

CAIXA 2013 SUSTAINABILITY REPORT



SUMMARY

2	Message from the president	66	Economic-financial performance
4	CAIXA	74	Socio-environmental responsibility
14	Dedication to clients	76	Business sustainability
24	Corporate governance	86	Engagement
26	Strategic positioning	87	Reducing operational impacts
27	Integrated management	90	About the report
30	Governance structure	92	GRI Summary
32	Risk management	99	Attachments
34	The people behind the CAIXA	108	Assurance declaration from the independent auditors
46	More than a bank	111	Corporate information
50	Serving the public	112	Credits
58	Fomenting sustainable development		
62	Sustainable sourcing		
64	Sponsorship for culture and sports		

PRESENTATION

G4-31

The CAIXA is publishing its Sustainability Report for the sixth year running. This edition is aligned with the new Global Reporting Initiative (GRI) G4 methodology, comprehensive option, launched globally last year. This represents an advance in the model used by the institution: its last report, published in 2013 with information on 2012 performance, was based on G3.1 guidelines.

Aimed at ensuring accountability to the diverse stakeholder groups with which the CAIXA relates, this document is aligned with the organization's commitment to transparency in the disclosure of information, particularly in relation to questions concerning sustainability. The report is published in Portuguese, English and Spanish and is available on the company internet, intranet and on pencards. A limited number of print versions of the complete and summarized versions of the report will also be made available.

Please address any requests for clarification or suggestions about the content of this publication to the email gersa03@caixa.gov.br.



MESSAGE FROM THE PRESIDENT



Promoting citizenship and the development of Brazil are routine for CAIXA. This 2013 Annual Sustainability Report, our sixth (from 2003 to 2007 we published a social balance sheet), accounts for our actions and describes our progress over the last three years, a period of transition that has been important in consolidating the company. We revisited our Mission, our Values and our Future Vision, elaborating a strategic plan for the period 2012-2022, reaffirming our role as a public institution and as a strategic partner of the Brazilian state.

I can state with full conviction that our growth above market average over the last three years is the result of the organization's audacious but responsible positioning in the financial sector. As a competitive differential, CAIXA has offered lower, more affordable interest rates, resulting in expanded credit and a substantial increase in our client base.

CAIXA figures for 2013 are truly impressive. The institution injected some R\$ 635 billion into the Brazilian economy in the form of financing, benefit payments and investments. The bank's expanded credit portfolio reached R\$ 494.2 billion, placing it second in the market. More than 71 million account holders and savers deposited their trust in CAIXA, ensuring the largest net increase in savings in the bank's history, with a balance of R\$ 208 billion.

The CAIXA Lotteries raised a record of more than R\$ 11 billion for investment in the areas of education, sports, safety, culture and security. CAIXA ad-

opted a more effective policy towards agricultural credit, offering producers throughout the country a new alternative. By the end of the first half of 2014 when the 2013/2014 crop year ends, the bank will have invested R\$ 3.7 billion in agricultural credit operations, benefiting families, cooperatives and the agro-industrial sector as a whole. The combination of these factors led to the bank's highest profit ever, totaling R\$ 6.7 billion.

Nonetheless, however strong our performance has been over recent years, we understand that the key to our ongoing success is in the provision of efficient, high quality products and services and the maintenance of transparent relations with clients and society. Day after day, we underscore the understanding that CAIXA is much more than a bank: above all, it is a solid, publicly-owned company that is indispensable for the country. For this reason, we focus on offering new lines of business, on responsible credit management and on ongoing excellence in the execution of government programs.

The Bolsa Família or Family Allowance program completed ten years, with 159.7 million benefits and R\$ 24 billion paid out to low-income families, while 692,900 housing units were contracted for low-income families in the Minha Casa Minha Vida (My, House, My Life) program. Furthermore, these beneficiaries may furnish their homes using the Minha Casa Melhor (My Improved Home) card, finance provided by the CAIXA with federal government funds. We are fully aligned with best social and environmental practices

and verify the compliance of companies subject to environmental licensing when we do business with them.

Internally, once again in 2013 our efforts to ensure equality of opportunity between genders were recognized by the Pro-Gender Equality Seal. The CAIXA also established significant agreements with industry federations to support companies requiring technical and financial solutions to obtain environmental licenses and to carry out studies in energy efficiency. We instituted a new Sustainable Sourcing and Supplier Relationship policy, and reserved up to 2% of our net profit for the CAIXA Socio-Environmental Fund, as well as carrying out studies on energy efficiency in Brazil, with potential impact on the future offer of credit lines, among other measures. [G4-EC2](#)

These examples demonstrate that the positive results we generate are backed by actions to manage the impacts we cause and to mitigate the risks associated with our segment of activity. These commitments are made explicit by the fact that we have been signatories to the UNO Global Compact for a decade and have assumed other important commitments, such as the Equator Principles and Brazil's Protocolo Verde.

Lastly, I underscore the important distinctions CAIXA achieved in 2013: being one of the three finalists in the 2013 Financial Times/International Finance Corporation Sustainable Finance Awards, in the Sustainable Bank of the Year in Latin America category; considered the Sustainable Bank of the Year in Latin America in

the 2013 International Finance Corporation Sustainable Finance Awards; and winning the 2013 Marketing Best Sustainability award with the CAIXA Best Practices in Local Management Program. These are important acknowledgements that reflect our reputation in society, built on a basis of solid values, consistent measures and the positive results achieved over recent years.

Our strategy imposes the challenge of making CAIXA, already one of the largest public financial institutions in Latin America, one of the three principal banks in the country by the next decade. We already have the experience to achieve this: in the past we have managed to grow while the world was in crisis, advance while other financial institutions retracted; we took advantage of difficult moments to expand markets.

We look to the future with the same degree of confidence and are qualified to say what Brazilians are used to hearing: whenever there are major challenges, the CAIXA will be there, building the future. [G4-1](#); [G4-2](#)

Jorge Hereda
CEO, CAIXA

On a daily basis we underscore the understanding that CAIXA is much more than a bank: above all, it is a solid, publicly-owned company that is indispensable for the country.

CAIXA

With activities encompassing banking services and income transfer programs, the institution is one of the largest banks in Latin America.





IN THIS CHAPTER

Dedication to clients

The 152-year-old CAIXA is a public financial institution headquartered in Brasília and linked with the Finance Ministry. Responsible for the implantation of federal government initiatives in sectors such as infrastructure, housing and sanitation, it also provides banking services and is one of the largest banks in Latin America. The institution's support for urban and civic development goes back to its foundation: it was created in 1861 by Emperor Dom Pedro II to encourage the habit of saving. Today, the bank seeks to promote the well-being and social and economic development of the Brazilian people [G4-3](#); [G4-5](#); [G4-7](#)

CAIXA activities include the operation of labor benefits and social programs, such as the Fundo de Garantia do Tempo de Serviço (FGTS or Employee Severance Indemnity Fund), Seguro Desemprego (Unemployment Insurance) and the Programa de Integração Social (PIS or Social Integration Program), as well as income transfer programs, such as the Bolsa Família (Family Allowance). The institution also operates government funds, including the Fundo de Desenvolvimento Social (Social Development Fund), the Programa de Financiamento Estudantil (Fies or Student Loan Program), the Fundo de Arrendamento Residencial (Home Leasing Program) and the Fundo Garantidor de Habitação Popular (Popular Housing Insurance Fund). Other fronts include managing the federal lotteries, a significant part of whose revenues are employed in federal government social actions, pawn broking and incentives for art,

culture, sports and education through the institution's sponsorship policy. [G4-4](#)

As part of Brazil's National Financial System (Sistema Financeiro Nacional), the CAIXA is subject to regular banking regulations and to the Banco Central and the Tribunal de Contas da União (Federal Audit Court or TCU).

In 2013, the institution posted a net profit of R\$ 6.7 billion – a 19.2% increase over the previous year, taking into account a review of 2012 data (*read more on page 69*). This result was driven by increased revenues from credit operations (35.2%) and from service provision (14.5%). In parallel, the CAIXA initiated relations with 6.5 million new clients and injected R\$ 635 billion into the Brazilian economy by means of credit operations, the distribution of social benefits, investments in infrastructure and remuneration, among others. At the end of the year, 164,300 people were working in the company, including employees, service providers, interns and apprentices. The base of suppliers from Brazil and overseas totaled 12,129. [G4-10](#); [G4-12](#)

With a view to realizing its Future Vision and conducting the business sustainably, CAIXA holds true to its 2012 strategic planning. A series of Aspirations by area was elaborated in conjunction with employees, leading to the definition of guidelines that will enable the units to contribute to driving the company's performance. [G4-45](#)



Ipiranga agency: one of the bank's 65,840 service outlets.

SERVICE NETWORK

Focused on expanding the company's presence and strengthening its market share, the Network Expansion Plan ended 2013 with around 421 new agencies and a new floating agency ready to attend the population of the Ilha do Marajó (Pará) as of January 2014. The target of opening 500 agencies in the year was reviewed due to the record number of inaugurations in 2012 (666) and to cost contention measures.

The new vessel introduced in 2013 extends CAIXA services to the residents of the Ilha do Marajó, similar to the floating agency Chico Mendes, which serves remote regions on the Solimões River (Amazonas). In compliance with Banco Central regulations and following regular working hours, the agency has provided services for more than 250,000 people – 16,000 in 2013 alone. [G4-FS13](#)

In the course of 2013, the company reached a total of 65,840 service outlets, of which: 1,372 agencies and

bank service outlets (PABs) installed in low population density municipalities (66%), and 2,640 in high and medium density regions; 925 electronic service outlets (PAEs) in low density cities (24%) and 2,868 in high density cities (76%); 13,675 banking correspondents in high density cities (65%) and 7,484, in low density cities (35%); and 6,839 lottery outlets in high density municipalities (53%) and 6,066 in low density municipalities (47%). [G4-FS13](#)

During the year, a fleet of 18 mobile agencies provided itinerant services in diverse regions of the country. The target is to implant a further 35 trucks by the end of 2015. The overall target is to inaugurate 200 new agencies by 2015 and introduce another floating agency to serve the population of five municipal districts on the banks of the Sobradinho lake in Bahia.

All the new service outlets are aligned with guidelines driving higher service and client and employee satisfaction levels. They also comply with direc-



Recognized value

In 2013, CAIXA came in fifth place in the ranking of the most valuable brands in Brazil conducted by the British consultancy Brand Finance. Valued at US\$ 6.4 billion – an 88.2% increase in one year –, the bank became the third most valuable state company in the country.

CAIXA MISSION

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



VISION

To be one of the three biggest Brazilian banks by 2022, maintaining leadership as an agent for public policy.

2022

VALUES

G4-56

- Our work is important for society
- We are proud of working at CAIXA
- Together we can do more
- Our activities are guided by ethics
- We respect the ideas, the options and the differences of the whole of society
- Leadership is attained by example
- We are innovators in what we do



tives on accessibility, cost reductions and deadlines for compliance with corporate initiatives, as well as best practices in sustainability, resource economy and management efficiency. For example, the floating agencies employ modern wastewater treatment solutions, returning used water to water bodies in better condition than when it was withdrawn, the hull paint-work is non-pollutant, and the boats use LED lighting, resulting in 50% energy savings.

In parallel with the expansion of the company's physical infrastructure, it ended the year with an increase of almost 10% in its client base. To maintain service levels with this higher volume of account holders, CAIXA is investing in new resources such as the expansion of online services. In 2013, in addition to remodeling its internet banking system, the institution launched applications for iPhones and smartphones using the Android operating system, enabling account consultations and transactions, in addition to other functionalities [G4-8](#)

INTERNATIONAL PRESENCE

CAIXA has provided international services since 2004, including international transfers, mortgages for emigrants and FGTS fund withdrawals. International transfers to Brazil are available through banks located in or near Brazilian communities, while FGTS withdrawal requests may be made through consular facilities in Austria, Belgium, England, France, Germany, Holland, Ireland, Italy, Japan, Portugal, Switzerland and the United States. Expansion to Argentina, Paraguay, Uruguay and Bolivia is a 2014 target. [G4-6](#); [G4-8](#)

Representative offices in Caracas (Venezuela), Tokyo (Japan) and New Jersey (United States), further strengthen CAIXA's international presence and international cooperation projects with overseas institutions. [G4-6](#)

International cooperation projects were undertaken in Mozambique,

São Tomé and Príncipe and Peru in the areas of urban development, territorial organization, housing fund management, housing legislation and social and income transfer programs. CAIXA also received government missions from 13 countries, providing information about its correspondent model and the Minha Casa Minha Vida housing program. Furthermore, in 2013 the bank signed important agreements with the United Nations Development Program (UNDP) and the Inter-American Development Bank (IDB) respectively aimed at welfare/health care and sustainable urban development programs.

Consolidating its strategy to reinforce the bank's overseas presence and diversify actions aimed at fomenting the globalization of Brazilian companies, CAIXA was involved in exchange operations and the provision of working capital to finance exports totaling R\$ 5.3 billion. [G4-8](#)

PRESENCE IN BRAZIL

G4-9

3,288

AGENCIES

724*

SERVICES OUTLETS (PAB)

18

MOBILE UNITS (TRUCKS)

3,793

ELECTRONIC SERVICE OUTLETS (PAE)

12,905

LOTTERY CORRESPONDENTS

21,159

CAIXA AQUI CORRESPONDENTS

2

FLOATING AGENCIES
(+ 1 MORE SCHEDULED FOR 2014)

*723 PABs and one PAA.

Clients, by region [G4-8](#)

Region	Private individuals	Companies	Total
North	3,597,571	84,629	3,682,200
Northeast	16,392,541	375,181	16,767,722
Southeast	29,232,787	894,520	30,127,307
South	11,473,267	412,100	11,885,367
Center-West	5,506,594	166,441	5,673,035
Subtotal	66,202,760	1,932,871	68,135,631
Not declared/blank	3,518,475	14,458	3,532,933
Overall total	69,721,235	1,947,329	71,668,564

LINES OF BUSINESS

G4-4; G4-FS6

The lines of business offered by the CAIXA are defined regionally, aimed at meeting the specific needs of diverse economic segments, types of company and regions. The categories are: Midsize to Large Enterprises, (MLE), Micro and Small Enterprises (MSE), International Operations, Government and Judiciary.

To ensure alignment with CAIXA risk management policy, the approval of credit in excess of R\$ 10 million for any business client is subject to social and environmental analysis of its activities (*read more on page 76*). To determine whether a particular sector or region is subject to socio-environmental impacts from operations involving BNDES funding, clients must provide a proper environmental license or proof of exemption. For companies whose activities are deemed to present potential impacts, a license or exemption issued by Ibama/Conama or other competent authority is required, in line with Conama Ruling 237.

In the Micro/Small Company segment, that is companies with annual revenues of up to R\$ 15 million, CAIXA ended 2013 with more than 4.4 million contracts and a balance of R\$ 44.3 billion (see table). The sectors generating the highest business volume during the period were: automobile and motorcycle commercial and repair operations; transformation industries; health care and social services; and civil construction.

The largest number of contracts was signed with companies in the Southeast (2,630,585), followed by the South and the Northeast (see box).

BUSINESS LINE PORTFOLIO BY REGION

International operations by segment and region

Region	ACC/ACE* – MSE		ACC/ACE* – MLE	
	Total	Value (R\$ million)	Total	Value (R\$ million)
Center-West	1	428	9	17,651
Northeast	—	—	10	9,362
Southeast	117	30,720	62	480,399
South	19	7,178	52	96,502
Total	137	38,326	133	603,914

*ACC: Advance on exchange contracts; ACE: Advance on Export Contracts; MSE - Micro and Small Enterprises; MLE: Midsize to Large Enterprises.

MLE contracts by region G4-FS6

Region	Contracts	Balance of operations (R\$ billion)
Center-West	273,452	3,378
Northeast	587,866	7,043
North	115,675	1,881
Southeast	2,630,585	21,322
South	882,887	10,765
Total	4,490,465	44,389

MLE contracts by region G4-FS6

Region	Balance of operations (R\$ million)
North	370
Northeast	2,126
Center-West	2,079
Southeast	35,589
South	3,869

In the mid to large business segment, the balance of the credit portfolio reached the volume of R\$ 44 billion, with a total of 155,660 contracts signed during the year, predominantly in the Southeast region, followed by the South and the Northeast. In value, this represents an increase of 28.7% over the previous year. Revolving credit facilities corresponded to 8% of total business volume, while term operations represented 81%; investment, 9%; and renegotiation, 1%.

The quality of the portfolio is also significant: 70% of CAIXA mid to large company clients have an AA, A or B rating. The sectors served include durable consumer goods (metal, steel, construction and mining industries etc.); fast moving consumer goods (beverage, chemical and foods industries); agribusiness; retail and wholesale trade. In 2013, programs aimed at meeting the needs of mid to large companies, such as CAIXA Franquias, for the franchise sector, also posted positive results. The volume in this sector totaled in R\$ 1.1 billion.

The volume of international operations in 2013 totaled R\$ 642.2 million – R\$ 38 million of which corresponded to finance for companies in the micro and small segment and R\$ 603.9 for the mid to large segment, with products such as Advances on Exchange Contracts (ACC) and Advances on Export Contracts (ACE) (see box). Worthy of note during the year was the launch of the product CAIXA Export Finance – Compulsory.

EXCLUSIVE SERVICES

G4-4

Social and income transfer programs

The CAIXA operates federal government worker support programs such as PIS, Unemployment Insurance, Small Fisherman Support, Crop Guarantee among others. It also operates income transfer programs focused on poverty reduction and citizenship, such as the Family Allowance, Green Grant and the Agricultural Production Foment program. Another front is support for sustainable development, financing infrastructure and sanitation works and the Microcrédito Produtivo Orientado (Targeted Microcredit) program (*read more on page 58*).

Judicial Portal

The only financial institution authorized to receive FGTS judicial deposits and hold judicial deposits from all spheres of the Judicial system – federal, state and labor courts –, since 2012 CAIXA has maintained the New Judicial Portal on its website. This is aimed at providing the courts, judges, civil servants and companies with access to information on judicial deposit accounts.

Lotteries

Created in the 1970s, the CAIXA Lotteries are an important source of funding for social programs. Offering ten types of games, which may be played individually or in groups via the Bolão CAIXA (created in 2012), the lotteries ended 2013 with record revenues of R\$ 11.4 billion – 8.8% up on the previous year. Almost R\$ 5.4 billion of this total was invested in government measures in the education, culture, security, sport and safety areas. The Mega-Sena lottery accounted for 41.5% of revenues, followed by Lotofácil, with 26.14%, and the Quina, which corresponded to 16.97% of the total.

In 2012, CAIXA obtained ISO 27001 and WLA:SCS (World Lottery Association Security Control Standard) certification, valid for 2013 and 2014. Together these certifications guarantee transparency and security in lottery processes, including draws, the determination of winners, the payment of prize money and overall management. The processes will be recertified in 2015.

CAIXA LOTTERY INVESTMENTS, BY SEGMENT (THOUSANDS OF R\$)

G4-9; G4-EC7

1,919,733

SOCIAL SECURITY

964,633

TAXES

1,062,882

EDUCATION

764,431

SPORT

342,940

SAFETY

320,009

CULTURE

THE INSTITUTION IN NUMBERS (2013)

G4-8; G4-9; G4-23

CAIXA lotteries

R\$11.4^{bi}

WAS THE TOTAL RAISED, OF WHICH R\$ 5.4 BILLION WAS CHANNELED TO THE GOVERNMENT FOR INVESTMENTS IN EDUCATION, CULTURE, SOCIAL SECURITY, SPORT AND SAFETY.

Share in credit

18.1%

CAIXA'S SHARE IN THE BANK CREDIT MARKET.

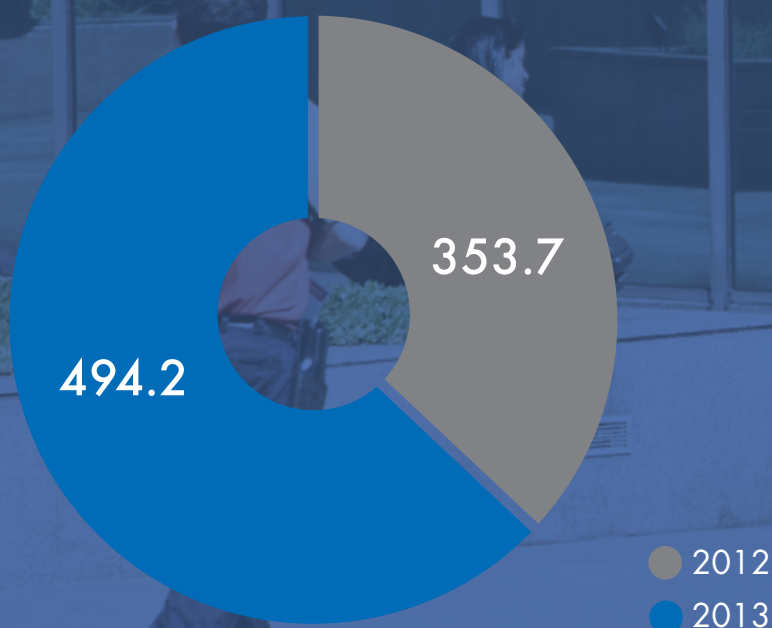
Housing loans

R\$ 270.4^{bi}

IS THE BALANCE OF THE PORTFOLIO, CORRESPONDING TO A 68.5% SHARE IN THE SEGMENT.



Growth in credit* (R\$ billions)



KEY NUMBERS

1.5^{tri}

total assets

27.4^{bi}

net equity

6.7^{bi}

net profit*

* Balance of expanded credit portfolio, which grew 36.8% in 12 months, in particular in finance for housing, trade, sanitation and infrastructure.

* The bank's highest profit ever.

CLIENTS, TOTAL BY REGION



Number of clients
(million)

Private individuals



Companies*



* Includes large, midsize and small companies.

SERVICE NETWORK

65.8^k

THE TOTAL NUMBER OF SERVICE OUTLETS NATIONWIDE, INCLUDING FIXED AND MOBILE AGENCIES, CORRESPONDENTS, ATMS AND OTHER CHANNELS.

421

THE TOTAL NUMBER OF NEW CAIXA AGENCIES INAUGURATED DURING THE YEAR AS PART OF THE SERVICE NETWORK EXPANSION PROGRAM. G4-23



Result

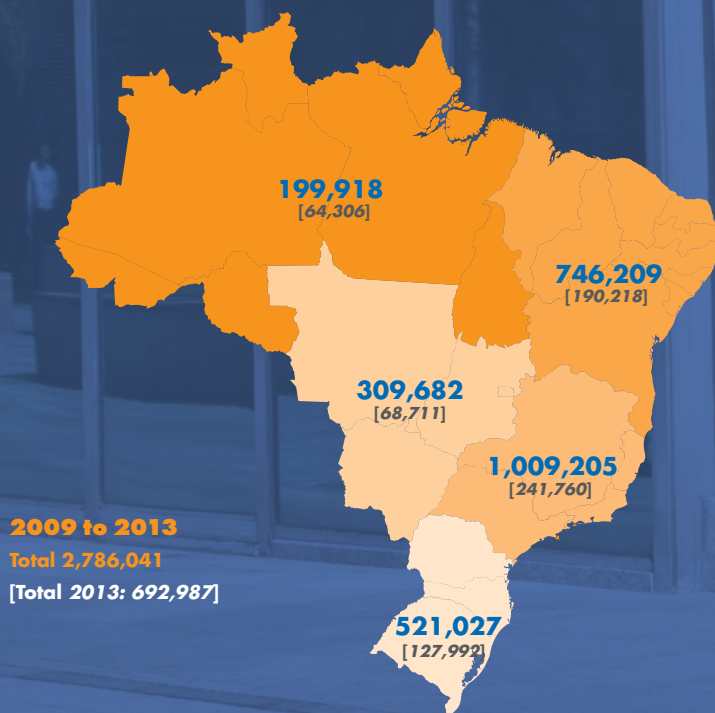
6.5^{bi}

TOTAL NUMBER OF BANK TRANSACTIONS PERFORMED DURING THE YEAR

THE INSTITUTION IN NUMBERS (2013)

G4-8; G4-9; G4-23

MINHA CASA MINHA VIDA (MY HOUSE MY LIFE) Housing units contracted by region



2009 to 2013

Total 2,786,041

[Total 2013: 692,987]



Investments

R\$85.6^{mi}

INVESTED IN EMPLOYEE EDUCATION AND TRAINING, THROUGH THE CAIXA UNIVERSITY AND OTHER CHANNELS.

35.1%

CAIXA SHARE IN THE SAVINGS ACCOUNT MARKET, WITH A BALANCE OF R\$ 209.6 BILLION.

12,129

THE NUMBER OF BRAZILIAN AND INTERNATIONAL SUPPLIERS PROVIDING THE COMPANY WITH GOODS AND SERVICES.

EQUITY STAKES AND INVESTMENTS

G4-9; G4-17

Authorized by provisory measure n° 443/2008, CAIXA Participações S.A. (CAIXAPAR) is a subsidiary that takes equity stakes in other companies, with a focus on complementary or similar sectors and activities. The companies in which CAIXA has acquired holdings include other financial institutions, real estate operations and credit service providers. The equity portfolio corresponded to R\$ 3,341 million in 2013, an increase of 1.8% over the previous year.

As part of company strategy to expand the scope of this business, the incorporation of CAIXA Banco de Investimentos S.A. is underway. This will be a wholly owned subsidiary that will operate in the capital markets and in third-party asset management.



Income transfer

The CAIXA distributed R\$ 26.5 billion in social and income transfer programs. Unemployment Insurance, PIS and the Bolsa Família (Family Allowance) are some of the programs benefiting Brazilians.

R\$ 122.6^{mi}

IS THE BALANCE IN
ACTIVE FGTS ACCOUNTS..

R\$ 29.7^{bi}

CONTRACTED IN FINANCING
FOR SANITATION AND INFRASTRUCTURE.



Total workforce

total workforce*



employees**



* Includes employees, service providers, interns and apprentices working at CAIXA.

** Permanent labor force.

Dedication to clients

More than just a public bank with a nationwide presence, the CAIXA is a provider of services that are essential for Brazilians. Through its banking business and federal government programs, the institution maintains relations with a wide-ranging, diverse client base. It may safely be said that every Brazilian worker comes in contact with the bank at least once in his/her lifetime. On a monthly basis, the bank provides services for millions of beneficiaries of the Bolsa Família (Family Allowance) and Minha Casa Minha Vida (My House My Life) programs nationwide, as well as for clients benefiting from its housing loan, banking and pawn broking services, not to mention the lotteries. The CAIXA has built a solid reputation among these varied stakeholder groups through its transparent relationship policy.

In 2013, 6.4 million new accounts were opened, bringing the CAIXA client base to 71.7 million – including private individuals and companies. This 9.9% growth rate is in line with the company's network and business base expansion plans.

Relations with clients are governed by the CAIXA Client Management policy (*read more on page 101/Attachments*) implanted in 2012, which sets forth guidelines to drive ongoing service improvement among the diverse audiences and business lines. During the course of 2013, this policy was disseminated throughout every level of the organization, addressing questions such as ethical relations, transparent communication, sustainability, innovation and employee responsibility for providing clients with the best possible user experience.

SERVICE CHANNELS

G4-49; G4-50

Doubts, complaints, praise and reports on violations provide important inputs, enabling CAIXA to improve its management and review its processes. The company offers clients, employees and society as a whole channels aimed at improving areas such as speed of service, response times, handling of complaints and reports of violations and incidents.

Currently the main relationship channels are the Customer Care (SAC), the CAIXA Citizen, the Ombudsman, the Contact Us and the Contact the President services, as well as specific call centers for credit cards and companies, international services and for consumers with hearing and speech impairments. The Contact Us service enables the user to fill out a simple form on the CAIXA website detailing the nature of the contact and the message – which is immediately channeled to the competent department.

The telephone is still the main medium for contacts, with two toll-free direct lines. In 2013, the SAC (0800 726 0101) fielded 24.3 million contacts, most of which were related to loans, accounts, housing and other banking services. The lines are open 24 hours a day, seven days a week. The maximum waiting time to speak to an attendant is 45 seconds; on Mondays, days before and after holidays and on the fifth working day of each month, the maximum waiting time is 90 seconds.



Access to information

As a public financial institution, CAIXA is strictly compliant with Law 12.527/2011, which sets forth procedures to ensure access to information about the government, ministries and diverse public authorities. The website has a specific page with the Citizen Information Service (SIC), in which the CAIXA provides information of public interest in accordance with Decree n° 7.724/2012. For information not readily available on the page, users may use the e-SIC shortcut to make their request. In 2013, there were 2,196 requests for information, which were all answered. CAIXA came ninth in the ranking of public institutions with the most requests in 2013.

To meet specific requests related to PIS, unemployment insurance, FGTS, Cartão Social and lottery results, for example, in 2012 the CAIXA Citizen line was implanted (0800 726 0207), recording 56.7 million contacts in 2013. This channel is open from Mondays to Fridays from 8:00 a.m. to 10 p.m. for calls from fixed and mobile telephones.

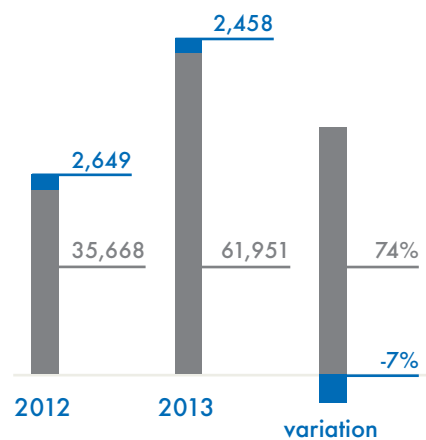
The CAIXA customer care services may also be accessed via the email ouvidoria@caixa.gov.br, the website www.caixa.gov.br or by letter. People with hearing or speech impairments may also access the services via a specific line (0800 726 2492) using a TDD device. [G4-FS14](#)

The care service is strictly compliant with Decree n° 6.523/2008 and Ruling n° 2.014, 13/10/2008, which mandate the provision of the service 24 hours a day, seven days a week and establish the maximum waiting time for clients and the time limits for resolving problems and dealing with complaints.

For issues which the SAC is unable to resolve the client may resort to the Ombudsman service (0800 725 7474). This channel received 64,409 contacts in 2013, an increase of 68% compared with the previous year, particularly worthy of note being those forwarded by the Banco Central (see *table*). The increase in the number

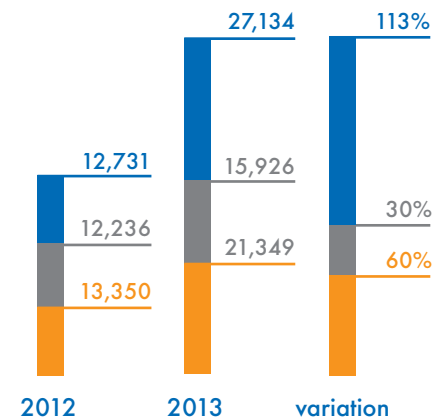
of complaints in 2013 was a consequence of the expansion of the client base and the increase in the number of channels available to clients. It should be noted that since 2011, it is no longer necessary to visit Procon personally to file a complaint; this may be done by telephone, internet or video. In 2013, CAIXA was unable to reduce the volume of complaints received via this channel. Because of the contacts it maintains with clients, the Ombudsman service is able to understand their needs and provide company managers with inputs to review and improve company processes, products and services.


Ombudsman
Nature of contact (G4-50)



● Report
● Complaint


Ombudsman
Origin of complaints (G4-50)



● Bacen
● Procon
● Multiple channels

SERVICE COMMITTEE

G4-58

In 2013, the company created the Service Committee, the purpose of which is to enhance client relations, promote faster, more efficient service and new solutions and practices. This committee, linked with the Steering Committee, comprises the CAIXA CEO and the vice presidents of Corporate Operations, Corporate, Government, Housing, Emerging Businesses, People Management, Information Technology, Retail and Service – the latter heading the committee. [G4-35](#); [G4-36](#); [G4-42](#)

The group meets monthly and, based on qualitative and quantitative data from the SAC and Ombudsman, seeks solutions in three key areas: mechanisms for monitoring client satisfaction; speed and efficiency in responses; and solutions for correcting failures.

The Service Committee is part of the institution's new governance model – CAIXA+10 (read more on page 26) – and is one of the 13 Steering Committee support committees created in 2013 to propose and decide on improvements to bank processes. [G4-35](#); [G4-36](#); [G4-42](#)

The Committee is linked with the Steering Committee and its purpose is to enhance client relations, promote faster, more efficient service, as well as new solutions and practices.



Client satisfaction

G4-PR5

To complement the relationship channels, the CAIXA adopts proactive measures to assess service quality. In 2013, client satisfaction surveys, which the previous year had focused on the products and services on offer, took service levels into account.

In 2013, the satisfaction survey was conducted in 3 thousand CAIXA agencies, encompassing both commercial (accounts, housing, withdrawals and others) and social (Unemployment Insurance, FGTS, INSS, Family Allowance etc.) services. A total of

90,000 clients were surveyed. The survey also took into account service levels in other CAIXA channels – Internet Banking, Telephone service, Self-service, Lotteries and CAIXA Aqui Correspondent.

Conducted via telephone, the agency service level survey took place at quarterly intervals, each wave covering 25% of the agencies. The results show that the agencies in the Southern region and in the country's interior were more highly rated than those in the other regions and in the large urban centers.

The survey of the other channels was also conducted via telephone at six monthly intervals, with 13,800 clients

participating in each wave. Internet Banking received the best assessment, with a rating of close to 9 on a scale from 0 to 10 for the website layout. In self-service, 90% of the respondents said they recommend or would recommend the use of ATMs to friends or relatives; in the channels CAIXA Aqui Correspondent, Telephone service and Lottery, the percentages were 72%, 66% and 65%, respectively.

Overall, items such as waiting time in the lottery outlets are still a challenge for the company and will be prioritized in client service process and practice reviews.

ACCESSIBILITY G4-FS14

Respecting other people's ideas, options and differences is an important value for CAIXA, and all employees are expected to engage in its mission of promoting citizenship.

A major focus is ensuring that the disabled have full access to the company's products and services. For this reason, the booklet "Serving the Disabled" is available for all employees with recommendations, guidelines and legal and strategic information. Knowledge of the booklet is verified in a service certification test.

Regarding persons with hearing impairments, in 2013 training was provided for employees to ensure that each CAIXA agency has at least two attendants familiar with Brazilian sign language (Libras). A total of 449 employees received module I training and a further 337 were trained in Module II. Additionally, since 2007 these clients have a dedicated free care center, providing service 24 hours a day, seven days a week.

There are a number of standard procedures for the visually impaired aimed at ensuring client autonomy. In addition to the current account statements in Braille, implanted in 2009, the bank's magnetic credit and debit cards are printed in Braille or with enlarged letters, as are pamphlets providing information on services.

At 100% of the agencies and service outlets at least one in every 15 ATMs is adapted to provide operations using text to speech software – which converts information such as names, numbers and amounts into synthesized speech. For clients who prefer to use Internet Banking, since 2010 CAIXA has had an adapted website with audio resources and unified access to all products and services. All standard manuals have also been adapted to ensure contracts are read out whenever an operation is contracted.

Since 2008, all CAIXA ATMs have been adapted to ensure accessibility for wheelchair users or short people, in accordance with the standard NBR 15.250/2005, issued by the Brazilian Technical Norm Association (ABNT). Today, the entire ATM park installed in Brazil (23,371 machines) is compliant.

**Accessibility Plan**

To ensure architectural adaptation of its buildings and to improve client service, CAIXA initiated the elaboration of its Accessibility Plan. In 2013, employees from diverse areas participated in two courses related to this question organized by the Human Rights Department. G4-FS14

Access to CAIXA products and services is guaranteed for persons with hearing, visual or physical disabilities.



Technology: higher service quality

THE WEB

CAIXA processed 1,201,213,228 transactions via Internet Banking in 2013, a 35.39% increase over the 937 million transactions performed the previous year. One of the reasons for this growth was the new services provided for users, including programming of automatic debits, identification of electronic transfers, discount of checks and duplicates, payroll loans and the Crescer Mais and Viver Mais pension services.

In 2014, CAIXA intends to offer more and better online services than those offered by its competitors. Emphasis will be on its Mobile Banking application for mobile telephones. The application was implanted in 2012 and received 125 new services in 2013; it is currently at the approval phase. The target for 2014 is to consolidate new Mobile Banking services and to develop new smartphone and tablet applications.

TECHNOLOGY PARK

CAIXA continued to update its technology park throughout 2013. A total of around 40,000 desktop work stations, and 19,000 financial stations were substituted, as were 2,500 self-service terminals. The acquisition of a further 50,000 work stations, 16,000 notebooks, 6,000 self-service terminals and 15,400 lottery outlet terminals is scheduled for 2014. This will drive service improvement, as well as provide clients with an enhanced user experience.

One of the criteria in the selection of the new computers was adherence to the Green IT standard adopted by the federal government, which includes production with fewer pollutant materials, greater energy efficiency during use and the proper disposal of the equipment. The bank estimates that the use of this new equipment could generate a 30% reduction in energy consumption.

In 2013, the bank replaced around 40,000 desktop computers, 19,000 financial stations and 2,500 ATMs. A further 50,000 work stations and 16,000 notebooks should be acquired in 2014.

In 2013, the bank made additional services available to clients, such as programming of automatic debits, check and duplicate discount, as well as payroll credit.



COMMUNICATION

Internally, the use of technology has resulted in greater integration and faster decision making. In 2013, the adoption of the interactive connectivity tool Lync facilitated instant messaging (chats), video-conferencing and online remote presentations, among others. The chat feature is available for all users of the CAIXA network, while managers have access to audio and videoconferencing technologies.

The main advantages of these technologies include an estimated 60% reduction in travel costs for meetings and a 20% decrease in the costs of local and long distance calls between CAIXA units. Furthermore the time saved and the lower volume of emails in circulation will increase productivity and enable faster responses to clients.

BANK AUTOMATION

In order to have control over the development and maintenance of its banking automation system, which were hitherto outsourced, CAIXA substituted the previous system with the SISAG Agency Product and Service Automation System. The migration process was initiated in 2012 and by the end of 2013 more than 2,200 agencies were using the new system.

The technology enables access to transactions from any work station with an internet connection, eliminating the need for specific operating terminals. It is expected that this will reduce the need for technical assistance calls.

At the end of 2013, all CAIXA units had mechanisms for digitalizing documents and compensated checks. The centralized verification of checks was in operation in 150 agencies, eliminating the need to print copies and streamlining the overall process.

BIOMETRICS

Biometrics technology offers greater security for banking operations in ATMs by requiring the fingerprint of the user for identification purposes. In 2013, CAIXA initiated the updating of its ATM park to support this new technology. By the end of the year, 13,000 terminals had been equipped with biometric sensors and a further 6,000 are scheduled to be installed in 2014. The remainder should receive sensors by 2016.

Since the bank also operates through lottery outlets, these had been supplied with 25,000 terminals with biometric sensors by the end of 2013. Currently biometrics is applied for payment of the Bolsa Família allowance, for proof of life and for withdrawal of National Social Security Institute (INSS) funds.

TECHNOLOGY SER

COMMUNICATION

VIDEOCONFERENCING, ONLINE DISTANCE PRESENTATIONS AND CHATS DRIVE **GREATER INTEGRATION AND FASTER DECISION MAKING** FOR THE INTERNAL TEAM.



ON THE WEB



2014
New **MOBILE BANKING** SERVICES WILL BE MADE AVAILABLE AND NEW APPLICATIONS WILL BE DEVELOPED FOR **SMARTPHONES AND TABLETS.**

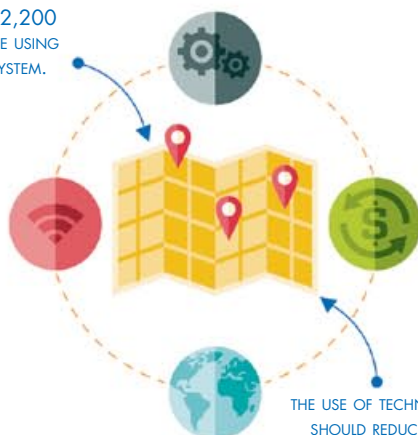


AVING CUSTOMERS

BANKING AUTOMATION

THE AGENCY PRODUCT AND SERVICE AUTOMATION SYSTEM PROVIDES **ACCESS TO TRANSACTIONS** FROM **ANY WORK STATION** WITH AN INTERNET CONNECTION.

MORE THAN 2,200 AGENCIES ARE USING THE NEW SYSTEM.



THE USE OF TECHNOLOGY SHOULD REDUCE THE NUMBER OF TECHNICAL ASSISTANCE CALLS.



ALL CAIXA UNITS **DIGITALIZE** DOCUMENTS AND COMPENSATED CHECKS. THIS **SAVES MONEY AND SPEEDS UP** THE PROCESS.

BIOMETRICS

THE USER'S **FINGERPRINT** MAKES BANKING OPERATIONS MORE **SECURE**.

TECHNOLOGY PARK

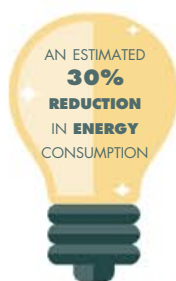
2,500 SELF-SERVICE TERMINALS **SUBSTITUTED** IN 2013.



GREEN IT
NEW EQUIPMENT IS PRODUCED WITH **LESS POLLUTANT MATERIALS**. ITS USE MEANS:

GREATER ENERGY EFFICIENCY

PROPER DISPOSAL



AN ESTIMATED **30% REDUCTION** IN **ENERGY CONSUMPTION**



- 2013** 13,000 ATMs WITH BIOMETRIC SENSORS
- 2014** INSTALLATION OF A FURTHER 6,000 TERMINALS
- 2016** INSTALLATION OF SENSORS IN THE REMAINING TERMINALS

LOTTERY OUTLETS
25,000 TERMINALS WITH **BIOMETRIC SENSORS**.



New CAIXA communication material

G4-PR3

In 2013, CAIXA launched a new series of communication materials. Using straightforward, clear language, the flyers present the bank's main products and services using an approach tailored for specific niches of interest to CAIXA, such as university students, retirees and pensioners. The texts are divided by topic and employ icons that identify each subject, making them easy to read and understand. The flyers also provide information on CAIXA's information channels.

There are 40 flyers divided into three groups according to the target public. The flyers with a blue edge are for private individuals, while the orange-edged ones are for companies. The citizen category, identified by its white borders, was created to disseminate federal government social programs operated by CAIXA, such as FGTS, Unemployment Insurance and PIS/Salary Bonus.

INFORMATION SECURITY

G4-PR8

The privacy of client data is a priority for CAIXA. Sophisticated protection systems are employed to ensure that confidential information is not manipulated by third parties. The constant enhancement of Information and Communication Technology (ICT) means ever more streamlined services for clients.

Reference documents include the company's Information Security Policy and the Information Security Steering Plan, which provide guidelines and rules and establish accountability for information handling. The effectiveness of the bank's procedures and practices was attested in 2012 by international ISO 27001 certification, specifically related to information security.

CAIXA is also compliant with the Basel II framework, which sets forth procedures for preventing fraud, theft and process failure and allocating resources to mitigate the risk of losses caused by people or inadequate system performance. Information on complaints related to the violation of client privacy is considered confidential by the institution and is not disclosed.

One of the most important steps towards guaranteeing information security is the new Datacenter – a complex of “intelligent” buildings housing the bank's ICT infrastructure, which came into operation in March 2013. Equipped to protect client information and reduce operational risks, while providing the infrastructure capable of meeting the high demand for information, the 1,000 m² space is prepared to handle adverse situations – such as energy blackouts and problems caused by humidity and temperature.

In addition to its electromechanical structure, the Datacenter, the result of a Public Private Partnership (PPP), is equipped to prevent and combat risk situations involving data violation, including restrictions to access. The building is also compliant with clean construction criteria such as the maintenance of soil permeability, energy conservation, noise reduction and the use of sustainable raw materials. [G4-13](#)

FINANCIAL EDUCATION

G4-PR3

Financial education entered the CAIXA's strategic agenda in 2012 with the inception of the CAIXA+10 Strategic Plan – which established a focus on the provision of financial information for class C consumers and support in financial management for micro and small enterprises.

These initiatives are the responsibility of the bank's Control and Risk area, although the Financial Education Program does involve other areas, the aim being to offer advice to both employees and clients who are heavily in debt. The idea is to train branch managers so that they may become financial consultants for their clients and help clarify financial questions for society in general. A particular focus is lower-income consumers and participants in the federal government's Minha Casa Minha Vida program.

In 2013, CAIXA launched a Financial Education Portal open to all, including private individuals and companies, with easy to understand content that includes videos, explanatory texts, tips on how and when to invest, as well as financial management tools. Another initiative benefited some 150 outsourced service suppliers in Brasilia (Distrito Federal), with basic contents on financial and budget management, including a talk and information booklets.

From August to December, CAIXA organized a pilot financial coaching project aimed at employees and clients with serious debt problems. The program included guidance on finance and banking products, personal financial planning and debt renegotiation.

Another CAIXA financial education project is aimed at integrating Brazilians living in Massachusetts (United States) and their families in Governador Valadares (Minas Gerais). Through CAIXA Internacional, these people may participate in on-site and online courses on family financial planning, have access to credit, make investments, receive overseas money transfers and find out about the full range of banking products available. In partnership with Sebrae, CAIXA also offers a course on entrepreneurship, providing financial advice for emigrants on their return to Brazil.

In 2012, CAIXA also created "School Savers", a financial education program for schools aimed at encouraging children in public and private schools to adopt the healthy habit of saving money. By the end of 2013, the program had been disseminated at 286 schools – 151 public and 135 private – benefiting 56,119 students.

150

SERVICE PROVIDERS
IN BRASILIA
BENEFITED FROM
THE FINANCIAL
EDUCATION PORTAL.

286

SCHOOLS TOOK
PART IN THE
"SCHOOL SAVERS"
FINANCIAL
EDUCATION
PROGRAM.

56.1 k

PUBLIC AND PRIVATE
SCHOOL STUDENTS
TOOK PART IN THE
PROGRAM IN 2013.

CORPORATE GOVERNANCE

Policies, practices and guidelines ensure strict compliance in CAIXA management.





IN THIS CHAPTER

Strategic positioning
Integrated management
Governance structure
Risk management

As a state company, CAIXA's major commitment is to ensure its positioning as a reference in corporate governance and to generate value for its stakeholders. To make sure this happens, the organization has an integrated management model that drives accountability, compliance, strategic risk management and corporate social responsibility. These guidelines are set forth in a series of management instruments including Company Bylaws, its Code of Ethics and Procedural Policies. [G4-56](#)

The governance model adopted by CAIXA is in compliance with Decree n° 6.021/2007 – which created the Inter-Ministerial Commission on Corporate Governance and Management of State Controlled Interests (CGPAR)

– and is oriented by seven principles that govern its activities and strategic decisions (see box).

Of great importance in 2013 was the approval of the bank's new bylaws, introducing significant changes. The alterations have led to the strengthening of the corporate governance system and have enabled the Supervisory Board and Steering Committee to reinforce management and monitoring of the execution of CAIXA strategy. Adjustments were also made to the institution's management model with important advances such as the creation of two new management areas and support committees for the Steering Committee, streamlining the decision making process.

SEVEN GOVERNANCE AND MANAGEMENT PRINCIPLES

1. Transparency
2. Fairness
3. Accountability
4. Corporate social responsibility
5. Compliance
6. Strategic risk management
7. Sustainability



Headquarters in Brasília:
an integrated management model
driving accountability, compliance,
strategic risk management and
corporate social responsibility.

Strategic positioning

The main instruments guiding CAIXA policy are its bylaws, its mission, its vision and its values. To achieve the results expected of the business, the institution has a strategic plan, reviewed by senior management in 2012 and disseminated to the entire work force, with guidelines, criteria, actions and priorities for the period from 2012 to 2022. [G4-42](#)

This plan is focused on realizing the organization's future vision and conducting the business sustainably. The former refers to the position CAIXA intends to occupy in the market, maintaining its leadership as an agent of public policy, while the latter addresses the importance of ensuring success in the economic, social

and environmental areas. The plan includes a strategic map, setting forth the organization's business goals, pillars, indicators and targets. [G4-2; G4-42](#)

In 2013, to ensure fulfillment of the plan, a series of Aspirations per area were developed. These consist of a set of actions, with clear targets, that reflect the responsibilities and contributions of the business units to achieving company goals. With the active participation of employees, these were used as a basis for building the CAIXA business plan. They are also important inputs for the preparation of the strategies of the different business areas, including tactical actions and goals for the next three years. [G4-2](#)



Organizational health

As part of the process of analyzing CAIXA's new management model, in November 2013 a second survey to measure the company's Organizational Health Index was conducted. This is designed to verify progress towards the priorities defined for transforming the organization, based on the CAIXA+10 movement. The survey was applied among 1,055 employees at the company's headquarters in Brasília (Distrito Federal), and showed a five point improvement over the 2012 index.

CAIXA TARGETS AND COMMITMENTS FOR 2014 [G4-1; G4-2](#)

- Publish the CAIXA emissions inventory in the Public Emissions Registry.
- Consolidate the supplier engagement program in line with the Sustainable Sourcing Plan.
- Adapt existing products and services or develop new ones with a socio-environmental orientation.
- Inaugurate 120 new agencies.
- Introduce a new floating agency, on the São Francisco River.
- Carry out a pilot Partner Network training program for active lottery outlets.
- Implement the first cycle of the performance appraisal system for CAIXA employees.
- Include content from the CAIXA Employee Code of Conduct in the application for the next entrance exam.
- Increase Lottery revenues by 5.17% compared with 2013, reaching R\$ 11.8 billion.
- Reach R\$ 3.7 billion in agricultural credit operations for producers, cooperatives and agricultural industries by the end of the first half of 2014, when the 2013/2014 crop years finishes.
- Acquire 50,000 work stations, 16,000 notebooks, 6,000 self-service terminals and 15,400 Lottery financial terminals.
- Release the CAIXA Virtual Wallet, as well as new applications for smartphones and tablets.
- Expand the offer of mobile banking services.
- Conclude the migration of the National IT Operations Center from Rio de Janeiro and migrate the entire São Paulo Centralization environment.
- Serve 3.7 million families in the Minha Casa, Minha Vida Program.
- Grow CAIXA activities in public and private schools, expanding the number of groups in the "School Savers" program.
- Extend CAIXA activities in South America, expanding FGTS services, with four new consular posts: Buenos Aires, La Paz, Assuncion and Montevideo.

Integrated management

A number of commitments, channels, documents and initiatives support CAIXA in guaranteeing conduct, ethics and efficiency in corporate management. To ensure all company employees and leaders are aligned with our Values, Mission and Vision, there is a series of policies approved and validated by senior management, the most noteworthy being: Corporate Governance; Credit; Borrower/Operational Credit Risk; Monitoring and Strategic Assessment; Internal Controls and Compliance; Prevention of Money Laundering; Pricing; Client Management; Environment; Corporate Social Responsibility; Communication, Marketing and Sponsorship, among others. Furthermore, CAIXA monitors compliance with its codes via structured channels and participates in external initiatives aligned with these commitments. [G4-42](#); [G4-56](#)

As a state bank and operator of public policies essential for the country's development, CAIXA is fully aligned with federal government guidance and with the financial sector regulatory framework. One of its major current standards is the Corporate Social Responsibility policy – which was implanted in 2007 with the intention of consolidating the organization as a socially responsible entity which is committed to people, the environment and economic development. This policy was updated in 2013.

To monitor the effectiveness of the policy and ensure accountability, the bank uses indicators such as total credit volume involving socio-environmental criteria compared with total credit volume under contract; indicators showing the evolution of corporate efficiency in the use of natural and material resources; and CAIXA's evolution in its internal self-diagnostic survey. [G4-42](#); [G4-56](#)

Other relevant tools are company Environmental policy, which addresses impacts and the role of financial institutions in promoting sustainable business, production and service provision; and the norms governing policy approval, which outline the rules for elaborating and implanting these documents. It is the Business Development Executive Board's responsibility to assess the effective classification of a question as policy, its intersection with existing policies, and the relationship with other proposed indicators and the model for evaluating CAIXA results, among others. [G4-42](#)

CODE OF ETHICS

[G4-56](#); [G4-57](#)

The Code of Ethics was first released in 2002, aimed at systematizing values and providing guidelines for actions and internal and external relations. Violations of the code are examined by the Ethics Committee.

Every year, unit managers and members of senior management organize meetings supported by the People Management area in which ethics is discussed, as is the importance of employees being familiar with the Code of Ethics and renewing their electronic signature of the Term of Acknowledgement.

Diverse data is available on conduct on the Employee Portal. These include articles and specific orientations about the code, the role of the Ethics Committee and a series of recommendations, which omit the names of the parties involved. Other themes addressed are ethics in strategy; ethical values; managing ethics in state companies; a handbook on conduct for federal civil servants in elections; and the Code of Professional Ethics for federal authorities. The virtual environment also has a list of frequently asked questions with



Channels for reporting violations

[G4-37](#); [G4-49](#); [G4-50](#); [G4-58](#); [G4-HR12](#)

Available for external parties, including clients, business partners and public authorities, the Ombudsman service and the Customer Care service (SAC) are important channels for receiving reports and addressing potential cases of non-compliance with internal standards. In 2013, the Ombudsman service received 64,409 contacts (*read more on page 15*); for those working in the company there is the *atender*. CAIXA service through which cases of harassment, discrimination and violations of ethical standards and conduct may be reported (*p. 44*). The number of complaints forwarded to the Supervisory Board is considered confidential. However, all board meetings address strategic CAIXA themes, and questions involving ethics may be reported to the board by any vice president.

responses from the Ethics Committee. In the CAIXA University environment, all employees are tested on their knowledge of the code.

Since 2006, the application for the bank employee entry exam has included content on basic notions of ethics, applied ethics and CAIXA ethical standards. From 2014, content related to standards of conduct will be included. The Code of Ethics is available in writing and in Libras sign language via the link http://www14.caixa.gov.br/portal/governanca/home/etica/codigo_de_etica_da_caixa.

Ethics Committee G4-34

The Ethics Committee is an autonomous statutory body whose function is to guide, advise and manage questions of ethics involving company managers and employees. The committee rules on anti-ethical conduct or violations of standards which are reported to it.

The group has its own internal rules and comprises three members and three alternate members. These are chosen from among the permanent employees, with one indicated by the CAIXA CEO. The Relationship and Benefits area provides the committee with administrative support, acting as executive secretary.

The Ethics Management System, a technological tool for managing ethics-related demands and producing reports, enables the company to develop preventive measures and monitor ethics and discipline-related questions.

COMBATING CORRUPTION

CAIXA investigates irregularities by a process of preliminary analysis to determine civil and disciplinary responsibility.

Regarding the prevention of money laundering and relations with politically exposed individuals, in 2013 the Internal Audit area conducted 74 assessments to determine the efficiency and effectiveness of the controls in place in the areas responsible for judging cases and reports. G4-SO3; G4-45; G4-46; G4-47

The audit, which is aligned with legislation and CAIXA standards, assesses the effectiveness of control and risk management procedures; the quality of monitoring and

communication of movements that might indicate money laundering to the proper authorities; the fulfillment of roles; and technological support for this function.

Another measure to combat corruption was the implantation of the Prevention of Money Laundering and Finance for Terrorism policy, available on the intranet, as well as a dedicated area to ensure that the institution is not used for illegal ends. All the anti-money laundering guidelines and principles were approved by the Supervisory Board. The CAIXA also has an autonomous Anti-Money Laundering Committee to address all related issues internally. There is no fixed time limit for updating the Prevention of Money Laundering policy; this occurs in

CODE OF CONDUCT G4-56

As a state company, CAIXA is subject to the guidelines set forth in the Senior Federal Administration Code of Conduct – which establishes high levels of ethical behavior in decision making, management and relations with employees and outsiders. Moreover, the institution has two specific codes addressing the third party asset management and lottery areas.

The CAIXA Code of Conduct for Employees and Managers was published in June, 2013. This is a broad set of rules governing employee behavior both on and off company premises. It addresses conflicts of interest and other questions related to conduct - whether associated directly with employees' professional attributions or not. G4-41

The code, which is available to all employees, is also included in third party service contracts in order to drive best practices among outsourced professionals. This code ensures alignment of relations established with internal and external control bodies and the protection of public interests and the interests of employees. G4-HR9

Employees and managers must sign and renew the Code Term of Acknowledgement digitally every year. The code is available at the following address http://www14.caixa.gov.br/portal/governanca/home/etica/codigo_conduta_empregados. G4-56; G4-57

function of changes in legislation or in accordance with changing circumstances. G4-45; G4-46; G4-47

There are tools and systems in place to detect, identify, control and analyze events that might indicate money laundering. These are verified by comparing financial capacity with movements and operations carried out and checking economic fundamentals.

The CAIXA provides employees and service providers with diverse anticorruption training courses. In 2013, there were more than 54,000 thousand participations, involving 34,114 employees (34% of 98,198 people), in these courses. There are two specific courses on the prevention of money laundering: the Interactive Prevention of Money Laundering

Game, and the Prevention of Money Laundering program. These are both distance courses available on the CAIXA University website and are open to all employees. Employees receive points for the courses that they do in internal selection processes. However, these courses are not mandatory and are not required for promotion. G4-SO4

Three cases of corruption were detected and confirmed in 2013. All three resulted in disciplinary processes and the dismissal of the employees involved. G4-SO5



Internal controls

CAIXA manages operational and financial information and monitors all activities.

The company has an Internal Control System (SCI CAIXA) which maintains, supplies and manages operational and financial information, as well as ensuring that all activities are carried out in accordance with the law and internal and external standards. There are tools and systems in place to detect, identify, control and analyze events that might indicate money laundering. These are verified by comparing financial capacity with movements and operations carried out and checking economic fundamentals. Worthy of note among CAIXA control activities is the prevention of money laundering (*read more in the box above*).

Of particular importance in the CAIXA Internal Control System are the Internal Control and Compliance Policy – which is structured in accordance with the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (Coso) –; the Internal Control area, responsible for managing the system and monitoring and validating the models used by the bank for the identification and assessment of operational, market and credit risks; the Prevention of Money Laundering Committee; and Internal Audit, linked with the Supervisory Board. G4-14

Governance structure

In accordance with CAIXA bylaws, decision making and administration are split between the Supervisory Board, the Steering Committee, the Presidency and the Third Party Asset Management and Government Funds and Lotteries Councils. The administrative structure also consists of the following statutory committees and commissions: Audit Committee, Remuneration Committee, Money Laundering Prevention Committee, Business Assessment and Renegotiation Committee and the Ethics Committee (*read more on page 102/Attachments*). These are responsible for supporting the Board in decision making, taking into account economic, social and environmental considerations.

G4-34; G4-35; G4-36; G4-38

As a member of Brazil's National Financial System and an auxiliary agent in the execution of federal government credit policy, CAIXA is subject to the regulations determined by the competent body and to audit by the Brazilian Central Bank. Five of the seven members of the Supervisory Board are indicated by the minister of Finance (one being the chairman of the Board) and one by the minister of Planning, Budget and Management.

The seventh member is the CEO of the CAIXA, who occupies the position of vice president of the body, is not an executive director and is not a CAIXA employee. The Steering Committee, responsible for managing and representing the company, consists of the CEO and ten vice presidents (*see box*),

The administrative structure consists of the Supervisory Board, the Steering Committee, the Presidency, the Third Party Asset Management Council and the Government Funds and Lotteries Council.

Decision making bodies G4-34; G4-35; G4-38; G4-39

Body	Attributions	Composition
Supervisory Board – G4-39	Body responsible for providing overall guidance for CAIXA businesses, determining guidelines and business goals and monitoring and evaluating results.	<ul style="list-style-type: none"> > four members indicated by the minister of Finance; > CEO, representative of the Ministry of Finance; > one member indicated by the minister of Planning, Budget and Management; > one member representing the employees.
Steering Committee	Collegiate body responsible for managing and representing the CAIXA.	<ul style="list-style-type: none"> > CEO; > ten vice presidents.
CEO	Responsible for structuring the administrative model, putting forward challenges and strategic planning proposals, overseeing their execution, monitoring fulfillment of corporate goals and supervising the activities of the vice presidents.	<ul style="list-style-type: none"> > CEO.
Directors	Responsible for administering, supervising and coordinating the activities of their areas and units, providing support for the Steering Committee and executing other tasks attributed to them.	<ul style="list-style-type: none"> > CEO; > Steering committee members; > vice president responsible for third-party asset management; > vice president responsible for running federal lotteries and funds instituted by the federal government, including the FGTS.
Third Party Asset Management Council	Body responsible for managing and representing the CAIXA in relation to third party asset management.	<ul style="list-style-type: none"> > CEO; > vice president responsible for third party asset management; > vice president responsible for control and risk management; > vice president responsible for service, distribution and businesses.
Government Funds and Lotteries Council	Body responsible for managing and representing CAIXA in relation to running federal lotteries and funds instituted by the federal government, including the FGTS.	<ul style="list-style-type: none"> > CEO; > vice president responsible for running federal lotteries and funds instituted by the federal government, including the FGTS; > vice president responsible for control and risk management; > vice president responsible for service, distribution and businesses.

who are appointed and dismissed at the discretion of the president of the Republic upon recommendation of the Finance minister and after consulting the Supervisory Board. [G4-39](#)

Board members and directors must be Brazilians resident in Brazil and must have an irreproachable reputation. They must have specific knowledge of governance practices as well as suitable qualifications and experience for the position. [G4-40](#)

Specific instruments are in place to prevent conflicts of interest between the different management spheres. In addition to the rules on the non-participation of the vice presidents of the different areas as members of the Steering Committee, the bylaws also determine the separation of functions which must be observed by the administrative bodies in line with federal regulations. As established in the bylaws, members of the Supervisory Board are civil servants from other public organizations and their composition is published in the Diário Oficial da União (read more in the link https://www.planalto.gov.br/ccivil_03/_ato2011-2014/2013/decreto/d7973.htm). [G4-41](#)

To oversee executive and leadership performance, the institution has collegiate bodies responsible for supervision and verification, in addition to the Fiscal Council, the Audit Committee and the Internal Audit area.

In 2013, 13 committees were appointed to provide support for the Steering Committee. Members include the CEO and some vice presidents. The purpose of the committees is to streamline decision making in their specific areas of competence in order that the organization might realize its future vision.

The members are drawn from areas most directly involved, such as Housing, Government, Emerging Businesses, Service, Efficiency and Remuneration (read more on page 102/Attachments). Delegation occurs through publication of the CAIXA bylaws in the case of statutory committees, or through approval by the Presidency in accordance with sub-item VIII, article 21, of the bylaws. [G4-38](#)

**Relations with the public
are guided by CAIXA Client
Management Policy.**



Risk management

Policy

ESTABLISHES PREMISES AND GUIDELINES FOR ADDRESSING RISKS.

Reviews

OF THE POLICY ARE CONDUCTED ANNUALLY BY LEADERS.

Vice Presidents

REPORT ISSUES THAT ARE CRITICAL FOR THE COMPANY TO THE SUPERVISORY BOARD.

Risk management at CAIXA is based on best market practices and applicable internal standards and external regulations. The main focus is on protecting the institution from fluctuations and instability that may affect the return on exposed capital, ensuring the liquidity of an organization that is strategic for the good performance of the Brazilian economy.

The bank has a Risk Management policy covering all its activities and those of its subsidiaries, establishing structured rules and responsibilities for defining, mapping and controlling risks. This also sets forth premises and guidelines for addressing credit, market, liquidity and modeling risks. This policy is reviewed annually with the involvement of senior management and is communicated to all employees via an internal system. The strategic units report related demands received through company relationship channels to the Supervisory Board. [G4-2](#); [G4-45](#); [G4-46](#); [G4-47](#)

The National Corporate Risk area (SUCOR), subordinated to the Executive Risk area (DECOR), is responsible for managing corporate risk and CAIXA capital. SUCOR coordinates initiatives to adapt the bank to the new Basel Capital Accord and is responsible for making proposals on risk management policy to the Risk and Capital Committee. All the company vice presidents report critical concerns, arising either in the external environment or in specific external relationship channels, to the Supervisory Board. The full policy and detailed information on the risks mentioned ahead may be accessed via the following link http://downloads.caixa.gov.br/_arquivos/caixa/cartilhas/Informacoes_Gestao_de_Riscos_na_CAIXA_201309.pdf. [G4-2](#); [G4-45](#); [G4-46](#); [G4-47](#)

Risk Management Policy covers all the activities of the bank and its subsidiaries.



CAIXA monitors corporate, operational, market and liquidity risks and deploys mitigation measures.

The main risks monitored and mitigated are:

- Corporate risk: in 2013, CAIXA progressed in managing corporate risk, specifically with respect to crisis management, with the approval of the Crisis Management Model by the Steering Committee.
- Operational risk: is related to the possibility of losses due to the failure, defects or the inadequacy of internal processes, people and systems or due to external events.
- Credit risk: credit risk is controlled by monitoring indices of late payment; default; effective, expected and unexpected losses; provisions and regulatory and economic capital requirements; portfolio composition, among others.
- Market risk: refers to the possibility of losses due to fluctuations in market values, including operations subject to exchange variation, variations in interest rates, share prices and commodity prices.
- Liquidity risk: refers to the possibility that the price of liquidating an asset may be different from its market price in function of operational volume or the market situation, and that the bank may not have the funds necessary to meet its obligations or may have difficulty in obtaining new resources at a compatible price.



THE PEOPLE BEHIND CAIXA

Ensuring the full development, ongoing qualification, safety, well-being and rights of employees is a priority under the company's current management model.



Every day, thousands of people all over Brazil work to ensure that CAIXA fulfills its mission of promoting citizenship and the development of Brazil. Appreciating the importance of these people in the realization of the bank's future vision, people management is focused on consolidating an integrated organizational culture based on the proactive administration of talents and competencies. Hence priority is given to aspects such as meritocracy, innovation, efficiency, alignment with company Values and Mission, leadership, excellence in client relations and society, as well as diversity.

At the end of 2013, CAIXA had a work force of 164,300 people, including employees, service providers, interns, adolescents and apprentices. The growth in the number was due to the admission of 7,978 people – 3,654 women and 4,324 men. Permanent staff are contracted based on public examinations – a mandatory procedure according to CAIXA bylaws and the Federal Constitution. [G4-LA1](#); [G4-10](#)

The exception to this rule are the members of the senior management and of the Supervisory Board and Steering Committee, who occupy positions of a statutory nature and are appointed by the country's President and Minister of Finance, respectively. Throughout 2013, there were 36 persons in CAIXA's senior management, of which 33 were men and three were women. [G4-EC6](#)

Service providers – 48,946 people in 2013 – perform activities considered secondary to CAIXA's core functions. They are provided by specialized contractors and perform the services set forth in contract, as determined by declaration 331 of the Higher Labor Court (TST). The activities performed by these workers are ongoing services requiring dedicated manpower, that is permanent tasks of a repetitive nature that require the presence of the contractors on CAIXA premises or on the premises of third parties designated by the institution.

At the end of the year there were 98,198 CAIXA employees, fulfilling the collective bargaining clause and target of reaching 99,000 employees; however, during the year a total of 100,691 employees were active. Of this total, 45.23% (44,411) were women and 54.77% (53,787) were men, a proportion that remained stable compared with 2012. Permanent employees follow either Administrative or Professional career paths, 96.38% fall under the first category, following specialized banking careers. The professional career paths include engineering, law, architecture and medicine. Staff turnover for 2013 was 5.43%, a 31.78% decrease over the 7.96% rate in 2012. The termination rate was 2.74%, 1.28% down on 2012. [G4-LA1](#); [G4-10](#)



One of the thousands of people working towards furthering the CAIXA mission: to promote citizenship and Brazil's development.

Employee profile G4-10

	2012			2013		
	Women	Men	Total	Women	Men	Total
Active CAIXA employees	42,075	50,851	92,926	44,411	53,787	98,198
Service providers	-	-	42,307	-	-	48,946
Adolescents	1,668	1,223	2,891	1,891	1,409	3,300
Youth	597	201	798	1,094	489	1,583
Interns	7,520	3,555	11,075	8,278	3,995	12,273
Total (by gender, does not include service providers)	51,860	55,830	149,997	55,674	59,680	164,300

CAIXA values employees' experience. In 2013, almost half the labor force was aged over 40 years, of these 49% are more than 50 years old.

The average age of CAIXA employees is 40 years, with almost half (47.5%) aged over 40. Of these, 49% are aged over 50 years, demonstrating the value the institution

places on experience, 45.58% of the employees aged over 50 work in the Southeast region, compared with 2.87% in this age group in the North region. [G4-LA12](#)

**Remuneration**

G4-52; G4-53; G4-EC5

As an important employer in the country, CAIXA seeks balance in its structures and in its remuneration, which is monitored to ensure the company remains competitive and attractive for its talents. In addition to legal and regulatory requirements, the definition of salary policy involves analysis of business strategy and demands, market studies and comparative analysis of remuneration in companies in the

same market. CAIXA has a team dedicated to conducting such studies and proposing adjustments and reviews of the remuneration structure; if necessary, specialized external consultants are contracted.

For Administrative employees, remuneration varies from R\$ 2,025.00 to R\$ 5,922.00, with 48 salary grades between the floor and ceiling. For Professional employees, occupying positions as lawyers, architects, engineers and labor physicians, there are 36 salary grades, ranging from R\$ 4,021.00 to R\$ 9,463.00 (the four-hour working day is exclusively for labor physicians), R\$ 6,031.00

to R\$ 14,194.00 (six-hour day) and from R\$ 8,041.00 to R\$ 18,925.00 (eight-hour day). The ratio of the lowest salary in the organization in 2013 (R\$ 2,121.00) to the national minimum salary (R\$ 678.00, according to Decree n° 7.872, December 26, 2012) was 3.13.

In accordance with the collective bargaining agreement, CAIXA employees are admitted at the second salary grade and, after a 90 day trial, are promoted to the third grade (R\$ 2,121). The same agreement stipulates that expatriate employees receive the same percentage increase as the rest of the category.



Retirement Preparation Program

The CAIXA Retirement Preparation Program was developed to support and advise employees preparing to leave the company. Based on principles such as recognizing the employee's contribution to the company, the program includes components such as the Future Life workshop (guidance in building new life plans); psychological counseling (payment of up to 12 individual psychotherapy sessions); mediation of employee participation in social responsibility projects; support in financial planning; exchanges of experience/information. [G4-LA10](#)

BENEFITS [G4-LA2](#); [G4-LA3](#); [G4-EC3](#)

CAIXA is recognized in the market for the breadth of its benefit package – deemed important for guaranteeing employee satisfaction and retaining the best professionals. There is a total of 55 benefits, including mandatory and voluntary ones offered by the company, an example being ten-days of paternity leave, which may be taken consecutively or not, longer than the leave stipulated under Brazilian CLT labor law. Employees also have the right to take up to five days off work per year to take care of their personal affairs. If these are not taken, they may be accumulated or converted into pay.

In 2013, 2,227 women took maternity leave, with 100% returning to work at the end of the period. The previous year 1,400 women took maternity leave. From these, only nine did not remain in their jobs after a period of 12 months. Hence the retention rate one year after the end of the leave was 99.36%. The rate of return after paternity leave is impossible to calculate because the benefit may be used non-consecutively throughout the year. During this period, 33 employees took adoption leave.

Administered by the company itself, the CAIXA Health Plan is a collective one with costs split between the beneficiaries and CAIXA in the proportion of 30% to 70%, respectively. The coverage offered by the plan exceeds the standards stipulated by the National Health Agency (ANS), including additional provisions such as payment of high cost special and ongoing medication for specific pathologies. The accredited network includes approximately 25,000 service providers nationwide.

In addition to the health plan, projected to ensure longevity and improved quality of life for employees, CAIXA provides voluntary complementary pension plans nationwide, administered by the Fundação dos Economistas Federais (Funcef). At the end of 2013, 94,729 of the 98,198 CAIXA employees, or 96.47%, were participating in the pension plans.



Well-being and quality of life

The company also invests in initiatives aimed at promoting employees' physical and emotional health and well being through the CAIXA Quality of Life program, with projects ranging from nutritional education and guidance, health promotion for women and men; anti-smoking and influenza vaccination campaigns, among others.

The Environmental Risk Prevention program (PPRA) is yet another initiative to ensure preservation of employee quality of life, allied with measures to protect the environment and natural resources.

OCCUPATIONAL HEALTH AND SAFETY G4-LA5; G4-LA6

The Occupational Health and Safety program through which CAIXA seeks to guarantee a positive work place for employees operates on two fronts: the provision of health assistance via the CAIXA Health program, and prevention through the CAIXA Quality of Life program.

A number of other mandatory or voluntary tools ensure the provision of a safe and healthy workplace for employees, such as the Occupational Health Medical Control Program (PC-MSO); ergonomics studies in the work place; the Internal Accident Prevention Commission (Cipa), with all members elected by CAIXA employees; techni-

Leave due to work accidents G4-LA6

	Employees	Men	Women	CAIXA Total
Contracted working days		18,953,182	15,618,572	34,571,754
Total employees		53,787	44,411	98,198
Professional disease¹	Days lost	46,980	60,175	107,155
	Employees taking leave due to workplace diseases	272	334	606
	Absenteeism rate, due to professional diseases	0.25	0.39	0.31
Typical²	Days lost	1,682	2,957	4,639
	Employees taking leave due to workplace accidents	29	75	104
	Absenteeism rate, due to typical workplace accidents	0.01	0.02	0.01
Transit³	Days lost	4,851	3,482	8,333
	Employee taking leave due to accidents	75	81	156
	Absenteeism rate, due to transit accidents	0.03	0.02	0.02

Source: SISRH Ref.31.12.2013.

¹ Occupational/professional diseases: those produced or triggered by performing work related to a determined activity and stated on the respective report prepared by the Ministry of Labor and Social Security.

² Typical work accidents: those suffered by the employee in the work place during working hours as a result of: Act of aggression, sabotage or terrorism by third parties or work mates; Intentional physical offence, by colleagues or third parties, due to work-related dispute; Act of imprudence, negligence or malpractice, on the part of the employee or a work mate; Act of physical aggression outside the workplace; Collapse, flood, fire or other fortuitous cases due to force majeure. Typical accidents include those suffered by the employee even though outside the work place and working hours: when executing an order or carrying out services authorized by the company; when spontaneously performing any service in benefit of or to prevent losses for the company; when traveling for the company, encompassing specialized studies, regardless of the means of transport used, including a vehicle belonging to the employee, provided that this is authorized by the company; In the event of assault or kidnapping related to company activities.

³ Transit work accidents: accidents suffered by the employee when commuting between home and the work place or vice-versa, from the moment the employee reaches the public thoroughfare, regardless of the means of transport used, including a vehicle belonging to the employee, or when the route is altered for work-related reasons.

cal reports on workplace environmental conditions; and the Environmental Risk Prevention Program.

Moreover, the company has its Occupational Rehabilitation Program (PRO), to ensure occupational rehabilitation and a safe return to work for employees coming back from leave. In 2013, CAIXA was awarded first place in the category Public Organizations, in the 4th Professional Rehabilitation and Re-adaptation award granted by the Brazilian Center of Industrial Safety and Health during the 7th Professional Rehabilitation and Re-adaptation Congress.

In line with collective agreements and best practice, the CAIXA also has a

Workers' Health Working Group, a formal committee consisting of eight employees from different hierarchical levels – four of whom are members of the National Financial Workers Union (Contraf), representing 100% of CAIXA employees.

In 2013, the absenteeism rate for leaves due to health treatment was 1.99. The results are discriminated by gender, total days lost, total number of employees taking sick leave and total number of work days contracted (*read more on page 105/ Attachments*). The absenteeism rates due to occupational accidents were: 0.31 (for professional diseases, 0.01 for typical accidents and 0.02 (for transit accidents) – see table above.

DIVERSITY

The CAIXA Diversity Program, created in 2005, set forth one of the company's principle people management goals: to maintain a working environment which embraces differences and promotes quality relations between the work force and external partners, clients, suppliers and colleagues.

The program is based on four pillars: gender equality, racial equality, sexual orientation and the disabled. This involves both external inclusive measures – such as preparing the institution's infrastructure to serve disabled clients (*read more on page 17*) – and internal ones, such as engagement campaigns and investment in hiring and training professionals from target groups.

Another priority is combating all forms of discrimination and promoting equality of opportunity for both genders. Since 2012, this question is administered by a Diversity Management Committee, a corporate area supported by 16 regional diversity committees.

With respect to gender equality, CAIXA is a signatory to the UNO Women's Empowerment Principles and is a member of the Articulation and Monitoring Committee of the National Policy Plan for Women. Maintained by the Presidency of the Republic's Policy for Women Department, the committee promotes gender equality in federal bodies. In 2013, CAIXA reaffirmed its commitment by participating in the 5th edition of the Policy for Women Department's Pro-Gender Equality Program.

2013 saw a number of initiatives in this area, such as participation in and dissemination of the Pink October anti-breast cancer campaign on the CAIXA University Portal and in ATMs; the organization of events such as the Violence Against Women Seminar; and a special draw of the Federal Lottery on November 30th, International End Violence Against Women Day.

In terms of indicators, there has been a slight increase in the number of women, blacks and disabled people in management positions in recent years (*see table below*).

Diversity at CAIXA (%) G4-LA12

Employees		Black women (including mixed race)	Black Men (including mixed race)	Total Blacks (including mixed race)	Women	Disabled	People aged over 45 years
As percentage of total employees*	2011	8.15%	11.94%	20.09%	45.83%	1.09%	38.65%
	2012	8.54%	12.60%	21.15%	45.27%	1.22%	36.73%
	2013	8.95%	13.24%	22.19%	45.23%	1.20%	36.91%

Employees		Black women (including mixed race)	Black Men (including mixed race)	Total Blacks (including mixed race)	Women	Disabled	People aged over 45 years
Managers as percentage of total management functions	2011	5.76%	11.03%	16.79%	39.44%	0.35%	42.07%
	2012	6.26%	11.90%	18.16%	39.78%	0.44%	38.06%
	2013	6.89%	12.81%	19.70%	40.51%	0.57%	41.57%

Employees		Black women (including mixed race)	Black Men (including mixed race)	Total Blacks (including mixed race)	Women	Disabled	People aged over 45 years
Directors as percentage of total director level positions**	2011	0.00%	14.29%	14.29%	0.00%	0.00%	85.71%
	2012	0.00%	14.29%	14.29%	0.00%	0.00%	85.71%
	2013	0.00%	13.33%	13.33%	10.00%	0.00%	60.00%

*Considering number of employees on last day of period. **Considering permanent employees in director-level positions.



16 days of activism

In November and December, CAIXA ran a campaign to mobilize employees around a series of important dates for the diversity agenda. National Black Consciousness Day, International End Violence Against Women Day, CAIXA Diversity "D" Day, International Day of Persons with Disabilities, White Ribbon Day and Human Rights Day were flagged on the institution's diversity blog, with 12,500 accesses in 16 days.

PROFESSIONAL QUALIFICATION

G4-LA9; G4-LA10

Achieving both personal and organizational goals is closely linked with the training and development of CAIXA employees. For this reason, investment in education is a key focus for the people management area. In 2013, investment in training employees in internal and external courses totaled R\$ 85.6 million – without counting funding for the CAIXA Further Schooling Program, which provides support for employees enrolled in higher education, postgraduate and language courses.

One of the company's main strategies for developing high performance teams is the CAIXA University, which has become a benchmark in

corporate education both in Brazil and abroad. Training takes place on two campuses, one in Brasília (Distrito Federal) and the other in São Paulo (São Paulo), and in a further 14 CAIXA people management branch units. Education is provided in diverse formats, including on-site classes, distance learning and on-the-job instruction given by internal or external instructors. In 2013, a total of 92,099 employees (94% of the permanent staff) took part in the 268 courses given by the CAIXA University, with an average of 93 hours training per employee (*read more on page 105/Attachments*).

With its 13 years of experience, the university is recognized for the quality of the courses it provides as well



Racial equality

As signatory of a technical cooperation agreement with the Presidency of the Republic's Department of Promotion of Racial Equality Policies, the company also supported the promotion of this organization's "Racial Equality for Real" campaign. In 2013, the bank's ATMs, the Employee Portal and the CAIXA University Portal were used to publicize the initiative.

PERSONS WITH DISABILITIES

CAIXA is committed to compliance with the legal requirement of reserving 5% of the places in public examinations for disabled people. This percentage is linked with the number of candidates approved in this category. In 2013, 62 disabled persons were contracted by CAIXA, fewer than the 238 admitted the previous year.

In addition to providing adapted fittings, platforms, monitors and other equipment for the disabled, the bank invests in preparing existing employees to work with this group. Since 2012, the booklet "*Reflecting on the inclusion of disabled persons*" has been available for employees on the intranet.

as its partnerships with public and private organizations both in Brazil and abroad, such as the Banco de Venezuela, the Presidency of the Republic, the Ministry of Development, Industry and Overseas Trade, and the Federal Public Defender Department. The partnerships involve technical, scientific and cultural cooperation and include the exchange of methodologies, educational actions, shared teaching spaces and experiments in knowledge management.

In 2013, the CAIXA University developed and deployed a training program called Leadership Journey for all unit managers. In the face-to-face meetings, work plans and guidelines were elaborated for the development of the leadership competencies

necessary for CAIXA to achieve its Future Vision.

The virtual universe has become increasingly important during recent years. In addition to the CAIXA University Portal, which provides access to programs focused on Corporate Social Responsibility and Citizenship; Audits; Financial Market and Banking Services; and Organizational and People Management; among others, employees may also use Wiki.CAIXA. The tool, which permits the collaborative construction of knowledge, was used as a platform for the Team that Learns program – a knowledge management strategy providing leaders with tools to drive ongoing learning in the workplace for their employees.



Postgraduate and language courses

Through the CAIXA Further Schooling Program, the organization provides support for employees engaged in undergraduate, postgraduate, language and certification courses. At the end of 2013, there were 3,557 employees on undergraduate courses, with a total investment of R\$ 11.8 million during the period; 1,929 were on degree and non degree-level postgraduate courses, involving an investment of R\$ 5.8 million; and a further 2,434 employees were engaged in language programs, at a cost of R\$ 3 million.

HUMAN RIGHTS G4-HR2

In 2013, CAIXA training on human rights policies totaled 443,421 hours. The number of employees trained was 26,318.

YOUTH EDUCATION

Through its Adolescent, Young Apprentice and Intern programs, CAIXA provides thousands of Brazilian students with the opportunity for their first job. While promoting social inclusion, the programs also raise levels of schooling for young people from families with a family income of 50% or less of the national minimum salary.

To participate in the initiative, apprentices must be enrolled at school and prove regular attendance. Selection occurs through partnering bodies which contract, train and monitor the young people throughout the period.

The Intern Program is for high school and university level students. In 2013, 12,273 interns were engaged in the program, compared with 11,075 in

2012. The program also contracts students benefiting from federal ProUni grants and from indigenous groups.

Compared with 2012, employees from the apprenticeship programs increased by 16.2% in 2013, while participation in the Young Apprentice Program grew by 98.37%.

CAREER DEVELOPMENT

Merit and length of service are the criteria determining ascension for CAIXA employees. Promotion for length of service is linked with an increase in salary grade every two years. Promotion for merit is accompanied by an increase of two salary grades in the effective position, based on criteria established in collective bargaining, as well as recognition for individual effort. Since 2012, CAIXA has used

Multi-Source Appraisal methodology – which cross-checks information on employees' stage of development with the performance indicators established in the Strategic Plan.

In 2013, CAIXA promoted 65,870 employees within their effective positions, with 40,667 receiving an increase of one salary grade and 25,203 an increase of two grades. CAIXA also has a framework of paid functions access to which is in accordance with rules established by the company. Promotion is through competency-based selection processes designed to ensure transparency and fairness. Vacancies may also be filled by employees registered in the company's Opportunities Banks – a prior-selection tool designed to streamline internal appointments [G4-51](#); [G4-52](#)



Professional certification

The institution invests in certification both to drive internal knowledge and to meet legal requirements.

In line with Banco Central requirements for employees of financial institutions involved in the distribution and trading of securities and derivatives, CAIXA certified 28,606 employees to exercise these activities in 2013. In 2013, a further nine employees received Ombudsman certification, another Banco Central requirement, bringing the total to 68 people qualified – 97% of the target public.

As a signatory to the Brazilian Home Loan and Saving Association (Abecip) Certification Self-Regulatory initiative, CAIXA encourages employees engaged in the housing process to obtain CA600 certification. In 2013, a further 306 people were qualified, bringing the total to 350.

CAIXA also incentivizes its employees to qualify for the Internal Knowledge Certificate for specific internal functions such as cashier and pawn-broking assessor. In 2013, 6,519 employees were approved in the FGTS service certificate at Basic and Qualified levels.

The total CAIXA investment in corporate certification in 2013 was around R\$ 2.2 million.

In 2013, 7,630 specific internal recruitment processes resulted in the selection of 8,496 employees – 6,810 for non-managerial and 1,596 for managerial functions. Women accounted for 45.5% of the candidates approved, a percentage that remained stable compared with the previous year.

Also in 2013, CAIXA created a Successor Bank, a new system for selecting employees qualified to fill management level positions.

QUALIFIED WORKFORCE

72.5% (71,262) of the CAIXA workforce are graduates. Of these, 52.1% (37,127) are men and 42.9% (34,135) women. This represents 26.95% of the active CAIXA employee base.

The CAIXA University constitutes a benchmark in corporate education in Brazil and abroad.



INTERNAL CLIMATE AND COMMUNICATION

G4-HR3; G4-HR12

Organizational climate management at CAIXA is aimed at identifying factors affecting relations between the company and its employees, and employee perceptions of the company, especially those which strengthen work force ties with the organization and improve the working environment.

Organizational climate is measured periodically and systematically and the diagnosis obtained is used to guide personnel management policy. The results are also used in strategic planning. Climate management at CAIXA occurs in all areas and at all levels, based on co-responsibility between managers and their teams aimed at promoting well-being, strengthening employee engagement in the company and improving team productivity.

The institution also has a Harmonious Coexistence Booklet which was drafted in 2012 in conjunction with employees based on measures they believe help enhance relations in the work place. Idealized as a result of the CAIXA Ethics Committee, the document provides orientation on conduct to avoid work place conflicts.

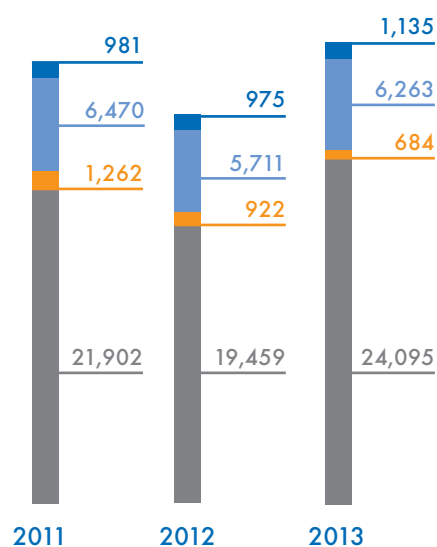
Another important space is the Employee Portal, the objective of which is to provide users with information of professional and personal interest, including personnel management processes and routines, statistics, trends, tips about the market and reflections designed to streamline work processes at CAIXA.

There is also the Internal Relationship Channel, which may be accessed via the intranet, through which employees may praise or make suggestions, complaints and report violations of rules of conduct in the workplace.

In 2013, there were 68 reports related to human rights, compared with 34 the previous year. These were all investigated and resolved. 58 cases addressed incidents involving harassment; one was related to racial discrimination; one to discrimination about sexual orientation; and three to disabilities.



Contacts received by the Internal Relationship Channel



- Praise
- Suggestions
- Reports
- Complaints

LABOR RELATIONS

G4-11; G4-LA8; G4-HR4

CAIXA guarantees its employees rights related to freedom of association and collective bargaining via representative associations. In 2013, there were no cases of violation or significant risk of violation of these rights.

The CAIXA Permanent Negotiation Committee maintains ongoing relations with two union segments: one coordinated by the National Confederation of Financial Sector Workers (Contraf) and the other coordinated by the National Confederation of Lending Organization Workers (Contec). The permanent negotiating table is an important forum for dialogue aimed at fine-tuning labor relations. The Permanent Negotiating Committee contains a minimum of four employees and is appointed by decree issued by the CAIXA CEO. All employees are covered by the collective bargaining agreements in force.

Collective bargaining, essential for good relations between employees

and company leadership, takes place in two instances: the single table of the Federação Nacional dos Bancos (National Bank Federation), at which claims, social, union and health questions common to all bank workers are negotiated; and specific tables for issues related to CAIXA, involving bodies such as Contraf, Contec and the union federation CUT (Central Única dos Trabalhadores).

Clauses in the most recent Collective Labor Agreement (2013/2014) include CAIXA participation as a beneficiary of the Workers' Culture Program, distributing culture vouchers to employees under the terms of Law 12.761/2012, and the extension of the status of indirect dependent to children and stepchildren aged from 21 to 27 years whose income does not exceed R\$ 1,800, including alimony, in the CAIXA health plan. There are also a number of health and safety-related clauses such as the health assistance plan, work for mothers-to-be, leave for health treatment, adoption leave, accident prevention committees and reimbursement for special medications.

100%

OF EMPLOYEES
ARE COVERED BY
COLLECTIVE BARGAINING
AGREEMENTS.

6,263

SUGGESTIONS WERE
RECEIVED FROM
EMPLOYEES VIA THE
INTERNAL RELATIONSHIP
CHANNEL.



Performance appraisal

G4-44; G4-LA11

The People Management area is responsible for employee performance appraisals.

Principles of the new CAIXA management model, accountability and meritocracy are fundamental tools for aligning individual efforts with CAIXA strategy. To ensure the effectiveness of these tools, a special section was created in the People Management area to oversee employee performance appraisal processes and policies and ensure they produce results.

For 2014, performance appraisal will be adopted as a mechanism to show the impact of each employee's work on results. Aimed at managers respon-

sible for CAIXA units, in the first cycle the initiative will use nine box methodology to analyze each employee's results and deliveries. The Supervisory Board, the institution's highest governance body, will also be appraised. The assessment of the Board will be carried out under the terms of Article 18, Sub-item XXVI of the CAIXA bylaws. The composition of the Board may only be altered in accordance with Article 17 of the bylaws.

MORE THAN A BANK

CAIXA goes far beyond the provision of banking services, effectively driving the country's development.





IN THIS CHAPTER

Serving the public
Fomenting sustainable
development
Sustainable sourcing
Sponsoring culture and sport

As an institution that is part of the day-to-day life of Brazilians, CAIXA plays diverse roles in the lives of millions of people. From encouraging savings and the provision of banking services – its original purpose – to a strategic partnership with the federal government, it acts as an agent of public policy fomenting urban development, executing sustainable development programs, financing housing and operating social and income transfer programs.

In line with one of its main goals – driving the development of Brazil and the Brazilians –, the CAIXA supports culture, sport and education through its sponsorship policy. It also manages the federal lottery system, a source of funding for diverse government social programs. In 2013, revenue from the CAIXA lotteries exceeded targets by 1.73%, reaching more than R\$ 11.4 billion. Funding for investment in federal government social projects topped the R\$ 5.3 billion mark; this was channeled into social security, education, culture, safety and sports initiatives, among others.

SCIENCE WITHOUT FRONTIERS

Since 2012, CAIXA has contributed to the Science without Frontiers program through the Brazilian Banking Federation (Febraban). The program provides 6,500 study scholarships at a total cost of US\$ 180.8 million. This amount is split among the country's 20 top banks, as determined by total assets in December 2010. CAIXA funds 695 scholarships, corresponding to US\$ 19.3 million, payable until the end of 2015.



The floating agency Chico Mendes provides CAIXA services in remote settlements along the Solimões River in the Amazon.

CAIXA AND ITS MAIN STAKEHOLDERS

G4-24

PUBLIC AUTHORITIES

- Brazilian Central Bank
- Tribunal de Contas da União (Federal Audit Court – TCU)
- Federal government
- State governments
- Municipal governments
- Ministries

**SOCIETY**

- Banking sector organizations
- Sports organizations
- Environmental organizations
- Union federations
- Universities and faculties
- Micro, small, midsize to large enterprises
- Clients
- Suppliers
- Press and media
- Lottery partners and CAIXA Aqui partners
- Consumer defense bodies
- International organizations
- Community organizations
- Banks
- Unions
- Non-profit organizations
- Workers
- Communities
- Beneficiaries of social and income transfer programs

**INTERNAL STAKEHOLDERS**

- Permanent employees
- Interns
- Youth apprentices
- Adolescent apprentices
- Retirees
- Service providers





CAIXA memberships and affiliations G4-16

The bank is a member or is affiliated with a number of Brazilian and international institutions.

The organization pursues affiliation and/or membership of institutions considered to be strategic. In all cases, CAIXA makes a financial contribution and pays membership fees. Additional payments are submitted to the Steering Committee.

The institutions to which the CAIXA belongs are: Brazilian Association of Advertisers; Brazilian Association for Distance Learning; Brazilian Association for Corporate Education; Brazilian Association of Credit Card Companies; Brazilian Association for Sanitary and Environmental Engineering; Brazilian Association of Real Estate Credit and Savings Organizations; Brazilian Association of Financial and Capital Market Institutions; Brazilian Association for Infrastructure and Basic Industries; Brazilian Association of Development Finance Institutions; Brazilian Direct Marketing Association; Brazilian Marketing and Business Association; Brazilian Association for Technical Standards; Brazilian Private Equity and Venture Capital Association; Brazilian Human Resources Association; Brazilian Telephone Services Association; Japan-Brazil Central Association; Latin American

Association of Development Finance Institutions; National Association of Credit, Finance and Investment Institutions; Brazilian-American Chamber Of Commerce (BACC); Brazilian Chamber of E-Commerce; Brazilian Chamber of Commerce in Japan; Brazilian Center for International Relations; Celso Furtado International Center for Development Policies; Cities Alliance; Brazilian Business Council for Sustainable Development; National Advertising Self-Regulatory Council; Ibero-American State Lottery and Betting Corporation; Natural Capital Declaration (NCD); Brazilian Banking Federation; Foundation of the Center for Foreign Trade Studies; Brazilian Institute for Corporate Governance; Institute for Business and Social Responsibility; International Center for Local Credit (ICLC); International Function Point Users Group (IFPUG); Brazilian Service for Support to Micro and Small Enterprises; The Equator Principles Association; National Union of Self-Administered Health Institutions; Inter-American Housing Union; United Nations Organization Global Pact Principles; World Lottery Association (WLA); World Savings Banks Institute (WSBI).

Serving the public

INCOME TRANSFER

IN 2013,

181.2 million

REAS WAS DISTRIBUTED IN BENEFITS.

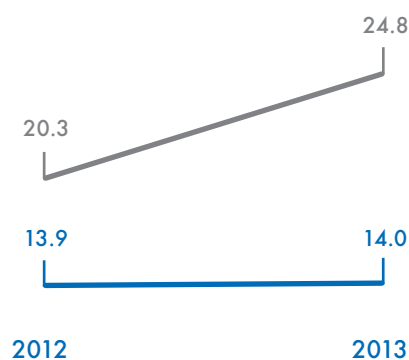
As a strategic partner to the federal government, CAIXA operates social and income transfer programs developed to help eradicate poverty and reduce the vulnerability of a large part of the country's population. In 2013, federal income transfer initiatives distributed R\$ 181.2 million in benefits, exceeding the R\$ 167.3 distributed in 2012 and helping to improve living standards for millions of Brazilians.

The main programs include the Bolsa Família or Family allowance program, which completed ten years of existence in 2013 (*read more in box below*).

Via specific cards, CAIXA also manages certain initiatives, such as the Emergency Financial Assistance Program, aimed at victims of drought in specific areas; the Straw Hat Program (Programa Chapéu de Palha), created by the Pernambuco state government to support farmers hit by drought; and the Green Allowance Program, implemented in 2011, to help poor families involved in conservation activities in rural areas. In 2013, the total amount distributed under the program was R\$ 50.5 million, benefiting 167,472 families – 90% of whom live in the North and Northeast of the country.



Growth in Family Allowance program (2012/2013)



- Number of beneficiaries (million)
- Total amount of benefits (R\$ billion)

10 YEARS OF THE FAMILY ALLOWANCE

The Family Allowance program is part of the Brazil Without Misery Plan, aimed at ensuring income, productive inclusion and access to public services for 16 million Brazilians with a family income of less than R\$ 70. By the end of 2013, the program reached the mark of 14 million families and almost 50 million individuals benefiting directly or indirectly. In the course of the year, the program provided benefits totaling more than R\$ 24.8 billion, an increase of more than 22% over the previous year.

With an average payout of R\$ 151.87, most of the beneficiaries are concentrated in the Northeast of Brazil, followed by the Southeast, North, South and Center-West. The benefit is paid out via the Family Allowance Card, which is issued automatically upon admission to the program. In 2013, a series of other benefits, such as Meal Vouchers, School Vouchers and the federal government's Citizen allowance, were incorporated into the Family Allowance Card, simplifying the process for beneficiaries. G4-EC8; G4-SO1

MINHA CASA MINHA VIDA (MY HOUSE MY LIFE)

CAIXA contracted a total of 1.76 million housing loans for private individuals under the My House My Life program in 2013. Launched by the federal government in 2009, the initiative is aimed at facilitating the acquisition of a home for low-income families, divided into three bands. In 2013, 692,987 new housing units worth R\$ 49 billion were contracted under the program, including other agents besides CAIXA. Since the program began, CAIXA has contracted 2.86 million new homes, involving funding of R\$ 182.9 billion. By the end of 2013, 1.49 million units had been handed over by CAIXA. The federal government estimated that 3.75 million homes will be contracted under the program by the end of 2014, of which 2.8 million will be for families with a monthly income of up to R\$ 1,600, the lowest income group covered by the initiative.

The program prioritizes projects in areas considered to be in a state of emergency or public calamity. Other priorities include regions in which there is increased demand for housing or in which families do not have proper access to water supplies, and squatters acting in good faith, having occupied private property for over five years.

Housing planned within the scope of the program must be in compliance with stipulated social and environmental criteria, including the use of legal timber, individual gas and water metering systems, solar heating and access to social assistance. Other measures include educational actions with the community aimed at promoting the planting of vegetation, management of civil construction and demolition waste, and promotion of recycling and selective waste collection.

Questions such as environmental preservation, notions of health and hygiene, income and job generation are also addressed, aimed at engaging the community and driving improved quality of life for residents in these housing projects. The community is involved in the program through the implantation of formal channels for complaints, suggestions, praise and reports of violations – via the website (<http://mcmv.caixa.gov.br>) or the telephone 0800 721 6268 –, in addition to all the other communication channels made available by the CAIXA, its agencies, the ombudsman service and the SAC customer service. After receipt of the contact and information, the questions are channeled to the pertinent areas for investigation and resolution. [G4-SO1](#)

Since the program began, 211,616 of the housing units contracted have been equipped with solar heating systems. Furthermore, 910 units have received the Casa Azul seal, while another 2,514 are compliant with the specifications and are in the process of receiving the seal, which attests to the adoption of efficient solutions in the construction, use and maintenance of the buildings.

To enhance the service it provides under the My House My Life program, in 2013 CAIXA launched its Quality program. As part of this initiative, the bank provides a series of educational services when handing over housing. In addition to the keys, the beneficiary now receives an owner's manual providing information on maintenance and a list of the channels CAIXA provides for criticisms, suggestions, praise and reports. Similarly, CAIXA now monitors any problems in construction, infrastructure, community equipment or social services. Between the launch of the program in March and December, the diverse client communication channels received 160,598 contacts. Most of these were related to general requests related to the housing program.

1.76 million

MY HOUSE MY LIFE CONTRACTS
WERE SIGNED IN 2013.

1.49 million

NEW UNITS WERE DELIVERED
BY THE PROGRAM IN 2013.

R\$ 182.9 billion

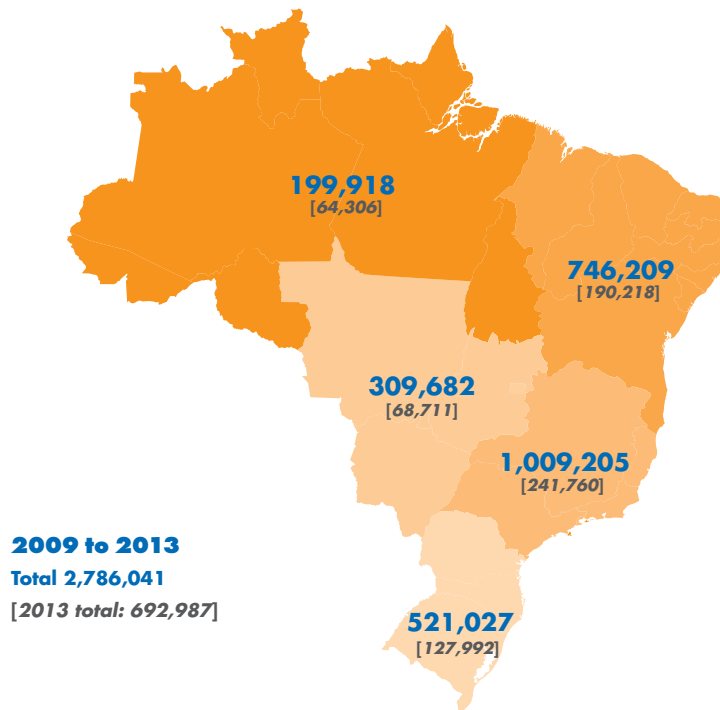
WAS THE TOTAL FUNDING FOR THE
PROGRAM SINCE IT BEGAN IN 2009.

PROGRAMA NACIONAL DE HABITAÇÃO RURAL (NATIONAL RURAL HOUSING PROGRAM)

Launched in 2009 as part of the My House My Life program, the National Rural Housing Program (PNHR) extends the scope of the initiative to family smallholders, agricultural workers and traditional communities. Aimed at families with a gross family income of up to R\$ 60,000, the program also benefits artisan fishermen, extractivist workers and persons involved in other small scale agricultural activities, as well as quilombo and indigenous communities.

Under the PNHR program, CAIXA has already made R\$ 2.7 billion in loans, enabling the purchase of 119,614 housing units. In 2013 alone, 52,699 units worth almost R\$ 1.5 billion were contracted.

MY HOUSE MY LIFE PROGRAM Housing units contracted by region



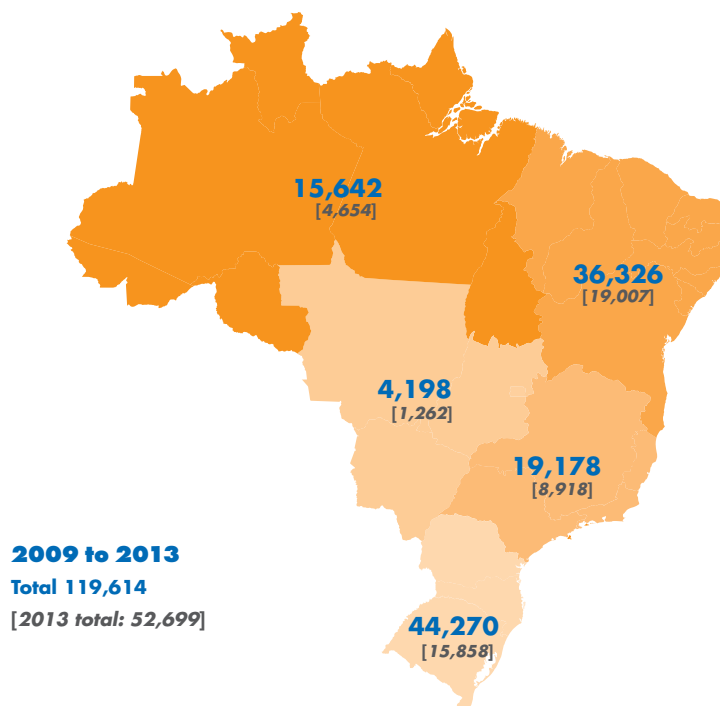
44,270

THE NUMBER OF HOMES CONTRACTED IN THE SOUTHERN REGION FROM 2009 TO 2013.

36,326

TOTAL NUMBER OF UNITS CONTRACTED IN THE NORTHEAST, THE REGION WITH THE SECOND HIGHEST NUMBER OF CONTRACTS.

NATIONAL RURAL HOUSING PROGRAM Housing units contracted by region



MINHA CASA MELHOR (IMPROVING MY HOUSE)

As a complement to the My House My Life program, in 2013 the federal government launched the Improving My House program. The new initiative creates a credit line for the acquisition of furniture and domestic appliances for beneficiaries of the My House My Life program who are up to date with their mortgage payments. The top limit available to the main beneficiary of the housing program is R\$ 5,000, which may be used to finance up to 100% of the goods eligible at an annual interest rate of 5%, payable over up to 48 months.

Since the program began in June 2013, 383,300 contracts worth \$ 1.9 billion have been signed, with an average value per contract of R\$ 4,983.11. A total of 22,000 stores are aligned with the initiative, the major part, 18.39%, located in the state of São Paulo, followed by Rio Grande do Sul (12.14%), Minas Gerais (11.37%) and Parana (10.43%).

The CAIXA housing portfolio totaled R\$ 205.8 billion in 2013, 34.6% higher than in 2012.

HOUSING

The main lender in the housing sector in Brazil, CAIXA ended 2013 with a loan portfolio of R\$ 205.8 billion, an increase of 34.6% compared with the previous year. From this total, R\$ 38.7 billion was financed through FGTS funds and R\$ 46.7 billion through savings account funds.

During the same period, CAIXA channeled R\$ 17 million to the Salary Variation Compensation Fund (Fundo de Compensação de Variações Salariais or FCVS), which amortizes part of the outstanding balance due at the end of the mortgage period or when the mortgage is liquidated ahead of schedule. The estimated liability of the fund is R\$ 90 billion for 1.9 million contracts.

In 2013, 11,000 thousand families benefited from the FCVS with the liquidation of their contracts due to death or permanent invalidity and/or in function of physical damage to the mortgaged property, involving a total of R\$ 41.8 million.

Also in 2013, the Popular Housing Guarantee Fund (FGHab) benefited 1,629 families through the liquidation of mortgages due to death, permanent disability or physical damage amounting to R\$ 57.8 million.

The volume of loans using the Home Leasing Fund (FAR) in 2013 reached R\$ 12.3 billion, benefiting 351,000 families with contracts for 420,000 housing units, a significantly higher result than 2012, when the R\$ 7.7 billion invested benefited 258,000 families with 257,000 thousand residences.

R\$ 1.9 billion

REPRESENTS THE FUNDING FOR THE MINHA CASA MELHOR PROGRAM BETWEEN JUNE AND DECEMBER 2013.

R\$ 17 million

WAS ALLOTTED TO THE SALARY VARIATION COMPENSATION FUND (FCVS).

11k

PEOPLE BENEFITED FROM FCVS SETTLEMENT OF THEIR FINANCE CONTRACTS.

FGTS, PIS AND SALARY SUPPLEMENT

One of the main sources of funds for financing housing, infrastructure and sanitation works in Brazil, the Employee Severance Indemnity Fund (FGTS) was created in the 1960, to protect employees discharged without just cause. The fund is formed through the employer making a monthly deposit corresponding to 8% of the employee's salary in a current account in the CAIXA linked with the employment contract. The funds may be withdrawn by employees at moments of need stipulated by law, such as upon retirement, the acquisition of a home, serious illness or the occur-

rence of natural disasters or other determined situations.

Managed by a Board of Trustees comprising representatives of unions, employers and the federal government, CAIXA is responsible for the operation of the FGTS. The institution is responsible for receiving the contributions, maintaining the individual accounts and the maintenance of a specific website (www.fgts.gov.br) providing full information about the fund and related services. CAIXA is also responsible for defining the operational procedures for the implementation of urban infrastructure, sanitation and housing projects established

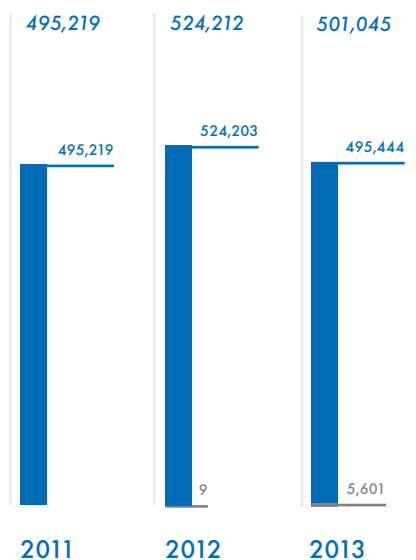
by the Board of Trustees based on guidelines and standards set forth by the Ministry of Cities. In 2013, more than 490,000 housing units and 160 sanitation and infrastructure works were financed by FGTS funds.

In order to reduce the environmental impacts of these works, the standards for programs and credit lines financed by FGTS funding stimulate the use of local natural resources; the employment of water and energy saving measures during the works; the rational use of materials during construction; the rational use of natural resources, and the planting of trees and plants, among others. In 2013, CAIXA received funds

CAIXA activities include the administration of labor benefits and social programs such as the FGTS, Unemployment Insurance and PIS.



Works financed



- Housing
- Sanitation/Infrastructure

totaling R\$ 17.3 billion from 17.8 million FGTS contributions. During the same period, there were 37.4 million withdrawals totaling R\$ 75.7 billion for the diverse purposes permitted by law – 1.5 million of these withdrawals, totaling R\$ 9.8 billion, were used for purchasing homes.

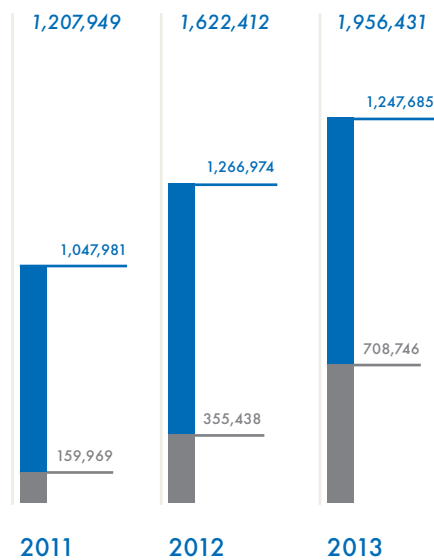
Created in 1970, the Social Integration Program (PIS) is aimed at promoting integration between private sector workers and companies. This involves the distribution of the companies' contributions to the program among participants proportionate to their length of service and salary level. From 1988, the funds from the PIS,

together with those from the Pasep (Civil Service Workers Asset Formation Program), were integrated into the FAT (Worker Support Fund), which funds Unemployment Insurance and Salary Supplements.

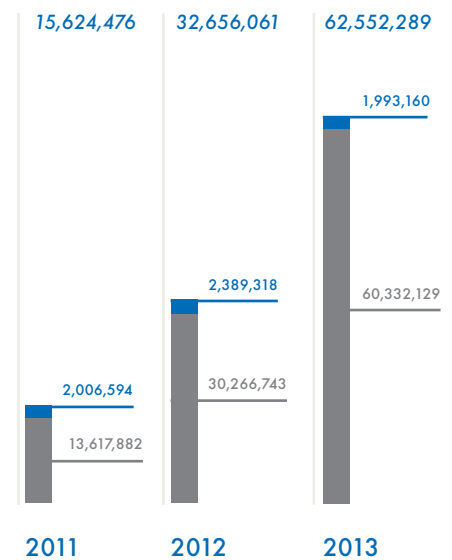
Worth one minimum salary, the Salary Supplement is paid annually to eligible workers. In 2013, CAIXA paid out 533,142 PIS quotas, totaling R\$ 653.1 million and distributed R\$ 536.4 million in income from the program. During the same period, it paid out salary supplements totaling R\$ 12.7 billion to 18,867,342 workers in Brazil



Jobs generated



People benefiting



- Housing
- Sanitation/Infrastructure

A total of R\$ 31.7 billion in unemployment insurance was paid out to 9.3 million workers in 2013. The Artisan Fisherman program benefited 706,000 people, accounting for an additional R\$ 1.9 billion.

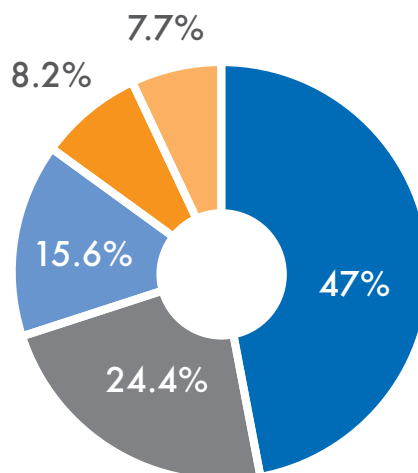
SOCIAL BENEFITS

Approximately 9.3 million Brazilian workers received unemployment insurance in 2013. The three different categories of insurance - formal, rescued and domestic - were paid out in 37.2 million installments totaling R\$ 31.7 billion. This was complemented by payments under the Artisan Fisherman program, which accounted for an additional R\$ 1.9 billion during the period. From the total, 2.8 million of the installments benefited 706,000 unemployed workers in the artisan fishing industry.

In 2013, the largest part of unemployment insurance payments, 37.45%, were made directly into a bank account. For 2014, CAIXA intends to increase this number. In addition to reducing costs for the Ministry of Labor and Employment, which manages the program, the use of a current account is more secure and convenient for the beneficiary, as well as promoting inclusion and enabling access to financial services.



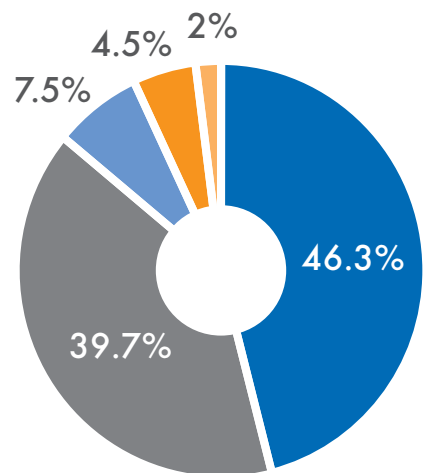
Unemployment insurance – all types, by region (%)



- Northeast
- North
- Southeast
- South
- Central-West



Unemployment insurance – Defense* by region (%)



- Northeast
- North
- Southeast
- South
- Central-West

*Unemployment Insurance for the Artisan Fisherman.



BENEFIT TRANSFER

BY MEANS OF FEDERAL INCOME TRANSFER INITIATIVES, CAIXA PAID OUT **R\$ 181.2 BILLION** IN BENEFITS IN 2013, IMPROVING LIVING CONDITIONS FOR MILLIONS OF BRAZILIANS.



BOLSA FAMÍLIA FAMILY ALLOWANCE

CREATED TEN YEARS AGO TO GUARANTEE INCOME, PROMOTE INCLUSION AND PROVIDE ACCESS TO PUBLIC SERVICES, THE PROGRAM BENEFITED **14 MILLION** PEOPLE IN 2013 ALONE, PAYING OUT **R\$ 24.8 BILLION**.



MINHA CASA MINHA VIDA MY HOUSE MY LIFE

THE FEDERAL GOVERNMENT CREATED THIS PROGRAM IN 2009 TO ENABLE LOW-INCOME FAMILIES TO ACQUIRE HOMES. SINCE THE BEGINNING, THE BANK HAS CONTRACTED **2.86 MILLION** NEW HOMES, WORTH **R\$ 182.9 BILLION**.



MINHA CASA MELHOR IMPROVING MY HOME

INTRODUCED IN 2013, THE INITIATIVE CREATED A CREDIT LINE FOR BENEFICIARIES OF THE MY HOUSE MY LIFE UP TO DATE WITH THEIR MORTGAGE PAYMENTS TO FINANCE THE PURCHASE OF FURNITURE AND HOUSEHOLD APPLIANCES UP TO A LIMIT OF **R\$ 5,000**, AT AN ANNUAL INTEREST RATE OF 5%, PAYABLE IN UP TO 48 INSTALLMENTS.



PROGRAMA NACIONAL DE HABITAÇÃO RURAL NATIONAL RURAL HOUSING PROGRAM

AIMED AT FAMILY SMALLHOLDERS WITH A GROSS ANNUAL INCOME OF UP TO **R\$ 60,000**, THIS PROGRAM WAS INTRODUCED AS A COMPLEMENT TO THE MINHA CASA MINHA VIDA PROGRAM IN 2009. SINCE THEN THE BANK HAS LOANED MORE THAN **R\$ 2.7 BILLION** TO FINANCE **119,614 HOMES**.



HOUSING

CAIXA IS THE LEADING LENDER THROUGH WHICH BRAZILIANS MAY FINANCE THEIR OWN HOMES. IN 2013 ALONE, THE BANK'S HOUSING PORTFOLIO TOTALLED **R\$ 205.8 BILLION**, AN INCREASE OF **34.6%** OVER 2012.



FGTS

CAIXA IS THE OPERATOR OF THIS FUND, RESPONSIBLE FOR RECEIVING ALL THE CONTRIBUTIONS, MAINTAINING AND CONTROLLING THE ACCOUNTS IN THE NAME OF THE WORKERS. IN 2013, MORE THAN **490,000** HOMES AND MORE THAN **160** SANITATION AND INFRASTRUCTURE WORKS WERE FINANCED USING FGTS FUNDS.



PIS AND SALARY SUPPLEMENT

CREATED IN 1970 TO INTEGRATE PRIVATE SECTOR WORKERS AND COMPANIES, PIS AND PASEP – THE EQUIVALENT CIVIL SERVICE PROGRAM – WERE INTEGRATED INTO THE WORKER SUPPORT FUND, WHICH FINANCES UNEMPLOYMENT INSURANCE AND SALARY SUPPLEMENTS. IN 2013, THE BANK PAID OUT **533,142** PIS QUOTAS, AND **18,867,342** PEOPLE RECEIVED THE SALARY SUPPLEMENT.



UNEMPLOYMENT INSURANCE

AROUND **9.3 MILLION** BRAZILIAN WORKERS RECEIVED THIS BENEFIT IN 2013, TOTALING **R\$ 31.7 BILLION**. THERE WERE **706,000** BENEFICIARIES OF UNEMPLOYMENT INSURANCE FOR ARTISAN FISHERMAN. IN 2013, CAIXA PAID **37.45%** OF THE BENEFITS DIRECTLY INTO CURRENT ACCOUNTS, DRIVING INCLUSION AND ACCESS TO FINANCIAL SERVICES.



SANITATION AND INFRASTRUCTURE

IN 2013, THE BANK EMPLOYED **R\$ 29.7 BILLION** IN THESE SECTORS, INVESTING **R\$ 23.6 BILLION** IN INFRASTRUCTURE AND **R\$ 6.1 BILLION** IN SANITATION.



TARGETED MICROCREDIT – CRESCER

DEVELOPED TO FACILITATE ACCESS TO CREDIT FOR BOTH FORMAL AND INFORMAL MICRO-ENTREPRENEURS, WITH REDUCED BUREAUCRACY AND LOWER INTEREST RATES, THE PROJECT ALSO AIDES YOUTH APPRENTICES AT THE BANK. CAIXA WAS THE FIRST BANK IN THE COUNTRY TO IMPLEMENT THIS MINISTRY OF LABOR AND EMPLOYMENT PROJECT. IN 2013, **1,583** YOUTH APPRENTICES PARTICIPATED IN THE INITIATIVE.



FSA CAIXA

WITH A BUDGET OF **R\$ 123.6 MILLION**, THE CAIXA SOCIO-ENVIRONMENTAL FUND (FSA) PROVIDES FINANCIAL SUPPORT FOR INITIATIVES ALIGNED WITH ITS PROGRAMS AND WHICH BENEFIT PRIMARILY LOW-INCOME POPULATIONS. FROM THIS TOTAL, **R\$ 48.9 MILLION** IS INVESTED IN 110 PROJECTS UNDER DEVELOPMENT SINCE 2011 IN DIFFERENT AREAS OF ACTIVITY, BIOMES AND REGIONS IN BRAZIL.

Fomenting sustainable development

SANITATION AND INFRASTRUCTURE

A support for the federal government in projects of this nature, in 2013 CAIXA provided around R\$ 29.7 billion in funding – R\$ 23.6 billion for infrastructure and \$6.1 billion for sanitation, an increase of 13% over 2012. The volume of finance for works in these sectors also grew during the year, reaching R\$ 37.1 billion, 55.2% up on the previous year.

Infrastructure and Sanitation Finance (Finisa), a product launched by CAIXA in 2012 to facilitate and boost the concession of credit for sanitation, transportation and logistics and energy works, enabled loans totaling R\$ 11.7 billion, up 284% compared with 2012. In operations involving loans for sanitation and infrastructure, CAIXA monitors compliance with its corporate social responsibility, environmental and credit policies.

In 2013, CAIXA launched Finisa – Luz para Todos (Electricity for Everyone), dedicated to private and public sector works involving electricity infrastructure. This is focused on electrification projects in rural areas, aimed at driving development and social inclusion. A total of R\$ 75.5 million was invested by the end of 2013.

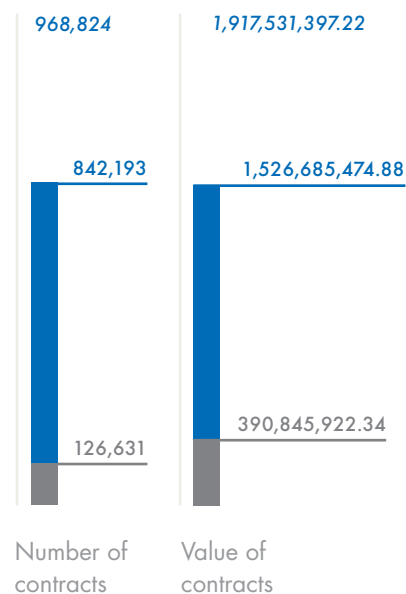
ACCESS TO MICROCREDIT

With the creation of Targeted Microcredit – Crescer, CAIXA rapidly consolidated a win-win operation. Developed to facilitate access to credit for both formal and informal micro-entrepreneurs, with reduced bureaucracy and lower interest rates, the project also aides youth apprentices at the bank. These young people were trained under Arco Ocupacional Bancário, making CAIXA the first bank in the country to implement this Ministry of Labor and Employment project.

In 2013, 1,583 young apprentices participated in the initiative. With this program, they work as credit agents in the communities where they live – mostly less economically developed areas. They are also engaged in prospecting new clients, building socio-economic profiles and monitoring use of the credit granted.



Crescer* – contracts in 2013



- Private individuals
- Companies

*Targeted Microcredit.

FSA CAIXA

G4-EC7; G4-EC8

Through the CAIXA Socio-Environmental Fund (FSA), the institution provides financial support for social and environmental projects aimed at integrated development in partnership with public and private organizations. The fund provides non-reimbursable or partially reimbursable investments in initiatives aligned with CAIXA programs, mainly those benefiting low-income groups. The priority areas for loans are:

- sanitation and environmental management
- job and income generation
- socially oriented housing projects
- health
- education
- sports and culture
- justice
- food
- institutional development
- rural development
- sustainable development
- social measures for low-income groups

The FSA has a budget of R\$ 123.6 million, of which R\$ 48.9 million is invested in 110 projects under development since 2011 in different areas of activity, biomes and regions in Brazil. Of this total, 47% (R\$ 22.9 million) is dedicated to 18 new financial cooperation agreements signed by FSA CAIXA in 2013. Throughout the development of the projects, the community benefiting is engaged in a number of ways, including involvement in decision making, formal complaint and broad community consultation processes, opinion surveys, training and strengthening of cooperatives, the provision of expert opinions and participation in the execution of determined stages. [G4-SO1](#)

In partnership with the Ministry of the Environment's National Environment Fund, FSA CAIXA also provides support for projects aligned with national environmental policy in two specific biomes: the Cerrado, with a focus on extractivist activities and ecotourism; and the Caatinga, where the emphasis is on energy efficiency, ecological stoves and forestry stewardship plans for smallholders and ceramics and plaster producers. The economic model is aimed at the effective foment of sustainable development in these regions by valuing local knowledge, promoting sustainable income generation and maintaining environmental assets.

R\$ 48.9

MILLION INVESTED
IN 110 PROJECTS
UNDER DEVELOPMENT
SINCE 2011.

R\$ 22.9

MILLION COMMITTED
TO 18 FINANCIAL
COOPERATION
AGREEMENTS.

Among the main projects implemented in the Cerrado biome through this partnership are:

COMMUNITY-BASED ECO-CULTURAL TOURISM IN THE MOSAICO SERTÃO VEREDAS-PERUAÇU

With R\$ 1,560,444.50 from the FSA CAIXA, the project helped implement the Mosaico Sertão Veredas-Peruaçu Development Plan based on eco-tourism. This encompassed entrepreneurial training for providers of lodgings and meals, tourist guides, local tourism operators, as well as general training in tourism, the development of eco-cultural itineraries, and improved infrastructure, with the implementation of three community guest houses. More than 1,000 people were impacted.

SUSTAINABLE EXTRACTION

As part of the Mosaico Sertão Veredas-Peruaçu Development Plan, this project received R\$ 1,105,297.84 in support from FSA CAIXA to train communities in the sustainable cultivation of local fruits; to provide environmental education in partnership with local associations; and to strengthen community organization, enabling the formation of extractivist and artisan groups. Scheduled to be concluded in 2014, the project trained 291 families and produced 7,670 kilograms of buriti palm scrapings, commercialized for R\$ 76,266.

R\$ 123.6 million

IS THE FUND'S BUDGET FOR
INVESTMENT IN DIVERSE PROJECTS.



Gastronomic Horizon:
an FHIO (Human Front for
Organized Interventions) project
supported by CAIXA.



Other projects supported by FSA CAIXA are:

SÃO FRANCISCO RIVER PARKS

This is an initiative aimed at reclaiming and preserving the environment through the sustainable use of natural resources, improving social and environmental conditions and increasing the availability of good quality water in the São Francisco river basin – home to 16.14 million people, around 8.5% of the Brazilian population. With a total investment of around R\$ 12.5 million, the FSA CAIXA will support four initiatives to be developed in the municipalities of Pirapora (Minas Gerais), Januária (Minas Gerais), Juazeiro (Bahia) and Petrolina (Pernambuco), including the construction of parks and environmental education projects, benefiting 615,498 people.

A CAIXA, the IDB and the local governments of the cities selected will define urban development indicators to establish an action plan oriented to sustainable development.

EMERGING SUSTAINABLE CITIES INITIATIVE

In a partnership established in 2013 with the Inter-American Development Bank (IDB), FSA CAIXA invested R\$ 4 million in the implementation of the Emerging Sustainable Cities Initiative in four Brazilian cities: João Pessoa (Paraíba), Florianópolis (Santa Catarina), Vitória (Espírito Santo) and Palmas (Tocantins). CAIXA, the IDB and the city governments, supported by a cross-disciplinary group of experts, will study urban development indicators to produce an action plan to promote sustainable development in the municipalities. The goal is to introduce this initiative into 50 cities in Latin America and the Caribbean by 2015, benefiting some 52.8 million people.

GENERATING INCOME AND POWER IN THE NORTHEASTERN SEMI-ARID REGION

This initiative is designed to generate revenue for housing developments and low-income families through the installation of micro wind and solar energy generation stations in Minha Casa Minha Vida housing projects. Also aimed at incentivizing cooperation among participating households, the project received an investment of R\$ 6.2 million and has benefited around one thousand families. [G4-EC7](#)

RECLAIMING WATER SOURCES

This encompasses ten projects to plant 277,900 native tree seedlings and reclaim an area totaling 418 hectares (4 million m²) around water sources in the basins of the Paraná, Uruguai and Doce (Minas Gerais) rivers, in the Pernambuco coastal basin and in water basins in the central region of Rio Grande do Sul (*read more on page 81*).

R\$ 12.5 million

INVESTED IN BUILDING RIVER PARKS IN FOUR CITIES NEAR THE SÃO FRANCISCO RIVER BASIN.

R\$ 6.2 million

THE AMOUNT INVESTED IN AN INCOME AND POWER GENERATION PROGRAM IN THE NORTHEASTERN SEMI-ARID REGION.

277.9 k

NATIVE TREE SEEDLINGS WILL BE PLANTED TO RECLAIM WATER SOURCES.

Sustainable sourcing

With a network of 12,129 suppliers, CAIXA initiated relations with 2,938 new companies in 2013, representing 24.22% of the total. Suppliers are selected in accordance with the Tender law n° 8.666/93, which governs tenders and contracts for public companies. Prioritization of suppliers is aligned with the directives set forth in Complementary Law n° 123/2006, which favors micro and small enterprises in order to stimulate the economy in local municipalities through the generation of employment and municipal service taxes (ISSQN).

CAIXA suppliers are free to decide whether or not to contract local manpower. By law, public companies are not permitted to interfere in internal labor questions of their suppliers. [G4-EC9](#)

As a means of managing the impact of its businesses, CAIXA is attentive to social and environmental questions throughout its supply chain. In addition

to financial considerations, the contracts CAIXA maintains with its suppliers include clauses on ethics, social and environmental responsibility and human rights, in particular child labor, slave labor, degrading working conditions, and discrimination based on religious beliefs, race, color, gender, sexual orientation, political party, social class or nationality. Suppliers violating contractual obligations are subject to penalties that range from a warning to prohibition from participating in federal tenders. [G4-HR4](#); [HR5](#); [G4-HR6](#); [G4-HR10](#)

The same care is extended to the selection of supplies for the company, with directives such as requirement of the Procel seal. This seal establishes the best levels of consumption of electrical equipment. Other requirements include Inmetro certification for water purifiers, fountains and paper shredders; reverse logistics systems for materials such as toner cartridges, pa-

per, and plastics; the use of certified wood for pallet construction; and the donation of shredded paper and other post use material to recyclable waste cooperatives or associations.

CAIXA internal policy stipulates sustainability and socio-environmental responsibility criteria for the sourcing of supplies. Throughout its units, the company also requires the use of LED light bulbs; air conditioning systems with ecological refrigerants; elevators with advanced call systems; solar panels for energy generation; and rainwater harvesting and reuse systems, among others.

SUPPLY CHAIN

CAIXA internal policy stipulates sustainability and socio-environmental principles, as well as supplier engagement, with ongoing interaction to promote sustainable practices throughout the supply chain.

Value of supplier contracts* in 2013 G4-EC9

Region	Amounts (R\$ million)	% total
North	165.51	1.37
Northeast	943.91	7.84
Center-West	8,878.61	73.76
Southeast	1,286.05	10.68
South	763.28	6.34
Total	12,037.36	100

*In compliance with Federal Law 7.102/83 and Ruling 3.233/12-DPF, security services are ongoing services that are indispensable for company unit activities. Consequently, all units in the network are considered to be important [G4-EC9](#); [G4-12](#)

Brazilian suppliers, by type and region G4-12

Region	Companies	Individuals
North	431	218
Northeast	1,500	587
Center-West	1,364	311
Southeast	3,251	1,080
South	2,912	445

Paulista Agency: one of the more than 23 thousand ATMs installed nationwide.



Sponsorship for culture and sports

**221
million**

REAIS INVESTED
IN SPORTS SPONSORSHIP.

**82
million**

REAIS INVESTED IN CULTURE.

CAIXA believes in and invests in fomenting sport and culture as a means of promoting the development of civic awareness. One of the most traditional sponsors of sports, culture and art in Brazil, in 2013 CAIXA invested R\$ 303 million in these areas, more than double the R\$ 110 million spent in 2012.

As a public company, all CAIXA sponsorship initiatives are analyzed and approved by the Social Communication Department of the Presidency of the Republic. In 2013, CAIXA had no cases of non-compliance with regulations or voluntary codes governing sponsorship.

SUPPORT FOR CULTURE

In 2013, CAIXA sponsored cultural projects through programs developed by the company: the CAIXA Cultural Spaces Program; CAIXA Theater and Dance Festival Support Program; CAIXA Brazilian Handicraft Support Program; and CAIXA Brazilian Cultural Heritage Support Program. The amount invested by CAIXA in projects under this scope during the year was R\$ 82 million, a 64% increase compared with the R\$ 50 million spent in 2012.

The initiatives supported in 2013 included 384 events in the CAIXA Cultural spaces, selected from among 3,109 applications. Investments of around R\$ 33 million ensured the execution of projects such as the 10th International Women's Cinema Festival, the Children's Literature Contemporary Art Show and the musical Ernesto Nazareth – 150 Year of Brazilian Popular Music.

The CAIXA Theater and Dance Festival Support Program promoted 28 theater and 19 dance festivals from a total of 404 initiatives considered, with an investment of R\$ 3.45 million. As part of the CAIXA Brazilian Handicraft Support Program, R\$ 350,000 was invested in 12 projects during the year. The R\$ 1.95 million invested in the CAIXA Brazilian Cultural Heritage Support Program permitted donations to ten museums, including the Museu da Família Colonial, the Museu Histórico Abílio Barreto and the Museu Sacro S. José de Ribamar.

FOMENTING SPORT

CAIXA investments in sport are aimed both at providing Brazilian athletes with proper training conditions and at promoting educational and social inclusion for children and teenagers. Company investments in this area totaled R\$ 221 million in 2013.

In support of the Brazil Medals Plan launched by the federal government in 2012, CAIXA signed sponsorship contracts with the Brazilian Athletics Confederation (BCAt), the Brazilian Gymnastics Confederation (CBG) and the Brazilian Associated Fights Confederation (CBLA) for the period 2013-2016, with investments in these sports and athletes totaling R\$ 30 million in 2013. The Brazilian Cycling Confederation was also granted a R\$ 17 million sponsorship contract for the next four years.

Road races and social projects dedicated to developing athletics, such as the CAIXA Race Circuit, the CAIXA Maratoninhas Circuit, the São Paulo International Marathon and the Brasilia International Half Marathon, among other diverse events, received investments of around R\$ 48 million during the year. CAIXA also invested some R\$ 110 million in soccer during the year, particularly worthy of mention being the first 1st Brazilian Women's Soccer Championship.

ENGAGEMENT

The initiatives sponsored by CAIXA include diverse projects aimed at promoting social inclusion and revealing new sporting talents. Highlights in 2013 included the CAIXA Centers of Excellence Program - Promising Young Gymnasts, which selected some 3,600 children aged from 5 to 9 years with the potential to make the Brazilian national team. In 2013, CAIXA also innovated with its Experiencing Differences project. Initiated in 2013, this program was held in ten state capitals with the objective of generating interest in the Paralympic Games to be held in Brazil in 2016. Activities such as Goal-Ball, where participants are blindfolded and use a ball that makes a noise, and wheelchair races and basketball games enabled the public to feel what it is like to participate in Paralympic sports.



A piano on the waters of the Amazon

One of the highlights among the CAIXA cultural initiatives in 2013 was pianist Arthur Moreira Lima's tour of 21 cities in the states of Amazonas, Roraima and Pará. The spectacle "A piano on the waters of the Amazon" was transported by a "theater truck" which not only carried the artist's grand piano, sound system, lighting, big screen and dressing room, but also provided the 45 m² stage – in the form of the vehicle's cargo bed.

This initiative brought concert music to regions and audiences normally very distant from this cultural universe. The 90-minute performance combined classical music with Brazilian popular songs, in a repertoire that included Bach, Beethoven, Chopin, Mozart, Villa-Lobos, Pixinguinha, Ernesto Nazareth, Luiz Gonzaga and Astor Piazzolla.

ECONOMIC-FINANCIAL PERFORMANCE

CAIXA continued to grow during the year, boosting assets, profit, operating result and client base.



There was an improvement in economic activity in Brazil in 2013, with GDP growth of 2.3% compared with 1% in 2012. A positive highlight on the supply side was agriculture, which expanded 7% in the year. Worthy of note on the demand side was the gross fixed capital formation of 6.3%. In the labor market, the unemployment rate was the lowest in the historical series; however, there was a slowdown in real income growth.

Credit growth was more moderate in 2013 than in previous years, in particular in open operations, while directed credit increased throughout the year. Credit from public institutions grew at a higher rate than private sector lending. The high points throughout 2013 were real estate finance, rural credit and BNDES loans.

With respect to prices, increases in food, gasoline and diesel exerted pressure on the IPCA national consumer price index, which rose 5.91%, compared with 5.85% in 2012. In its efforts to combat inflation, Copom, Brazil's Monetary Policy Committee, initiated a cycle of adjustments in the basic interest rate in April. Consequently, the Selic rate increased from 7.25% to 10% by the end of 2013.

The deficit in current account transactions continued to grow, although at a slower rate towards the end of the year, maintaining the downward trend in the trade balance. The current account result was due to Brazilian foreign trade and the increased deficit in the services and income account. The trade balance was affected by reduced exports, mainly in petroleum, and higher imports. Direct foreign investment continued to be the main source of finance for the current account deficit, albeit with a reduction in share, while foreign investment in shares and securities increased. There was greater exchange volatility in the second half of the year as investors awaited the gradual reduction in monetary stimulation instituted by the Federal Reserve (FED) in the USA. However, the fact that the FED began to reduce this stimulation gradually from January 2014, in conjunction with regular interventions from Brazil's Banco Central in the market, ensured more moderate variations in exchange rates.



Active current accounts totaled 25.5 million in 2013, of which 23.5 million belonged to private individuals and 2 million to companies.

Internationally, 2013 was a year of moderate expansion in important global economies and significant reduction in risk factors. The economic performance of the United States was better than expected, with improvements in the labor market and the real estate sector. Political impasses which lead to a contraction in fiscal policy during 2013 were resolved at least temporarily, providing the prospect of a less restrictive fiscal policy in 2014. There was a certain economic expansion among the Euro zone countries, although this was rather uneven. Unemployment rates remain high and there is continued uncertainty about fiscal and financial stability, although the risk of rupture on the continent has decreased significantly. The suave deceleration of the Chinese economy compared with previous years continued, with projections of GDP growth in line with the government target of 7.5% a year.

Main numbers (R\$ millions) G4-EC1

Result ¹	2012	2013
Results of financial intermediation	16,885	19,205
Credit operations	34,391	46,494
Provision for doubtful debtors	(7,680)	(9,191)
Securities and derivatives operations	17,850	19,708
Expenses with raising capital	(29,962)	(34,862)
Expenses with employees and transfers	(6,556)	(9,092)
Service revenues ²	14,281	16,352
Administrative expenses	(22,095)	(25,555)
Personnel expenses	(13,520)	(15,928)
Other administrative expenses	(8,576)	(9,626)
Other expenses/operating revenues	(2,874)	(2,703)
Operational earnings	4,325	5,195
Taxes on earnings	2,375	2,611
Net profit	5,640	6,723

Obs.: the 2012 amounts provided for purposes of comparison were restated due to the change in parameters in accounting for employee benefits in accordance with CPC 33 (R1) – Benefits for Employees. ¹ Takes into account the restated result for 2012. ² Takes into account revenues from bank charges.

Assets and indicators – 2013 Guidance

Indicator (%)	2013 Target	2013 Actual	Assessment
Business			
Total assets (growth in balance)	22% - 27%	22.1%	↑
Total credit (growth in balance)	32% - 40%	36.8%	↑
Total credit (share)	17% - 19%	18%	↑
Result			
ROE (average)	23% a 25%	26.2%	↑
Basel Index	14% - 16%	15.1%	↑

RESULTS

Against this economic backdrop, in 2013 CAIXA came in fifth place in the ranking of the most valuable brands in Brazil. The value of the CAIXA brand increased by 88.2% during the year, reaching US\$ 6.4 billion, and making the bank the third most valuable state company in the country. The bank ended the year with net assets of R\$ 27.4 billion, an increase of 13.8% over 2012. Net profit totaled R\$ 6.7 billion, 19.2% up on the previous year, taking into account changes in accounting for balances in personal and corporate accounts closed during the year due to irregularities. Discounting this adjustment, growth in net profit would have been 10.8% higher than in 2012. The operating result in the year totaled R\$ 5.2 billion, an increase of 20.1% over the previous year.

The return on average net assets during the year was 26.2%. This growth was due to the 35.2% increase in financial revenue from loans – in function of the 36.8% growth in the portfolio, an increase of 14.5% from service revenues and a 10.4% increase in earnings from the securities and derivatives portfolio. This result also benefited from CAIXA efforts to improve management of costs, processes and productivity, the growing consolidation of investments in technological infrastructure and in new units.

During 2013, CAIXA injected more than R\$ 635 billion into the Brazilian economy through the distribution of social benefits, credit and salaries, among others. More than R\$ 4.2 billion from the federal lotteries reverted to society to fund projects in the areas of education, social security, culture, sport and safety.

At the end of the year CAIXA had 25.5 million active current accounts, 23.5 million belonging to private individuals and 2 million to companies.

REVENUE GENERATED BY SERVICE PROVISION AND BANKING CHARGES

In 2013, revenues from service provision and banking charges totaled R\$ 16.4 billion, an increase of 14.5% over 2012. This was driven mainly by the increase in revenues from banking charges, credit and debit card services and investment fund management services. At the end of the fourth quarter, revenue totaled R\$ 4.3 billion, an increase of 13.8% over the previous year.

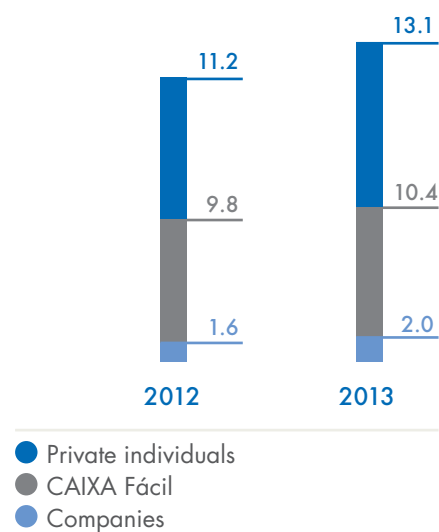
6.4 million new accounts were opened at CAIXA during the year, bringing the client base to more than 71.7 million and the total number of current and savings accounts to more than 74.7 million, increases of 9.9% and 11.2% respectively compared with the previous year.

The main sources of revenues in the segment were services provided for the federal government, account and card maintenance charges, collection and charge management arrangements, investment fund management charges and credit operation charges.

US\$ 6.4 billion

IS THE VALUE OF THE CAIXA BRAND.

Number of accounts (millions)



ADMINISTRATIVE EXPENSES

Administrative expenses increased by 15.7% compared with 2012, totaling R\$ 25.5 billion in 2013. The increase reflects the expansion of the service network and the consequent increase in headcount during the period. During the period 421 new agencies and 62 service outlets were inaugurated (*read more on page 6*).

Headcount grew by 5.7%, from 92,900 to 98,200, increasing personnel expenses – which accounted for 62.3% of administrative expenses during the period – to R\$ 15.9 billion, compared with R\$ 13.5 billion in 2012, a variation of 17.8%.

Also driven by the expanded service network, other administrative expenses totaled R\$ 9.6 billion, growing 12.3% compared with the previous year. [G4-23](#)

OPERATING EFFICIENCY

The accumulated operating efficiency rate for CAIXA over the last 12 months was 60.3%. This result reflects the measures taken by the institution to drive efficient resource management. With the implantation of a Statutory Operational Efficiency Committee in 2013, CAIXA promoted a series of actions to foment a culture oriented to the rationalization of spending, the review and improvement of internal processes, increased productivity and stronger client relations. These actions enabled savings and revenue increases of around R\$ 1 billion.

INDEBTEDNESS

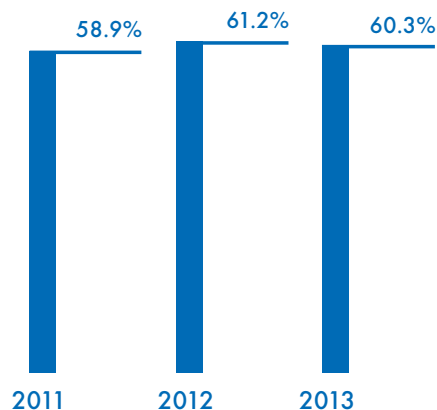
At the end of 2013, the rate of public sector indebtedness with CAIXA was 24.7%, a retraction of 4.3% in 12 months. In accordance with CMN Ruling n° 2.827/2001, credit operations between financial institutions and public agencies and organizations are limited to 45% of reference equity.

SECURITIES

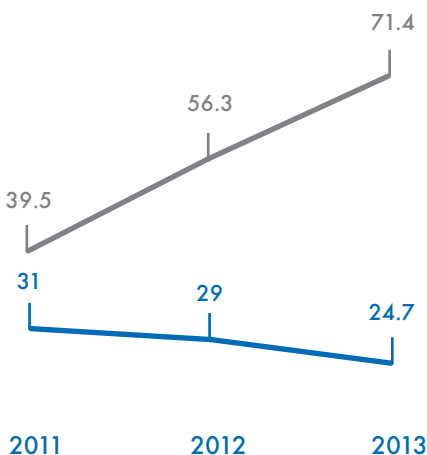
At the CAIXA Securities portfolio ended 2013 at R\$ 163.3 billion, growing 17.5% compared with the previous year. In spite of the strategic focus on credit operations, at 19.0% the ratio of the securities portfolio to total equity remained stable compared with 2012, ensuring a strong treasury and adequate liquidity.



Operational efficiency rate



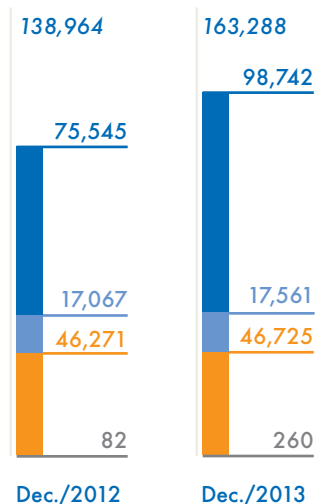
Public sector indebtedness



- Reference equity (R\$ billions)
- Public sector indebtedness (%)



Securities (R\$ million)



- Negotiable
- Available for sale
- Maintained until maturity
- Financial derivatives

Term deposits totaled R\$ 113.5 billion in 2013, an increase of 17.6% compared with 2012. Certificates of Deposit (CDBs) accounted for R\$ 69.2 billion of this amount.

DEPOSITS AND FUNDING

At the end of the last quarter of 2013, the amount on deposit totaled R\$ 561.1 billion. Deposits and treasury bills increased by 19.9% compared with December 2012, totaling R\$ 438.3 billion, with a net inflow of R\$ 49.1 billion.

Maintaining its leadership of the Brazilian savings market with a 35.1% share, CAIXA recorded 18.9% growth in this portfolio, which ended 2013 with 51.9 million savings accounts and a balance of R\$ 209.6 billion. The net inflow for CAIXA savings accounts reached R\$ 23 billion in the year, 47.6% higher than the previous year.

Throughout 2013, sight deposits remained stable, with the seasonal behavior in the last quarter of the year not being reflected in the company sector. Sight deposits totaled 25.2 billion, of which R\$ 14.9 billion was accounted for by business clients and R\$ 10.3 billion by individuals, corresponding to a market share of 14%.

There was a 17.6% increase in term deposits compared with the previous year, reaching a total of R\$ 113.5 billion in December. In 2013, the net inflow totaled R\$ 9.9 billion. Certificates of deposit (CDB) accounted for 60.9% of the term deposits, totaling R\$ 69.2 billion, an increase of 17.3% compared with 2012.

Nominal growth in treasury bills was R\$ 31.6 billion in 12 months, ending 2013 at R\$ 77.5 billion, an increase of 68.9%, driven by housing and mortgage letters of credit, which grew by 90%, reaching R\$ 51.7 billion. Treasury bills ended 2013 at R\$ 23.4 billion, a 32.8% increase in 12 months, while agricultural bills grew 129.6%, totaling R\$ 2.4 billion in December 2013.

International issues and loans also increased in 2013, part of CAIXA strategy to diversify sources of funding and to extend lending terms. The net volume raised via these operations reached R\$ 5.1 billion. The net balance of the portfolio, R\$ 9.6 billion, represents a variation of 202% compared with the previous year.

Funding balances (R\$ million)

	Dec. /2012	Dec /2013	Variation (%)
Deposits	319,780	360,770	12.8
Sight	27,386	25,171	-8.1
Savings	176,299	209,574	18.9
Term	96,535	113,516	17.6
Others	19,561	12,509	-36.1
Bills	45,877	77,491	68.9
International	3,127	6,332	102.5
Open market	93,909	116,490	24
Total	462,692	561,082	21.3

CARDS

In 2013, the CAIXA credit card base grew 32.2% from 8.7 million to 11.5 million. The number of transactions totaled 275.7 million, involving a total amount of R\$ 31.3 billion with an average transaction value of R\$ 113.64.

In the same period there were 799.5 million debit card transactions, representing an increase of 34.3% over 2012. The total value of these operations was R\$ 4.8 billion, with an average transaction value of R\$ 62.28. The Elo brand card, managed in partnership by CAIXA, Banco do Brasil and Bradesco, accounted for 16% of the institution's debit card base in December 2013. With a total card base of 12.8 million in 2013, the brand grew 108% during the last 12 months.

BANKING SERVICES

CAIXA performed 6.5 billion banking transactions in 2013, a 15.4% increase over the previous year. CAIXA internet banking alone accounted for 1.2 billion transactions, including checking balances, statements, payments and transfers.

In partnership with the insurance arm Caixa Seguros, the company offers various products such as life, home and automobile insurance, capitalization, private pension and group joint-purchasing services, with a business volume of around R\$ 3.6 billion in 2013, an increase of 13.9% over 2012. These products generated R\$ 222.3 million in banking fees in 2013.

CREDIT OPERATIONS

CAIXA's loan portfolio grew by 36.8% during the year, ending 2013 at R\$ 494.2 billion. In 2013, accumulated credit stood at 406.9 billion, 29.8% more than in 2012. Housing loans reached the record amount of R\$ 134.9 billion in the period, growing 26.4% in comparison with 2012 and ensuring CAIXA's continued leadership in this market, with a 68.5% share and a balance of R\$ 270.4 billion – 31.4% higher than in December 2012.

The balance of commercial credit during the period reached R\$ 171.8 billion, 41.4% higher than the previous 12 months. In the company segment the balance was R\$ 90.8 billion, while for private individuals the total was R\$ 80.9 billion, with respective increases of 37.8% and 45.7%.

The sanitation and infrastructure portfolio increased by 55.2%, with

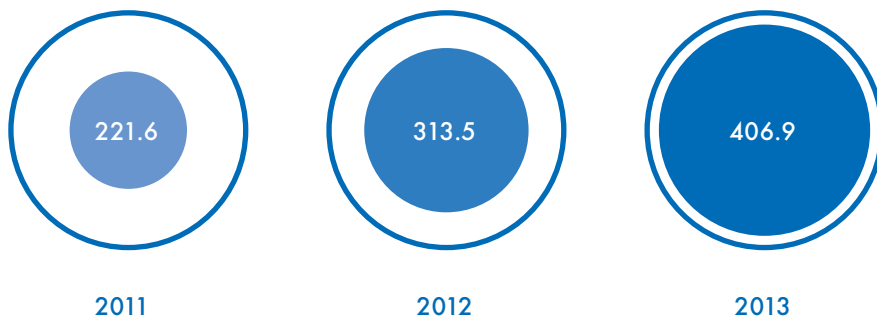
a balance of R\$ 37.1 billion, the highest growth segment during the year, accounting for 7.5% of total lending. Agribusiness operations totaled R\$ 2 billion. Growth in the last quarter of 2013 alone was 124.8%.

Lending operations involving private individuals ended the year at R\$ 343.9 billion, a 45.7% increase over 2012 – particularly noteworthy being housing loans, totaling R\$ 261.6 billion, while payroll credit grew by 37.4% in the period. Loans for companies showed a balance of R\$ 137.3 billion, up 39.2% in the 12 month period.

Total CAIXA lending in 2013 was R\$ 406.9 billion, an increase of 29.8% over last year. Commercial loans accounted for R\$ 240.4 billion, up 33.3% on 2012. Loans for private individuals totaled R\$ 129.4 billion, while company loans totaled R\$ 111 billion, increases of 32.2% and 34.6% respectively.



Growth in lending
(R\$ billion)



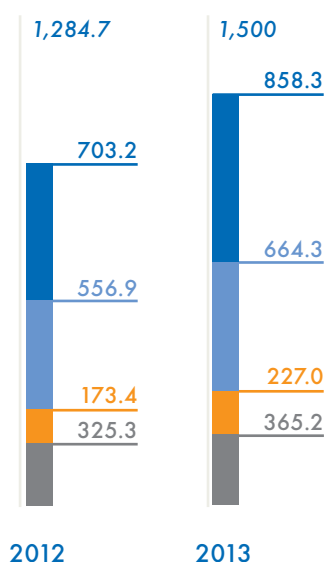
ASSETS UNDER MANAGEMENT

The total of assets under management by CAIXA reached R\$ 1.5 trillion in 2013. Of this amount, R\$ 858.3 billion corresponded to own assets, growth of 22.1% compared with the previous year. Credit operations, with a balance of R\$ 494.2 billion, represented 57.6% of this amount, and securities, at R\$ 163.3 billion, accounted for 19% of assets.

Among the R\$ 664.3 billion in third-party assets, worthy of note were FGTS funds, which totaled R\$ 365.2 billion, investments funds, with a balance of R\$ 227 billion, with growth rates of 12.3% and 30.9% respectively compared with 2012.



Breakdown
of assets under management
(R\$ millions)



- Own assets
- Other assets
- Investment funds
- FGTS

INVESTMENT FUNDS AND PORTFOLIOS UNDER MANAGEMENT

At the end of 2013, CAIXA was responsible for the management of investment funds and portfolios, including FIC Fixed Investment, totaling R\$ 459.6 billion, an increase of 30.2% over the previous year. As a result, in December 2013, the bank had an 8.7% share of the investment fund market, according to Anbima, the Brazilian Association of Financial and Capital Market Institutions. This represented growth of 1.2 percentage points, placing the bank in fourth position among fund managers in Brazil.

During the year, networked and exclusive funds totaled R\$ 202.4 billion, an increase of 30.2% over 2012. The highest growth was in exclusive funds, with a 63% variation, reaching R\$ 109.4 billion.

Fixed income funds ended the year growing 33.3% with a balance of R\$ 178.4 billion, corresponding to 88.2% of the investment funds. Variable income funds grew 10.6%, totaling R\$ 23.9 billion in 2013.

MAIN INDICATORS

The fact that CAIXA is robust is proven by its Basel Index, which stood at 15.1% at the end of the period, a 2.1 percentage point increase over 2012. This demonstrates that the bank has the liquidity and coverage to continue to expand its business portfolio. At the end of 2013, its reference equity and risk weighted assets totaled R\$ 71.4 billion and R\$ 472.1 billion respectively. Therefore, the Basel Index is above the required minimum of 11%.

The gross earnings from the bank's financial operations totaled R\$ 19.2 billion, representing a 13.7% increase compared with the previous year, driven mainly by revenues from credit operations, which totaled R\$ 46.5 billion, and securities and derivatives, which totaled R\$ 19.7 billion.

International emissions and loans also increased in 2013, as part of CAIXA strategy to increase its sources of funding and extend payment terms. The net volume raised in these operations reached R\$ 5.1 billion. The total balance of the portfolio, R\$ 9.6 billion, represents a variation of 202% compared with the previous year.

SOCIO-ENVIRONMENTAL RESPONSIBILITY

CAIXA instituted its Socio-Environmental Committee (RSA) to implant, execute and monitor the alignment of projects with sustainability principles and policies.





IN THIS CHAPTER

Business sustainability
Engagement
Reducing operational impacts

In addition to adopting procedures to conserve natural resources, CAIXA supports a series of initiatives by non-governmental organizations, different government areas, public authorities, private companies and communities in which development and environmental preservation go hand in hand in the effort to bring about a more sustainable world.

On October 8th, 2013, the CAIXA Steering Committee approved the creation of the Sustainability and Socio-Environmental Responsibility Committee (RSA Committee), substituting the old Business Social Responsibility Committee, in clear alignment with the market. The new committee's mission is to coordinate interaction between the diverse CAIXA areas in the implantation, execution and follow up of projects in accordance with the bank's sustainability and socio-

environmental responsibility-related policies and principles. Most of these projects are overseen by the National Sustainability and Socio-Environmental Management area (GERSA), with support from the Corporate Operations area.

In 2013, CAIXA received three awards for its performance in sustainability. The bank was one of the three finalists in the Sustainable Bank of the Year – Latin America category of the 2013 Financial Times and International Finance Corporation Sustainable Finances Awards. In Brazil, the bank's CAIXA Best Practices in Local Management Program, which highlights local measures to promote quality of life, won the "Marketing Best Sustainability" award. The company was also one of the top twenty highest scoring Brazilian institutions in the *Época* magazine "Green Company Award".



Best practices: PAC Favela Condomínio Poesi, in Rio de Janeiro, an example of an initiative supported by CAIXA.

Business sustainability

Aligned with the principles of socio-environmental responsibility, CAIXA verifies the compliance of companies with which it does business and which perform activities subject to environmental licensing. It also checks whether these organizations are on the official lists of companies black-listed for slave labor. These measures have been incorporated into the requirements for company products and are in place nationwide.

To ensure proper management of operational socio-environmental risks, CAIXA's GERSA unit monitors structured Project Finance operations involving US\$ 10 million or more, as well as assessing the socio-environmental performance of clients engaged in cooperative operations in excess of R\$ 10 million.

As a signatory to the Equator Principles (a set of social and financial requirements defined by the international financial sector for project finance), CAIXA has a series of procedures to ensure the socio-environmental regularity of ventures in which it is involved. It also applies the socio-environmental standards and Safety, Health and Environmental (SHE) guidelines of the International Finance

Corporation (IFC), the private arm of the World Bank, to drive compliance and the adoption of best international socio-environmental standards. These principles encompass: respect for human rights, health, and cultural and ethnic diversity, prevention of child labor, and the adoption of occupational health and safety systems.

In addition to compliance with Brazilian legal requirements, analyses for the approval of Project Finance (of US\$ 10 million or over) also incorporate the international performance standards set forth in the Equator Principles. These projects are analyzed and classified in accordance with their potential impact. When necessary this analysis includes on-site technical visits. The analysis includes environmental licenses, studies and impact reports (EIA/Rima), basic environmental plans, action plans, socio-environmental reports and other relevant documents for determining the impact of a project. The bank's analysis for the concession of credit also takes into account whether a company/project intends to adopt initiatives to combat climate change. [G4-EC2](#)

With projects classified as high risk or having critical characteristics, such as the Belo Monte hydroelectric project in Pará and the Rodoanel ring road in the city of São Paulo, the bank requires the performance of an independent socio-environmental audit to check compliance with the Equator Principles. Decisions are taken only after these measures have been taken.

Since these projects are long-term, CAIXA monitors them throughout their entire life cycle, conducting periodic inspections to verify the execution of action plans to guarantee compliance with licensing conditions and the Equator Principles. This procedure ensures greater security in the management of socio-environmental risks in CAIXA financing activities. [G4-HR1](#)

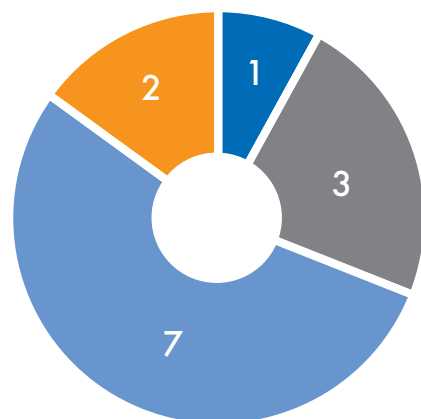
In 2013, CAIXA contracted 13 major projects subject to Equator Principle requirements, seven more than in 2012. These investments total more than R\$ 15.2 billion (see *table on page 77*). All significant investment projects have clauses on human rights and prohibit the use of forced and child labor. CAIXA is also a signatory to Brazil's National Pact for the Eradication of Slave Labor.

[G4-HR1](#); [G4-HR5](#); [G4-HR6](#)



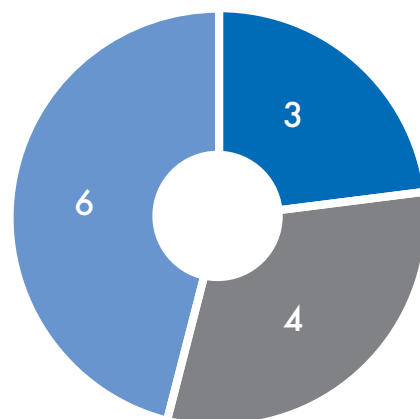
Number of projects contracted

Sector



- Naval
- Logistics
- Sanitation
- Real estate

Classification



- High socio-environmental impact
- Medium socio-environmental impact
- Low socio-environmental impact

SOCIO-ENVIRONMENTAL ASSESSMENTS OF COMPANIES CONTRACTING CORPORATE LOANS

Analyses of companies whose activities/ventures are subject to environmental licensing require the presentation of the appropriate operating license for the concession of credit. When these operations are worth R\$ 10 million or more GERSA (the bank's National Sustainability and Socio-environmental Management Area) must prepare a report on the risks the potential client incurs. These operations must be approved by specific collegiate bodies, backed by specialized support areas.

A socio-environmental opinion is issued upon completion of the client dossier. At all agencies, the concession of credit also requires verification of the potential client's compliance with licensing, socio-environmental and general requirements. In 2013, 91 socio-environmental opinions were issued, for the concession of credit totaling R\$ 10.7 billion. Since 2008, the GERSA area has carried out analyses for the concession of credit to corporate clients for projects totaling R\$ 57.6 billion.

Operations contacted under Equator Principles terms in 2013 (R\$ billions)

Sector	Total investment	CAIXA participation
Naval	2,555	500
Logistics	10,177	2,401
Sanitation	1,290	1,193
Real estate	1,234	865
Total	15,256	4,959

Classification	Total investment	CAIXA participation
A*	12,324	2,601
B**	1,021	940
C***	1,911	1,418
Total	15,256	4,959

*A = high socio-environmental impact. **B = medium socio-environmental impact.

***C = low socio-environmental impact.

PROTOCOLO VERDE (GREEN PROTOCOL)

Since 1995 CAIXA has also been a signatory to the Protocolo Verde, a set of principles and guidelines providing orientation for Brazilian banks in the concession of credit aimed at valuing companies and ventures that drive quality of life and the sustainable use of natural resources.

Since 2012, CAIXA has had an exclusive sustainability and socio-environmental responsibility portal on its website. This provides access to all the company's social balances and sustainability reports.

In 2013, CAIXA leaders took part in a meeting organized by Aprimec-SP, the São Paulo Investment and Capital Market Analysts and Professionals Association, presenting an analysis of the macroeconomic situation and the company's performance, showing how it operates transparently and promotes greater interaction with the market as a means of encouraging debate and the free flow of information.

INITIATIVES

In its pursuit of energy efficiency in buildings, CAIXA participated in numerous discussions in 2013. The bank was part of a Brazilian mission which visited Germany to discuss this question with the German Federal Enterprise for International Cooperation (GIZ).

Another initiative was the organization of a seminar for financing photovoltaic systems in November, with the participation of the German specialist Georg Hille, who spoke about technical and economic aspects of solar energy. The seminar took place in the CAIXA university and was attended by employees from different areas and from partnering institutions, such as Banco do Brasil and the Ministry of Mines and Energy.

In addition to supporting the adoption of solar heating systems in the Minha Casa Minha Vida program and the provision of information for the public, the CAIXA was involved in technical studies for the Casa Azul seal and organized training workshops on solar energy.

Frequently this work was undertaken in partnership with other institutions. The visit to Germany, for example, led to the pilot project Minha Casa Mais Sustentável (My Home More Sustainable), together with the Ministry of Cities. With the participation of electricity companies (Light, Coelba, Eletrobrás/Procel), the Companhia de Desenvolvimento Urbano da Bahia and the Rio de Janeiro City government, the pilot projects designed to further energy efficiency will be implanted in the cities of Rio de Janeiro and Lauro de Freitas in Bahia.

A partnership with the Neoenergia group, a company engaged in electricity generation, transmission, commercialization and distribution in various states, was aimed at low-income families in the Minha Casa Minha Vida program. During the course of the program, from 2009 until the end of 2013, Neoenergia donated 69,758 economic light bulbs and substituted 10,551 used refrigerators with new, more efficient models in households in Bahia, Pernambuco and Rio Grande do Norte. [G4-EC7](#)

CAIXA CASA AZUL SEAL

The CAIXA Casa Azul Seal is designed to recognize and incentivize sustainability in civil construction projects financed by the bank. The seal presents 53 sustainable criteria to be incorporated into architectural plans, divided into six categories – urban quality, design and comfort, energy efficiency, conservation of material resources, rational water use and social practices.

In 2013, CAIXA reviewed Casa Azul Seal assessment methodology as part of an initiative to increase the number of construction companies engaged in the program.



The joint effort to drive sustainable building standards with the CBIC (Brazilian Construction Industry Chamber) was renewed in November 2013.

In another initiative to foment energy efficiency in Brazil, CAIXA intends to open a line of credit aimed mainly at companies interested in installing micro-generation (generation capacity of up to 100 kW of energy) and mini-generation (generation capacity from 101 kW to 1,000 kW) plants.



Ecological Bricks:
CAIXA is a partner in this project
in Uberlândia (Minas Gerais).



Solar and wind energy

Solar energy for water heating is mandatory in single storey houses in the federal government's Minha Casa Minha Vida program. Since the program began, 211,616 houses with solar water heating systems have been contracted. Part of the work undertaken in 2013 included monitoring these systems and providing information on them.

In 2013, a number of low-income families in the Minha Casa Minha Vida program were engaged in a solar and wind energy generation pilot project, which will provide the householders with an income from the sale of the energy generated.

The tests are being conducted in the Moradas do Rodeadouro and Praias do Salitre housing developments in Juazeiro (Bahia), which each have 500 units. A total of 9,144 solar energy panels were installed on the roofs of the houses. Complemented by six wind towers, the panels provide a generation

capacity of around 2.1 MW. The income generated by the sale of energy will be invested in improvements to the housing developments for householders.

The project is intended to be a model for the implantation of public policy on a larger scale and may be adopted in other Minha Casa Minha Vida program housing projects. In October 2013, Aneel, the energy sector regulatory authority, authorized the connection of the solar energy plant installed in the project to the Coelba electricity grid, responsible for power distribution in Bahia.

4 cities

WERE SELECTED – JOÃO PESSOA (PARAÍBA), PALMAS (TOCANTINS), VITÓRIA (ESPÍRITO SANTO) AND FLORIANÓPOLIS (SANTA CATARINA).

R\$ 1 million

IS THE APPROXIMATE AMOUNT EACH CITY WILL RECEIVE DURING THE DIAGNOSIS PHASE.

Criteria

ADOPTED WERE: THE MUNICIPALITIES' MANAGEMENT CAPACITY AND ENVIRONMENTAL, ECONOMIC AND SOCIAL INDICATORS.

Sustainable cities

The Inter-American Development Bank's Emerging and Sustainable Cities Initiative aims to drive sustainability in urban areas. The international bank identified CAIXA as an ideal partner in this initiative in function of its capillarity and its expertise in urban development and sustainability. In a term of commitment signed by the two institutions in March 2013 four cities – João Pessoa (Paraíba), Palmas (Tocantins), Vitória (Espírito Santo) and Florianópolis (Santa Catarina) – were chosen to test the methodology, which is fast, wide-reaching, participative and multidisciplinary. The selection criteria included the municipalities' management capacity and local environmental, economic and social indicators.

The initiative enables the preparation of local diagnoses and the development of action plans to ensure the long-term sustainability of the cities. Three dimensions are considered under the initiative:

1. environment and climate change;
2. urban, encompassing integrated urban development, mobility, transportation, social and economic development, competitiveness and security;
3. fiscal sustainability and good governance – other cities in Latin America and the Caribbean, as well as Goiânia (Goiás) are already participating in the project.

The CAIXA Socio-Environmental Fund (FSA CAIXA) is contributing approximately R\$ 1 million to the diagnosis and the development of sustainable action plans in each of the four cities after a series of meetings held in 2013. The IDB will be responsible for investing in more in-depth studies.

BEST PRACTICES AWARD

In the 8th edition of the Best Practices Award, held in 2013, the 35 finalists included six receiving financial support from the CAIXA Socio-Environmental Fund under the CAIXA Millennium Development Goal Program. Four of these were among the 20 award winners. The six projects in the final are related to the promotion of sustainable cities and will receive R\$ 1.18 million in FSA CAIXA funding, enabling them to be executed within two years.

LEGAL TIMBER

One requirement for construction and housing development projects financed by CAIXA is the use of legal timber. Construction companies are obliged to present proof of origin and declare the volume of timber and how it will be used in the works. The Legal Timber initiative has been in place since 2009, and its scope is determined jointly by CAIXA, the environmental agency Ibama, and the Ministry of the Environment.

LOCATION OF WATER PROTECTION AND WATER SOURCE RECOVERY PROJECTS



Preservation of water resources

Four river park projects in the municipalities of Pirapora (Minas Gerais), Petrolina (Pernambuco), Juazeiro (Bahia) and Januária (Bahia) will revitalize the São Francisco River basin and reclaim preservation areas around the water courses in the region.

Selected in the 2013 by the Fundo Nacional do Meio Ambiente (National Environment Fund) and CAIXA, they

combine improved socio-environmental conditions with proper stewardship techniques to improve the supply and quality of water. The plans include the creation of urban river parks, with landscaping work and the planting of native seedlings, as well as environmental education programs. Funding for the project totals R\$ 13.3 million, with a projected impact on more than 615,000 people.

Another ambitious plan to protect water resources is in progress in a number of regions nationwide. This involves ten projects intended to reclaim more than 4 million m² in areas surrounding water sources, with the plantation of almost 280,000 na-

tive tree seedlings. By 2013, the FSA CAIXA had released 61% of the R\$ 4 million approved for the ten projects. The benefits are already becoming tangible for smallholders and communities in these regions: higher water volumes, restoration of local flora with the reintroduction of fauna. The program is benefiting the water basins of the following rivers: Paraná, Doce (Minas Gerais), Uruguai, the central Rio Grande do Sul region, as well as the Pernambuco coastal basin.

Carbon neutralization

CAIXA's decision to outsource printing in 2012, using software which monitors printer performance, paper and energy use, as well as cartridge management, has resulted in savings for the bank. In 2013, more efficient printing management generated savings of R\$ 22.3 million and a 35.88% reduction in printing costs, with assistance from the specialized company CTIS.

Through this partnership with CTIS, CAIXA joined the Green Carbon program run by the electronic document and print management company NDDigital. The company plants native species on its farms in Santa Catarina, where its activities range from maintaining a seedling nursery, pest control and forestry stewardship to calculating how much carbon its trees sequester per year.

Based on the paper, energy and other savings in printing under the contract the bank has with CTIS, hundreds of trees are planted every month. CAIXA joined the Green Carbon program in November 2013 and in the space of two months was responsible for planting 8,800 trees, equivalent to 66 million sheets of A4 paper.

Offsetting environmental impacts G4-FS8

Companies that cause environmental impacts may mitigate these through environmental offsetting mechanisms. The principle is to compensate for any environmental harm (pollution, deforestation) caused by the business by investing in social or environmental projects.

CAIXA manages the funds deposited in the Environmental Compensation Fund in a partnership with the biodiversity conservation organization ICMBio. This relieves companies of the responsibility of managing compensatory funds directly. The funds are allocated to conservation areas and/or social projects affected by the business in accordance with the priorities established by ICMBio and state or municipal environmental authorities.

In 2013, R\$ 105 million was invested in actions that included the maintenance and implantation of federal conservation units, maintenance of the Hospital do Câncer de Presidente Prudente (São Paulo) and the acquisition of equipment for use in a project run by the federal police in the state of São Paulo to preserve the environment, prevent deforestation and promote environmental education. Since it began in 2009, the environmental compensation mechanism has raised around R\$ 434 million.

Moreover, CAIXA plays a role in managing these compensatory funds. It may, for example, manage the investment of funds in environmental compensation accounts associated with conduct adjustment agreements made in specific projects.

Probio II

CAIXA manages the Global Environment Fund which maintains the National Integrated Public-Private Project for Biodiversity (Probio II), in a partnership with the Ministry of the Environment and the Brazilian Fund for Biodiversity (Funbio). Aimed at reformulating production, consumption and land occupation models in the country, Probio II seeks to conserve and promote the sustainable use of natural resources in accordance with the Convention on Biological Diversity. G4-FS8

The project received a donation of US\$ 22 million from the Global Environment Fund and US\$ 75 million was raised in the country. R\$ 20 million of this amount had been executed by the end of 2013.

Cerrado Jalapão

Aimed at monitoring, controlling and preventing irregular burning and forest fires in Brazil's Cerrado region, the Cerrado Jalapão project is a cooperation agreement between the Brazilian Ministry of the Environment and the German Ministry of the Environment, Nature Conservation and Nuclear Security (BMU), via the sustainability-oriented German foment bank KfW.

Since June 2012, CAIXA has managed execution of the project budget and financial transfers to organizations such as the forest fire prevention organization Prevfogo, the environmental agency Ibama, Inpe (National Space Research Institute) and the Tocantins Departments of the Environment and Sustainable Development.

The total amount donated by KfW will be €6 million, released in accordance with the progress of the project. In counterpart, other participants in the project are expected to provide goods, services and manpower. A total of R\$ 3.5 million has already been invested, R\$ 700,000 of which was used to acquire all-terrain vehicles for the transportation of people and goods. In 2013, CAIXA organized a training program for the beneficiaries to provide orientation on the acquisition of goods and services for the project. [G4-FS8](#)

FIEMG/CAIXA Accord

Many companies seek help from environmental authorities to regularize their activities and adopt best sustainability practices, but are not sure how to proceed or do not have the funds to do this. An accord between FIEMG (Minas Gerais Federation of Industries) and CAIXA in August 2013 is aimed at qualifying companies to obtain environmental licenses, providing them with access to credit lines for initiatives designed to promote cleaner production, greater energy efficiency and reduced environmental impacts. [G4-FS8](#)

R\$ 434 million

IS THE APPROXIMATE AMOUNT
RAISED FOR ENVIRONMENTAL
COMPENSATION SINCE 2009.

8,800 trees

WERE PLANTED IN JUST TWO
MONTHS IN THE GREEN
CARBON PROGRAM.

**Accord: FIEMG and CAIXA
made an agreement to help
companies wishing to obtain
environmental licenses.**



SOCIO-ENVIRONMENTAL INVESTMENTS [G4-EC7](#)

In the course of 2013 CAIXA supported 110 socio-environmental projects combining environmental conservation and income generation for needy families. The projects range from sanitation, environmental management, housing, health and education to rural development and social projects for low-income groups. A number of these have been in place since 2010. What they all have in common is a strong sense of community engagement, with consultation of local communities, the formation of committees and groups of specialists, technical training and training in decision making, the formation and reinforcement of cooperatives and mechanisms to promote community involvement at every stage of each project.

Financed by the CAIXA Socio-environmental Fund (FSA CAIXA), which channels up to 2% of the company's adjusted annual profits to socio-environmental projects (*read more in More than a bank on page 59*), these initiatives received investments of R\$ 12.4 million in 2013. They include the education and job and income generation projects organized under the CAIXA Millennium Goals Program. [G4-FS7](#)

Investment plan (R\$ million)

	2010 (2% of 2009 profits)	2011 (2% of 2010 profits)	2012 (2% 2011 profits)
	39,734 (A)	48,655 (B)	35,275 (C)
Total approved (D)	123,663		
Area	Valor comprometido	Valor comprometido	Valor comprometido
Sustainable Cities	7,807	45,756	30,104
Biodiversity	8,595	-	-
SLD /MDG ¹	5,597	-	-
Total committed² (E)	97,860		
Balance (D-E)	25,804		

Source: VIOPE/GERSA. Position: December 2013.

¹SLD: Sustainable Local Development; MDG: Millennium Development Goals.

²The total amount committed is equivalent to the sum of amounts in the agreements signed and the agreements under negotiation.

Amounts committed and disbursed¹ (R\$ million)

[G4-FS7](#); [FS8](#)

Area	Amount committed – ACF ¹ signed	Total disbursed during 2013	Total disbursed up to January 2014
Sustainable Cities	34,910	8,892	16,487
Biodiversity	8,595	1,734	5,408
SLD-MDG ²	5,597	1,769	3,534
Total	49,102 (A)	12,395	25,429 (B)
Amount to be disbursed	23,673 (A-B)		

Source: VIOPE/GERSA. Position: December 2013.

¹ACF: Financial Cooperation Accord.

²SLD: Sustainable Local Development; MDG: Millennium Development Goals.

CAIXA
supports projects
aimed at local
development, the
integration of public
policies and improved
quality of life in the
regions where 15
Minha Casa Minha
Vida developments
are located.

Since May 2013, based on a new company management model, the projects have been centralized in the National Sustainability and Socio-environmental Responsibility Management area (GERSA), with support from other areas and committees involved in urban and rural development and personnel management. The Socio-environmental Fund has existed since 2010, while the Sustainable Cities area of activities was established in 2012. [G4-FS7](#)

FSA CAIXA funding totals R\$ 123.6 million, of which R\$ 48.9 million is being invested in the 110 projects, initiated at different times and located in different biomes and regions around the country. In 2013, FSA CAIXA signed 18 Financial Cooperation Accords worth a total of R\$ 22.9 million, corresponding to approximately 47% of the amount allocated since 2010. [G4-FS7](#); [G4-FS8](#)

INTEGRATED AND SUSTAINABLE DEVELOPMENT

A broader vision of the Minha Casa Minha Vida program led CAIXA to channel Socio-environmental Fund activities to projects aimed at local development, the integration of public policies and the improvement of quality of life in 15 developments in the states of Acre, Amazonas, Alagoas, Bahia, Goiás, Mato Grosso do Sul, Minas Gerais, São Paulo, Rio de Janeiro and Paraná. The Integrated and Sustainable Development (DIST) project is intended to benefit 133,504 people in 33,376 housing units.

This involves an investment of R\$ 18 million in projects conducted in partnership with universities, private companies and non-profit organizations encompassing political, institutional, social, economic, environmental and cultural initiatives. The potential to boost local economies, drive immediate actions and engage support networks were considered in the choice of the proposed actions.

The first stage of the projects was dedicated to informing, mobilizing and engaging the communities in these areas, identifying leaders and encouraging people to participate. One example is the Guerreiro Sem Armas (Warrior without Arms) project initiated in four communities in Itanhaém, Guarujá and Santos on the São Paulo coast. In partnership with the Instituto Elos Brasil, the project has engaged and trained community leaders to pursue sustainable development solutions since October 2013. During 2013, the first payment of R\$ 441,800 from a total of R\$ 1.5 million was made.

The DIST project was also extended to the routes served by the floating agencies Chico Mendes and Ilha do Marajó in the Amazon, where initiatives to drive sustainable development, income generation, work opportunities, civic awareness and partnerships will be implemented. In November 2013, CAIXA issued a public invitation as the first part of the process of identifying organizations interested in partnering in the implantation of projects in these regions. [G4-SO1](#); [G4-FS7](#)

Engagement

CAIXA organizes a series of initiatives to sensitize internal stakeholders about the need for sustainability in their work routines. By offering employees opportunities to learn and improve, CAIXA contributes to the diffusion of good environmental practices. One initiative is the Editora Abril Planeta Sustentável (Sustainable Planet) project.

The Caixa University, the bank's corporate education arm, organizes courses on sustainability to drive employee awareness and knowledge of sustainability issues. An external consultancy is to be contracted to prepare an educational program to incorporate a sustainability culture into company routines while encouraging employees to innovate and be creative. This will train managers to manage businesses, processes and relationships sustainably; provide technical courses about the analysis and auditing of socio-environmental processes in other companies; and produce research and studies that will enhance sustainability policies and practices. [G4-FS7](#)

BOLSA VERDE (GREEN ALLOWANCE)

The Ministry of the Environment's Bolsa Verde program transfers income to extremely poor families who engage in the conservation of natural resources in rural areas. Families who are interested must register for the program and follow its specific rules. CAIXA pays out the benefit, which is worth up to R\$ 300 per family, on a quarterly basis. In 2013, a total of R\$ 50.5 million was paid to 167,472 families. [G4-FS7](#); [G4-FS8](#)

AMAZON BIOME

To extend credit to agricultural companies located in the Amazon biome, CAIXA requires the CCIR rural property registration certificate, an environmental license or another document proving that the potential client is compliant with environmental legislation. Similarly, the applicant must provide a declaration to the effect that there are no restrictions relative to the use of illegally deforested areas on the land in question. [G4-FS8](#)

ECO-EFFICIENCY

– MICRO AND SMALL ENTERPRISES

CAIXA offers a specific line of credit to finance investments in eco-efficiency covering: solar heating systems, solar water heating systems, gas or particle filter systems, solid waste treatment, wastewater treatment, residual water treatment and reuse, reductions in use of production inputs and/or natural resources, energy efficiency, water pollution control and remediation of contaminated areas. [G4-FS8](#)

FOMENT FOR AGRICULTURAL ACTIVITIES

By the end of 2013, CAIXA had distributed 71,902 benefits worth a total of R\$ 59.2 million through its Agricultural Production Foment Program. In place since 2011, the initiative provides support for poor family smallholders and other needy groups, with a focus on the sustainable generation of work and income; promoting food and nutritional security; and stimulating association and cooperation. 87% of the beneficiaries are concentrated in the Northeast region, while 8% live in the south of the country. [G4-FS7](#); [G4-FS8](#)

The Caixa University offers employees courses on sustainability to disseminate knowledge and underscore the importance of this principle.

Reducing operational impacts

In 2013, CAIXA saw significant advances in managing operational risks, in particular in crisis management, with the approval of the Crisis Management Model by the Steering Committee. Since it was implanted, the model has proven its effectiveness in a number of crisis situations, including situations caused by climate change and natural phenomena. An example is the floods which occurred in Espírito Santo in December 2013, leaving around 50,000 people homeless and flooding a number of CAIXA agencies, resulting in damage to furniture, equipment, documents and processes.

After the flood, CAIXA organized the cleaning up of the agencies and substituted furniture and equipment. The bank also sent mobile agencies in trucks to each of the affected regions to guarantee services for the public.

The bank was also active in organizing business measures to aid in recovery from the disaster.

To manage these situations, CAIXA implanted its Operational Risk Management policy, which establishes guidelines to identify, assess, monitor, control, mitigate and report risks in accordance with legal requirements and best corporate governance practices.

MONITORING ENERGY CONSUMPTION

To control energy consumption, since December 2012 CAIXA has been using a remote energy consumption monitoring system in 200 of its facilities. This enables real time monitoring of the demand and consumption of energy in each one of the buildings.

This permits the company to assess whether the consumption profile corresponds to the working hours of the units and to take measures to reduce consumption, enabling it to negotiate tariff reductions with utilities. 27 energy supply contracts (demand and/or tariffs) have already been renegotiated, of which 22 have been signed.

The system has been installed in the 200 company units with the highest consumption, representing 6% of the properties CAIXA uses and 25% of its annual energy expenditures. Monitoring is already underway in 165 of these buildings. 23 of the 45 energy assessments planned to monitor the units with the highest consumption have already been executed.

MORE ECONOMICAL LIGHTING

Three CAIXA agencies – Parque Cidade and 211 Norte in Brasília, and the Ilha do Marajó Floating Agency – adopted a new lighting model using LED bulbs in 2013. All the internal lighting fixtures using fluorescent bulbs were substituted with LED bulb systems, as was the case with the external illumination of two urban agencies.

In addition to a 40% reduction in electricity consumption, the LED bulbs have a working life up to three times longer than fluorescent ones, they heat the environment less because they emit less ultraviolet and infrared radiation, and they do not use mercury, which minimizes environmental impact upon disposal. These factors mean that the lamps may remain turned on for longer periods of time.

EFFICIENCY LABELS

In 2013, two CAIXA agencies received the highest classification in the National Electrical Energy Conservation Program (Procel) issued by Inmetro (the National Metrology, Quality and Technology Institute). The Paranoá (Distrito Federal) and Nova Cajazeiras (Bahia) agencies received an A classification for the highly efficient engineering solutions applied in both the buildings and in the lighting and ventilation systems, with additional points for the rational use of water.

Inmetro assesses architectural and engineering plans and inspects a building when it is ready for occupation. So far, Inmetro has certified 102 buildings, 66 at the planning stage and 36 upon conclusion of construction. Of these, only 34 building plans and 18 final inspections met all the specifications (physical structure, illumination, ventilation). All the CAIXA buildings (7 plans and 3 final inspections) were compliant with the specifications, receiving level A classification.

MANAGING CIVIL CONSTRUCTION WASTE

CAIXA instructs the construction companies responsible for works in properties used by the bank to comply with legislation on the correct disposal of civil construction waste, such as wood, iron and cement. During 2013, this was evident in a number of actions:

- monitoring of waste management in the construction of the CAIXA Technology Center (CTC), the bank's major construction project in 2013, with a total area of 13,000 m², of which 3,000 m² has elevated flooring for the storage of Information Technology (IT) equipment. The building, which is integrated into the Datacenter, will hold equipment to enable data redundancy and disaster recovery in the event of a fire or an attack by hackers;
- compliance with the construction standard AD098, detailing control of civil construction residues;
- drafting of a booklet for builders/investors providing guidance on this question.

SUPPORT

Given the size of the operation and the diversity of its needs, CAIXA is a major purchaser of a wide range of products and services. This gives it the power to positively influence suppliers, establishing good socio-environmental practices as criteria for selection. The company's Sustainable Sourcing and Supplier Relationship policy, reviewed in 2013 with inputs from diverse internal areas, incorporated specific actions to be implanted between 2013 and 2017.

These actions encompass the following areas: people (such as training for buyers, demonstration of results, awards for innovators); policy, strategy and communication (such as information for all employees and suppliers, process reviews, integration with other areas); purchase process (diagnosis of main products, risk assessment, improvement targets,

life cycle analysis, among others); supplier engagement (focus on main suppliers, cost analysis, intensive development to improve production chain); and indicators and results (identification of impacts, measurement of results, identification of benefits, execution of internal and independent audits). [G4-HR-11](#)

CAIXA includes human rights clauses in all of its contracts with suppliers. The bank may receive reports on violations of contractual obligations by its suppliers, and may track lists of companies not in compliance with legislation issued by the federal government. After assessment of the case, suppliers in breach of contractual obligations are subject to specific penalties which range from warnings to prohibition from participating in federal government tenders and working with the government. [G4-HR-9](#)

SELECTIVE WASTE COLLECTION

By raising employee awareness of the importance of sorting recyclable waste, CAIXA also contributes to 118 recyclable material associations and cooperatives. In 2013, the institution donated 1.3 tons of paper, metal, plastic and glass to these organizations. Selective collection was also reformulated to expand and facilitate access for cooperatives and to instruct employees about the proper sorting of waste.

RECYCLING OF ELECTRICAL AND ELECTRONIC WASTE

CAIXA, like all companies in the banking sector, uses a significant quantity of electrical and electronic equipment – especially computers and printers – which has a limited working life. As a major consumer of these goods, CAIXA is also by extension of major producer of electronic waste.

At CAIXA, the need to discard obsolete equipment was transformed into a socially inclusive and environmentally responsible initiative. In partnership with the Instituto GEA – Ética e Meio Ambiente, in June 2013 the bank created the Electric and Electronic Waste and Socio-environmental Responsibility project, initially operating in the cities of Brasília, Salvador and São Paulo. The Socio-environmental Fund is investing R\$ 1 million in the project to form six cooperatives to collect, process and commercialize electronic waste, as well as to train 60 scavengers. The drop off points for the program will be installed in 2014 and will be open to the general public, expanding the impact of the initiative.

The project, which is aligned with CAIXA's mission of promoting civic awareness and sustainable development in the country, is intended to:

- provide scavengers with technical training, enabling them to collect, process and commercialize electronic waste safely and profitably;
- ensure the proper disposal of electronic waste generated by CAIXA units in São Paulo, Salvador and Brasília;
- boost the income of scavenger cooperatives by adding electronic waste to the products they already collect, process and commercialize;
- facilitate the participation of recycling cooperatives in the reverse logistics for electronic waste proposed in Brazil's national solid waste policy;
- promote environmental awareness among the population of the cities involved in the project, instructing them on the proper destination of electronic products they no longer use;
- reduce the risk of contamination of the environment from toxic substances in electronic waste.

The cooperatives were selected by the Instituto GEA and, in the first six months of the project, 23 cooperative members in Salvador and São Paulo were trained to handle electronic waste. These cooperatives received donations of 1,150 pieces of equipment from CAIXA, of which 1,127 were disassembled and commercialized. In São Paulo, two cooperatives involved in the program obtained R\$ 9,700 in revenues from this equipment. [G4-SO1](#)

R\$ 1 million

THE INVESTMENT IN SIX COOPERATIVES TO COLLECT, PROCESS AND COMMERCIALIZE ELECTRONIC WASTE.

R\$ 9,7^k

WAS THE INCOME GENERATED FOR TWO COOPERATIVES IN THE CITY OF SÃO PAULO.

ABOUT THE REPORT

In this document CAIXA reports on its materiality indicators in accordance with GRI G4 guidelines.

CAIXA provides information about its main activities in Brazil and overseas between January 1st and December 31st 2013. In this report, the institution initiated the transition to Global Reporting Initiative (GRI) G4 guidelines, opting for the Comprehensive version. [G4-28](#)

The process of defining the content for this document was based on the topics considered relevant in accordance with the assessment of stakeholders consulted for the elaboration of the bank's materiality matrix. All the aspects covered by the report were considered to be of medium to high relevance both for CAIXA and for the external stakeholder groups consulted (*read more in Materiality matrix*). [G4-18](#)

To construct the materiality, reviewed in 2012, the National Sustainability and Socio-environmental Management (GERSA) area identified seven stakeholder groups: CAIXA Aqui correspondents, clients, suppliers, employees, government, lottery outlets and partnering organizations. These groups are more representative in that they influence the company's decisions or performance, or are affected by its operations and/or are financially, legally or operationally dependent on the bank. The network management area was asked to provide a random selection of clients from among large, midsize, small and micro enterprises, as well as private account holders based in the five regions of the country. Partnering organizations were selected in the same way. The selection of employees took into account different positions and locations. Federal government bodies, such as ministries and courts, as well as unions and NGOs were also selected. [G4-25](#)

These stakeholders completed a 26-item questionnaire prepared based on the GRI guidelines and previous CAIXA sustainability reports. The responses were structured and ordered so that each topic would be classified at one of three levels: essential, very relevant or relevant. [G4-26](#)

In parallel with the stakeholder assessment, an internal assessment was conducted of the relevance of the topic for CAIXA based on the principles of identifying relevance for inclusion of the topic in the report and using the same scale (from 1 to 5). These are:

- key values for the institution, policies, strategies, operational management systems, goals and targets;
- significant risks for the organization;
- key factors enabling the success or failure of the organization;
- the organization's key competencies and the way in which they may contribute to sustainable development.

Regarding the indicators which were responded to, CAIXA reports on those related to its materiality. No limitations with respect to the boundaries of the aspects were identified. The information related to the indicators is based on objective data gathered by CAIXA, and all estimates and future projections are specifically indicated in the corresponding texts throughout the report. Assurance of the report was provided by an independent auditor, Ernst & Young.

Aspects related to the material topics

Material topic	Related GRI aspect	GRI-G4 Indicators
Society – Positioning regarding corruption and combating corruption in the institution	Combating corruption	SO3, SO4, SO5
	Compliance (Society)	SO8
Banking services – Educational initiatives to encourage responsible use of credit	Product and service labeling	FS16
Economy – CAIXA performance as financial agent for government programs (Minha Casa Minha Vida, Bolsa Família etc.)	Product portfolio	FS7, FS8
Banking services – Quality and client satisfaction	Product and service labeling	PR3, PR4, PR5
	Customer privacy	PR8
	Compliance (Responsibility for product)	PR9
Society – Inclusion and accessibility for clients	Product portfolio	FS6
	Local communities	FS13, FS14
Human Rights – Respect for fundamental rights	Investments	HR1, HR2
	Non-discrimination	HR3
	Freedom of association and collective bargaining	HR4
	Child labor	HR5
	Forced or slave labor	HR6
	Safety practices	HR7
	Indigenous rights	HR8
	Assessment	HR9
	Assessment of human rights at suppliers	HR10, HR11
	Human rights related complaint and grievance mechanisms	HR12
Economy – Direct and indirect contributions to the economy	Indirect economic impacts	EC7, EC8
	Purchasing practices	EC9
Work – Safety and protection of employees	Occupational health and safety	LA5, LA6, LA7, LA8
Work – Generation of opportunities and jobs	Economic performance	EC1, EC2, EC3, EC4
	Market presence	EC5, EC6
	Employment	LA1, LA2, LA3
	Training and education	LA9, LA10, LA11
Environment – Investments in internal environmental programs	Compliance (Educational performance)	EN29
	General	EN31
Society – Engagement with local communities	Local communities	SO1, SO2

To ensure all material aspects are addressed throughout the report, the text was validated by all the areas of the bank involved and then approved by the vice president of Corporate Operations, who also presides the Sustainability and Socio-environmental Responsibility Committee. [G4-20](#); [G4-21](#); [G4-22](#); [G4-23](#); [G4-48](#)

MATERIALITY MATRIX

[G4-19](#); [G4-27](#)

CAIXA used the same materiality matrix as the 2012 report. The indicators to be reported were based on the material topics. All the indicators related to the material aspects are reported in this publication as shown in the table at the side. All the material topics were considered relevant (score above 3), very relevant (score above 4) or essential (score 5) by the stakeholders consulted in 2011 for the construction of the CAIXA materiality matrix. [G4-20](#); [G4-27](#)

GRI Summary

Overall content

Aspect	Description	Chapter/response	External assurance	Omission
Strategy and analysis	G4-1 Message from president	3 and 26	p. 108	
	G4-2 Description of key impacts, risks and opportunities	3 and 26	p. 108	
	G4-3 Name of organization	5	p. 108	
	G4-4 Primary brands, products and/or services	5, 8 and 9	p. 108	
	G4-5 Location of organization's headquarters	5	p. 108	
	G4-6 Countries where the organization has significant operations or ones that are specifically relevant to the sustainability topics covered in the report	7	p. 108	
	G4-7 Nature of ownership and legal form	7, 10 and 12	p. 108	
	G4-8 Markets served	7	p. 108	
	G4-9 Scale of organization	7, 9, 10, 12 and 13	p. 108	
	G4-10 Employee profile	> CAIXA has 91,198 employees. Other members of the work force are third-parties, interns and young people hired through contractors. CAIXA employees work full banking hours (6 hrs); those in fiduciary or management functions work an eight-hour day. There are no freelancers. There were no significant differences between 2012 and 2013. Further information on pages 5, 35 and 36.	p. 108	
Organizational profile	G4-11 Percentage of employees covered by collective bargaining agreements	45	p. 108	
	G4-12 Description of organization's supply chain	5 and 63	p. 108	
	G4-13 Significant changes in organization's size, structure, ownership and supply chain	22	p. 108	
	G4-14 Description of how the precautionary approach or principle is addressed by the organization	29	p. 108	
	G4-15 Charters, principles or other externally developed initiatives	103	p. 108	
	G4-16 Membership of national or international associations and advocacy organizations	49	p. 108	
	G4-17 Entities included in the consolidated financial statements and entities not covered by the report	13	p. 108	
	G4-18 Process for defining report content	90	p. 108	
	G4-19 List of material aspects	> Materiality was determined in accordance with GRI 3.1 guidelines. Further information on p. 91.	p. 108	
	G4-20 Boundary, within organization, for each material aspect	91	p. 108	
Material aspects identified and boundaries	G4-21 Boundary, outside organization, for each material aspect	91	p. 108	
	G4-22 Restatement of information provided in previous reports	> There was no restatement of information provided in previous reports. Further information on p. 91.	p. 108	
	G4-23 Significant changes in scope and boundaries of material aspects compared with previous reports	> Significant changes in scope and boundaries of material aspects compared with previous reports are indicated throughout the text. Further information on pages 10, 11, 12, 70 and 91.	p. 108	

Aspect	Description	Chapter/response	External assurance	Omission
Stakeholder engagement	G4-24 List of stakeholder groups engaged by the organization	48	p. 108	
	G4-25 Basis for identification and selection of stakeholders with whom to engage	90	p. 108	
	G4-26 Approach to stakeholder engagement	90	p. 108	
	G4-27 Key topics and concerns raised through stakeholder engagement, by stakeholder group	91	p. 108	
Report profile	G4-28 Reporting period	90	p. 108	
	G4-29 Date of most recent previous report	> 2012	p. 108	
	G4-30 Reporting cycle	> Annual	p. 108	
	G4-31 Point of contact for questions regarding the report or its content	1	p. 108	
	G4-32 Option of application of guidelines and location of GRI table	> Comprehensive option	p. 108	
Governance	G4-33 Policy and current practice with regard to seeking external assurance for the report	> The CAIXA sustainability report is assured externally by independent audit. The Internal Audit area reporting to the Supervisory Board accompanies the work of the external audit and the assessment of the sustainability report.	p. 108	
	G4-34 Governance structure in the organization	28, 30 and 102	p. 108	
	G4-35 Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	16 and 30	p. 108	
	G4-36 Executive level positions with responsibility for economic, environmental and social topics	16 and 30	p. 108	
	G4-37 Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	> The Supervisory Board is supported by the Audit and Remuneration Committees, by the Internal Audit and by the Fiscal Council, as well as the Steering Council, consisting of the CEO and the 12 vice presidents. These areas keep the Supervisory Committee informed of economic, social and environmental aspects concerning CAIXA and the financial market. Further information on p. 27.	p. 108	
	G4-38 Composition of the highest governance body and its committees	> There is no stakeholder participation in the Board. Further information on pages 30, 31 and 102.	p. 108	
	G4-39 Chair of the highest governance body	30 and 31	p. 108	
	G4-40 Nomination and selection processes and criteria for the highest governance body and its committees	31	p. 108	
	G4-41 Processes for avoiding and managing conflicts of interest	> CAIXA has a Fiscal Council which is independent and is also subject to independent audit, in accordance with Banco Central regulations. Further information on pages 28 and 31.	p. 108	
	G4-42 Role of highest governance body and executives in the development of impact management policies and targets	16, 26 and 27	p. 108	
	G4-43 Measures taken to enhance highest governance body's knowledge of economic, environmental and social topics	> The Supervisory Board is kept informed about CAIXA's performance in economic, environmental and social topics through the CEO, who is a member of the board, and also through specific reports for the board members. The CEO, for example, reports on CAIXA's participation in sustainability-related events.	p. 108	
	G4-44 Performance self-assessment processes for highest governance body	> The Supervisory Board is assessed in accordance with Article 18, sub-item XXVI of the CAIXA bylaws. Its composition is altered only in accordance with Article 17 of the bylaws. Further information on p. 45.	p. 108	
	G4-45 Responsibility for implementation of economic, environmental and social policies	> The Supervisory Board is supported by the Risk, Finance and Control, as well as the Third-Party Asset Management areas. Further information on pages 5, 28, 29 and 32.	p. 108	

Aspect	Description	Chapter/response	External assurance	Omission
Governance	G4-46 Role of governance in analysis of effectiveness of organization's risk management processes for economic, environmental and social topics	28, 29 and 32	p. 108	
	G4-47 Frequency with which highest governance body reviews impacts, risks and opportunities	➤ In all ordinary on-site board meetings, held monthly. Further information on pages 28, 29 and 32.	p. 108	
	G4-48 The highest position responsible for formally approving the sustainability report and ensuring all material aspects are covered	91	p. 108	
	G4-49 Process adopted for communicating critical concerns to the highest governance body	➤ Critical concerns are reported to the Supervisory Board by the CAIXA Audit area and by the CAIXA CEO, based on information from the Ombudsman and management areas. Further information on pages 14 and 27.	p. 108	
	G4-50 Nature and total number of critical concerns communicated to the highest governance body and the mechanisms used to address them	14, 15 and 27	p. 108	
	G4-51 Relationship between remuneration and organizational performance, including social and environmental aspects	➤ Remuneration policy for senior management (members of the Supervisory Board, CEO, vice presidents, executive directors and Legal director) is in accordance with Decree 7973/2013 (Caixa Econômica Federal Bylaws); CMN Ruling 3.921/2010; and Ruling N° 3 – CGPAR, December 31, 2010. Further information on pages 42 and 102.	p. 108	
	G4-52 Involvement of internal or independent consultants in determining remuneration	36 and 42	p. 108	
	G4-53 Consultation of stakeholders about remuneration and its application to organizational policies	36	p. 108	
	G4-54 Ratio of highest salary to general median in the organization, by country	➤ The ratio of the highest annual salary in the organization to the annual general median of all the employees is 1.14 in the countries in which CAIXA has operations (Japan, USA and Venezuela). In Brazil, the ratio is 4.78.	p. 108	
	G4-55 Ratio of proportional increase in highest salary to median increase in the organization, by country	➤ The percentage of readjustment for expatriated employees is the same applied to the category and disclosed in the collective labor agreement. Thus there are no differences in the increases given to employees posted abroad and those working in the country. The ratio of the highest to the lowest remuneration in the company in 2013 was 14.57; in 2012 it was 12.75.	p. 108	
Ethics and integrity	G4-56 Values, principles, standards and norms of behavior in the organization	6, 25, 27, 28 and 101	p. 108	
	G4-57 Internal and external mechanisms for guidance on ethical behavior and compliance	➤ CAIXA follows the orientation of the Comissão de Ética Pública (Public Ethics Commission), whose work plan included the organization of courses and seminars to develop a network of professionals familiar with and responsible for ethical management practices. Furthermore, CAIXA participates in the Fórum Nacional da Gestão de Ética nas Empresas Estatais (National Forum on Ethical Management in State Enterprises). Further information on pages 27 and 28.	p. 108	
	G4-58 Internal and external mechanisms for communicating concerns about unethical conduct	16 and 27	p. 108	

Specific content

ECONOMIC CATEGORY				
Aspect	Description	Page/response	External assurance	Omission
Economic performance	G4-DMA Management approach	69, 70, 71, 72, 84 e 87	p. 108	
	G4-EC1 Direct economic value generated and distributed	68 and 106	p. 108	
	G4-EC2 Financial implications and other risks and opportunities for organization's activities due to climate change	3, 76 and 106	p. 108	
	G4-EC3 Coverage of organization's pension plan obligations	<p>➤ The plans REG Replan, Defined Benefit, and REB, Variable Contribution, are no longer available; currently, the only plan open is the Novo Plano (New Plan), created in 2006. The CAIXA makes financial contributions to ensure the reserves necessary to pay benefits, ranging from 5% to 12% of the beneficiary's salary in the Novo Plano; around 8% in the REG/Replan; and 7% in the REB Plan. The plan obligations are covered by accumulated funds managed by Funcef (read more on page 37).</p>	p. 108	
	G4-EC4 Significant financial help received from government	<p>➤ CAIXA does not receive significant financial help from government.</p>	–	
Market presence	G4-DMA Management approach	35 and 36	p. 108	
	G4-EC5 Ratio of lowest salary in organization to local minimum wage, by gender	36	p. 108	
	G4-EC6 Local hiring	<p>➤ Considering that CAIXA is a 100% public company present in every state in Brazil, the definition of local for the company encompasses the entire country. All senior CAIXA management members are Brazilian. Further information on pages 35 and 105.</p>	p. 108	
Indirect economic impacts	G4-DMA Management approach	5, 8, 9 and 50	p. 108	
	G4-EC7 Impact of infrastructure investments offered for public benefit	9, 59, 61, 78 and 84	p. 108	
	G4-EC8 Description of significant indirect economic impacts	50 and 59	p. 108	
Procurement practices	G4-DMA Management approach	62	p. 108	
	G4-EC9 Policies, practices and proportion of spending on local suppliers	62 and 63	p. 108	
ENVIRONMENTAL CATEGORY				
Aspect	Description	Page/response	External assurance	Omission
Compliance	G4-DMA Management approach	95	p. 108	
	G4-EN29 Monetary value of fines and total number of sanctions for non-compliance with laws	<p>➤ In 2013, CAIXA did not receive any significant fines, non-monetary sanctions or lawsuits brought by arbitration mechanisms due to non-compliance with environmental regulations, according to a survey conducted in the SJUR lawsuit monitoring system.</p>	–	
General	G4-DMA Management approach	59 and 88	p. 108	
	G4-EN31 Total environmental protection expenditures and investments	<p>➤ In 2013, CAIXA invested more than R\$ 700,000 in sustainability-related actions, including sponsorship, external training, diverse expenses related to environmental policy and membership of organizations focused on sustainability. Investments were also made in other actions with a focus on protecting the environment. These will be described in further detail in the next report.</p>	p. 108	

SOCIAL CATEGORY – LABOR PRACTICES AND DECENT WORK				
Aspect	Description	Page/response	External assurance	Omission
Employment	G4-DMA Management approach	37	p. 108	
	G4-LA1 Total number and rates of new employee hires and employee turnover	35 and 104	p. 108	
	G4-LA2 Comparison of benefits for full-time and part-time and temporary workers	37	p. 108	
	G4-LA3 Return to work and retention rates after paternal leave	37	p. 108	
Occupational health and safety	G4-DMA Management approach	38 and 45	p. 108	
	G4-LA5 Percentage of employees represented on formal safety and health committees	38	p. 108	
	G4-LA6 Injury, disease and lost days rates	38 and 105	p. 108	
	G4-LA7 Workers with high incidence or high risk of diseases related to their occupation	> There are no occupational activities at CAIXA with high incidence or high risk of specific diseases.	p. 108	
	G4-LA8 Health and safety topics covered in formal agreements with trade unions	45	p. 108	
Training and education	G4-DMA Management approach	37, 40 and 42	p. 108	
	G4-LA9 Average hours training per year	40 and 105	p. 108	
	G4-LA10 Programs for skills management and lifelong learning	37 and 40	p. 108	
	G4-LA11 Percentage of employees receiving performance reviews	45	p. 108	
Diversity and equal opportunity	G4-DMA Management approach	36 and 39	p. 108	
	G4-LA12 Composition of governance bodies and breakdown of employees by functional category	36 and 39	p. 108	
SOCIAL CATEGORY – HUMAN RIGHTS				
Aspect	Description	Page/response	External assurance	Omission
Investments	G4-DMA Management approach	62	p. 108	
	G4-HR1 Significant investment agreements and contracts that include human rights clauses	> All contracts contain clauses on human rights. Further information on p. 76.	p. 108	
	G4-HR2 Total hours of employee training in human rights policies and percentage of employees trained	41	p. 108	
Non-discrimination	G4-DMA Management approach	44	p. 108	
	G4-HR3 Total number of incidents of discrimination and corrective measures taken	44	p. 108	
Freedom of association and collective bargaining	G4-DMA Management approach	45	p. 108	
	G4-HR4 Degree of application of right to free association and operations and suppliers identified as at risk	45 and 62	p. 108	
Child labor	G4-DMA Management approach	62	p. 108	
	G4-HR5 Operations and suppliers identified as presenting significant risk of incidents of child labor and measures taken	76	p. 108	
Forced or slave labor	G4-DMA Management approach	62	p. 108	
	G4-HR6 Operations and suppliers identified as presenting significant risk of incidents of forced or slave labor and measures taken	62 and 76	p. 108	

Security practices	G4-DMA Management	97	p. 108	
	G4-HR7 Percentage of security personnel trained in human rights policies and procedures	> Security services at CAIXA agencies are provided by specialized companies. As part of the contract they have with CAIXA, these companies are responsible for training their employees in accordance with the needs they themselves identify and/or those identified by CAIXA. The most common training content includes technical questions, such as the use of first aid equipment, firefighting techniques, legislation, identification of suspicious behavior, carrying fire arms, kidnapping and fraud, as well as human rights-related questions such as courtesy, gender equality and access for the disabled. In 2013, security personnel participations in these types of training totaled 15,230. For the new units inaugurated in 2013, new security equipment was acquired and a further 901 security guard positions were opened, totaling 10,873 effective posts for the 3,288 agencies and 724 PABs (723 PABs and one PAA) in operation during the year. During the year 167 training sessions were conducted in the 84 regional offices – two training sessions per region per year – covering all relevant personnel.	p. 108	
Indigenous rights	G4-DMA Management approach	97	p. 108	
	G4-HR8 Total number of cases of violations of rights of indigenous peoples and measures taken	> In the year there were no cases of violation of indigenous people's rights.	–	
Assessment	G4-DMA Management approach	28	p. 108	
	G4-HR9 Total number and percentage of operations that have been subject to human rights reviews	28	p. 108	
Supplier human rights assessment	G4-DMA Management approach	62	p. 108	
	G4-HR10 Percentage of new suppliers screened using human rights criteria	62	p. 108	
	G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and measures taken	> There were no cases of non-compliance in 2013. CAIXA may receive reports on violations of contractual obligations by its suppliers and may monitor lists of companies not in compliance with legislation issued by the federal government. After assessment of the case, suppliers in breach of contractual obligations are subject to specific penalties which range from warnings to prohibition from participating in federal government tenders and working with the government.	–	
	G4-DMA Management approach	44	p. 108	
Human rights grievance and complaint mechanisms	G4-HR12 Number of grievances concerning human rights impacts filed, addressed and resolved	27 and 44	p. 108	
SOCIAL CATEGORY – SOCIETY				
Aspect	Description	Page/response	External assurance	Omission
Local communities	G4-DMA Management approach	59	p. 108	
	G4-SO1 Percentage of operations with implemented local community engagement, impact assessment and development programs	50, 51, 59, 85 and 89	p. 108	
	G4-SO2 Operations with significant actual and potential negative impacts on local communities	> CAIXA makes every effort to minimize any negative social and environmental impacts in the ventures it finances.	–	
	FS13 Service outlets in low population density or economically disadvantaged areas	6	p. 108	
	FS14 Initiatives to improve access to financial services for disadvantaged persons	15 and 17	p. 108	
Anti-corruption	G4-DMA Management approach	28 and 30	p. 108	
	G4-SO3 Units assessed for risks related to corruption	28	p. 108	
	G4-SO4 Percentage of employees trained in anti-corruption policies and procedures	29	p. 108	
	G4-SO5 Confirmed incidents of corruption and measures taken	29	p. 108	

Public policies	G4-DMA Management approach	47, 50, 51, 52, 53, 54, 55, 58 and 59	p. 108
	G4-DMA Management approach	98	p. 108
Compliance	G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions	<p>> The significant fines and sanctions received for non-compliance with laws and regulations in 2013 were: R\$ 227 million in significant fines (SINAF – Financial Area Interface System); 6,000 non-monetary sanctions (SIJUR – lawsuit monitoring system); with no lawsuits brought by arbitration mechanisms.</p>	p. 108

SOCIAL CATEGORY – PRODUCT RESPONSIBILITY

Aspect	Description	Page/response	External assurance	Omission
	G4-DMA Management approach	6, 14, 16, 23 and 27	p. 108	
Product and service labeling	G4-PR3 Type of product and service information required by the organization's labeling procedures	22 and 23	p. 108	
	G4-PR4 Non-compliance related to product and service labeling	> There were no cases in 2013.	–	
	G4-PR5 Results of surveys measuring customer satisfaction	16	p. 108	
Customer privacy	G4-DMA Management approach	22	p. 108	
	G4-PR8 Total of substantiated complaints regarding breaches of customer privacy and loss of customer data	22	–	
	G4-DMA Management approach	98	p. 108	
Compliance	G4-PR9 Fines for non-compliance regarding the provision and use of products and services	<p>> In 2013, fines totaled R\$ 53 million, according to SINAF (from civil suits). Regarding fines applied by Procon and other consumer defense bodies, there were 309 payments totaling R\$ 1,850,897.23 in 2012, and 413 payments totaling R\$ 3,210,867.47 in 2013.</p>	p. 108	

SECTOR – FINANCIAL SERVICES

Aspect	Description	Page/response	External assurance	Omission
	DMA Management approach	3, 8, 18, 27, 76, 77, 78, 79, 80, 81, 82, 86, 87 and 105	p. 108	
Product portfolio	FS6 Percentage of portfolio for business lines by region, size and sector	8 and 99	p. 108	
	FS7 Monetary value of products and services designed to deliver social benefits	84, 85 and 86	p. 108	
	FS8 Monetary value of products and services designed to deliver environmental benefits	82, 83, 85 and 86	p. 108	

ATTACHMENTS

Complementary information related to the respective chapters is presented in this part of the report.

CAIXA

Business lines

Micro and Small Company Portfolio – by sector G4-FS6	Contracts	Balance (R\$)
Section A – Agriculture, livestock, forestry production, fisheries and tank farming	5,861	139,332,274
Section B – Extraction industries	5,241	133,521,962
Section C – Transformation industries	602,627	6,488,530,981
Section D – Electricity and gas	57	30,234,431
Section E – Water, sewage, waste management and decontamination activities	6,522	120,651,690
Section F – Construction	134,772	3,250,965,439
Section G – Commerce, automobile and motorcycle repairs	2,225,690	20,543,348,682
Section H – Transportation, warehousing and postal services	120,354	2,429,403,873
Section I – Lodging and meals	177,706	2,133,384,133
Section J – Information and communication	50,033	647,124,468
Section K – Financial, insurance and related services	9,685	353,035,447
Section L – Real estate activities	25,284	573,880,031
Section M – Professional, scientific and technical activities	94,181	1,244,095,692
Section N – Administrative activities and related services	154,280	2,240,952,317
Section O – Public administration, defense and social security	113	876,768
Section P – Education	63,094	701,007,503
Section Q – Human health and social services	35,530	1,339,086,669
Section R – Arts, culture, sports and recreation	25,956	302,058,876
Section S – Other services	97,698	545,187,559
Section T – Household services	44	249,850
Diverse	655,737	1,171,747,586
Total Micro and Small Enterprises	4,490,465	44,388,676,232

Summary of corporate projects - midsize and large companies (R\$ millions)

	Purpose	Balance of portfolio (December 2013)
Revolving credit		
Revolving credit facility	Revolving credit with an established limit for companies	228,640
Factoring	Accounts receivable factoring for CAIXA corporate clients	35,743
Term loans		
Special Company Credit	Loans with no definition of specific purpose	1,815,349
CAIXA Giro	Credit line with no definition of specific purpose with pre-approved limit to meet client's working capital needs	517,100
CAIXA Hospitals	Credit for private philanthropic hospitals based on the advance of receivables from the Ministry of Health corresponding to outpatient treatment and internments under the SUS public health system	575,895
Investments		
BCC	Investment line for acquisition of new or used machinery, equipment and vehicles	19,785
BNDES/Finame	Investment capital with BNDES funding to finance acquisition of new machinery and equipment, investment projects or working capital	575,895

Service network

CAIXA and partner network			
Type	Number		
	2011	2012	2013
CAIXA NETWORK – Own channels and partners			
Agencies	2,309	2,850*	3,288*
Service outlets (PAB)	567	658	723
Mobile units	16	19**	20**
Self-service halls (SAA)	2,876	3,458	4,155
Electronic Service outlets (PAE)	1,913	2,273	3,793
Lottery correspondents (UL)	11,273	12,443	12,905
CAIXA Aqui (CCA)	25,560	21,168***	21,159
TOTAL	44,514	42,869	46,043
CAIXA NETWORK – Shared channels			
Banco 24 Horas Network	15,524	12,044	13,855
ATMs shared with Banco do Brasil	3,958	5,376	5,961
Total	19,482	17,420	19,816

*A total of 479 operate pawn-broking services.

**Operating from trucks and two floating agencies (one already in operation and the other scheduled to begin in January 2014).

***Of the total, 7,550 operate transactions and 13,168 only accept proposals.

CAIXA and partner network by region

	North	Northeast	Center-West	Southeast	South
Agencies	155	636	321	1,537	639
PAB	37	94	98	250	245
SAA	218	771	417	1,816	933
PAE	277	676	673	1,123	1,044
UL	771	3,042	1,083	5,683	2,326
CCA	820	3,903	1,851	9,724	4,861
B24h	877	2,253	1,114	8,486	1,125
BB	468	1,824	729	1,814	1,126
Total	3,623	13,199	6,286	30,433	12,299

DEDICATION TO CLIENTS

CAIXA Customer Management Policy

G4-56

- At CAIXA, relationships are based on ethics, respect, honesty, commitment, transparency, simplicity and responsibility.
- CAIXA relationships with clients are oriented to the pursuit of reduced social inequality and strengthened civic awareness.
- Diversity and regional differences in forms of treatment and consumption are respected in serving CAIXA customers.
- Customers' opinions are welcomed and incorporated in order to create value.
- CAIXA seeks to provide quality services, adopting measures to reduce waiting times and meet deadlines.
- CAIXA serves the public with courtesy, speed and efficiency, providing information, products, services and facilities tailored to customer needs.
- Communication with customers is clear and direct, enabling understanding of the terms and conditions attached to the products and services provided
- CAIXA provides a variety of service options and channels for customers' convenience, offering orientation and ensuring the right to choose the channel and type of service best suited to their needs.
- CAIXA facilitates customer communication, offering diverse channels of access.
- The provision of quality customer service is an obligation for all
- CAIXA staff, including employees, contracted service providers and partners.
- CAIXA values customer relationships.
- CAIXA prioritizes long-term customer relationships.
- Customer experience is valued in all interactions, and relationships are personalized.
- CAIXA maintains an active presence nationwide.
- CAIXA pursues the principle of sustainability in its development, expansion and innovation and in everything it does.

Corporate governance

Composition of Committees G4-34, G4-38

Committee	Responsibility	Composition
Composition of Committees	Statutory body, subject to Conselho Monetário Nacional (National Monetary Council) regulations, responsible for monitoring and reinforcing internal and external audit procedures and controls in line with applicable legislation and regulations and CAIXA bylaws.	Three members and one alternate member, selected and nominated by the CAIXA Supervisory Board.
Remuneration Committee G4-51	Deliberative body, subject to Conselho Monetário Nacional (National Monetary Council) regulations, which assists the Supervisory Board in the elaboration and execution of CAIXA remuneration policy.	Three members and one alternate member, selected and nominated by the CAIXA Supervisory Board.
Committee for the Prevention of Money Laundering	Independent body responsible for deliberating and positioning CAIXA on the prevention and combat against crimes involving money laundering.	Comprising up to five members indicated by the CAIXA CEO.
Purchasing and Contracts Committee	Independent body responsible for deliberating on purchase and contract processes not subject to tender under the terms of specific legislation and for providing inputs in tender processes subject to authorization by the Steering Committee.	Comprising up to five members indicated by the CAIXA CEO.
Business Assessment and Renegotiation Committee	Independent body responsible for deliberating and deciding, within the limits of its authority, on the concession of credit, the approval of deals, renegotiations and acquisitions in the Programa de Arrendamento Residencial (Residential Leasing Program).	Comprising up to five members indicated by the CAIXA CEO.
Ethics Committee	Independent body responsible for deliberating, overseeing and ensuring the ethical conduct of CAIXA management and employees in dealings with the public and with public assets, and deliberating on cases of anti-ethical conduct and violations of CAIXA standards.	Comprising three members and three alternate members, selected from among permanent employees and assigned by the CAIXA CEO.
Delegate Committees	Responsible for deliberating on and proposing solutions for questions related to their areas of competence.	CAIXA CEO; Vice presidents involved in area of competence of committee.

Compacts and commitments G4-15

Global Compact

A signatory since 2003, CAIXA reports annually on its performance under the United Nations Global Compact through the Communication on Progress (COP). The Compact aligns international businesses around the promotion of ten fundamental principles related to the environment, human rights, labor practices and combating corruption. The CAIXA products, services and initiatives aligned with these principles include the Bolsa Família program; social programs supported by the lotteries; the CAIXA FI Short Term Zero Hunger Fund; and Targeted Microcredit.

Pró-Ética

In 2012, CAIXA signed the Pró-Ética Company Register, an initiative led by the Instituto Ethos and the Office of the Comptroller General (CGU) involving private and public companies voluntarily engaged in promoting integrity and trust in business relationships.

Integrity Pact

A signatory to the Business Integrity and Anti-Corruption Pact since 2012, CAIXA is committed to disseminating Brazil's anti-corruption legislation to employees and stakeholders. This commitment extends to prohibiting all forms of bribery, promoting transparency in contributions to political campaigns, in the provision of information and cooperation in investigations.

Equator Principles

A set of procedures adopted by financial institutions in managing socio-environmental questions in project finance operations. CAIXA joined the program in August 2009, assuming the commitment to execute the action plan set forth in attachment I to the principles.

Natural Capital

In the 2012 Rio+20 Conference, CAIXA signed the Natural Capital Declaration – NCD, the largest coalition of companies and organizations focused on integrating natural capital into the financial sector worldwide. Currently the NCD Steering Commit-

tee is presided by the International Finance Corporation. Four working groups were set up to study and incorporate natural capital into banking operations and activities. CAIXA participates in the "Understanding impacts and deficiencies related to Natural Capital in the activities of financial institutions" working group, whose activities are scheduled to be completed by December 2014.

World Water Council /WWC

Affiliation process underway. The mission of this organization, based in Marseilles, France, is to promote awareness and drive political actions related to water supply and use at the highest levels.

The people behind CAIXA

Admissions in 2013 G4-LA1

Region	Up to 19 years		From 20 to 29 years		From 30 to 39 years		From 40 to 49 years		From 50 years		Total		
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Total
Center-West	4	10	296	379	203	235	36	61	4	30	543	715	1,258
North	7	5	113	139	80	80	16	25	0	11	216	260	476
South	8	9	309	316	246	245	56	53	7	21	626	644	1,270
Southeast	13	22	725	791	726	597	203	262	53	128	1,720	1,800	3,520
Northeast	0	6	292	540	211	288	39	54	7	17	549	905	1,454
Total	32	52	1,735	2,165	1,466	1,445	350	455	71	207	3,654	4,324	-
	84		3,900		2,911		805		278		7,978		

Terminations in 2013 G4-LA1

Region	Up to 19 years		From 20 to 29 years		From 30 to 39 years		From 40 to 49 years		From 50 years		Total		
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Total
Center-West	0	0	16	47	22	32	10	14	84	73	132	166	298
North	1	0	7	18	16	19	2	8	20	22	46	67	113
South	0	0	39	73	46	67	32	28	131	133	248	301	549
Southeast	0	0	72	143	91	131	63	64	437	291	663	629	1,292
Northeast	0	0	33	58	25	40	19	12	147	102	224	212	436
Total	1	0	167	339	200	289	126	126	819	621	1,313	1,375	-
	1		506		489		252		1,440		2,688		

Termination rates G4-LA1

Region	Up to 19 years		From 20 to 29 years		From 30 to 39 years		From 40 to 49 years		From 50 years		Total		
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Total
Center-West	0.00%	0.00%	1.23%	2.79%	0.82%	1.13%	0.57%	0.72%	7.50%	3.84%	1.93%	1.98%	1.96%
North	14.29%	0.00%	1.64%	3.04%	2.49%	2.21%	0.56%	1.63%	8.47%	5.28%	2.76%	2.84%	2.80%
South	0.00%	0.00%	2.59%	4.27%	1.70%	2.50%	1.54%	1.10%	8.45%	4.89%	3.16%	3.12%	3.13%
Southeast	0.00%	0.00%	2.12%	3.85%	1.16%	1.67%	1.13%	1.22%	10.00%	4.73%	3.12%	2.74%	2.92%
Northeast	0.00%	0.00%	2.68%	2.61%	1.08%	1.27%	1.19%	0.57%	8.83%	3.52%	3.29%	2.04%	2.53%
Total	2.70%	0.00%	2.12%	3.42%	1.23%	1.67%	1.11%	1.02%	9.16%	4.41%	2.96%	2.56%	-
	0.88%		2.84%		1.46%		1.06%		6.25%		2.74%		

Health and safety - leave for medical treatment G4-LA6

Employees	Days lost	Employees receiving leave for medical treatment	Total employees	Working days contracted	Absenteeism rate for Medical Treatment
Men	320,493	18,512	53,787	18,953,182	1.69
Women	366,301	21,610	44,411	15,618,572	2.35
CAIXA Total	686,794	40,122	98,198	34,571,754	1.99

Source: SISRH Ref.31.12.2013.

Average number of hours training per employee G4-LA9

Functional Category	Distance training			Face-to-face training			On-the-job training		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Director*	16.67	2.15	3.6	9.33	1.85	2.6	2	1.59	1.63
Head of unit	32.05	30.04	30.6	70.56	69.64	69.89	2.14	1.67	1.8
Management	42.14	42.75	42.49	18.23	19.22	18.79	2.02	2.01	2.02
Non-management	72.43	70.03	71.19	7.63	9.03	8.36	2.52	2.07	2.29
Operational**	1.75	96.39	96.8	382.86	21.2	21.23	1.75	1.55	1.64
Professional***	78.02	82.09	80.77	19.68	20.76	20.41	2.99	2.87	2.91
Total	75.01	72.22	73.48	16.1	18.82	17.59	2.16	1.88	2.01

*Permanent employees in director-level positions /Source: GEDEC Ref. 31.12.2013.

**Employees not exercising paid functions in Administrative and General Service career paths.

***Employees not exercising paid functions in Professional career path.

Local hiring - senior management (%) G4-EC6

Race/color	2012						2013					
	Women		Men		Total		Women		Men		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Yellow	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	3.03%	1	2.78%
White	0	0.00%	14	42.42%	14	38.89%	3	100.00%	28	84.85%	31	86.11%
Mixed race	0	0.00%	2	6.06%	2	5.56%	0	0.00%	3	9.09%	3	8.33%
Black	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	3.03%	1	2.78%
Total	0	0.00%	16	48.48%	16	44.44%	3	100.00%	33	100.00%	36	100.00%

Economic-financial performance

Performance summary – Value Added Statement G4-EC1		
1. Wealth generation (in 000s of R\$)	2012	2013
(A) Gross revenue	72,876,184	90,016,418
(B) Financial intermediation expenses	33,561,879	44,205,075
(C) Goods and services acquired from third-parties	17,091,471	20,283,402
(C) Gross value added (A – B – C)	22,222,834	25,528,004
(D) Retentions (depreciation, amortization, exhaustion)	954,439	1,169,280
(E) Net value added (C – D)	21,181,498	24,285,390
(F) Transfers	139,089	309,699
(G) Added value for distribution (E + F)	21,407,484	24,668,423
2. Distribution among stakeholders	2012	2013
Government		
Taxes discounting subsidies (exemptions)	1,791,268	1,941,209
Employees		
Direct remuneration	9,614,451	11,152,423
Benefits	2,411,037	3,011,696
FGTS	600,816	688,709
Financiers		
Remuneration of third-party capital	923,858	1,151,014
Shareholders		
Interest on own equity and dividends	5,188,673	4,097,762
Retained		
Retained profit	877,381	2,625,609
Productivity indicators	2012	2013
Gross margin	29.02	26.42
Net margin	10.43	9.26
Asset turnover	0.02	0.02
Return on assets (ROA)	1.00	0.86
Rate of indebtedness	0.96	0.97
Rate of liquidity	1.02	1.02
Investments	2012	2013
Research and development	-	-
Productivity improvement	-	-
Increased production capacity	930,051,709	1,754,288,106
Education/training	102,580,187	106,409,932
Community programs	-	-

Socio-environmental responsibility

ENERGY EFFICIENCY G4-EC2

A series of cooperation measures aimed at driving energy efficiency were undertaken during the reporting period:

➤ **With the German Federal Enterprise for International Cooperation (GIZ):** an Energy Efficiency in Buildings mission, with the involvement of CAIXA, visited Germany to study energy efficiency; technical support for energy efficiency measures, such as studies for the Casa Azul Seal, training workshops, elaboration of publicity material; training course on Financing for Solar Energy Systems.

➤ **With the Ministry of Cities:** My Home More Sustainable pilot project underway in function of the Energy Efficiency in Buildings Mission to Germany; project under discussion with several partnering institutions (Coelba, Light, Eletrobrás/Procel, city governments of Rio de Janeiro and Conder/BA) aimed at implanting demonstration projects focused on energy efficiency in Rio de Janeiro and Lauro de Freitas (Bahia).

➤ **With Neoenergia:** energy efficiency measures, including the donation of economical light bulbs and the substitution of used refrigerators for new efficient models for low-income families (read more in Socio-environmental Responsibility, on p. 74).

> With the CBIC (Brazilian Construction Industry Chamber): aimed at promoting joint measures to disseminate best practices and solutions to promote sustainability in housing developments nationwide, with the following primary focuses: reduction and mitigation of greenhouse gas (GHG) emissions; sustainable use of natural resources; thermal comfort and energy efficiency; construction and demolition waste management; and urban quality.

> With Germany's KfW bank: preparation of a term of reference for contracting a consultancy to carry out assessments at CAIXA and in the Brazilian energy efficiency market with a view to instituting a specific line of credit and complementary measures. The Canadian company Econoler was selected; a workshop was held involving KfW, Econoler and diverse CAIXA areas. The credit line should be launched by the end of 2014.

Innovations, technologies and management practices

Four winning projects in the 2013/2014 Best Local Management Practices Award will receive funding from the FSA CAIXA (Socio-environmental Fund). They are:

Ecological bricks: a social intervention strategy in particularly vulnerable areas of extremely poor regions. Executed in Uberlândia (Minas Gerais) by the NGO Ação e Moradia, the project is aimed at the social, production and educational inclusion of women in a socially vulnerable situation, driving community autonomy, environmental education and the formation of social capital. The overriding aim is to promote equality, eradicate hunger and drive environmental sustainability. The FSA CAIXA investment is R\$ 120,000.

Agroforestry systems and social biodiversity: with an FSA CAIXA investment of R\$ 119,600, this project developed by the Instituto de Pesquisas Ecológicas (Ecological Research Institute) is aimed at fomenting ecological agricultural production systems and family smallholder organizations on the left bank of the River Negro (Amazonas). One hundred residents received training in ecological agricultural production and commercialization techniques with the objective of generating income and promoting environmental conservation.

Biodynamic agriculture: a project to install an organic and biodynamic fruit and vegetable processing plant for the Maria da Fé Natural Producer's Association (Minas Gerais)

underway since February 2012. The project, which should benefit 15,000 people, will receive R\$ 117,300 to finance the acquisition of equipment, training for members and fruit and vegetable certification.

Terra limpa (Clean land): a project run by the Smallholder Support Center in Pelotas (Rio Grande do Sul), aimed at benefiting 3,160 women in quilombo communities in the municipality and nine others in the extreme south of the state. The organization, which is experienced in ecological agriculture, received R\$ 118,600 from the FSA CAIXA.

Limited Assurance Report of Independent Auditors on Annual Sustainability Report

**To the Board of Directors and Shareholders of
Caixa Econômica Federal – CAIXA**

Introduction

We were engaged by Caixa Econômica Federal – CAIXA (“CAIXA” or “institution”) to present our limited assurance report on the information contained in the Annual Sustainability Report in accordance with the GRI G-4 guidelines (reporting option “Comprehensive”) for the twelve-month period ended December 31, 2013.

Management responsibilities on the Annual Sustainability Report

CAIXA’s management is responsible for preparing and presenting appropriately the information contained in the Annual Sustainability Report for the year ended December 31, 2013, in accordance with criteria, assumptions and methodologies GRI - G4 (reporting option “Comprehensive”) and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Independent auditors’ responsibility

Our responsibility is to express a conclusion on the CAIXA’s Annual Sustainability Report information for the twelve-month period ended December 31, 2013, based on the limited assurance work conducted in accordance with Technical Release 07/2012, approved by the Brazil’s National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the CAIXA’s Annual Sustainability Report for the twelve-month period ended December 31, 2013 is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquiries of management and other professionals from CAIXA who were involved in the preparation of the Annual Sustainability Report, as well as of the application of additional procedures deemed necessary to obtain evidence which enables us to conclude on the limited assurance on the Annual Sustainability Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters which lead him to believe that the Annual Sustainability Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Annual Sustainability Report information in accordance with criteria, assumptions and own methodologies from CAIXA. The procedures comprised:

- (a) the planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of CAIXA's Annual Sustainability Report information for the twelve-month period ended December 31, 2013;
- (b) the understanding of the calculation methodology and the procedures for preparation and compilation of Annual Sustainability Report through interviews with management in charge of preparing the information;
- (c) the application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Annual Sustainability Report;
- (d) comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the guidelines of the structure for development of the Global Reporting Initiative - G4 applicable in the preparation of the information contained in the CAIXA's Annual Sustainability Report, covering the period from January 1, 2013 to December 31, 2013.

We believe that the evidence obtained in our work was sufficient and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Annual Sustainability Report information. As a consequence, we are not in a position to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. Had we carried out a work to issue an opinion, we could have identified other matters or misstatements in the Annual Sustainability Report information. Accordingly, we did not express an opinion on this information.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, significance and accuracy of data are subject to the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

The GRI KPIs G4-EC4, G4-EN29, G4-HR8, G4-HR11, G4-SO2, G4-PR4 and G4-PR8 were not included in the scope of our limited assurance engagement, so we have not made any audit procedures on these indicators.

Conclusion

Based on the procedures performed and herein described, nothing came to our attention that makes us believe that Caixa Econômica Federal - CAIXA's Annual Sustainability Report information, for the twelve-month period ended December 31, 2013, was not compiled, in all material respects, in accordance with criteria, assumptions and methodologies for the development of the Global Reporting Initiative - G4 (option of reporting "Comprehensive").

São Paulo, May 23rd, 2014.

ERNST & YOUNG

Auditores Independentes S.S
CRC - 2SP 015.199/O-6-F-DF

Eduardo Braga Perdigão
Accountant CRC-1 CE013803/O-8



Corporate information

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Credits

GRI CONSULTING, EDITORIAL COORDINATION, COPY AND DESIGN

Report Sustentabilidade

TRANSLATION

Raymond Maddock

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