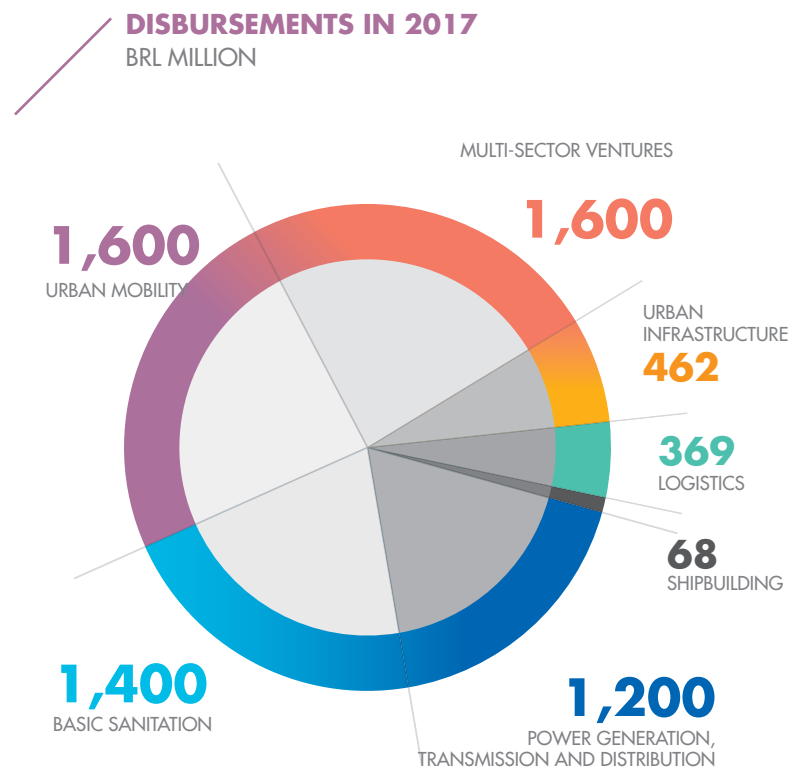
**BRL 1.4 b**

Investment aimed at social projects linked with programs in Brazil's Growth Acceleration Program (PAC)

**SANITATION AND INFRASTRUCTURE OPERATIONS**

Sanitation and infrastructure constitute one of the main credit concession fronts adopted by Caixa to fulfill its mission. In the review of the conglomerate’s strategic planning (*read more in Governance and Leadership*), the goal of contributing to social and urban development was maintained. This involves finance for projects that improve well-being, health, mobility and efficiency in public spaces.

In 2017, the Caixa credit lines for sanitation and infrastructure totaled BRL 8.5 billion. This involved 164 operations, with a total disbursement of BRL 6.4 billion, channeled to a number of sectors that are critical for the country’s development (*see chart*).



**AREAS COVERED**

**Public transportation infrastructure (BRT, VLT, subways, trains, buses, roadworks) – 263 municipalities**

**Water supply, sewage treatment and solid waste management – 231 municipalities**

**Hydroelectric, thermoelectric and wind power plants**

**Ships and shipyards**

**Highways, airports and road works**

**Urbanization areas and settlements in precarious conditions**

**HOUSING PPP**

103-2 | 203, 103-3 | 203, 203-1, FS7, FS8

Caixa participates in the country's first housing public-private partnership as financier. The Júlio Prestes complex in the historical center of the city of São Paulo was inaugurated in 2017. The project is aimed at revitalizing the region, with an eight-block building complex and commercial store fronts.

Construction of the complex, which will have 1,202 apartments, a nursery and stores, should be completed in 36 months. The project is part of the PPP for the center of the city of São Paulo, which involves the construction of 3,683 homes, with 2,260 social housing units and another 1,423 low-income dwellings.

**MINHA CASA MINHA VIDA (MY HOUSE MY LIFE)**

103-3 | 203, 203-2, FS7

Launched by the federal government in 2009, the Minha Casa Minha Vida program has become the main policy for financing and promoting access to dignified housing for low-income classes in Brazil. The initiative was a response to the shortage of over seven million housing units identified in the 2009 National Household Sampling Survey (PNAD). Since then, the program has benefited over 14.7 million people.

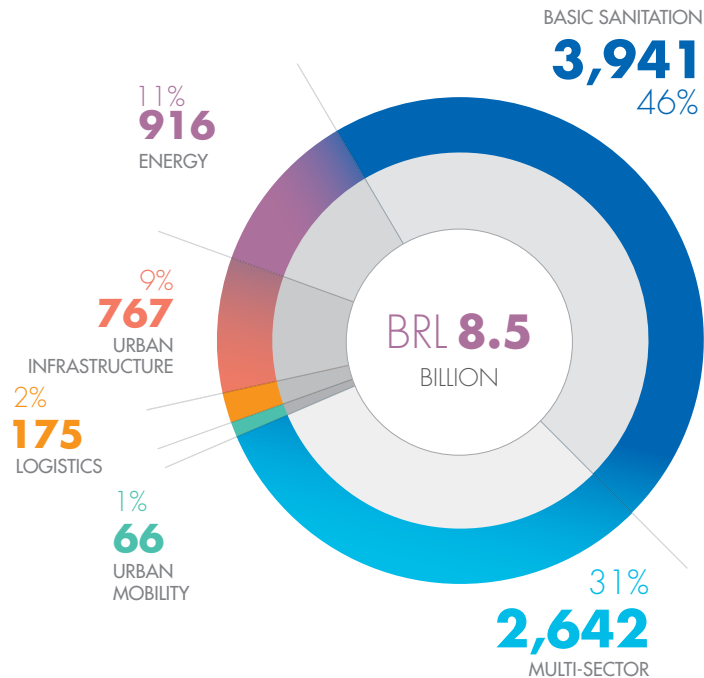
The production and acquisition of new housing units, the remodeling of urban properties, as well as the construction and remodeling of rural properties, constitute one of the program's main tools for promoting social impact. This drives the civil construction industry, as well as social inclusion. It also influences investments in water supply, sewage collection and treatment, the modernization of public equipment, promoting improved quality of life.

In eight years, the program has delivered more than 3.78 million homes nationwide. Among the highlights, more than 438,000 housing units were delivered in Minas Gerais. Today, Caixa is the outright leader in the program, responsible for 86.32% of the total volume of operations.

In March 2017, the publication of the Ministry of Cities ruling n° 267 defined the directives and procedures for Minha Casa Minha Vida program contracts using FAR (Residential Leasing Fund) funds.

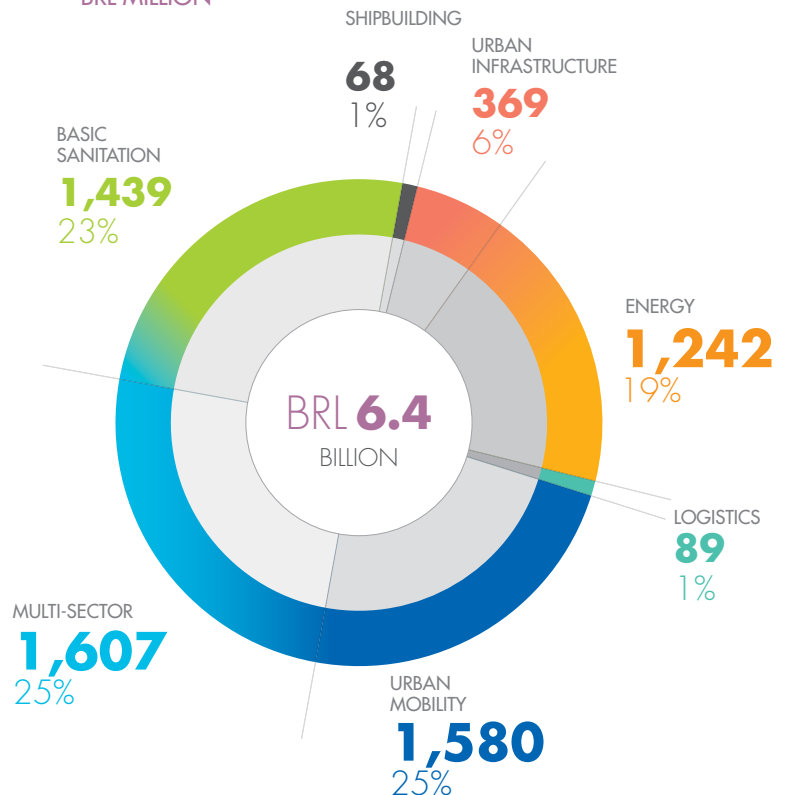
**SANITATION AND INFRASTRUCTURE - CONTRACTS IN 2017**

BRL MILLION



**SANITATION AND INFRASTRUCTURE - DISBURSEMENTS IN 2017**

BRL MILLION



# RESULTS

2017

**482,844**

housing units contracted

**426,009**

housing units delivered

**BRL 63 billion**

contracted

2009-2017

**4,349,510**

housing units contracted

**3,474,674**

housing units delivered

**BRL 355.7 billion**

contracted

The main alteration was the definition of a new contracting flow, consisting of a preliminary classification phase to be conducted by Caixa and another selection phase undertaken by the Ministry of Cities.

In 2017, 100,000 housing units were scheduled for contacting, of which 20% for operations linked with the Growth Acceleration Program (PAC). These will not be subject to the new classification and selection flow but will be authorized by the Ministry of Cities.

On the band 1 line – Companies via FAR, in the first selection under Ministry of Cities ruling 406/2017, 122 proposals totaling 25,664 housing units were approved. These total 81 developments, with 17,366 housing units contracted.

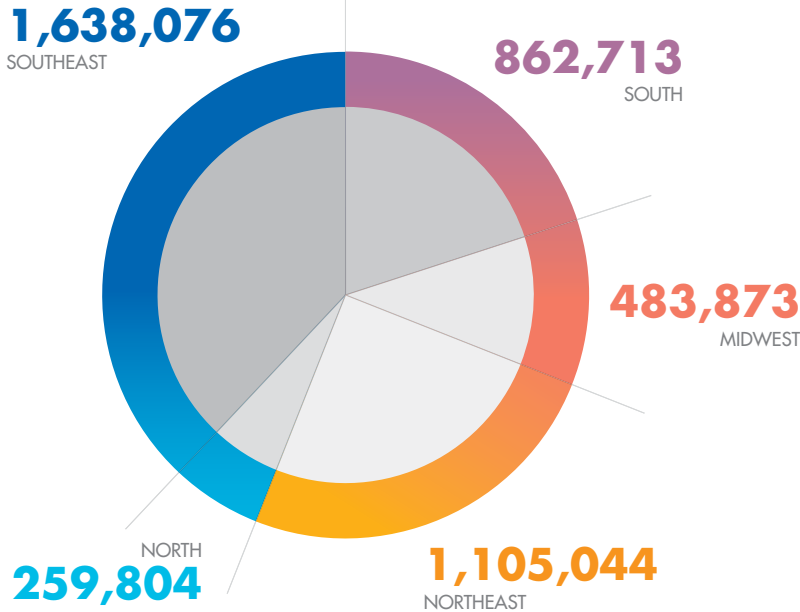
In November of the same year, Ministry of Cities ruling 627/2017 initiated a new Minha Casa Minha Vida Band 1 – FAR – Companies selection, with a total of 465 proposals and 54,089 housing units, which are now under analysis.

## MINHA CASA MINHA VIDA

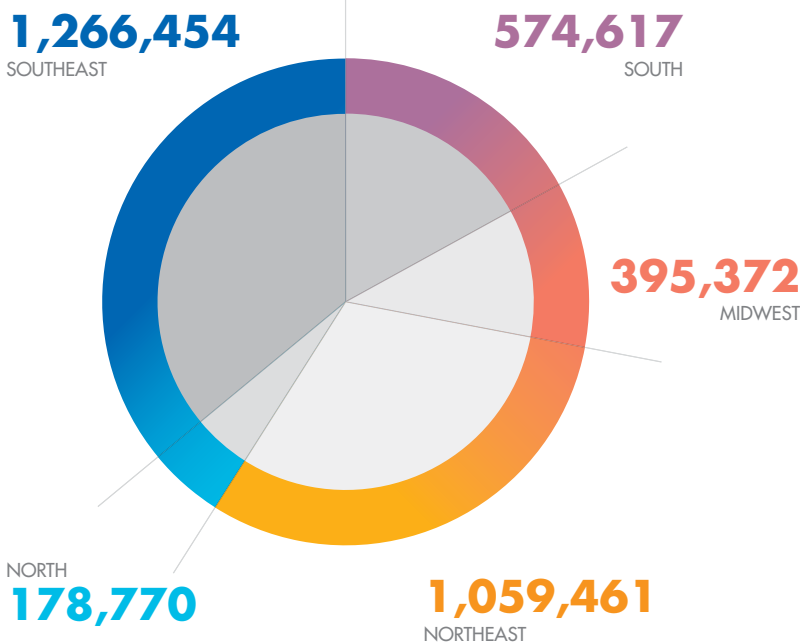
### AMOUNTS AND DELIVERIES

	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
	<b>4,349,510</b>	<b>3,474,674</b>	<b>BRL 355,669,773,952.77</b>
Band 1	1,425,902	1,111,493	BRL 70,872,334,234.29
Band 2	2,424,900	2,014,125	BRL 237,914,721,768.17
Band 3	498,708	349,056	BRL 46,882,717,950.31

**UNITS CONTRACTED**  
BY REGION



**UNITS DELIVERED**  
BY REGION



**FOCUS ON QUALITY**

102-44, 102-45

Aimed at improving relations and services for Minha Casa Minha Vida program mortgage holders and beneficiaries, the channel received 379,721 calls in 2017. From these, 287,513 were requests for information about the program and 92,208 were complaints and reports of violations.

In addition to acting as intermediary between program beneficiaries and the construction companies, the De Olho na Qualidade (Focus on Quality) program is aimed at maintaining the quality of the properties, providing residents with orientation on preventive maintenance. From the total contacts recorded in the year, 82.85% were finalized and 70.45% were concluded with a definitive solution for the householders.

**NATIONAL RURAL HOUSING PROGRAM**

203-2, FS7

Linked with Minha Casa Minha Vida, the National Rural Housing Program (PNHR) was created by the federal government to supply dignified housing in rural areas. The program is aimed at family agricultural producers and laborers and enables the construction of a new house or the conclusion/remodeling and/or extension of existing housing in rural areas. In 2017, 18,100 housing units were delivered.

The families are organized by civil non-profit organizations (cooperatives, associations, unions etc.) or public authorities, with the exception of Group III beneficiaries, who may be approved individually.

**Read more**

Further details about the performance of the Minha Casa Minha Vida program in the Attachment





There are three categories of beneficiary based on gross annual family income: up to BRL 17,000 (Group I); BRL 17,000.01 to BRL 33,000 (Group II); and BRL 33,000.011 to BRL 78,000 (Group III).

Group I beneficiaries are eligible for subsidies that are not classified as financing; Caixa transfers the subsidy in accordance with progress in construction, to a commission of representatives elected by the group of beneficiaries. The families then assume the commitment of paying back the equivalent of 4% of the production cost of the housing unit in four interest-free annual installments.

For Group II and III beneficiaries, the financing for construction or remodeling the home is undertaken with FGTS funds. Group II beneficiaries also receive a subsidy from the federal government budget. Moreover, they receive a supplementary discount from the FGTS in the amount necessary to build the home.

In addition to the funds for housing construction, Group I or II beneficiaries receive BRL 1,700.00 from the federal budget for technical assistance and social work, in accordance with specific regulations.

To participate in phase III of the program, the organizing entities must be approved by the Ministry of Cities in accordance with the regulations in force. Organizations represented by public authorities do not need approval to participate in the program.

In 2017, the new contracting rules for phase III of the program were introduced. This means that the proposals must be classified by Caixa, sent to the operational manager and the contracting approved by the Ministry of Cities by means of a ruling. In function of this process, no new housing units were contracted in the program in 2017.

Diverse social work initiatives are developed under the program, including community organization measures, the articulation of local government public policies, guidance on sanitary and environmental education, family budgeting, in addition to the generation of employment and income.

Other socioenvironmental responsibility measures in the social work projects include:

- Construction of tanks for harvesting and storing rainwater (only for developments located in the Brazil's semi-arid region);
- The possibility of incorporating alternative effluent treatment solutions in the project;
- Requirement of documentation proving that no native timber was used in the works or presentation of forestry origin certificate (DOF);
- Biodigester project for some low-income family agricultural producers, by means of the Caixa Socioenvironmental Fund (FSA Caixa).

## Rural housing improvement measures are part of the Minha Casa Minha Vida programs

### HOUSING FUNDS

103 | 203, 203-2, FS7

As an agent of public policies and a strategic partner of the state, Caixa administers specific government funds and programs aimed at meeting diverse needs of the federal government, the states, Distrito Federal and municipalities.

One highlight in this area is the funds and programs that allocate resources, ensure operations and sustain financing for low-income families in the Minha Casa Minha Vida program

Since 2009, these funds and programs have enabled some 3.2 million families or around 13 million people to receive a home. In 2017, 50 thousand housing units were delivered and around 408,000 units were under construction.

The funds entail governance processes that are aligned with best practices and either have their own accountability processes or ones linked with the Ministry of Cities, as is the case with the National Rural Housing Program.

Another highlight related to government funds is Caixa's work in financial agency and resource management for environmental projects and programs, such as those executed under cooperation agreements (*read more on page 80*).

### MASS HOUSING GUARANTEE FUND – FGhab

The FGhab is a private fund with its own equity divided into quotas, which are separate from the assets of the quota holders and are subject to specific obligations and entitlements. The fund quotas are held by the federal government, the ABGF and the financial agents, Caixa and Banco do Brasil.

The purpose of the fund is to guarantee the receipt of the mortgage holders' monthly payments by the financial agents in the event of unemployment or temporary incapacity to pay; to assume the balance of the mortgage in the event of death or permanent invalidity; and to assume responsibility for expenses related to the repair of physical damage to the property for families with a gross monthly income of up to BRL 5,000.

In 2017, no housing mortgages covered by FGhab were granted by the financial agents Caixa and Banco do Brasil. FGhab planning for 2017 was undertaken based on measures aimed at process improvement and risk mitigation.

Regarding development of the system to bring FGhab into operation (SIGHA), the fund collection module has been concluded and is awaiting the input of data by the financial agents. The Caixa AF base managed to migrate 20% of the contact base to SIGHA in 2017. The conclusion of data input by the financial agents is scheduled for the second half of 2018.

In 2017, FGhab benefited 4,420 families, granting guarantees for the risk of death, permanent invalidity, physical damage to the property and loss of income, representing an increase of 25% over 2016 and totaling BRL 185 million. Since the fund was created, 16,402 guarantees totaling BRL 620 million have been paid out.

### PNHR DELIVERIES 2017

Region	HU
Midwest	1,699
Northeast	10,069
North	2,346
Southeast	1,493
South	2,640
<b>OVERALL TOTAL</b>	<b>18,247</b>

Contracts up to 30/06/2016		
Region	HU	TOTAL CONTRACTED GI* (BRL)
Midwest	6,729	BRL199,316,700.00
Northeast	68,149	BRL1,963,985,768.39
North	21,223	BRL613,957,621.92
Southeast	23,572	BRL672,527,008.49
South	48,529	BRL1,322,220,827.32
<b>OVERALL TOTAL</b>	<b>168,202</b>	<b>BRL 4,777,007,926.12</b>

\* Numbers refer to group I developments, that use only federal budget funds.

**The funds operated by the bank support inclusion in the housing loan segment**

**FAR RESIDENTIAL LEASING FUND (FUNDO DE ARRENDAMENTO RESIDENCIAL)**

The FAR fund was created by Provisional Measure 1.823/1999, converted into law 10.188/2001. It is a private fund with the exclusive objective of segregating financial and real estate assets destined for PAR. In 2009, with the creation of the Minha Casa Minha Vida program, the FAR was authorized to participate in this program, benefiting families with an income of up to BRL 1,800 (band I of the program).

The FAR funds are used for the acquisition of ventures to be constructed, that are under construction, have been concluded or are being remodeled. From June 2012, there was a significant alteration in the way federal funds were transferred to FAR. These no longer constituted government subventions and became quotas, with a direct impact on the fund’s assets, with the federal government being the only FAR quota holder.

For Minha Casa Minha Vida program band I operations, the FAR assumes the expenses with the recovery of properties and liquidates the mortgage holder’s debt in the event of death or permanent invalidity.

The program’s financing for beneficiaries is subsidized by the federal government, and the beneficiaries contract to pay off the financing free of interest in a period of 120 months. Currently, there are two types of monthly installment, depending on the date on which the beneficiary signed the contract with either Caixa or Banco do Brasil.

FAR also meets housing demands arising from emergencies or public calamities and ventures linked with the Growth Acceleration Program that require resettlement or the substitution of housing units.

In 2017, the emphasis was on the resumption of works linked with the Minha Casa Minha Vida program, to enable the delivery of housing units to beneficiaries. Work was resumed on 70 developments, totaling 23,684 housing units, with an additional amount of BRL 217.82 million approved for the conclusion of the units, of which BRL 19.88 million was released during 2017.

**FINANCING FOR MASS HOUSING WITH FAR FUNDS**

	2015	2016	2017
Disbursement	11 b	6.8 b	3.03 b
Units contracted	736	25,640	22,376
Units delivered			107,303
Units under construction			245,358

**The offer of housing loans for organizations is a means of expanding the Minha Casa Minha Vida program’s social impact**

**SOCIAL DEVELOPMENT FUND (FUNDO DE DESENVOLVIMENTO SOCIAL - FDS)**

The FDS is a financial fund with an indefinite time limit instituted in accordance with decree n° 103, 1991 and law n° 8.677/1993. The fund is intended to meet the housing needs and to help improve quality of life for low-income families and individuals organized in cooperatives, associations and other civic organizations, aimed at the production and acquisition of new housing, the conclusion and remodeling of homes and the remodeling of urban properties.

To achieve the fund’s objectives relative to people in associations in which the families benefited participate directly in managing the funds and in the construction of the residences, the PCS and the Minha Casa Minha Vida-Entidades (My House My Life-Organizations) were created. The aim is to provide access to regular housing for low-income families by means of credit on special, subsidized terms; to contribute to the reduction of the housing shortage in the country; to stimulate housing cooperativism and the principle of mutual help.

Currently the FDS portfolio has 229 developments under construction, totaling 35,215 housing units. From this total, work on 56 developments comprising 7,166 units is currently suspended, with resumption scheduled for 2018. During 2017, 40 developments corresponding to 4,417 housing units were concluded, with 3,343 delivered, benefiting some 13,505 people.

**Solidarity Credit**

The Solidarity Credit Program (PCS) serves families with a gross monthly income of up to BRL 1,125.00 organized in associations. In some cases families with an income of up to BRL 1,900.00 may enter the program, the percentage of exceptions being defined by the administrator.

The financing involves diverse subsidies, including exemption from payment of interest and monetary correction during the construction work, as well as a 10% discount on the monthly installment paid up to the due date. Final beneficiaries aged over 60 years of age may purchase up to 5% of the units financed under the program.

**Security and responsibility in Caixa housing investments are a priority**

**Minha Casa Minha Vida-Entidades**

The Minha Casa Minha Vida-Entidades program was created in 2009. It is aimed at families organized in associations with a gross monthly income of up to BRL 1,800.00. Up to 10% of the families in each development may exceed the income limit, with the ceiling fixed at BRL 2,350.00. The program subsidies include exemption from payment of interest and monetary correction during the construction work and subventions for the mortgage payments over 120 months.

Under the terms of the program, families living in high risk areas, in unhealthy conditions or who have lost their homes are prioritized. Families headed by women or that have disabled members are also prioritized in the program.

**PCS**

**333**

developments contracted from 2005 to 2017

**21,190**

housing units

**BRL 391,907,775**

total amount

**Around**

**85,000**

people attended

**MINHA CASA MINHA VIDA-ENTIDADES**

**463**

developments contracted between 2009 and 2016

more than

**69,600**

housing units

**BRL 4.26**

billion in total amount (expected)

**BRL 3.013**

billion effectively contracted

**INTERNATIONAL COOPERATION**

102-12, 203-2

By means of international technical cooperation agreements, Caixa maintains a broad network for sharing good practices in fields such as mass housing and urban development, receiving and disseminating knowledge and experience.

Under the coordination of the Brazilian Cooperation Agency (ABC/MRE), in 2017 Caixa developed three international cooperation projects with the following countries:

- São Tomé e Príncipe: finalized in 2017 with a final assessment;
- Mozambique: the project, now in its second phase, involves training in new technologies for civil construction and housing;
- Nicaragua: the deadline for this project, which contributed to a review of housing policy for the low-income population, was extended until December 2018.

**Three cooperation projects enabled Caixa to exchange knowledge and experience in segments such as low-income housing**

The project with São Tomé e Príncipe was concluded with the final assessment, which generated a report that underscored its success and the sustainability of the actions for the local population. During the year, Caixa also maintained dealings to provide services in the border region with Uruguay. The bank initiated relations with government authorities in Argentina for the provision of banking services, in particular for micro, small and medium sized companies.

Another important program coordinated by the Development Bank of Latin America (CAF) involves an integration project for the Brazil-Colombia border, which is the responsibility of Caixa and Banca de las Oportunidades. The program was launched during a mission to the city of Leticia, Colombia, in June 2017. After the launch, a diagnosis of the region was initiated, as well as an interchange between Brazilian and Colombian organizations around subjects including financial inclusion, financial services for micro-companies and methodologies used to identify and strengthen production chains. The interchange was undertaken via videoconferencing and involved the Special Department for Micro and Small Companies (Brazil) and the Colombian Ministry of Industry and Trade. In its capacity as cooperation coordinator, CAF also initiated the process of selecting the consultancy it will contract to support the project.

Also worthy of note during the year, was the bank's renewal of its partnership with the United Nations Development Program (UNDP), by means of the signature of the Substantive Review of the BRA09/004 Project. The cooperation project between the two institutions, which is regulated by the ABC, was extended until December 2018, enabling the realization of projects related to the Caixa business, such as micro-credit, internationalization, sustainability and agribusiness.

Another highlight was the conclusion of an agreement charter with the Building Research Establishment (BRE), an independent organization that provides consultancy services for organizations focused on creating safer, more sustainable, quality products. The objective was to enhance the housing ventures financed by Caixa – including those in the Minha Casa Minha Vida program.

## EMERGING AND SUSTAINABLE CITIES

103-2 | 203, 103-3 | 203, 203-1

The Emerging and Sustainable Cities Program (ESC) originated in the Inter-American Development Bank (IDB) in 2011 as a knowledge-based product aimed at supporting countries in Latin America and the Caribbean in dealing with the challenge of improving quality of life in cities. The objective of the ESC, which is in place in 77 cities in the region, is to help the governments of emerging cities in Latin America and the Caribbean to identify critical problems related to urban sustainability, proposing solutions based on defined priorities. The approach adopted in ESC methodology is based on three dimensions: environmental sustainability and climate change; urban sustainability; fiscal sustainability and governance.

A pilot of the methodology in Brazil was applied in the city of Goiânia (GO) in 2011. Since, 2013, the IDB has partnered with Caixa (based on a memorandum of interest signed in June 2012) for the implantation of the ESC program in Brazil. The cities of João Pessoa (PB), Vitória (ES), Florianópolis (SC) and Palmas (TO) have benefited from this association, receiving investments of BRL 4 million (US\$1.3 million) from the Caixa Socio-environmental Fund (FSA-Caixa). In 2015, the city of Três Lagoas (MS) also benefited, receiving support from the Instituto Votorantim, the BNDES, Fibria and the Instituto Arapyaú. With support from these partnering institutions, the ESC program is currently in place in different regions of the country, promoting progress in the sustainable development of Brazilian cities.

Now in its fifth phase, the ESC program seeks to promote the consolidation of a monitoring network in the cities to measure the impact of public policies on the quality of life of their inhabitants and to compare their evolution with other cities by means of an assessment, discussion and continuous improvement process. In July 2016, the FSA-Caixa invested an additional BRL 2 million (US\$ 650,000), by means of another cooperation agreement with Baobá – Práticas Sustentáveis, to support the development of the monitoring network in the cities participating in the program.

The monitoring network is aimed at tracking the performance of Brazilian cities in areas that impact their sustainability and the quality of life of their inhabitants in an impartial, technical way, helping government and society to establish and adopt clear, measurable priorities to drive their development.

In 2017, five monitoring networks were officially constituted with structured governance systems in the cities of Palmas, João Pessoa, Goiânia, Vitória and Florianópolis.

The measures executed include the establishment of an Indicator Working Group and a Public Opinion Research group in all the territories, with the objective of gathering data and opinions about ways of life, as well as the challenges and the advances achieved in each municipality based on the monitoring network.

**Innovative methodologies enable the cities supported by the program to plan their long-term development**

### ESC IN NUMBERS

**1,188**  
organizations enrolled in the

**5**  
cities

**362**  
organizations involved in meetings and seminars

**More than 700**  
people mobilized in foundation events

**104**  
organizations involved in 5 monitoring networks



# FOSTERING CULTURE AND SPORT

Caixa’s commitment to the country’s development encompasses incentives for culture and sport that mobilize and contribute to the development of millions of Brazilians. As one of the major sponsors in these fields in Brazil, the bank for example has seven Caixa Cultural units that organize art exhibitions, shows, cultural sessions, workshops and diverse activities in different Brazilian cities.

In 2017, there was a significant increase in the number of cultural projects sponsored: 950 initiatives spread over the five regions of the country directly impacted over 8.1 million people with a investment in sponsorship that totaled BRL 82 million (see table), more than the BRL 76 million invested in 2016.

All Caixa’s cultural sponsorships involve an exchange of interests based on social and environmental factors – such as partnerships with NGOs that agree to dispose of waste correctly and reuse publicity materials (banners, for example), plant and distribute seedlings and use certified or recycled paper for their printed materials.

The Caixa Cultural spaces are located in Brasília (DF), Curitiba (PR), Fortaleza (CE), Recife (PE), Rio de Janeiro (RJ), Salvador (BA) and São Paulo (SP). In 2018, a new unit will be inaugurated in Porto Alegre (RS). Together, these spaces occupy almost 27,000 square meters of space dedicated to art and culture. Another important space is the Caixa Belas Artes in São Paulo (SP), which received sponsorship amounting to BRL 1.4 million, with attendance topping 308,000 people.

Caixa also sponsors traditional street carnivals in diverse municipalities – including the ones held in Recife (PE) and Rio de Janeiro – in addition to the Caixa Cultural Spaces Occupation program. A total of 4,820 projects were submitted to the Occupation program. The 268 selected received sponsorships totaling BRL 39 million.

There were no selections for The Theater and Dance Festival support program, the Brazilian Cultural Heritage program and the Caixa New Artists Biennial Exhibition in 2017. The latter two are held every two years and are scheduled to take place in 2018.

During the year, the bank sponsored diverse initiatives, including the Brasilia International Theater Festival ; the International Contemporary Dance Festival, in Curitiba (PR); as well as shows and exhibitions at the Caixa Cultural units.

## CULTURAL SPONSORSHIP

Region	NUMBER OF PROJECTS	AUDIENCE	AMOUNT OF SPONSORSHIPS (BRL)
North	5	180,300	480,000.00
Northeast	551	1,465,614	34,849,770.00
Midwest	178	541,977	8,771,453.00
Southeast	145	5,940,959	30,400,873.00
South	71	38,518	7,592,972.27
<b>TOTAL</b>	<b>950</b>	<b>8,167,368</b>	<b>82,095,068.27</b>

## SPORTS SPONSORSHIP

Incentives to develop high performance athletes, social and economic inclusion by means of sports and promoting well-being for children and young people are some of the positive impacts generated by Caixa sports sponsorships. In 2017 alone, BRL 244.192 million was allocated to diverse projects, with sponsorship conditional on adherence to the institution’s Communication, Marketing and Sponsorship policy. The amount was lower than the BRL 292 million invested in 2016.

As with cultural sponsorships, the organizations that Caixa supports are expected to make some social or environmental contribution in return,

**Cultural and sports investments cover every region in the country**

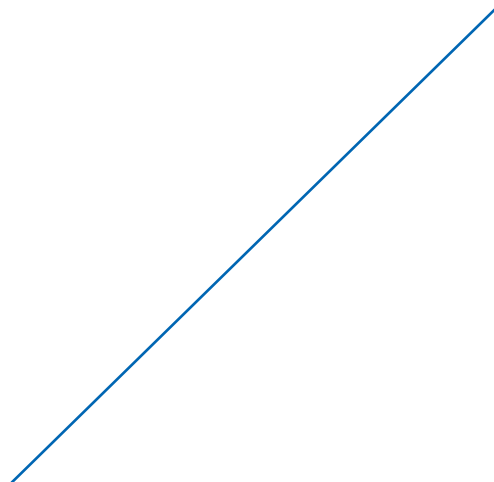
such as donating recycled material, collecting and recycling waste, controlling CO<sub>2</sub> emission and using recycled materials and paper.

By supporting soccer clubs and championships, Olympic and Paralympic athletes, street races, the Athletics and Gymnastics Confederations and the Paralympic Committee, Caixa seeks to understand and support diverse sporting activities with a view to ensuring a place for Brazil on international podiums.

After providing important support for Paralympic and Olympic sports in the preparations for and during the Rio 2016 Olympic and Paralympic Games, the bank has plans to maintain these activities in the coming years. In the 2017-2020 Olympic cycle, for example, the Caixa image will continue to be linked to sports such as athletics, Olympic gymnastics, as well as parasports. The objective of this support is to promote the growth and popularity of these sports. Caixa also supports Brazilian athletes and invests in projects aimed at driving social inclusion through sports.

Additionally, the bank allocates funds to sports that are prominent on the national and international scene, such as sponsorship for Novo Basquete Brasil (NBB), through Brazil's LBN National Basketball League, and for women's basketball by means of the LBF Women's Basketball League, both for a period of four years.

# Caixa is a major sponsor of culture in the country: in 2017 alone, it supported 950 initiatives, investing BRL 82 million



## SPONSORSHIP OF OLYMPIC AND PARALYMPIC SPORTS

IN BRL

	CBAf	CBG	CBLA	CBC	CPB
2013	22,500,000.00	8,000,000.00	2,200,000.00	2,000,000.00	28,000,000.00
2014	22,500,000.00	9,000,000.00	2,500,000.00	5,000,000.00	29,000,000.00
2015	22,500,000.00	9,000,000.00	3,500,000.00	5,000,000.00	32,000,000.00
2016	22,500,000.00	9,000,000.00	3,000,000.00	5,000,000.00	31,000,000.00
2017	13,000,000.00	4,000,000.00	NOT RENEWED FOR THE 2017-2020 CYCLE		20,000,000.00

\*Acronyms: Brazilian Athletics Confederation (CBAf); Brazilian Gymnastics Confederation (CBG); Brazilian Paralympic Committee (CPB); Brazilian Associated Fight Confederation (CBLA); and the Brazilian Cycling Confederation (CBC).

# BUILDING THE FUTURE OF SPORTS

**CAIXA** recognizes sports as a way to promote civic engagement and social inclusion. As one of the leading sponsors of sports in Brazil, we support athletes and teams that are examples of overcoming adversity and a source of pride for each Brazilian.

## SOCIAL & ENVIRONMENTAL OFFSETS

Are required before undertaking any sponsorship commitments to partners.

### Sponsors must:



DONATE RECYCLED materials generated by their activities



WORK to reduce CO<sub>2</sub> emissions



HAVE WASTE segregation systems in place



USE RECYCLABLE advertising and event communication materials

## SUSTAINABILITY

Under our Communications, Marketing and Sponsorship Policy, we support athletes, teams and sports associations and clubs as a way of contributing to the development of Brazilian sports.

## BREAKDOWN of investment in sports sponsorship

## FOOTBALL

Since 2012, **CAIXA** has pursued a football sponsorship strategy to become the leading sports sponsor in Brazil.

**26** SPONSORED CLUBS, INCLUDING 3 NEW CLUBS IN 2017

● Sponsored clubs  
● New in 2017



**4** SPONSORED CHAMPIONSHIPS

Copa Verde  
Copa do Nordeste  
National Championship, series B and C  
Brazilian Woman's National Championship

## SOCIAL PROJECTS

**15** Athletics social projects supported by **CAIXA**  
**100** athletes benefited in each initiative

IN PRACTICE:

Examples of transformational projects

CENTER OF EXCELLENCE IN ATHLETICS



WHERE  
Maringá (PR)

60 athletes trained by 4 coaches across different athletics disciplines. The initiative has been sponsored jointly with the municipal government of Maringá since inception in 2010.

ARNALDO DE OLIVEIRA OLYMPIC FUTURE PROJECT



WHERE  
Rio de Janeiro (RJ)

This project supports culture, sports, recreation, health and education through a sports center benefiting 300 children aged 8 to 17 from municipal and state schools in impoverished neighborhoods.



GOING FOR THE GOLD

CAIXA sponsored Olympic and Paralympic sports as part of the Brazil Medals Plan 2016, an initiative launched to strengthen Brazil's position in the Rio 2016 Olympic and Paralympic Games

BRL **140** MILLION INVESTED

between 2013 and 2017 through our sponsorship of the Brazilian National Paralympic Committee (CPB).

BRL **20** MILLION INVESTED IN 2017

FOR THE 2017-2020 CYCLE

Sponsorship contracts for confederations and the committee

Brazilian National Paralympic Committee (CPB) **95**

Brazilian Athletics Confederation (CBAI) **60**

Brazilian Gymnastics Confederation (CBG) **20**

RUNNING RACES

APPROXIMATELY

**130** running races sponsored by CAIXA across Brazil

**5** THOUSAND PARTICIPANTS PER RACE (national average)



**IN THIS CHAPTER**

- SUSTAINABILITY IN BUSINESS
- CAIXA SOCIOENVIRONMENTAL FUND
- TERRITORY DEVELOPMENT
- ENVIRONMENTAL MANAGEMENT

**SUSTAINABLE DEVELOPMENT GOALS**

- 1
- 2
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- 12
- 13
- 17

**CONNECTION WITH THE SOCIOENVIRONMENTAL RESPONSIBILITY POLICY**

- ✓
- 🏠
- 🌱
- 👤
- ⚙️
- ♻️

# LIFE NEEDS MORE **sustainability**

# TOWARDS sustainable development

From its business portfolio, through project support to risk analysis, see how Caixa translates its socioenvironmental strategy into actions

Caixa seeks to integrate aspects of sustainability into its planning and its operations shaped by the Socioenvironmental Responsibility Policy (PRSA), instituted in 2015 as part of the institution's development in this area.

Going beyond compliance with matters such as risk management, assessment for the concession of credit and the maintenance of socioenvironmental policies, the bank has sought greater in-depth understanding of its impacts and the risks and opportunities arising from daily contacts with different types of clients in the diverse regions of Brazil. It also seeks to drive the adoption of socioenvironmental criteria and good practices in operations with partners and suppliers in its routine operations in branches and service points, as well as in financing for projects oriented to sustainability.

In accordance with the Caixa bylaws, the Board of Directors is responsible for approving and validating all bank policies in accordance with internal standards and those of control and regulatory agencies. For example, the Board is responsible for the approval of the Socioenvironmental Responsibility Policy and for the definition of the roles and structure of the associated committees.

In a direct connection with this policy, the company has an action plan with deliverables re-

lated to managing sustainability up to 2019. During 2017, one of the advances was the involvement of the bank's governance, by means of the Socioenvironmental Responsibility Committee, in management activities concerning the client portfolio, employees and partners in the value chain.

## SUSTAINABLE DEVELOPMENT GOALS

Released by the United Nations in 2017, the SDGs are aligned with diverse Caixa activities, reflecting its maturity in socioenvironmental aspects and the connection between its socioenvironmental strategy and the challenges faced by public and private organizations in diverse regions of the world.

The correlation between the performance indicators in this report and the SDGs may be seen in the GRI summary, from page 118 on.





# PACTS AND PARTNERSHIPS

102-12, 102-13

## GLOBAL COMPACT (UNDP)

This is a UN initiative aimed at mobilizing the international business community around the promotion of fundamental values in the areas of human rights, labor, environment, sustainability and inclusive markets.

Caixa has two representatives in the organism.

## WORLD WATER COUNCIL (WWC)

The World Water Council is a network based in France, whose work is centered on awareness, business engagement and the discussion of policies on the supply and use of water.

## GREEN CLIMATE FUND (GCF)

Established by the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2011. The fund operates the UNFCCC financial mechanisms.

## INSTITUTO ETHOS

This is a civil society organization that seeks to encourage Brazilian companies to promote social responsibility.

Caixa has four representatives in the organization.

## NATURAL CAPITAL DECLARATION

In the 2012 Rio+20 Conference, Caixa signed the Natural Capital Finance Alliance (NCFA), former Capital Natural Declaration (NCD), joining the largest coalition of companies and organizations focused on integrating natural capital into the finance sector worldwide. The Management Committee is currently presided by the International Finance Corporation (IFC).

## EQUATOR PRINCIPLES

A set of procedures adopted by financial institutions to manage socioenvironmental questions associated with project finance operations.

Caixa joined the program in August 2009, assuming the commitment to execute an action plan aligned with its principles.

Caixa has one representative in the organization.

## CONSELHO EMPRESARIAL BRASILEIRO PARA O DESENVOLVIMENTO SUSTENTÁVEL (CEBDS OR BRAZILIAN BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT)

A non-profit civil association that promotes sustainable development among companies operating in Brazil by means of articulation with governments and civil society, in addition to disseminating up-to-date concepts and practices in this area.

Caixa has 14 representatives in the organization.

## PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

With more than 1,700 signatories, the Principles for Responsible Investment formalize the commitment of major institutional investors worldwide to fostering sustainable business by means of six principles applicable to each organization's activities.



# SUSTAINABILITY IN BUSINESS

FS1, FS2

For a bank the size of Caixa and with its background and activities profile, applying sustainability criteria to its business involves the maintenance of policies, tools and practices that ensure the control of social and environmental risks in granting loans, as well as effective performance in investments, allocating funding to projects capable of generating positive impacts.

In addition to the PRSA, other documents play a critical role in shaping the bank's actions. This is the case of the FGTS Socioenvironmental Policy, established in 2014, after being approved by the Curatorship Council and regulated by Ministry of City rulings published in 2015.

The policy is established in the sanitation, housing and urban infrastructure areas, aimed at setting forth principles and guidelines to prevent and manage social and environmental impacts related to the investment of FGTS funds.

By means of this policy, aspects such as the prevention and mitigation of environmental impacts and the responsible use of natural resources, as well as the protection of workers' and human rights and the protection of historical, cultural, artistic and archaeological heritage, as well as landscape, are considered in each of the fund's investment decisions.

Aligned with best financial market practices, Caixa is a signatory to important international commitments related to investment and credit concession policy: the Principles of Responsible Investment (PRI) and the Equator Principles.

In practice, these present a guidance framework for routine bank decisions, enabling the incorporation of socioenvironmental risk analysis and monitoring practices in the possession and acquisition of assets, as well as in the concession of loans and financing.

The PRI are supervised by the United Nations Environment Program (UNEP) and by the United Nations Global Compact. The principles provide incentives for the creation of more sustainable markets, incorporating social and environmental elements into the valuation of companies listed on stock exchanges.

Caixa adhered to these principles voluntarily in 2013 and since then has been working on incorporating socioenvironmental and governance criteria into its investment decisions, in addition to allocating its portfolio taking sustainability-related risk into consideration.

**Analysis of operational risks is routine for Caixa**

## BRL 10m

The threshold for conducting socioenvironmental risk assessments in credit operations

In the socioenvironmental analysis of credit operations worth BRL 10 million or more, and when the applicant does not meet the minimum social and environmental requirements, the operation does not proceed for approval by the competent area committees. When the requirements imposed by the socioenvironmental risk analysis process are met, the operation is reanalyzed. The analysis may also result in conditioning the approval to compliance with lower impact requirements based on the relevance and size of the operation and the applicant's social and environmental conduct. The conditions are incorporated into the contracts and are monitored regularly.

One of the main fronts for the practical application of sustainability in the routine of financial institutions, socioenvironmental risk is integrated into the sector's risk management framework as regulated by Brazilian Central Bank ruling 4.557/2015.

**METHODS AND CRITERIA**

At Caixa, socioenvironmental risk assessment is applied to commercial credit operations amounting to BRL 10 million or more for companies whose activities employ natural resources or may effectively or potentially cause pollution, in line with the CONAMA ruling 237/1997.

For project financing, the bank has applied the Equator Principles since 2012, in line with the requirements of this important set of guidelines from the International Finance Corporation (IFC). The requirements for the companies to be financed include questions such as respect for human rights, environmental protection, the non-utilization of slave or child labor and the provision of a safe and healthy workplace, in addition to respect for cultural and ethnic diversity.

The Equator Principles guidelines are taken into account in project finance (for investments of US\$ 10 million or more) and also in corporate loans linked with projects (for investments of US\$ 100 million or more).



**SOCIOENVIRONMENTAL RISK ASSESSMENT – 2017**

**83**  
socioenvironmental assessment reports on business clients with large operations

**BRL 12 b**  
total amount contracted during the year submitted to socioenvironmental risk assessment

**2**  
projects contracted and classified under the principles, with a total investment of **BRL 1.053 billion**

The projects are classified as high, medium or low social and environmental risk/impact. The classification requires environmental impact studies and reports, as well as consultation of agencies such as Iphan (Instituto do Patrimônio Histórico e Artístico Nacional), Funai (Fundação Nacional do Índio) and Fundação Cultural Palmares (quilombola communities).

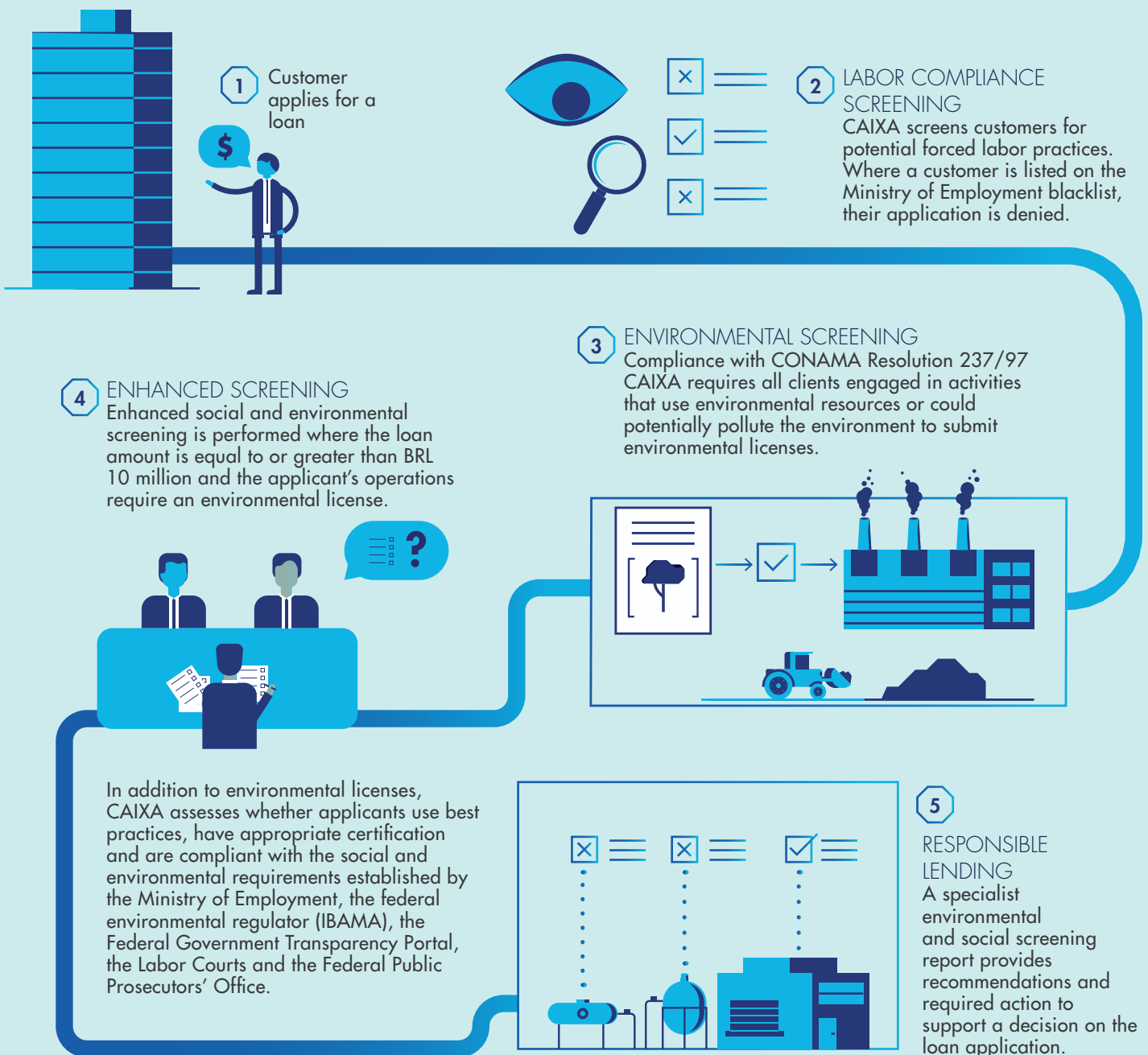
Once financing has been approved, the project is subject to monitoring. For projects classified under the Equator Principles, the monitoring is undertaken by the Caixa Sustainability and Social and Environmental Responsibility area (GERSA), which keeps the contract manager informed about compliance with the socioenvironmental conditions applied to the venture. Depending on how critical the risk is, independent audits may be conducted.

# RISK: SUSTAINABLE BUSINESS

To achieve long-term business sustainability, we assess social and environmental business risks and have strengthened our role as a public bank with a commitment to Brazil that extends well beyond delivering financial results.

## Customer screening

Customers applying for loans are screened against social and environmental requirements according to their industry. This supports responsible lending and helps to mitigate risk



# PROJECT ASSESSMENT

Applications in industries such as infrastructure, sanitation and energy are evaluated and monitored by a specialist team for compliance with our social and environmental standards and rules.



## SOCIAL & ENVIRONMENTAL COMPLIANCE

CAIXA reviews the licenses and licensing requirements established by environmental regulators, other organizations (Funai, IPHAN, Fundação Palmares etc.), environmental impact assessments, permits and other documents.

## SOCIAL & ENVIRONMENTAL MANAGEMENT SYSTEM ASSESSMENT

CAIXA evaluates the project for compliance with legal requirements, internal policies and Equator Principles.

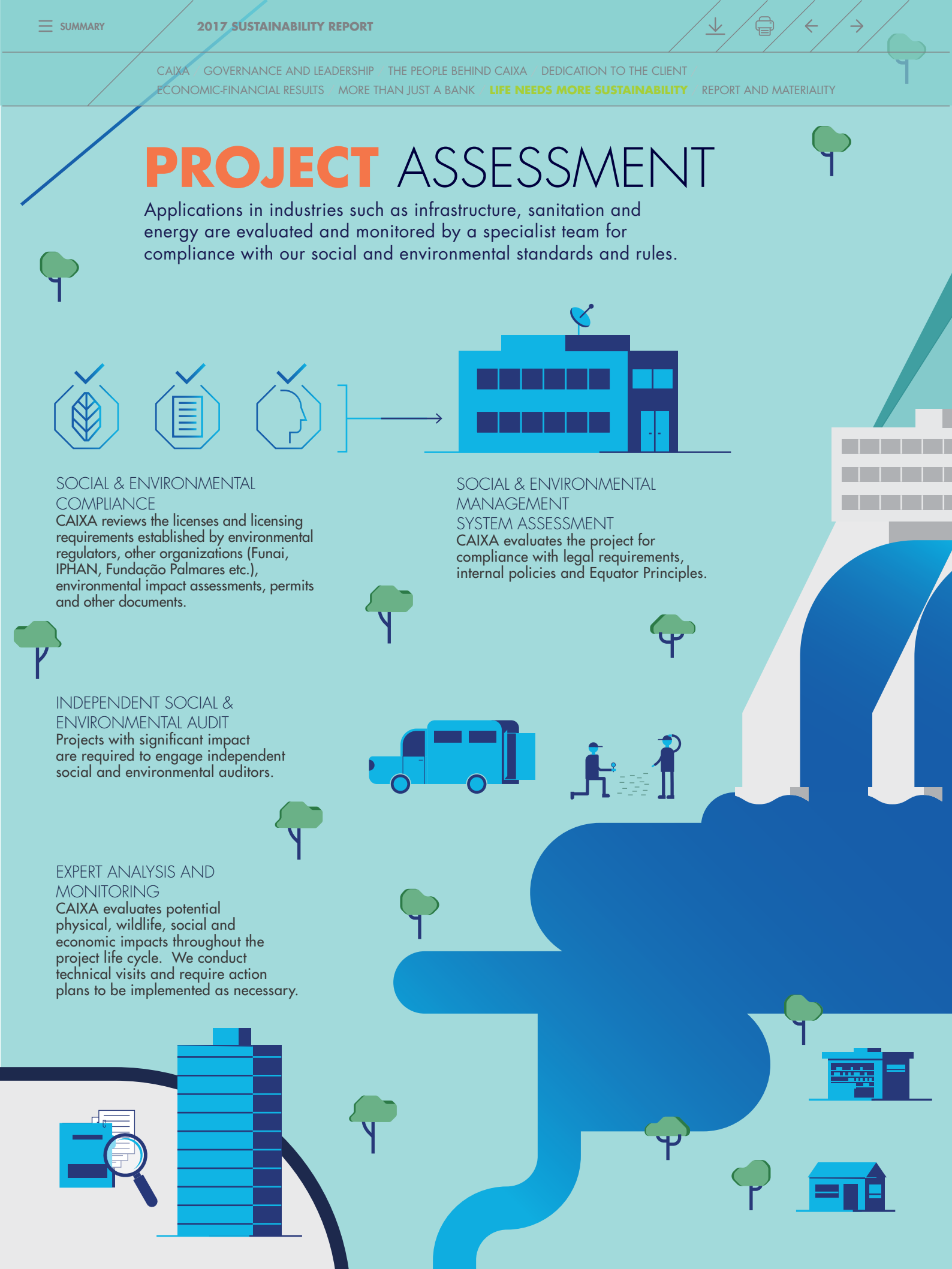
## INDEPENDENT SOCIAL & ENVIRONMENTAL AUDIT

Projects with significant impact are required to engage independent social and environmental auditors.



## EXPERT ANALYSIS AND MONITORING

CAIXA evaluates potential physical, wildlife, social and economic impacts throughout the project life cycle. We conduct technical visits and require action plans to be implemented as necessary.



**OCCUPATIONAL HEALTH & SAFETY**  
Screening for compliance with regulations on workplace conditions is conducted to help protect the well-being and integrity of workers and includes aspects relating to forced and child labor.

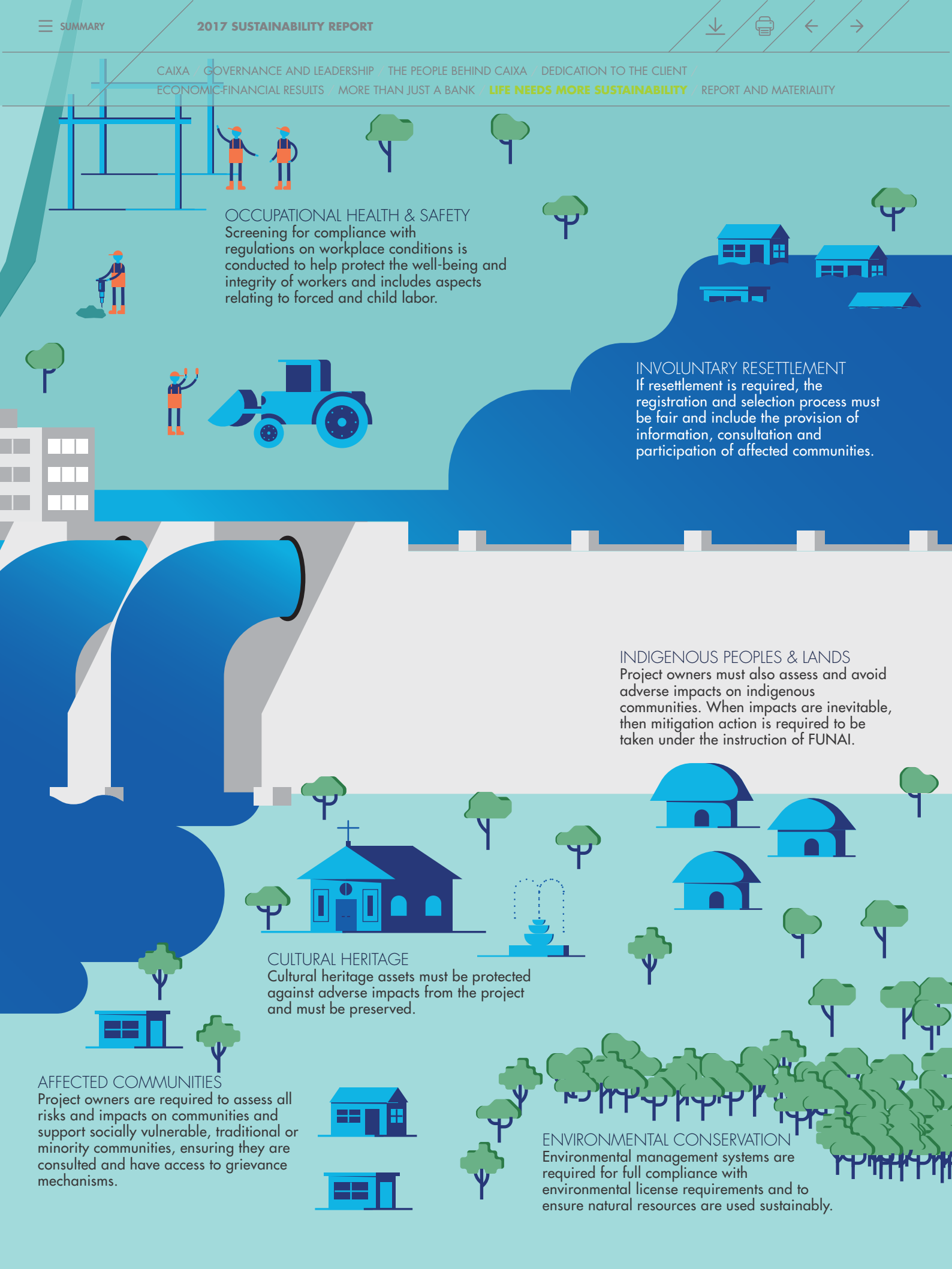
**INVOLUNTARY RESETTLEMENT**  
If resettlement is required, the registration and selection process must be fair and include the provision of information, consultation and participation of affected communities.

**INDIGENOUS PEOPLES & LANDS**  
Project owners must also assess and avoid adverse impacts on indigenous communities. When impacts are inevitable, then mitigation action is required to be taken under the instruction of FUNAI.

**CULTURAL HERITAGE**  
Cultural heritage assets must be protected against adverse impacts from the project and must be preserved.

**AFFECTED COMMUNITIES**  
Project owners are required to assess all risks and impacts on communities and support socially vulnerable, traditional or minority socially vulnerable, ensuring they are consulted and have access to grievance mechanisms.

**ENVIRONMENTAL CONSERVATION**  
Environmental management systems are required for full compliance with environmental license requirements and to ensure natural resources are used sustainably.





# AGREEMENTS AND ACCORDS

103-1 | 201, 103-2 | 201, 103-3 | 201, 201-2

By means of technical cooperation measures, Caixa finances projects and shares its experiences in supporting businesses that produce positive results in terms of sustainability. Worthy of note in 2017 were:

## BRAZIL-GERMANY COOPERATION: PROJECTS AND ADVANCES

Caixa maintains its involvement in the partnership between the German development bank KfW Bankengruppe and the Brazilian Ministry of the Environment. Caixa has fostered energy efficiency in Brazil by means of a specific line of credit and supplementary measures.

Workshops, encounters and visits by delegations resulted in the establishment of the KfW/Caixa Energy Efficiency Program. In 2017, the authorization of a loan agreement worth US\$ 95 million between KfW Bankengruppe and Caixa was approved. This is aimed at the implementation of the Sanitation and Infrastructure Financing Product – Investment (FINISA – I), to provide funding that will enable Caixa to finance Eletrosul Centrais Elétricas S/A investments in renewable energy and energy efficiency projects.

**Knowledge and experience exchanges are a reality in Caixa partnerships with other institutions**

Up to

**BRL95 m**

Involved in the loan agreement between KfW Bankengruppe and Caixa

## CERRADO JALAPÃO PROJECT

Another important project is Cerrado Jalapão, the result of a technical and financial cooperation agreement between Brazil's Ministry of the Environment (MMA) and the German Ministry of the Environment, Nature Conservation and Nuclear Security (BMU), with KfW acting as intermediary.

Since 2012, Caixa has been responsible for financial management and contracting goods and services for the project, which is aimed at preventing, controlling and monitoring irregular burning and forest fires in the Brazilian Cerrado region.

Around 4.6 million euros of the 6 million euros donated by KfW had been executed by December 31, 2017. In 2017 alone, BRL 2.7 million was spent on acquisitions for the project. Project beneficiaries are obliged to provide goods, services and labor in exchange for the donations. A total of BRL 52 million in corresponding exchanges has been executed.

## CADASTRO AMBIENTAL RURAL (RURAL ENVIRONMENTAL REGISTER)

Linked with law 12.651/2012, which governs the protection of native vegetation in Brazil, the CAR Project – Environmental Regularization of Rural Properties in Amazônia and in Cerrado Transition Areas is also executed in partnership with Germany's KfW bank.

With a donation of 33 million euros, the project will cover the states of Mato Grosso, Pará and Rondônia, directly benefiting 77 municipalities in the region. The main aims of the project are the conservation and reclamation of forests, focused particularly on reducing deforestation, maintaining biodiversity, reducing greenhouse gas emissions and promoting greater environmental control over rural properties by means of the Rural Environmental Register (CAR) and support for the reclamation of degraded areas.



The CAR is a national public register that is mandatory for all rural properties, integrating environmental information about such properties and landholdings.

The arrangement also involves Embrapa (Empresa Brasileira de Pesquisa Agropecuária), which is responsible for the transfer of degraded area reclamation technologies to the participating states.

Highlights in 2017 were the organization of a tender to contract an international consultancy; the preparation of the project operational manual; and the first disbursement for the project in the amount of 680,000 euros.

### GREEN CLIMATE FUND

The Green Climate Fund (GCF) is a multilateral climate fund created to oversee the financial mechanisms for the United Nations Framework Convention on Climate Change (UNFCCC), aimed at combating climate change.

To have direct access to GCF funds, Caixa submitted a request for accreditation to the fund in 2015. This process is divided into three stages, and the first – which consists of information and documentation analysis – was concluded in 2017. Currently Caixa is engaged in the second stage, which involves the review and clarification of the information provided. The third stage will be approval by the GCF board and formalization of the financial cooperation.

Upon accreditation, Caixa will have direct access to GCF funds to promote the financing of projects aimed at mitigating and /or adapting to climate change impacts.

### SOLID WASTE AND CARBON

Caixa is the first bank in the country to offer a financial solution for compliance with Brazil's national solid waste policy (law 12.305/10, governing the eradication of garbage tips and the implementation of landfills), together with carbon credits for projects in the Clean Development Mechanism (CDM) activities program (POA).

In the solid waste and carbon area, Caixa financed the implementation of the largest landfill in South America: the Santa Rosa waste treatment center (CTR) in the municipality of Seropédica, which has received waste from the Rio de Janeiro (RJ) metropolitan region since the closure of the Jardim Gramacho operations. This is the first finance operation to integrate Caixa credit lines with the global carbon market, by accepting Emissions Reduction Certificates, carbon credits, as an auxiliary guarantee for the operation, incorporating new concepts into finance solutions related to the generation of specific results, in this case, carbon credits.



**Partnership with the German development bank KfW has resulted in important projects for the country**

In 2016, the São Gonzalo Solid Waste Center (CTR) in the Rio de Janeiro municipality of São Gonçalo, was the second project to participate in the Caixa Econômica Federal Solid Waste Management and Carbon Finance Project. The project, which has been registered in the United Nations since 2012, promotes the implementation of carbon project activities in landfills.

This strategy is aimed at financing projects for the implantation of landfills and the Clean Development Mechanism in a single program coordinated by Caixa; it involves consulting, organization and financial intermediation. Even if the project does not have financing, the strategy is eligible and covers the entire carbon operational cycle.

In 2017, Caixa conducted its fourth issue for the Santa Rosa and São Gonçalo waste treatment center projects, related to the volume generated in the second half of 2016.

Additionally, Caixa finalized its first carbon contract related to the Candeias waste treatment center – located in Recife (PE), when it reached its fourth issue, successfully delivering the carbon credits over a year ahead of schedule .

# Businesses involving combating climate change demonstrate Caixa's commitment to a low carbon economy

## 1<sup>st</sup>

The Santa Rosa waste treatment center project was the first to integrate Caixa credit into the international carbon market

### RESULTS IN PRACTICE

**1.7 million**  
metric tons of CO<sub>2</sub>e issued in clean development projects

**4 issues**  
certified up to 2017

**Delivery**  
of Candeias Waste Treatment Center project over a year ahead of schedule

### FOR 2018

**1.5 million**  
metric tons of CO<sub>2</sub>e to be issued

**2 certified**  
issues scheduled

**POA Caixa**  
Volume agreed in contract delivered one year ahead of schedule

Delivery in excess of negotiated volume of

**3 million**  
metric tons of CO<sub>2</sub>e emissions

New POA Caixa projects underway

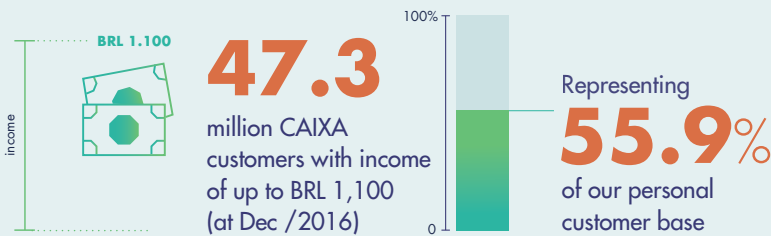
Expectation of new carbon contract for the commercialization of a higher volume of CO<sub>2</sub>e under the POA Caixa

# OPEN INNOVATION IN INCLUSIVE FINANCE

As part of our efforts to address financial education needs, in 2016 we launched a pioneering project that is working in collaboration with startups to identify sustainable finance solutions for low-income customers.

## THE CHALLENGE

Expand access to banking services and promote financial planning practices among low income customers.



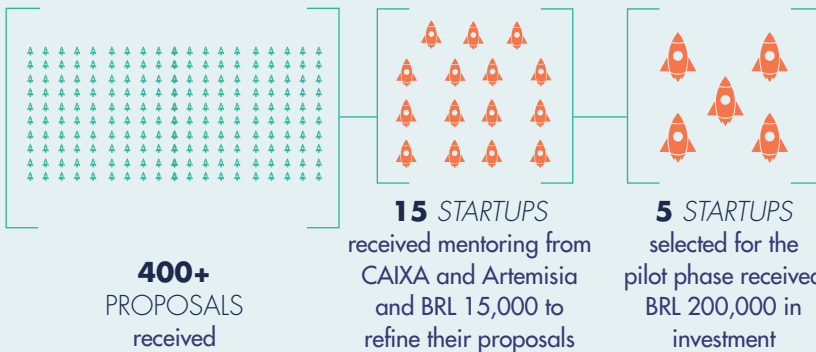
## THE STRATEGY



A public call for proposals from startups for innovative financial education and financial services solutions to improve the lives of low-income customers.

## EXECUTION

In partnership with Artemisia and with funding from the CAIXA Socioenvironmental Fund, we supported and accelerated 5 high-impact startups developing inclusive solutions.



**5 solutions piloted directly with target consumers:** beneficiaries of the *Minha Casa Minha Vida* and *Bolsa Família* conditional cash transfer programs

## THE RESULT

Five startups supported by the project:

**1** MGOV (Poupemais) (SP)  
[www.mgovbrasil.com.br/pt/projeto/poupe-mais](http://www.mgovbrasil.com.br/pt/projeto/poupe-mais)

Customers receive SMS messages with information and suggestions to support financial planning, reducing the risk that they will become excessively indebted

**2** JEITTO (SP)  
[www.jeito.com.br](http://www.jeito.com.br)

Offers small, short-term revolving facilities to help customers put their personal finances in order and pay essential bills (light, water, gas, phone)

**3** DIMDIM (PR)  
[usedimdim.com.br/dimdim](http://usedimdim.com.br/dimdim)

A service to mediate payments and collections, providing credit analysis and collection capabilities for retailers

**4** SMARTMEI (SP)  
[www.smartmei.com.br](http://www.smartmei.com.br)

Helps sole proprietorships to deal with the bureaucratic aspects of taxes and day-to-day business management

**5** QUEROQUITAR! (SP)  
[www.queroquitar.com.br/home](http://www.queroquitar.com.br/home)

A platform providing a more positive approach to loan renegotiation, in which borrowers can propose their own loan terms, increasing debt recovery and customer solvency rates



**In summary:** A large, government-owned company collaborating with a high-impact business accelerator to develop startups for the benefit of low income consumers in Brazil.

LEARN MORE AT:  
[www.artemisia.org.br/desafiocaixa](http://www.artemisia.org.br/desafiocaixa)

# SOCIAL HOUSING GOOD PRACTICES

103-2 | 203, 103-3 | 203, 203-1

A key link between the civil construction sector and the Brazilian public because of the social housing programs that it operates, Caixa adopts criteria and processes that permit the reduction of impacts caused by housing developments – both during the construction and occupation phases.

Over recent years, the Minha Casa Minha Vida program has become an important laboratory for experiences and partnerships aimed at developing sustainability standards and processes. As part of the overall review of the program in 2017, the Caixa Sustainability and Socioenvironmental Responsibility (GER-SA) area worked with the Ministry of Cities' National Housing Department to implement an agenda of quality and efficiency in the conception of the post-occupation phase of new developments.

As this work progressed, the bank contracted consulting services from Building Research Establishment (BRE), a British organization with over 90 years experience in the research and development of technologies to drive sustainability and innovation in urban developments. In the project "Advancing Sustainability in Social Housing Projects in Brazil", Caixa and BRE developed a set of tools and methodologies which will support the most demanding housing requirements, aimed at promoting continuous improvement in future projects. The following tools are worthy of note.

- **Sustainability and governance standard** for social housing processes, directly impacting the projects in areas such as rational resource use, reduced usage and maintenance costs and quality of life for residents;

- **Balanced Scorecard (BSC) for housing developments**, to be adopted when assessing the development plans, taking into account potential, urban scale and the services necessary to ensure social, economic and environmental sustainability;
- **Post-occupation Research (PPO)**, to survey and map opinions about the housing produced, in order to understand how the buildings perform.

## GOOD PRACTICES ADOPTED BY CAIXA

### Solar Water Heating System (SAS – MCMV)

This is currently 100% integrated into the Minha Casa Minha Vida program. More than 380,000 units employing the system have been contracted since the beginning of this government initiative in 2009. In the third cycle of the program, the SAS system was made optional for the North and Northeastern regions. It is still mandatory in all other regions. The item may also be replaced by micro-generation systems employing photovoltaic technology. The data in the table below were revised in comparison with previous years due to improved information consistency.

Phase	YEAR	NUMBER OF HOUSING UNITS WITH THE SAS SYSTEM
MCMV1	2009/2010	41,449
MCMV2	2011	31,644
MCMV2	2012	136,061
MCMV2	2013	134,204
MCMV2	2014	36,479
MCMV2	2015	-
MCMV2	2016	1,626
MCMV 3	2017	2,769
<b>TOTAL</b>		<b>384,232</b>

# Reducing impacts, from construction processes to the occupation of housing, is a responsibility assumed by the bank, the leader in low-income housing loans

## Casa Azul Seal

The Caixa Casa Azul (Blue House) Seal is a means of recognizing and stimulating the adoption of sustainability practices in the production of housing developments. It comprises 53 sustainable ideas that may be incorporated into the plans for housing developments financed by Caixa. The seal is divided into six assessment categories: Urban Quality, Plan and Comfort, Energy Efficiency, Conservation of Material Resources, Water Management and Social Practices. Since its launch, the seal has been awarded to 26 developments, totaling 9,121 more sustainable housing units financed by Caixa, benefiting the residents with better quality of life and reduced monthly expenses in running and maintaining their homes.

## Legal Timber

Implanted in January 2009, the initiative monitors the use of timber of legal origin in all the housing developments financed by Caixa. The measure involves the requirement of Forestry Origin Documentation (DOF) for native timbers. It also requires a declaration stating the volume and the end use of this timber in the construction work.

## Caixa Best Local Management Practices

The initiative recognizes the best projects incorporating sustainability elements carried out with technical and/or financial support from Caixa. The program was launched in 1999 and is based on the United Nations "Best Practices and Local Leadership Program", providing local support for the Habitat Agenda, a UN document setting forth guidelines for the creation of sustainable living standards in human settlements. The tenth edition, for the years 2016/2017, resumed the recognition of diverse initiatives (see the following infograph).

In 2017

**1,158**

housing units received the Casa Azul seal in **6 developments**

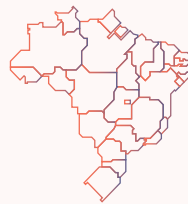


# FOR A BETTER BRAZIL IN PRACTICE

The **CAIXA** Best Local Management Practices Award has reached its 10<sup>th</sup> edition as a program recognizing success stories of transformation.

# 2,058

projects entered for the award in 18 years (1999-2017)



# 21

states and the Federal District have received recognition for best practice in past editions of the Award

# 130

projects recognized in 10 editions

# 332

million people benefited by award-winning practices

# BRL 42 b

in funds, loans or grants provided by CAIXA for best practices since inception of the Program

## FOCUS AND CRITERIA

CAIXA Best Practices selects, recognizes and disseminates positive practices across five focus themes:



MUNICIPAL MANAGEMENT



ENVIRONMENTAL MANAGEMENT & SANITATION



LOCAL DEVELOPMENT & SOCIAL INCLUSION



HOUSING



SOCIAL WORK

## CONTRIBUTION TO SOCIETY

By recognizing initiatives that improve peoples' lives, the Award Program functions as a laboratory for transformational change

### RECOGNITION CRITERIA

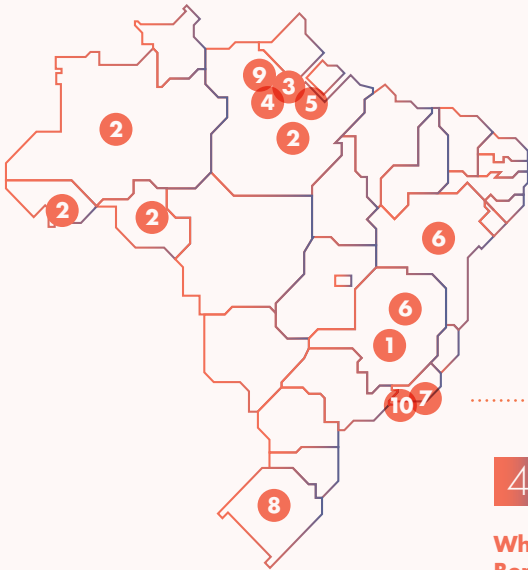
- Gender **equality**
- **Impact**
- Social **inclusion**
- **Innovation** in a social context
- **Community** leadership and empowerment
- **Collaboration**
- **Replicability**
- **Sustainability**



# 25

states + Federal District with projects entered in 2017/2018 edition

## AWARD-WINNING PRACTICES 2017-2018



### 1 MAROON ALTERITY

**Where?** Belo Vale (MG)  
**Beneficiaries?** 250 people

This project built 83 rural houses with solar heaters and septic tanks in impoverished communities, including maroon communities; and held workshops to help families settle into their new homes, with activities running from 2014 to 2015.

### 2 ENCAUCHADOS DA AMAZÔNIA

**Where?** 4 states  
**Beneficiaries?** 3.500 habitantes

This project supported and helped to develop Social Technology (TS) for *Encauchados* crafts, protecting the livelihoods of rubber tappers in a sustainable manner. The project benefited families in 75 communities in Acre, Rondônia, Amazonas and Pará.

### 3 MÃOS CARUANAS

**Where?** Ilha de Marajó (PA)  
**Beneficiaries?** 10,500 people

This project focused on improving the development indices of impoverished communities in Soure (PA) through an innovative education process that combines teaching practices with the ancient culture of the Marajoara.

### 4 BANCO PRACUUBENSE

**Where?** Marajó – 9 municipalities  
**Beneficiaries?** 3,000 people

Implemented in an açai harvesting area, this project involved the implementation of a community bank offering banking services to build the local economy in Vila de São Miguel de Pracuúba.

### 5 FUNDO SOLIDÁRIO AÇAÍ

**Where?** Marajó, Portel  
**Beneficiaries?** 150 people

With funds deriving from donated percentages of seasonal açai sales, this project established a community fund in the coastal community of Santo Ezequiel Moreno, in Portel (PA).

### 6 SERTÃO VEREDAS MOSAIC

**Where?** 11 municipalities in MG and BA  
**Beneficiaries?** 190,000 people

This program promotes community-based, sustainable ecotourism in an area on the left bank of the mid-São Francisco River that was a source of inspiration for the novel *“Grande Sertão: Veredas”*, by Guimarães Rosa.

### 7 MARÉ DE SABORES

**Where?** Favela da Maré, RJ  
**Beneficiaries?** 500 people

Implemented by Redes da Maré in 2010, this program comprises activities to develop sources of income, discuss gender equality and advance women’s rights in the Maré favela, including gastronomy workshops and training on human rights, civic engagement and gender equity.

### 8 MAIS FLORESTA MAIS VIDA

**Where?** Agudo, Ibarama, Nova Palma, Santa Maria and São João do Polêsine, RS  
**Beneficiaries?** 1500 people

The project aimed to revitalize, preserve and restore natural resources through a range of social and environmental initiatives—including surveys of forest remnants and species genetics for seed collection and sapling cultivation for riparian reforestation, as well as educational initiatives.

### 9 CATADORES DE FUTUROS

**Where?** Marajó  
**Beneficiaries?** 92,000 people

This project provided support to Cooperativa de Reciclagem e Trabalho Ltda (Coopert), a cooperative in the city of Itaúna that has implemented initiatives such as organizing waste pickers as cooperatives; including them in the Solidary Waste Segregation Program; creating associations; connecting waste pickers to the CataUnidos network; including them in state programs supporting recycling; and developing new waste sorting sites and facilities.

### 10 TECENDO INCLUSÃO

**Where?** Natividade (RJ)  
**Beneficiaries?** 117 people

This project implemented initiatives to further develop a cooperative specializing in embroidery, including initiatives to increase cooperative revenues and enhance the value of embroidery products.

**FOR FURTHER INFORMATION:**  
<http://www.caixa.gov.br/sustentabilidade>

# CAIXA SOCIOENVIRONMENTAL FUND

103-2 | 203, 103-3 | 203, 203-1, FS7, FS8

As part of the bank’s commitment to Brazil’s development, the Caixa Socioenvironmental Fund (FSA Caixa) reinforces the positive impact of business by supporting transformational social and environmental projects focused on the low-income population.

Created in 2010, the fund is constituted with up to 2% of Caixa’s net income, which is channeled into one of three areas:

- Public selection: projects selected based on criteria set forth in specific regulations based on the activity fronts and thematic lines defined on an annual basis.
- Support for internal policies: strategic projects proposed by external bodies, donors or contributors to FSA Caixa funds, also based on the activity fronts and thematic lines defined on an annual basis.
- Financial incentives for sustainable businesses: this area subsidizes internal Caixa demands for products that add socioenvironmental value.

The Sustainability and Socioenvironmental Responsibility Committee (RSA Committee) defines the activity fronts and the way in which funds will be allocated to the projects financed, with validation by the Caixa Steering Council.

In 2017, the RSA Committee approved investments of BRL 37,888,890 in proposals to support the FSA Caixa, worthy of note being:

- Two public calls for project proposals: FSA Tender 001/2017 – Development and Citizenship Projects; and FSA Tender 002/2017 – Renewable Energies and Water Resources;
- In partnership with the Ministry of the Environment, a public call for proposal – FNMA/FSA Tender 001/2017, focused on support for composting projects;
- Technical Cooperation Agreement with the City of São Paulo government for the execution of two public calls for proposal: Maker Residence and Integrated and Sustainable Territory Development (DIST) City of São Paulo;

- Financial support for three Internal Policy Support (API) projects: Strengthening Communities for the Construction of Inclusive, Resilient and Sustainable Cities; Financial inclusion by means of integrated supportive economic and financial measures; and the Casa da Menina-moça, mulher.

From the proposals that were approved, the fund signed 14 financial cooperation agreements totaling BRL 9,050,141.75, aimed at Water Sustainability, Sustainable Cities, Socio-Economic Promotion and Agroforestry Sustainability. Another 31 projects have yet to be signed by the RSA Committee; they are currently at the qualification stage.

The FSA Caixa portfolio contains 50 projects, of which 37 received funds totaling BRL 15,423,435.64 in 2017.

## FSA CAIXA PROJECTS SIGNED IN 2017

### SUSTAINABLE CITIES

Executing Agent	Project	AMOUNT FSA CAIXA (BRL)*	MATCHING AMOUNT	AMOUNT OF INVESTMENT	MUNICIPALITY
Casa Socioenvironmental Fund	Strengthening Communities to Reinforce Inclusive, Resilient and Sustainable Cities	6,500,000.00	2,355,550.00	8,855,550.00	São Paulo (SP), Recife (PE), Rio de Janeiro (RJ), Brasília (DF), Palmas (TO), Belém (PA), Salvador (BA), São Luis (MA) and Belo Horizonte (MG)

**SOCIO-ECONOMIC PROMOTION**

Executing Agent	Project	AMOUNT FSA CAIXA (BRL)*	MATCHING AMOUNT	AMOUNT OF INVESTMENT	MUNICIPALITY
Instituto Nordestino de Cidadania e Moradia Popular – Habitar	Mulheres Quilombolas e Identidades Culturais	191,800.00	8,200.00	200,000.00	Palmeira dos Índios (AL)
Instituto Amazônia	Caminhos do Frei – Espaço São Vicente	193,260.00	77,800.00	271,060.00	Manaus (AM)
Papel Solidário	Reforma Solidária	198,332.54	150,110.00	348,332.54	São Paulo (SP)
Baobá – Fundo para Equidade Social	Afro-Brazilian youth and women	199,853.60	39,990.00	239,843.60	Salvador (BA)
Instituto Vitória Régia	Women in action: Organization of production, work and income for women in the Amazon – Sustainability at the table	199,855.50	75,930.00	275,785.50	Belém (PA)
POLOPROBIO	Revitalization and Stewardship of Native Rubber Plantations in Pará – Rubber bags	199,324.56	76,300.00	275,624.56	Anajás (PA)
Agro-extractivist Association – PAE Natureza e Arte do Município de Barcarena	Production of clay handicraft artifacts and biojewelry by rural communities in the municipality of Barcarena	200,000.00	18,012.00	218,012.00	Barcarena (PA)
Instituto Internacional de Educação do Brasil – IEB	Mulheres Marajoaras	199,860.00	46,000.00	245,860.00	Portel (PA)
Associação Barraca da Amizade	Reviver	200,000.00	94,923.60	294,923.60	Fortaleza (CE)
Instituto Cultura em Movimento	Cinema University Circuit – Caixa Circuit	199,428.00	25,163.40	224,591.40	Boa Vista (RR), Palmas (TO), Fortaleza (CE), Aracaju (SE), Salvador (BA), Brasília (DF), Campo Grande (MS), Porto Alegre (RS), Florianópolis (SC), Rio de Janeiro (RJ)
Associação Luta Pela Paz	Luta Pela Paz School Reinforcement Program	199,499.10	207,250.00	406,749.10	Rio de Janeiro (RJ)
Associação de Amigos do Bairro Dom Antonio Barbosa	Look to the Future	200,000.00	29,600.00	229,600.00	Campo Grande (MS)
Enseada da Baleia Residents' Association, Ilha do Cardoso (AMEB)	Reconstructing Traditions with Sustainability and Efficiency	168,928.45	26,808.45	195,736.90	Cananeia (SP)

# CAIXA SOCIOENVIRONMENTAL FUND

The **CAIXA** Social & Environmental Fund (FSA) was created to manage and invest funding in social and environmental programs primarily benefiting low-income communities, and is one of the key ways in which we generate positive impact. Created in 2010, it is funded primarily by an allocation of up to 2% of our net profit.

## FORMS OF SUPPORT



**PUBLIC CALL FOR PROPOSALS**  
CAIXA organizes a country-wide call for proposals that evaluates projects based on specific rules in line with annually established lines of action and topics



**SUPPORT FOR INTERNAL POLICIES**  
Support for strategic projects proposed by external organizations, donors or entities providing funding to the FSA.



**FINANCIAL SUPPORT FOR SUSTAINABLE BUSINESS**  
Support for internal projects at CAIXA to develop products delivering social and environmental benefits

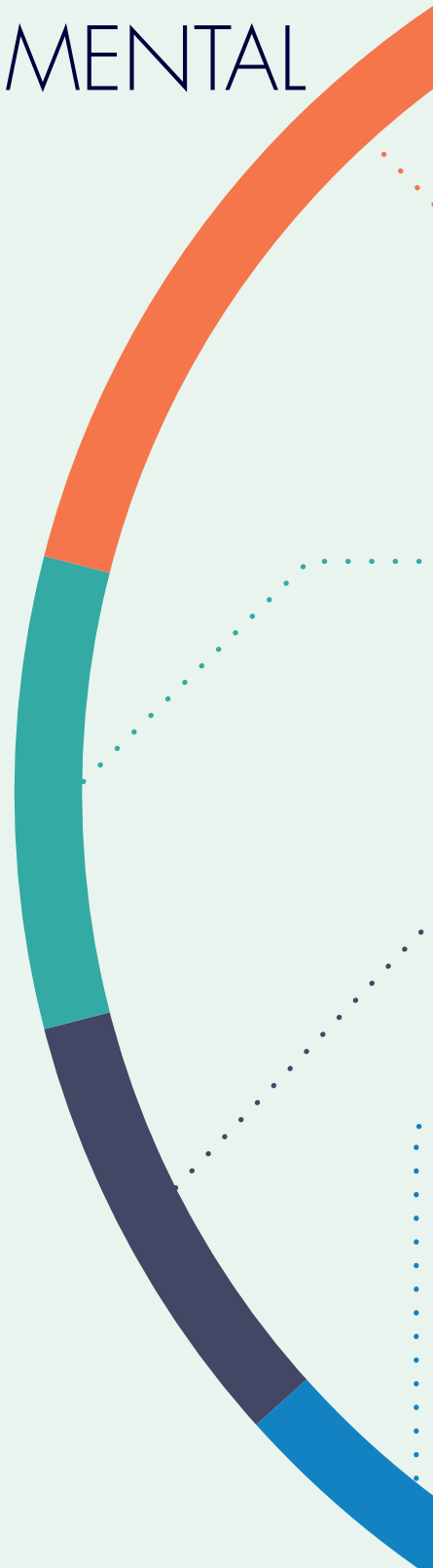
## 2017 IN NUMBERS

BRL **37.9**  
million approved by our RSA Committee to support projects

**170**  
agreements in total

**14**  
new Financial Cooperation agreements added to current portfolio

BRL **646,400**  
in average disbursements per agreement



## INVESTMENT PER TOPIC



41%

Sustainable Cities  
BRL 49.84 million

### ECO-CULTURAL TOURISM IN THE SERTÃO VEREDAS MOSAIC-PERUACU

**FSA Investment** BRL 1.6 m

**Where?** Brazil's Cerrado region

A project to support community-based, sustainable ecotourism in an area on the left bank of the mid-São Francisco River. Initiatives include training for tourist guides, cultural interchange between indigenous peoples, and initiatives to revive local traditions.

• **190,000 people reached**



19%

Water Sustainability  
BRL 23.33 million

### MAIS FLORESTA MAIS VIDA

**FSA Investment** BRL 455,000

**Where?** A mid-state region of Rio Grande do Sul

This project included surveys of forest remnants and species genetics; production of seedlings for riparian reforestation; training for local communities and farmers; and experimental farms.

• **500 people benefited directly**



18%

Social & Economic Development  
BRL 21.67 million

### BANCO PRACUUBENSE

**FSA Investment** BRL 3 m (integrated with the *Embarca Marajó* project)

**Where?** São Miguel de Pracuúba (PA)

This project created and implemented a community bank with its own currency, which is accepted by 95% of local retailers, helping to develop the economy and bankarization in the community.

• **3,000 residents benefited**



13%

Clean & Renewable Energy  
BRL 14.93 million

### BIODIGESTERS

**FSA Investment** BRL 2.9 m

**Where?** RS, SC, MG, BA, PE and GO

This project deployed social technology on smallholder farms benefited by the National Rural Housing Program (PNHR). It provided training on how to build small-scale biodigesters to convert manure into cooking gas.

• **335 families benefited**



10%

Sustainable Agroforestry  
BRL 11.44 million

### RURAL ENVIRONMENTAL REGISTRATION

**FSA Investment** BRL 9.3 m

**Where?** Brazil's semi-arid region

Five projects were supported with FSA funding to register the rural properties of smallholders and traditional (indigenous and maroon) communities in the Rural Environmental Registry (CAR), supporting low-income beneficiaries in achieving environmental compliance and getting access to agricultural credit.

• **50,000 rural properties registered**



# TERRITORY DEVELOPMENT

103-2 | 203, 103-3 | 203, 203-1, 203-2

**The DIST territorial development strategy explores elements of sustainability that are relevant in the context of Brazil**

In diverse territories, Caixa implements the Integrated Sustainable Territory Development (DIST) program, focused on four areas of activity: Territorial Governance; Economic Vitalization; Environmental Management; and Sociocultural Promotion.

This strategy supports projects that propose solutions for local development, the integration of public policies and a balance in public spaces, aimed at promoting civic awareness, vitalizing economies, improving environmental management and strengthening territorial governance.

With direct FSA Caixa support, the DIST program is currently being applied in areas with Minha Casa Minha Vida developments. It is also being implanted in the riverside communities served by the floating branches in the Amazon region.

The application of the DIST program mobilizes partnerships with specialized bodies recognized for their experience in local development.

Since it was introduced, the methodology has been applied in 18 projects comprehending 91 Minha Casa Minha Vida developments that have been executed or are under execution. From 2013 to 2017, more than BRL 24 million was invested via the FSA Caixa fund, supporting more than 50,000 families in every region of the country.

more than  
**BRL 24 m**

invested in DIST programs via FSA Caixa, supporting

over **50,000**  
families nationwide

There follows a description of some of the main highlights in these areas during the period.

## TERRITORIAL GOVERNANCE

- Construction of a local agenda by dialogue groups known as local arrangements, comprising associations, religious organizations or neighborhood groups. The DIST program was executed in São José do Ribamar (MA).
- Establishment of local governance forums in Lauro de Freitas (BA).
- Preparation of an action plan in conjunction with the Lauro de Freitas local government in the community communication area, including social networking, text production, photography, cinema clubs, as well as the audiovisual segment.

## ECONOMIC VITALIZATION

- Inauguration of the Brisa do Lago Business and Management Center as a base for local governance and associations incubated by the project, which includes the Brisa do Lago Community Bank. The project was executed in Arapiraca (AL).
- Organization of a participative socioeconomic diagnosis in São José do Ribamar.
- Organization of a financial literacy course for members and directors of the Brisa do Lago community bank, providing training in family financial education to promote financial balance for families and businesses.
- Organization of the Brisa do Lago Entrepreneurs' Fair.
- Establishment of the Rio Largo Territory Development Forum, with the participation of residents' and women's association in Rio Largo (AL).
- Establishment of the Mutum de Alagoas Community Bank, also in Rio Largo.
- Training in financial literacy, planning, revolving and support funds for incubated entrepreneurs.
- Organization of a fair in Campinas (SP) to disseminate best community entrepreneurship practices and to cultivate entrepreneurial community projects that value quality of life and local development.

- Establishment of the Artisan and Cooks network, with the organization of a series of training courses in Ribeirão das Neves (MG).
- Entrepreneurial measures for local tradespeople and artisans and the development of 20 business plans for local entrepreneurs, also in Ribeirão das Neves.

**SOCIOCULTURAL PROMOTION**

- Implantation of a community provider to offer an educational space for young people in the communication nucleus, with high quality internet at a fair price, distance learning courses and a local video platform in Rio Largo.
- Implantation of Communication Communication Nucleus for young people in the Alterosa housing development. Production of the photography exhibition “Snapshot in Alterosa”, which received the Minas Gerais Human Rights Award in the second half of 2017. The initiative was undertaken in Ribeirão das Neves.
- Organization of audiovisual workshops for young people. The video workshops led to the production of the following works: “Rimando no Bassoli”, “Occupatio – Sirius” and “Luz, mulheres, ação! Vila Abaeté”.
- Organization of the second Conflict Mediation course in conjunction with the Minas Gerais state government conflict mediation program in Ribeirão das Neves.

**ENVIRONMENTAL MANAGEMENT**

- Elaboration of the Rapid Participative Map to generate reports on problems related to water, sewage, drainage, electricity, lighting and paving in São José do Ribamar.
- Mobilization, training and the drafting of by-laws for the Rio Largo Waste Picker Cooperative (COOPRIL).
- Joint effort in Campinas to prepare a community space furnished for meetings, children’s play sessions and street cinema.
- Revitalization of parks and games courts with the installation of urban furniture and equipment. This community action in Campinas included the implantation of a leisure area, vegetable garden, orchard, children’s playground, open air gym and an area for the association’s headquarters.
- Environmental community joint effort involving planting, recycling, composting, cleaning up, a smart irrigation system and plant cloning

- ing techniques in Lauro de Freitas.
- Affective cartography of the territory aimed at locating spaces in the development in which environmental actions are in place, as well as the spots which residents feel affection for on a map built collectively. This was undertaken in Lauro de Freitas (BA)

**DIST PROGRAM ON THE ILHA DE MARAJÓ**

Caixa applies the DIST program in a territory consisting of 10 municipalities on the route of the Ilha do Marajó floating branch, covering some areas with the lowest human development indexes in the country. The “Embarca Marajó” project involves three types of action: governmental and non-governmental partnerships; education, culture and civic awareness; generation of employment and income.

**The project accompanies the floating branches, bringing development to riverside communities in Brazil**

**HIGHLIGHTS IN 2017**

Training workshops and interchanges between the good practice diffusion centers (DIBOA) – four for the açai chain, six for the andiroba chain and four for the shrimp chain, with 299 leaders trained

2nd Family Agriculture Seminar, attended by 250 community leaders, agricultural producers and government representatives

Technical consulting support for the Sementes do Marajó cooperative, with the donation of technologies and the implantation of equipment

Production of the film *Marajó Mulher*, in partnership with the organization Associação Cultural Dalcídio Jurandir

Promotion of the 1st Marajó Film Festival, covering six municipalities (Ponta de Pedras, Salvaterra, Soure, Portel, Curralinho and Breves), with 670 participants.

# ENVIRONMENTAL MANAGEMENT

103-2 | 201, 103-3 | 201

Aware of the impacts generated by the banking operation nationwide, the institution maintains the Caixa Eco-efficiency Plan, a customized strategy elaborated with support from a specialized consultancy to draft actions in the areas of water, energy, sustainable constructions, greenhouse gas emissions, waste, paper, awareness and communication, as well as monitoring.

In conjunction with other instruments such as the Caixa Socioenvironmental Responsibility Policy (PRSA) and the Sustainable Procurement Plan, the eco-efficiency plan sets forth short, medium and long-term measures. This enables the institution to constantly review its processes, incorporate new technologies and modify management models to reduce the consumption of natural resources and materials and prevent direct environmental damage caused by the business.

## GHG EMISSIONS

To help drive a low carbon economy and in recognition of the environmental impact caused by its operations, Caixa prepares a Greenhouse Gas Emissions Inventory on an annual basis, monitoring its results and establishing mitigation measures.

The Caixa Greenhouse Gas Emissions Inventory is aligned with the guidelines set forth by the Intergovernmental Panel on Climate Change (IPCC) and the GHG Protocol – Greenhouse Gas Protocol.

Since 2013, the inventory has been subject to external audit to assure the reliability of the data reported. The elaboration of a complete inventory and the submission to external assurance ensured a Gold Seal for Caixa in the Brazilian GHG Protocol Program from 2013 to 2016.

Caixa's GHG emission data for 2017 will be published in the public emissions register of the Brazilian GHG Protocol Program and will be available for consultation from August 2018 on the website <http://registropublicodeemissoes.com.br>

## ENERGY EFFICIENCY

Caixa maintains a contract with a company specialized in monitoring electricity consumption and performing energy diagnostics. The contract covers 200 units in states all over the country. The initiative has generated positive results for different bank assets, enhancing monitoring of energy supply contracts and the results of eco-efficiency efforts.

Moreover, in recent years investments have been made in energy self-generation and self-sufficiency, as well as in awareness projects for employees and partners.

In 2017, unit opening and closing times were defined for all Caixa units, with the delimitation of times for turning air conditioning on and off and establishing operating temperatures. Similar limits were established for lighting.

## SAVE THE PLANET

Organized for the third consecutive year, the campaign is aimed at encouraging Caixa employees to adopt a sustainable mindset in relation to water, transportation, energy, emissions and waste. Over the period of a month, around 10,100 employees took part in interactive games. There was a total of 94,590 coupons in the draw. The initiative used a platform to encourage the application of eco-efficient practices in the company units. At the end of the campaign, 100 coupons were selected in the draw. These were exchanged for prizes donated by partners.

**CAIXA SOLAR ENERGY GENERATION MAP**

UNITS IN WHICH THE PHOTOVOLTAIC SYSTEMS WILL BE INSTALLED

**PROJECT NUMBERS**

**BRL 100 million**

invested

**195 units**

**19 GWh**

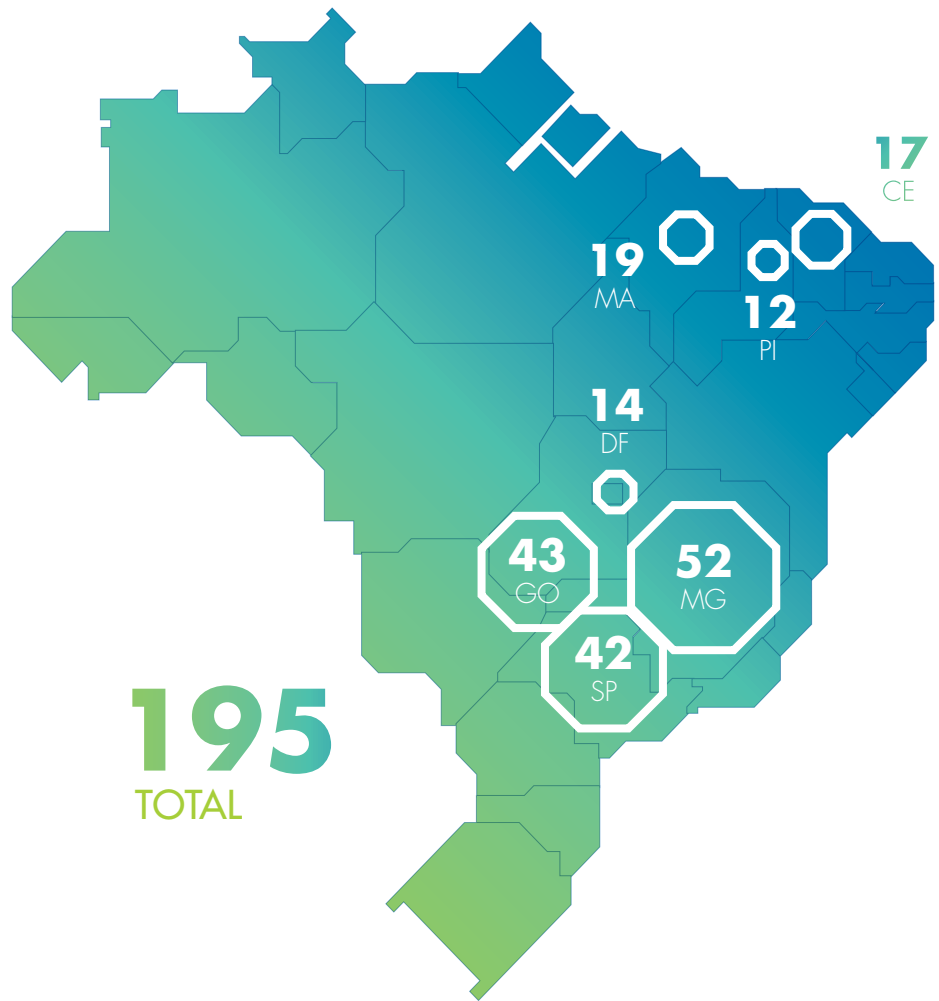
Generated during the year, enough to supply 10,000 houses for 12 months

**3%**

reduction in energy consumption

**13 million**

reais saved in the year



The bank also invested BRL 9.42 million in replacing 243,000 tubular fluorescent lamps with LED models, driving savings of BRL4.2 million.

With the adoption of these energy efficiency and awareness initiatives, electricity consumption was 1.6% lower than projected, dropping from 678 GWh to 667 GWh. This resulted in savings of around BRL 7 million.

Photovoltaic units are being installed to boost the self-generation of energy. The first branch to use this equipment, in Vazante (MG), has

a plant with a capacity of 74.5kWp, consisting of 276 solar panels and four inverters. In 2017, it produced 100 MWh of renewable energy.

The photovoltaic equipment installment plan was approved in 2016 with a total investment of around BRL 100 million, generating 12.7 MWp distributed as shown on the following map.

By December 2017, Caixa had 109 units generating electrical energy and connected to the supply grid.

**109 units were already generating energy by December 2017**

### WASTE CONTROL

By means of the Electronic Waste and Socioenvironmental Responsibility project, financed by the FSA Caixa fund, the bank selected legally incorporated cooperatives working according to solidarity economy principles to build a chain responsible for processing electrical and electronic waste, thus reducing one of the company's major waste generation factors.

The project is currently organized in two distinct phases. The first phase was implanted in 2013 in Brasília, São Paulo, Salvador and Recife, involving an FSA Caixa investment of BRL 1,014,567.66, in addition to a correspondent investment of BRL 81,000. Face-to-face training was given to 79 members from seven cooperatives on the correct handling of this type of waste.

The second phase was initiated by means of a financial cooperation agreement signed in 2017, which extended the project to the following state capitals: Belém (PA), Belo Horizonte (MG), Curitiba (PR), Goiânia (GO), Fortaleza (CE), Rio de Janeiro (RJ) and Porto Alegre (RS). In this phase, 14 new cooperatives represented by 70 members were trained. A total of approximately 1,400 people, counting cooperative members and their families, will benefit. There will also be positive results for Caixa.

In the second phase, the scope of the project was amplified to include furniture, safety and other types of equipment. Another difference was the establishment of a support network to integrate commercialization of the refurbished equipment with other local cooperatives. The cooperatives and members that participated in the first phase where also trained to work with the new materials introduced into the project.

### CIVIL CONSTRUCTION WASTE

Caixa employs a Civil Construction Solid Waste Manual to provide guidance on the proper management of this type of waste in building work, that is aimed at impacting the entire production chain. The manual is based on the following legal references Conama ruling 307/2002, decree 5.940/2006 and Brazil's national solid waste policy (12.305/2010).

Management of solid waste on small, medium and large construction sites is a legal obligation that must be obeyed by all large waste generators. The manual covers waste management from the planning stage through to the effective execution of the works. Caixa requires its contractors to manage waste on all civil construction and remodeling works by means of contract clauses and civil construction waste management plan models.

**BRL 88,796**  
PER MONTH

in savings from the removal of electric and electronic waste from storage

### TOTAL AMOUNT OF ELECTRIC AND ELECTRONIC EQUIPMENT DONATED

Year	
2015	1,232
2016	10,734
2017	7,214
<b>TOTAL</b>	<b>20,112</b>

### INCOME FROM SALES OF WASTE MATERIAL

IN BRL

Year	
2015	25,939.57
2016	156,996.99
2017	183,552.72
<b>TOTAL</b>	<b>366,489.28</b>



## WATER FOOTPRINT

With the objective of reducing water consumption at Caixa branches and units, in 2017 the bank provided guidance on Brazil's water supply situation, which requires mobilization to rationalize consumption in different regions of the country. The measures include repairing leaks, the installation of flow reduction valves; guidance for cleaning companies; the closure of mains valves at the end of working hours on Fridays; regulation of flush mechanisms on toilets; and the cleaning of water tanks only when necessary.

These measures led to a 3.2% reduction in water consumption in 2017, compared with the previous year. This is equivalent to approximately 66,000 m<sup>3</sup> of water.

## USE OF OFFICE MATERIALS

In 2017, the contingent supply of office materials was maintained with discrete assessments of the orders placed by the units, resulting in a reduction in consumption.

Additionally, the strategy for supplying deposit envelopes to the units was redefined taking into account the number of authentications undertaken, plus a reserve allowance. This resulted in a reduction of 13,350 cartons of envelopes, representing saving of approximately BRL 2.5 million for the bank. For 2018, an evaluation of the unification of deposit envelopes is underway with the objective of using a single model for deposits in checks and cash.

Migration from the supply of white A4 bond paper to the outsourcing of printing is also scheduled in order to improve control over the materials supplied, as well as to reduce the cost of storing and distributing this material.

# SUSTAINABLE PURCHASES

102-9, 103-2 | 204, 103-3 | 204, 204-1, 205-2

Caixa has an extensive and widespread network of suppliers in diverse categories, distributed throughout the country and managed in accordance with specific policies.

In 2017, the bank signed over 12,600 contracts with 3,601 different suppliers. Most of these are companies, which represent 59.65% of the total. And a large majority of these partners are located in the Southeast, Northeast and Southern regions (see the complete tables in the Attachment).

In total, Caixa contracted approximately BRL 5 billion in goods and services by means of contracts signed with different suppliers, all of whom were selected in accordance with the general tender law 8.666/1993, the trading law 10.520/2002 and decree no 5.450/2005, which regulate tenders and contracts undertaken by public companies. Another important reference is law 13.303/2016. Elec-

tronic trading accounted for approximately BRL 3.5 billion in purchases.

For Caixa, the selection and priority given to suppliers is aligned with complementary law n° 123/2006, which supports preference for micro and small companies as a means of stimulating municipal economies by generating employment and service tax revenue for local governments.

Regarding the hiring of local manpower by Caixa suppliers, this decision is the responsibility of the contractor. Since the contracts are governed by civil law, public companies may not interfere in their suppliers' labor-related affairs.

The inclusion of socioenvironmental criteria and requirements in partners' business routines is aligned with Caixa's goal of disseminating best practices in rural regions. In addition to economic and financial questions, the contracts



that Caixa signs with its suppliers include clauses related to ethics, social and environmental responsibility, as well as human rights.

Companies winning tenders must sign a Term of Commitment to Combat Corruption and Collusion among Bidders and a term of Socioenvironmental Responsibility.

Special attention is paid to questions such as the use of child and slave labor, degrading working conditions and discrimination based on creed, race, color, gender, sexual orientation, political preference, social class or nationality.

Suppliers that violate these contractual obligations are subject to the respective penalties, which range from a warning to disqualification. If, upon investigation, there is proof of guilt of corruption on the part of a supplier contracted by Caixa, the area responsible will initiate the due administrative process for the application of the penalty provided for in the tender and contract.

**CONTINUOUS TRAINING PROGRAM**

With a view to driving efficiency in its partner network, the bank has an ongoing training program in face-to-face and distance learning formats. It is aimed at lottery unit owners and Caixa AQUÍ correspondents and their employees, as well as Caixa employees managing the Partner Network.

The distance learning content of the program addresses subjects of relevance in diverse aspects of the activities of the target publics, including the generation of sustainable businesses and social responsibility.

In the distance learning training, launched in 2015 to systematize contents previously diluted in different company areas, Caixa developed the online program Caixa Partners EAD.

more than  
**BRL 14.4 b**  
 in payments to suppliers  
 in Brazil in 2017

**PAYMENTS TO SUPPLIERS**  
 BY REGION

Region	AMOUNT	%
Midwest*	BRL 7,985,944,810.76	55.24%
North	BRL 226,072,807.37	1.56%
Northeast	BRL 1,180,258,509.13	8.16%
South	BRL 1,087,726,586.92	7.52%
Southeast	BRL 3,977,135,984.27	27.51%
<b>TOTAL</b>	<b>BRL 14,457,138,698.45</b>	<b>100.00%</b>

\* Payments made in Rondônia and Tocantins were included in the Midwest Region, because of services provided by the Goiânia Logistics unit (GO). This information is not segregated in the system.

The program is divided into five distinct thematic blocks comprising 33 courses. In addition to addressing sustainability, the program encompasses areas such as standardization for correspondents, quality management, efficient service, accountability and transparency.

In 2017, the program was concluded by 5,820 business owners, of which 2,504 were Caixa Aqui correspondents and 3,316 lottery unit owners, as well as 6,807 attendants and 166 partner network managers.

**TRANSPORT OF VALUABLES**

In continuation of the pilot undertaken in 2016, socioenvironmental responsibility criteria were standardized from 2017 in all Caixa tenders for the transportation of valuables.

The criteria required include prioritizing the acquisition of vehicles powered by biofuel, the proper disposal of tires and lubricants, in accordance with the law, the presentation of an annual report to Caixa about the monthly consumption of fuel by armored cars, among others

**ACQUISITION OF FURNITURE**

All Caixa furniture purchases must comply with the sustainability requirements set forth in a specific term of reference. This involves proof and certification of the origin of raw materials, as well as documents demonstrating the regularity and good name of the company winning the tender. There are specific criteria for the use of paints and compounds, as well as compliance with ISO and ABNT standards for specific categories – such as tables, cupboards, cabinets, sofas and armchairs.

# Caixa measures for suppliers include training programs, approval processes and monitoring activities





**IN THIS CHAPTER**

- SUMMARY OF GRI CONTENT
- INDICATOR ATTACHMENT
- ASSURANCE REPORT
- CREDITS

**SUSTAINABLE DEVELOPMENT GOALS**



**CONNECTION WITH THE SOCIOENVIRONMENTAL RESPONSIBILITY POLICY**



# REPORT AND **materiality**

102-40, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-56



# ACCOUNTABILITY to society

Caixa provides a summary of its activities and performance in 2017 for employees, regulatory agencies, partners, clients and the broader Brazilian public in this *Sustainability Report*.

The tenth consecutive edition of the document, this report sees the bank's transition to the Core option of the Global Reporting Initiative reporting guidelines, GRI Standards. This methodology, adopted internationally, once again shaped the elaboration of the content – including the scope of the data and the topics prioritized for communication to society.

The indicators reported refer to the period from January 1 to December 31, 2017 and cover the entire Caixa service network in Brazil – branches and administrative units. They also portray the wide range of external impacts generated by the social and income transfer programs the institution operates as a strategic partner to the federal government.

The content, assured by independent audit, covers social, environmental, economic-financial and governance topics. It is different from previous years, particularly in relation to the scope of the indicators, which are now aligned with the Core version of the GRI guidelines. Some of the indicators and general disclosures defined in the previous materiality cycle are no longer reported, in line with the Core version methodology and the presentation criterion of including at least one indicator per material topic. These are: 102-21, 102-27, 102-29, 102-32, 205-1, 205-3, 418-1, 403-3, DMA-FS3, DMA-FS4, FS6, FS9, DMA-FS10 and FS11.

The information gathering process was undertaken by diverse Caixa national management, superintendency, support and business areas. The financial indicators are based on the Caixa Management Report and the presentation is aligned with Brazilian accounting guidelines (BR GAAP).

The non-financial data – management, governance, socioenvironmental practices, the operation of federal programs, aspect of relations with clients, employees and other stakeholders – are presented in accordance with GRI methodology and take into account the perspectives of internal and external stakeholders. This is the reason for the adoption of materiality, which sets forth the most relevant topics for the organization from the perspective of its stakeholders

The materiality process involved direct consultation of stakeholders nationwide throughout 2015, based on the GRI guidelines and the AA1000 Stakeholder Engagement standards, as well as industry and corporate documents. A total of 11 of the bank's stakeholder groups were engaged, such as employees, leaders, industry associations, unions, clients and business partners. The groups were mapped based on the bank's past experience in relations with Brazilian society.

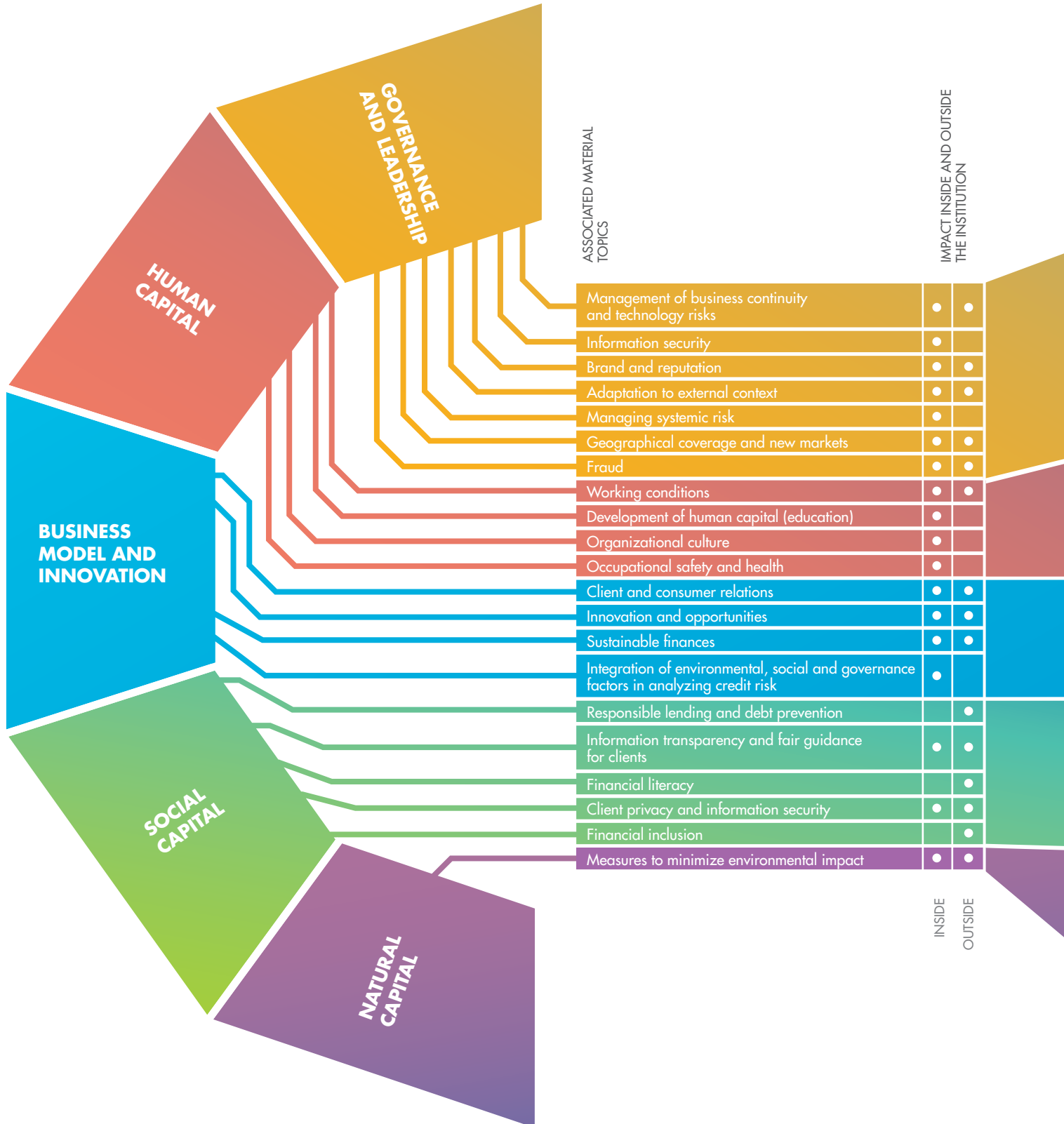
More than 3,330 people took part in the online and guided interview consultation stages, selecting the priority topics from an initial list prepared by the company based on analysis of impacts identified in the financial sector and in the organization's activities in the country.

Five macro-topics were identified – Governance and Leadership; Business Model and Innovation; Development of Human Capital; Social Capital; and Natural Capital – which were correlated with the GRI topics and performance indicators (see the following chart). This map of topics also shaped the selection and the priority given to the contents presented in the report.

**This is the first reporting cycle based on the Standards version of the Global Reporting Initiative (GRI)**

# MACRO-TOPICS AND ASSOCIATED MATERIAL TOPICS

102-40, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-56





RELATED TOPICS	ASSOCIATED GRI DISCLOSURES	FURTHER INFORMATION
Organizational profile Strategy Ethics and integrity Governance Economic performance Procurement practices Indirect economic impacts Anti-corruption Product portfolio	102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-11, 102-12, 102-13, 102-16, 102-18, 201-1, 201-2, 201-4, 203-1, 203-2, 204-1, 205-2, FS1, FS2	- GOVERNANCE AND LEADERSHIP - DEDICATION TO THE CLIENT - MORE THAN JUST A BANK - ECONOMIC-FINANCIAL PERFORMANCE
Employment Occupational health and safety Training and education	401-1, 401-2, 401-3, 403-2, 403-4, 404-2, 404-3	- THE PEOPLE BEHIND CAIXA
Stakeholder engagement Governance Product portfolio Active ownership	102-18, 102-40, 102-42, 102-43, 102-44, FS1, FS2	- CAIXA - GOVERNANCE AND LEADERSHIP
Client privacy Marketing and labeling Indirect economic impacts Governance Product portfolio	417-2, 203-1, 203-2, 418-1	- MORE THAN JUST A BANK - DEDICATION TO THE CLIENT
Organizational profile Governance Economic performance Product portfolio Audit Active ownership	102-9, 102-11, 201-2, 204-1, FS1, FS2, FS10	- LIFE NEEDS MORE SUSTAINABILITY - GOVERNANCE AND LEADERSHIP

GROUP	WHO?
<b>Senior management</b>	Board of Directors, Directors Superintendency areas
<b>Shareholders</b>	CAIXAPAR
<b>Clients</b>	Retail, Corporate, Local governments
<b>Communities</b>	Metropolises, remote regions
<b>Suppliers</b>	Main (biggest volumes and/or most 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 and Industrial Development and Overseas Trade), BNDES and Federal Chamber
<b>Regulatory Agency</b>	Banco Central do Brasil (Brazilian Central Bank)
<b>Internal audience</b>	Permanent (employees with and without management function and employees without gratified function/commissioned position), third-parties (service providers)
<b>Internal representation</b>	Febraban, ABDE, ABDIB, ABECIP, ABCS, ABVCAP, ACREFI, CEBDS, Ethos, IBGC, WSBI, The Equator Principles Association, ICLC, Conar and Cities Alliance
<b>Unions</b>	Bank workers unions and other unions with which Caixa maintains relations



# SUMMARY OF GRI CONTENT 102-55

## GENERAL DISCLOSURES

GRI Standard	DISCLOSURE	PAGE/URL	OMISSION
<b>ORGANIZATIONAL PROFILE</b>			
GRI 102: General disclosures 2017	<b>102-1</b> Name of organization	Caixa Econômica Federal	
	<b>102-2</b> Activities, brands, products and services	Pages 11 and 25	
	<b>102-3</b> Location of head office	Pages 11, 25, 33, 34 and 37.	
	<b>102-4</b> Location of operations	Pages 12 and 15	
	<b>102-5</b> Nature of ownership and legal form	Page 11	
	<b>102-6</b> Markets served	Pages 11, 12 and 15	
	<b>102-7</b> Scale of organization	Pages 12, 13 and 15	
	<b>102-8</b> Information about employees and workers	Pages 30, 126 and 129	
	<b>102-9</b> Supplier chain	Pages 111 and 135	
	<b>102-10</b> Significant changes in the organization and its supplier chain	There were no significant alterations related to suppliers or to the Caixa physical structure.	
	<b>102-11</b> Approach to precautionary principle	Page 25	
	<b>102-12</b> Initiatives developed externally	Pages 80 and 88	
	<b>102-13</b> Membership of associations	Page 88	
<b>STRATEGY</b>			
GRI 102: General disclosures 2017	<b>102-14</b> Declaration from senior decision maker	Pages 8 and 26	
<b>ETHICS AND INTEGRITY</b>			
GRI 102: General disclosures 2017	<b>102-16</b> Values, principles, standards and norms of behavior	Pages 12, 17, 22, 23, 25 and 38	
<b>GOVERNANCE</b>			
GRI 102: General disclosures 2017	<b>102-18</b> Governance structure	Page 18	
<b>STAKEHOLDER ENGAGEMENT</b>			
GRI 102: General disclosures 2017	<b>102-40</b> List of stakeholder groups	Pages 114 and 116	
	<b>102-41</b> Collective bargaining agreements	100%.	
	<b>102-42</b> Identification and selection of stakeholder groups	Pages 114 and 116	
	<b>102-43</b> Approach to stakeholder engagement	Pages 114 and 116	
	<b>102-44</b> Key topics and concerns raised	Pages 75, 114 and 116	



GRI Standard	DISCLOSURE	PAGE/URL	OMISSION
<b>REPORTING PRACTICE</b>			
GRI 102: General disclosures 2017	<b>102-45</b> Entities included in the consolidated financial statements	Pages 12, 75, 114 and 116	
	<b>102-46</b> Defining report content and topic boundaries	Pages 114 and 116	
	<b>102-47</b> List of material topics	Pages 114 and 116	
	<b>102-48</b> Restatements of information	Pages 114 and 116	
	<b>102-49</b> Changes in reporting	Pages 114 and 116	
	<b>102-50</b> Reporting period	Pages 114 and 116	
	<b>102-51</b> Date of most recent report	2017.	
	<b>102-52</b> Reporting cycle	Annual.	
	<b>102-53</b> Contact points for questions regarding the report	gersa03@caixa.gov.br	
	<b>102-54</b> GRI Standards in accordance option	Core.	
	<b>102-55</b> GRI Content Summary	Page 118	
<b>102-56</b> External assurance	Page 136		

**MATERIAL TOPICS**

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>ECONOMIC PERFORMANCE</b>			
GRI 103: Management approach 2017	<b>103-1</b> Explanation of the material topic and its boundaries	Page 116	
	<b>103-2</b> Management approach and its components	Pages 50 and 94	
	<b>103-3</b> Evolution of management approach	Pages 50 and 94	

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
GRI 201: Economic performance 2017	<b>201-1</b> Direct economic value generated and distributed	Page 131	
	<b>201-2</b> Financial implications and other risks and opportunities arising from climate change	Page 94	
	<b>201-4</b> Financial assistance received from government	No financial assistance was received from government.	
<b>INDIRECT ECONOMIC IMPACTS</b>			
GRI 103: Management approach 2017	<b>103-1</b> Explanation of the material topic and its boundaries	Page 117	
	<b>103-2</b> Management approach and its components	Pages 59, 69, 76 and 106	
	<b>103-3</b> Evolution of management approach	Pages 59, 69, 76 and 106	
GRI 203: Indirect economic impacts 2017	<b>203-1</b> Infrastructure investments and services supported	Pages 69, 73, 81, 98, 102, 106	
	<b>203-2</b> Significant indirect economic impacts	Pages 59, 69, 73, 75, 76, 80 and 106	
<b>PROCUREMENT PRACTICES</b>			
GRI 103: Management approach 2017	<b>103-1</b> Explanation of the material topic and its boundaries	Page 117	
	<b>103-2</b> Management approach and its components	Page 111	
	<b>103-3</b> Evolution of management approach	Page 111	
GRI 204: Procurement practices 2017	<b>204-1</b> Proportion of spending on local suppliers in significant units of the operation	Page 111	
<b>ANTI-CORRUPTION</b>			

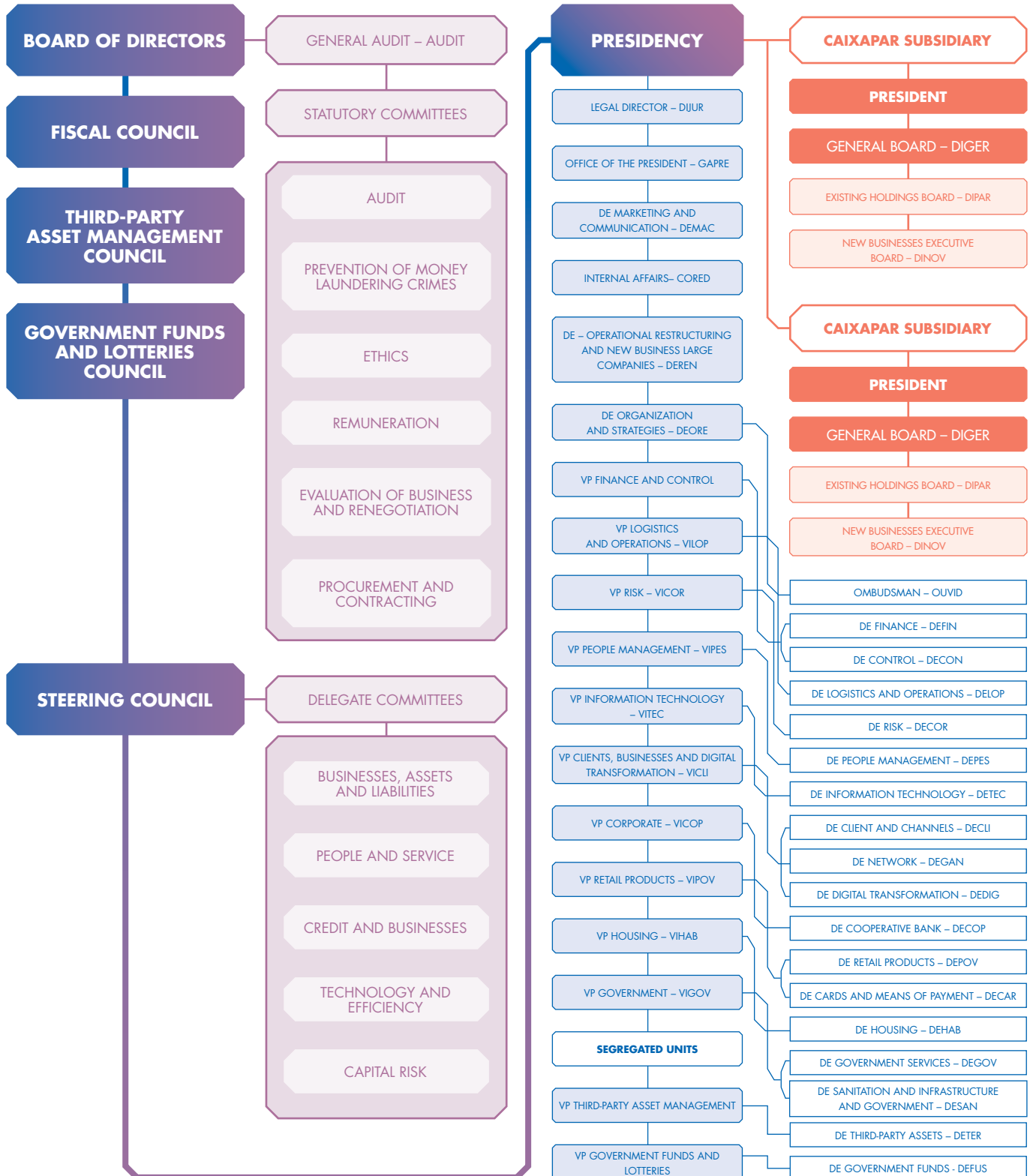
GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
GRI 103: Management approach 2017	<b>103-1</b> Explanation of the material topic and its boundaries	Page 117	
	<b>103-2</b> Management approach and its components	Page 25	
	<b>103-3</b> Evolution of management approach	Page 25	
GRI 205: Anti-corruption 2017	<b>205-2</b> Communication and training in anti-corruption policies and procedures	Pages 25, 111 and 125	
<b>EMPLOYMENT</b>			
GRI 103: Management approach 2017	<b>103-1</b> Explanation of the material topic and its boundaries	Page 117	
	<b>103-2</b> Management approach and its components	Page 29, 34, 37 and 38	
	<b>103-3</b> Evolution of management approach	Page 29, 34, 37 and 38	
GRI 401: Employment 2017	<b>401-1</b> New employees hires and employee turnover	Page 126	
	<b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 34	
	<b>401-3</b> Parental leave	Page 128	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
GRI 103: Management approach 2017	<b>103-1</b> Explanation of the material topic and its boundaries	Page 117	
	<b>103-2</b> Management approach and its components	Page 35	
	<b>103-3</b> Evolution of management approach	Page 35	
GRI 403: Occupational health and safety 2017	<b>403-2</b> Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Pages 35, 36 and 130	
	<b>403-4</b> Health and safety related topics covered by formal union agreements	Page 35	
<b>TRAINING AND EDUCATION</b>			
GRI 103: Management approach 2017	<b>103-1</b> Explanation of the material topic and its boundaries	Page 117	
	<b>103-2</b> Management approach and its components	Page 32	
	<b>103-3</b> Evolution of management approach	Page 32	
GRI 404: Training and education 2017	<b>404-1</b> Average hours of training per year per employee	Pages 29 and 33	

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
GRI 404: Training and education 2017	<p><b>404-2</b> Programs for upgrading employee skills and transition assistance programs</p> <p><b>404-3</b> Percentage of employees receiving regular performance and career development reviews</p>	<p>The Retirement Preparation program includes the Future Life workshop aimed at promoting reflection about the individual's personal and professional life and providing guidance on planning their future. This is a face-to-face program available for retired employees or employees entitled to full retirement under the INSS social security framework in up to five years.</p> <p>Page 32</p>	
<b>MARKETING AND LABELING</b>			
GRI 103: Management approach 2017	<p><b>103-1</b> Explanation of the material topic and its boundaries</p> <p><b>103-2</b> Management approach and its components</p> <p><b>103-3</b> Evolution of management approach</p>	<p>Page 117</p> <p>Page 46</p> <p>Page 46</p>	
GRI 417: Marketing and labeling 2017	<p><b>417-1</b> Product and service information and labeling requirements</p>	<p>Page 46</p>	

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
	<p><b>417-2</b> Cases of non-compliance related to product and service labeling requirements</p>	<p>Due to the nature of the operation and the products and services provided by Caixa, there is no record of violations or non-compliance with regulations and voluntary codes.</p>	
<p><b>CLIENT PRIVACY</b></p>			
<p>GRI 103: Management approach 2017</p>	<p><b>103-1</b> Explanation of the material topic and its boundaries</p>	<p>Page 117</p>	
	<p><b>103-2</b> Management approach and its components</p>	<p>Page 38</p>	
	<p><b>103-3</b> Evolution of management approach</p>	<p>Page 38</p>	
<p>GRI 418: Client privacy 2017</p>	<p><b>418-1</b> Substantiated complaints related to the violation of client privacy or loss of data</p>	<p>The quantitative data are confidential and strategic for which reason they are not reported in this document. 38.</p>	
<p><b>PRODUCT PORTFOLIO</b></p>			
<p>Financial sector supplement – Product portfolio</p>	<p><b>DMA FS1</b> Policies with specific social and environmental components applied to business lines</p>	<p>Page 89</p>	
	<p><b>DMA FS2</b> Procedures for assessing and identifying social and environmental risks in business lines</p>	<p>Page 89</p>	
	<p><b>FS7</b> Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose</p>	<p>Pages 59, 62, 73, 75, 76 and 102</p>	
	<p><b>FS8</b> Monetary value of products and services designed to deliver a specific environmental benefit for each business line, broken down by purpose</p>	<p>Pages 73 and 102</p>	



**CAIXA CONGLOMERATE: STRUCTURE**



# CORPORATE INTEGRITY

## ANTI-CORRUPTION TRAINING IN 2017 205-2

Functional Category	EMPLOYEES TRAINED	ACTIVE EMPLOYEES ON 31/12/2017	PERCENTAGE OF EMPLOYEES TRAINED IN 2017
Directors	14	37	37.84%
Unit heads	2,730	4,129	66.12%
Management – Other functions	12,772	18,003	70.94%
Non-management	27,343	36,291	75.34%
Professional	1,687	2,446	68.97%
Operational	18,783	26,760	70.19%
<b>TOTAL</b>	<b>63,329</b>	<b>87,666</b>	<b>72.24%</b>

Region	DIRECTORS	HEADS OF UNIT	MANAGEMENT- OTHER FUNCTIONS	NON-MANAGEMENT	PROFESSIONAL	OPERATIONAL	TOTAL
Midwest	13	382	1,943	5,805	287	1,877	10,307
North	0	136	507	952	96	712	2,403
South	0	606	2,645	4,841	333	4,018	12,443
Southeast	1	1,209	5,870	11,989	664	9,209	28,942
Northeast	0	397	1,807	3,756	307	2,967	9,234
<b>TOTAL</b>	<b>14</b>	<b>2,730</b>	<b>12,772</b>	<b>27,343</b>	<b>1,687</b>	<b>18,783</b>	<b>63,329</b>
	<b>0.02%</b>	<b>4.31%</b>	<b>20.17%</b>	<b>43.18%</b>	<b>2.66%</b>	<b>29.66%</b>	<b>100.00%</b>

Source: Training Management System – Position Dec. 2017 (GEDEC).

# THE PEOPLE BEHIND CAIXA

## HUMAN CAPITAL: GENERAL INDICATORS 102-8

Region	APPRENTICES	INTERNS
Midwest	431	801
South	757	1,382
Southeast	1,741	3,235
North	156	377
Northeast	652	1,374
<b>TOTAL</b>	<b>3,737</b>	<b>7,169</b>

Region	2016			2017		
	WOMEN	MEN	SUB-TOTAL	WOMEN	MEN	SUB-TOTAL
Midwest	6,846	8,474	15,320	6,533	8,164	14,697
Northeast	6,375	9,906	16,281	5,728	9,086	14,814
North	1,642	2,335	3,977	1,543	2,228	3,771
Southeast	20,573	22,190	42,763	18,741	20,530	39,271
South	7,427	9,210	16,637	6,700	8,401	15,101
<b>TOTAL</b>	<b>42,863</b>	<b>52,115</b>	<b>94,978</b>	<b>39,245</b>	<b>48,409</b>	<b>87,654</b>

## HUMAN CAPITAL: TURNOVER AND HIRES 401-1

### HIRES BY REGION

Region	Age Group											
	Under 30 years			From 30 to 50 years			Over 50 years			Total		
	W	M	ST	W	M	ST	W	M	ST	W	M	ST
Midwest	9	17	26	36	20	56	3	0	3	48	37	85
Northeast	20	25	45	13	17	30	0	5	5	33	47	80
North	10	5	15	4	8	12	0	0	0	14	13	27
Southeast	32	34	66	95	53	148	4	6	10	131	93	224
South	0	0	0	2	0	2	0	0	0	2	0	2
<b>TOTAL</b>	<b>71</b>	<b>81</b>	<b>152</b>	<b>150</b>	<b>98</b>	<b>248</b>	<b>7</b>	<b>11</b>	<b>18</b>	<b>228</b>	<b>190</b>	<b>-</b>
	<b>36.36%</b>			<b>59.33%</b>			<b>4.31%</b>			<b>418</b>		

W= Women M= Men ST= Sub-total

## TURNOVER BY REGION

Region	Age Group									Total		
	Under 30 years			From 30 to 50 years			Over 50 years			W	M	ST
	W	M	ST	W	M	ST	W	M	ST	W	M	ST
Midwest	1.07%	2.15%	1.70%	1.10%	0.59%	0.83%	20.86%	12.35%	15.32%	4.20%	3.49%	3.81%
Northeast	2.86%	2.37%	2.53%	0.62%	0.54%	0.57%	25.62%	14.71%	18.15%	5.87%	4.65%	5.12%
North	3.24%	2.14%	2.58%	0.49%	1.05%	0.81%	13.83%	8.43%	10.35%	2.85%	2.60%	2.70%
Southeast	2.46%	2.64%	2.56%	1.34%	0.78%	1.06%	21.43%	13.26%	16.54%	5.37%	4.25%	4.78%
South	0.89%	0.43%	0.63%	1.17%	0.64%	0.90%	23.62%	14.15%	17.32%	5.60%	4.87%	5.19%
<b>TOTAL</b>	<b>2.03%</b>	<b>2.07%</b>	<b>2.05%</b>	<b>1.14%</b>	<b>0.69%</b>	<b>0.91%</b>	<b>22.16%</b>	<b>13.43%</b>	<b>16.61%</b>	<b>5.19%</b>	<b>4.23%</b>	<b>-</b>
	<b>2.05%</b>			<b>0.91%</b>			<b>16.61%</b>			<b>4.66%</b>		

W= Women M= Men ST= Sub-total

## DIVERSITY INDICATORS AND BREAKDOWN OF WORK FORCE 405-1

Functional Category	Age Group									TOTAL		
	Under 30 years			From 30 to 50 years			Over 50 years			W	M	ST
	W	M	ST	W	M	ST	W	M	ST	W	M	ST
Directors	0	0	0	0	16	16	1	20	21	1	36	37
Unit heads	7	38	45	910	2,170	3,080	235	769	1,004	1,152	2,977	4,129
Other managers	417	754	1,171	6,818	7,944	14,762	767	1,303	2,070	8,002	10,001	18,003
Non-management	1,257	1,664	2,921	13,176	12,758	25,934	3,063	4,373	7,436	17,496	18,795	36,291
Professional	24	46	70	617	1,132	1,749	142	485	627	783	1,663	2,446
Operational	1,181	1,536	2,717	7,401	7,350	14,751	3,229	6,063	9,292	11,811	14,949	26,760
<b>TOTAL</b>	<b>2,886</b>	<b>4,038</b>	<b>-</b>	<b>28,922</b>	<b>31,370</b>	<b>-</b>	<b>7,437</b>	<b>13,013</b>	<b>-</b>	<b>39,245</b>	<b>48,421</b>	<b>-</b>
	<b>6,924</b>			<b>60,292</b>			<b>20,450</b>			<b>87,666</b>		
	<b>7.90%</b>			<b>68.77%</b>			<b>23.33%</b>			<b>-</b>		

W= Women M= Men ST= Sub-total

**Age Group**

Race/Color	Under 30 years			From 30 to 50 years			Over 50 years			TOTAL		
	W	M	T	W	M	T	W	M	T	W	M	T
Oriental	69	73	142	1,050	835	1,885	350	370	720	1,469	1,278	2,747
White	1,908	2,557	4,465	21,337	21,895	43,232	5,994	10,071	16,065	29,239	34,523	63,762
Indigenous	3	6	9	51	98	149	12	31	43	66	135	201
Mixed race	787	1,191	1,978	5,597	7,371	12,968	965	2,239	3,204	7,349	10,801	18,150
Afro-Brazilian	119	211	330	887	1,170	2,057	115	289	404	1,121	1,670	2,791
Not informed by employee	0	0	0	0	0	0	1	2	3	1	2	3
<b>TOTAL</b>	<b>2,886</b>	<b>4,038</b>	<b>-</b>	<b>28,922</b>	<b>31,369</b>	<b>-</b>	<b>7,437</b>	<b>13,002</b>	<b>-</b>	<b>39,245</b>	<b>48,409</b>	<b>-</b>
	<b>6,924</b>			<b>60,291</b>			<b>20,439</b>			<b>87,654</b>		
	<b>7.90%</b>			<b>68.78%</b>			<b>23.32%</b>			<b>-</b>		

W= Women M= Men T= Total

**LEAVE BY GENDER** 401-3

Type of leave	Number of employees* who took leave in 2017		Number of employees who took leave and returned to work in 2017		Number of employees who took leave in 2016 and remained in job 12 months after the end of the leave		Retention rate***	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
MATERNITY	1,732	0	1,959	0	2,159	0	98.99%	0.00%
PATERNITY**	1	1,955	1	1,993	0	1,633	0.00%	98.73%
ADOPTION	13	4	12	3	15	3	100.00%	100.00%

Source: SISRH – Position: 31/12/2017.

\* Considering permanent employees.

\*\* In 2017, there were two types of paternity leave:

For children born up until 26/12/2016, the leave was 10 working days, either consecutive or not, including the day in which the child's birth was officially registered. The leave was valid up to 180 days from the birth.

Based on the 2016-2018 collective agreement, the paternity leave for children born on 27/12/2016 or after is 20 consecutive days, as long as the employee requests the leave in up to 2 days after the birth of the child and participates in a guidance program or activity on responsible parenthood.

\*\*\* The terminations in the period are not linked with the use of the leave. At Caixa, the taking of parental leave is not linked with terminations. Currently involuntary work contract rescissions are due to administrative processes (with just cause), non-approval in trial phase, judicial decision or death. Other reasons involve voluntary acts on the part of employees, that is, they must hand in their resignation.

**HUMAN CAPITAL: PEOPLE BY LEVEL OF SCHOOLING** 102-8

	Directors			Heads of Unit			Management - Others GF		
	W	M	TOTAL	W	M	TOTAL	W	M	TOTAL
Literate without formal courses	0	0	0	0	0	0	0	0	0
Primary	0	0	0	0	0	0	0	1	1
Secondary or Technical	0	0	0	1	26	27	553	1,093	1,646
Higher	0	3	3	504	1,382	1,886	4,036	4,998	9,034
Further/Specialization/Postgraduate	1	19	20	616	1,474	2,090	3,289	3,716	7,005
Masters	0	1	1	26	88	114	116	187	303
Doctorate/Post-doctorate/PhD	0	1	1	5	7	12	8	6	14
<b>TOTAL</b>	<b>1</b>	<b>24</b>	<b>25</b>	<b>1,152</b>	<b>2,977</b>	<b>4,129</b>	<b>8,002</b>	<b>10,001</b>	<b>18,003</b>

	Non-management			Operational			Professional		
	W	M	TOTAL	W	M	TOTAL	W	M	TOTAL
Literate without formal education	0	0	0	0	0	0	0	0	0
Primary	0	1	1	2	3	5	0	0	0
Secondary or Technical	1,983	3,992	5,975	2,883	4,837	7,720	30	90	120
Higher	8,195	9,045	17,240	6,167	7,094	13,261	289	657	946
Further/Specialization/Postgraduate	7,067	5,523	12,590	2,638	2,830	5,468	359	758	1,117
Masters	235	220	455	113	169	282	97	146	243
Doctorate/Post-doctorate/PhD	16	14	30	8	16	24	8	12	20
<b>TOTAL</b>	<b>17,496</b>	<b>18,795</b>	<b>36,291</b>	<b>11,811</b>	<b>14,949</b>	<b>26,760</b>	<b>783</b>	<b>1,663</b>	<b>2,446</b>

<b>TOTAL</b>			
	W	M	TOTAL
Literate without formal courses	0	0	0
Primary	2	5	7
Secondary or Technical	5,450	10,038	15,488
Higher	19,191	23,179	42,370
Further/Specialization/Postgraduate	13,970	14,320	28,290
Masters	587	811	1,398
Doctorate/Post-doctorate/PhD	45	56	101
<b>TOTAL</b>	<b>39,245</b>	<b>48,409</b>	<b>87,654</b>

W= Women M= Men



## LEAVE DUE TO WORK-RELATED ACCIDENT (LAT) AND HEALTH TREATMENT (LTS) 403-2

### OCCUPATIONAL ILLNESS

LAT 2017	DAYS LOST		Empl. w/ LAT		ABSENTEEISM RATE due to LAT	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Midwest	5,202	6,670	34	41	0.18%	0.28%
Southeast	9,944	17,101	70	114	0.13%	0.25%
South	4,705	7,284	29	51	0.15%	0.30%
Northeast	12,079	9,202	61	44	0.37%	0.44%
North	2,555	2,169	13	11	0.32%	0.39%
<b>TOTAL GENDER</b>	<b>34,485</b>	<b>42,426</b>	<b>207</b>	<b>261</b>	<b>0.20%</b>	<b>0.30%</b>
<b>TOTAL Caixa</b>	<b>76,911</b>		<b>468</b>		<b>0.24%</b>	

### TYPICAL ACCIDENT

LAT 2017	DAYS LOST		EMPL. w/LAT		ABSENTEEISM RATE PER TYPICAL LAT	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Midwest	209	260	4	14	0.01%	0.01%
Southeast	544	2,512	8	36	0.01%	0.04%
South	1	111	1	4	0%	0.01%
Northeast	20	434	2	4	0.00%	0.02%
North	78	23	1	2	0.01%	0.00%
<b>TOTAL GENDER</b>	<b>852</b>	<b>3,340</b>	<b>16</b>	<b>60</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL Caixa</b>	<b>4,192</b>		<b>76</b>		<b>0.00%</b>	

### COMMUTING ACCIDENT

LAT 2017	DAYS LOST		EMPL. w/ LAT		ABSENTEEISM PER COMMUTING LAT	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Midwest	626	440	11	14	0.02%	0.02%
Southeast	2,465	1,861	29	42	0.03%	0.03%
South	1,067	560	12	15	0.04%	0.02%
Northeast	659	-	6	-	0.02%	0%
North	138	99	2	3	0.02%	0.02%
<b>TOTAL GENDER</b>	<b>4,955</b>	<b>2,960</b>	<b>60</b>	<b>74</b>	<b>0.03%</b>	<b>0.02%</b>
<b>TOTAL Caixa</b>	<b>7,915</b>		<b>134</b>		<b>0.03%</b>	

Region	DAYS LOST		EMPL. w/ LTS		TOTAL EMPLOYEES		WORK CONTRACT DAYS		ABSENTEEISM RATE PER LTS	
	M	W	M	W	M	W	M	W	M	W
Midwest	63,912	70,996	3,945	4,285	8,164	6,533	2,969,901	2,371,342	2.15%	2.99%
Southeast	140,924	174,730	8,359	10,307	20,530	18,741	7,480,083	6,821,634	1.88%	2.56%
South	44,194	45,583	2,654	3,177	8,401	6,700	3,066,365	2,445,166	1.44%	1.86%
Northeast	69,886	55,590	4,339	3,704	9,086	5,728	3,307,040	2,083,807	2.11%	2.67%
North	20,658	19,077	1,043	935	2,228	1,543	810,831	559,621	2.55%	3.41%
<b>TOTAL GENDER</b>	<b>339,574</b>	<b>365,976</b>	<b>20,340</b>	<b>22,408</b>	<b>48,409</b>	<b>39,245</b>	<b>17,634,220</b>	<b>14,281,570</b>	<b>1.93 %</b>	<b>2.56%</b>
<b>TOTAL Caixa</b>	<b>705,550</b>		<b>42,748</b>		<b>87,654</b>		<b>31,915,790</b>		<b>2.21%</b>	

**CONSOLIDATED ADDED VALUE STATEMENT** 201-1  
IN THOUSANDS OF BRL, UNLESS OTHERWISE INDICATED

	2017				2016			
	2nd semester		Year		2nd semester		Year	
	BRL	%	BRL	%	BRL	%	BRL	%
<b>1. REVENUES</b>	<b>77,195,191</b>		<b>153,880,365</b>		<b>82,771,093</b>		<b>159,020,258</b>	
Financial intermediation	62,434,470		133,400,619		76,971,826		148,471,934	
Service provision with charges	12,811,552		25,041,082		11,593,053		22,463,421	
Allowance for loan losses	(9,009,603)		(19,256,576)		(10,042,009)		(20,109,367)	
constitution Others	10,958,772		14,695,240		4,248,223		8,194,270	
<b>2. FINANCIAL INTERMEDIATION EXPENSES</b>	<b>36,910,956</b>		<b>82,934,728</b>		<b>53,791,272</b>		<b>104,261,397</b>	
<b>3. INPUTS ACQUIRED FROM THIRD-PARTIES</b>	<b>15,849,546</b>		<b>28,083,128</b>		<b>11,484,651</b>		<b>23,331,937</b>	
Materials, energy and others	1,306,691		2,531,490		1,428,586		2,671,672	
Data processing and communications	1,043,480		2,057,550		1,117,118		2,213,301	
Advertising, publicity and promotions	442.088		668.412		435.826		776.601	
Third-party and specialized services	1,236,451		2,431,876		1,217,048		2,353,450	
Surveillance and security services	462.700		902.892		444.342		850.387	
Others	11,358,136		19,490,908		6,841,731		14,466,526	
- Services delegated by the federal government	1,149,436		2,248,077		961.878		1,970,949	

	2017				2016			
	2nd semester		Year		2nd semester		Year	
	BRL	%	BRL	%	BRL	%	BRL	%
- Expenses with lotteries and commercial partners	1,339,332		2,561,296		1,193,152		2,232,430	
- Discounts on credit operations	281.497		596.756		179.191		302.049	
- Expenses with credit/debit cards	491.157		922.094		565.886		1,057,910	
- Post-employment benefit	1,276,709		2,393,730		1,175,930		2,266,951	
- Provisions diverse operations	2,208,626		4,560,267		1,502,753		3,706,400	
- Others	4,611,379		6,208,688		1,262,941		2,929,837	
<b>4 GROSS VALUE ADDED (1-2-3)</b>	<b>24,434,689</b>		<b>42,862,509</b>		<b>17,495,170</b>		<b>31,426,924</b>	
<b>5 RETENTIONS</b>	<b>897.387</b>		<b>1,806,401</b>		<b>917.951</b>		<b>1,800,931</b>	
Depreciation, amortization and depletion	897.387		1,806,401		917.951		1,800,931	
<b>6 NET VALUE ADDED (4-5)</b>	<b>23,537,302</b>		<b>41,056,108</b>		<b>16,577,219</b>		<b>29,625,993</b>	
<b>7 ADDED VALUE RECEIVED IN TRANSFER</b>	<b>468.668</b>		<b>780.255</b>		<b>168.320</b>		<b>443.605</b>	
Earnings in affiliates	468.668		780.255		168.320		443.605	
<b>8 ADDED VALUE FOR DISTRIBUTION (6+7)</b>	<b>24,005,970</b>		<b>41,836,363</b>		<b>16,745,539</b>		<b>30,069,598</b>	
<b>9 DISTRIBUTION OF ADDED VALUE</b>	<b>24,005,970</b>	<b>100.00</b>	<b>41,836,363</b>	<b>100.00</b>	<b>16,745,539</b>	<b>100.00</b>	<b>30,069,598</b>	<b>100.00</b>
Personnel	10,786,939	44.93	21,059,181	50.34	10,333,340	61.71	19,434,269	64.63
- Direct remuneration	8,326,925		16,204,955		7,902,568		14,794,619	
- Benefits	1,992,405		3,920,086		1,952,206		3,712,623	
- FGTS	467.609		934.140		478.566		927.027	
Taxes, charges and contributions	4,025,485	16.77	6,740,861	16.11	3,948,955	23.58	4,965,475	16.51
- Federal	3,626,276		5,889,422		3,597,997		4,231,682	
- State	523		1.037		395		832	
- Municipal	398.686		850.402		350.563		732.961	
Remuneration of third-party capital	751.769	3.13	1,520,200	3.63	774.096	4.62	1,533,196	5.10
- Rents	751.769		1,520,200		774.096		1,533,196	
Remuneration of own capital	1,330,127	5.54	2,349,542	5.62	(21.371)	(0.13)	1,608,043	5.35
- Interest on own equity and dividends	1,276,012		2,294,881				1,173,750	
- Interest on debt instruments eligible for capital	54.115		54.661		(21.371)		434.293	
Retained income	7,111,650	29.62	10,166,579	24.30	1,710,519	10.21	2,528,615	8.41

# MORE THAN JUST A BANK

## MINHA CASA MINHA VIDA (MY HOUSE MY LIFE) - PERFORMANCE 2009-2017

Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2009	286,305	76,948	BRL 15,554,993,513.42
Band 1	143,894	67	BRL 6,012,590,214.45
Band 2	98,593	66,375	BRL 6,516,460,208.29
Band 3	43,818	10,506	BRL 3,025,943,090.68

Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2010	650,303	278,992	BRL 38,345,325,581.00
Band 1	275,075	9,248	BRL 11,128,057,422.57
Band 2	274,770	23,3874	BRL 19,382,499,257.04
Band 3	100,458	35,870	BRL 7,834,768,901.39

Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2011	496,306	296,029	BRL 31,517,086,182.50
Band 1	98,641	102,061	BRL 4,785,294,689.14
Band 2	325,007	177,109	BRL 21,639,747,308.30
Band 3	72,658	16,859	BRL 5,092,044,185.06

Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2012	659,309	381,941	BRL 42,371,472,815.98
Band 1	306,381	157,525	BRL 15,954,294,625.40
Band 2	297,703	199,668	BRL 22,602,763,062.12
Band 3	55,225	24,748	BRL 3,814,415,128.46

Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2013	689,714	452,739	BRL 48,674,718,519.07
Band 1	388,277	148,912	BRL 22,296,997,456.47
Band 2	263,973	258,508	BRL 23,275,711,328.25
Band 3	37,464	45,319	BRL 3,102,009,734.35



Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2014	380,708	522,466	BRL 34,965,091,395.05
Band 1	138,543	201,978	BRL 6,947,108,141.85
Band 2	208,624	276,283	BRL 24,623,247,900.49
Band 3	33,541	44,205	BRL 3,394,735,352.71

Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2015	347,028	350,560	BRL 39,729,888,893.60
Band 1	16,011	174,720	BRL 554,239,941.89
Band 2	291,161	151,628	BRL 34,061,137,586.72
Band 3	39,856	24,212	BRL 5,114,511,364.99

Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2016	356,993	688,990	BRL 41,549,874,676.86
Band 1	36,858	216,773	BRL 1,409,830,484.73
Band 2	252,534	387,138	BRL 31,018,547,380.83
Band 3	67,601	85,079	BRL 9,121,496,811.30

Year/band	HU CONTRACTED	HU DELIVERED	AMOUNT CONTRACTED
2017	482,844	426,009	BRL 66,445,431,916.26
Band 1	22,222	100,209	BRL 1,783,921,257.79
Band 2	412,535	263,542	BRL 54,794,607,736.05
Band 3	48,087	62,258	BRL 6,382,793,381.38

# SUSTAINABILITY IN BUSINESS

## SUPPLIER CHAIN: PROFILE AND INVESTMENTS<sup>102-9</sup>

Businesses		Private Individuals		Total
NUMBER	PERCENTAGE	NUMBER	PERCENTAGE	
2,148	59.65%	1,453	40.35%	3,601

\*Lottery permits were not counted.

## SUPPLIERS BY REGION

	Business	PI
North	76	87
Northeast	259	314
Southeast	981	861
South	524	86
Midwest	308	105

## SUPPLIERS BY CATEGORY

	NUMBER
Goods and materials	4,024
Services	8,598
<b>GENERAL TOTAL</b>	<b>12,622</b>

\*17 international suppliers were identified.





## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY INFORMATION INCLUDED IN THE SUSTAINABILITY REPORT FOR 2017

**To the Board of Directors and Stockholders  
Caixa Econômica Federal – CAIXA  
Brasília- DF**

### INTRODUCTION

We have been engaged by Caixa Econômica Federal - CAIXA ("CAIXA") to present our limited assurance report on the compilation of the information related to sustainability included in the Sustainability Report for 2017 of CAIXA for the year ended December 31, 2017.

### RESPONSIBILITIES OF THE MANAGEMENT OF CAIXA

The management of CAIXA is responsible for the preparation and fair presentation of the information included in the Sustainability Report for 2017, in accordance with the guidelines of the Global Reporting Initiative - GRI Standards (formerly, GRI-G4) and for such internal control as management determines is necessary to enable the preparation of this information free from material misstatement, whether due to fraud or error.

### INDEPENDENT AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the information included in the Sustainability Report for 2017 based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply

with ethical requirements, including independence requirements, and perform our engagement to obtain limited assurance that the information included in the Sustainability Report for 2017, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the entity involved in the preparation of the sustainability information, as well as applying analytical procedures to obtain evidence that enables the issue of a limited assurance conclusion on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead the auditor to believe that the information, taken as a whole, might present significant misstatements.

The procedures selected were based on our understanding of the aspects related to the compilation and presentation of the information included in the Sustainability Report for 2017, on other circumstances of the engagement and on our analysis of the areas in which significant misstatements might exist. The following procedures were adopted:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the Sustainability Report for 2017 of CAIXA;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with

the managers responsible for the preparation of the information;

- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the information included in the Sustainability Report for 2017;
- (d) comparing the financial indicators with the financial statements and/or accounting records.

The limited assurance engagement also included application of procedures to assess compliance with the guidelines of the Global Reporting Initiative (GRI- Standards) applied in the compilation of the information related to sustainability included in the Sustainability Report for 2017.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

**SCOPE AND LIMITATIONS**

The procedures applied in a limited assurance engagement are substantially less detailed than those applied in a reasonable assurance engagement, the objective of which is the issue of an opinion on the information included in the Sustainability Report for 2017. Consequently, we were not able to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an assurance engagement, the objective of which is the issue of an opinion. If we had performed an engagement with the objective of issuing an opinion, we might have identified other matters and possible misstatements in the information included in the Sustainability Report for 2017. Therefore, we do not express an opinion on this information.

Non-financial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not carry out any work on the data reported for prior periods, nor future projections and goals.

**CONCLUSION**

Based on the procedures performed, described herein, no matter has come to our attention that causes us to believe that the information included in the Sustainability Report for 2017 of Caixa Econômica Federal – CAIXA has not been compiled, in all material respects, in accordance with the guidelines of the Global Reporting Initiative (GRI - Standards).

Brasília, July 31, 2018

PricewaterhouseCoopers  
Audidores Independentes  
CRC 2SP000160/O-5

Guilherme Naves Valle  
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**RELATÓRIO**  
*DE SUSTENTABILIDADE*  
**CAIXA 2017**

**CAIXA**