

2023

LOAN PORTFOLIO ALLOCATION AND IMPACT REPORT



SUSTAINABLE FINANCE INSTRUMENTS

Caja Rural de Navarra, as a cooperative, retail and regional institution, has always had close ties with the agri-food sector and supported its responsible development. Over the years, the Bank's business has changed with the increasing industrialization of the regions where it operates, while always remaining true to its culture of transparency, responsibility and sustainability as documented in Caja Rural de Navarra's published information¹.

The organisation adheres to Environmental, Social and Governance (ESG) standards that shape the focus, targets and policies of the Bank regarding different aspects of sustainability. This is why *Sustainalytics*, the leading ESG rating company, was able to give Caja Rural de Navarra an ESG risk rating for 2024 of "negligible", one of the best in the financial sector.

Caja Rural de Navarra S.Coop

Regional Banks Spain

ESG Risk Rating

9.0

Last Full Update Jan 10, 2024

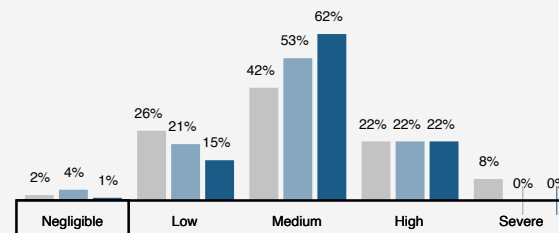
-0.8

Momentum

Negligible Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = Top Score)
Global Universe	193/16236	2nd
Banks INDUSTRY	27/1057	3rd
Regional Banks SUBINDUSTRY	5/536	2nd

As part of its focus on ESG issues² Caja Rural de Navarra created a sustainability framework (the “Framework”) for its loan portfolio in order to promote those financing lines that have the greatest social and environmental impact in the regions where the bank is active. These lines are consistent with its commitment to the local social and natural environment.

The Framework is regularly reviewed and updated as necessary, since the categories it addresses tend to change, evolving and developing to keep pace with responsible social and environmental practices. The Framework was last updated in 2021² to incorporate the latest developments in sustainability, including bringing it into line with the EU’s taxonomy of sustainable activities³ and the United Nations Sustainable Development Goals (SDGs)⁴.

Caja Rural de Navarra has been active in wholesale markets with issues of sustainable financial instruments (bonds or loans) that comply with the Framework:

- EUR 90 million in European Investment Bank loans taken out in 2018 and 2019 to fund lending to SMEs that combat climate change by improving energy efficiency,
- A EUR 600 million Sustainable mortgage-backed covered bond (European covered bond (Premium)) maturing in 2025,
- A EUR 500 million Green mortgage-backed covered bond (European covered bond (Premium)) maturing in 2027,
- A EUR 500 million Green mortgage-backed covered bond (European covered bond (Premium)) maturing in 2029.

The successive versions of the Framework are supervised by Sustainalytics⁵ whose “Second-Party Opinion”⁶ (last issued in December 2021) looks at the Bank’s commitments to devote at least the amount raised by these sustainable/green issues to financing or refinancing future or existing projects identified by the Bank as meeting the criteria for its sustainability framework and to produce a regular sustainability impact report on the projects. Caja Rural de Navarra’s transparency policy meets generally accepted international criteria for defining such activities. It also requires the regular publication of the allocation report with updated details on the sustainability lines, and of the impact report covering the Bank’s area of operations, as well as the Bank’s involvement in environmental and social actions in fulfilment of its commitment to support enough projects that comply with the Framework.

Caja Rural de Navarra’s CSR Report includes the information from the allocation and impact reports and is verified by a third party (AENOR⁷).

Sustainalytics ratifies in its Second-Party Opinion report that the Bank’s Framework is aligned with the principles and objectives mentioned above, including the ICMA’s “Green Bond Principles”⁸ and “Social Bond Principles”⁹ and that the Bank finances projects that contribute to environmental sustainability, social challenges and the United Nations Sustainable Development Goals (SDG) in accordance with their guidelines on transparency, communication and reporting. Categories cited in the Framework are aligned with the UN Sustainable Development Goals (SDGs)¹⁰ which set global objectives for all humanity. The local focus that is at the heart of Caja Rural de Navarra’s mission thus closely correlates with the UN’s basic goals to promote social prosperity while protecting the planet.



² <https://www.cajaruraldenavarra.com/sites/default/files/files/2017-Sustainability-Bond-Framework-Caja-Rural-de-Navarra.pdf>

³ https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

⁴ <https://sdgs.un.org/goals>

⁵ <https://www.sustainalytics.com/>

⁶ <https://www.cajaruraldenavarra.com/sites/default/files/info-inversores/Sostenibilidad/Sustainalytics/crn-sustainability-bond-framework-second-party-opinion-2021.pdf>

⁷ <https://www.aenor.com/certificacion/certificado/?codigo=220390>

⁸ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

⁹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

¹⁰ <https://sdgs.un.org/goals>



The Green Bond Principles (GBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond.

The green bond market will allow and encourage debt markets to play a key role in financing projects that contribute to environmental sustainability.

The GBP are intended for broad use by the market; they provide issuers with guidance on the key components involved in launching a credible green bond; they aid investors by promoting the availability of information necessary to evaluate the environmental impact of their green bond investments; and they assist underwriters by moving the market towards new practices that facilitate transactions.

GBPs have four main components:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting.



The Social Bond Principles (SBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the social bond market by clarifying the approach for issuance of a Social Bond.

Social bonds are any type of bond instrument where the proceeds will be exclusively used to finance or refinance eligible social projects, in part or in full. Social projects may also have environmental benefits.

The SBPs are intended for broad use by the market; they provide issuers with guidance on the key components involved in launching a credible social bond; they aid investors by promoting the availability of information necessary to evaluate the positive impact of their social bond investments; and they assist underwriters by moving the market towards new practices that will facilitate transactions.

SBPs have four main components:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting.



On 25 September 2015, global leaders adopted a set of 17 global goals (the “SDGs”) to eradicate poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Each of the 17 goals includes specific targets to be met by 2030. Caja Rural de Navarra has mapped each of the Framework’s sustainability lines against the UN SDGs.



In the interests of transparency, in the case of its mortgage covered bonds, Caja Rural de Navarra publishes quarterly analyses of its loan book data following the standards set by the Covered Bond Label¹¹ which guarantees transparency to investors and allows easy comparison of results against other labelled entities.

Current issues of covered bonds are tagged by the EMF-ECBC (European Mortgage Federation – European Covered Bond Council) with the green leaf symbol for being sustainable/green¹² and with a yellow star on a blue background for complying with the European Covered Bonds Directive¹³ (European Covered Bond Premium).



In addition, the ESG teams at the DZ Bank (German cooperative banking group) analysed the full range of sustainability issues affecting Caja Rural de Navarra and awarded it the DZ Bank Sustainability certification with above-average scores in all four areas considered: Economy, Environment, Social and Governance.



Besides adhering to these certifications and standards, Caja Rural de Navarra takes part in a range of international initiatives and working groups to develop green finance and to promote energy efficient homes which meet the environmental and social goals set out in the UN Paris Agreement, including stimulating investment and creating employment:

- **EeMAP-EEMI**¹² (“Energy Efficient Mortgage Action Plan-Energy Efficient Mortgage Initiative”)
- **Energy efficient mortgage label** (“Etiqueta de hipoteca de eficiencia energética”)¹³

¹¹ <https://www.coveredbondlabel.com/issuer/118-caja-rural-de-navarra-sociedad-coop-de-credito>

¹² <https://energyefficientmortgages.eu/>

¹³ <https://www.energy-efficient-mortgage-label.org>

The Framework of the Caja Rural de Navarra loan book consists of 9 different credit lines whose volume and customer base have evolved over recent years as follows:

SUSTAINABLE PORTFOLIO – LOANS OUTSTANDING

2023	2022	2021	2020	2019
5,022,827,594.09	4,538,225,085	4,422,381,157	4,159,965,114	3,144,616,831

NUMBER OF BORROWERS

2023	2022	2021	2020	2019
54,681	49,692	53,184	52,064	43,608

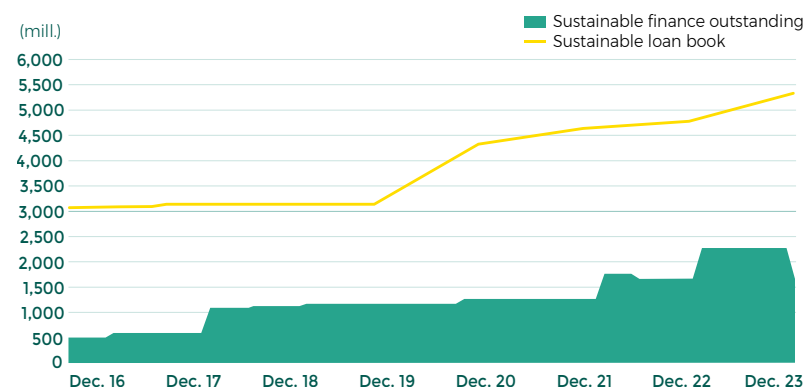
As the table above shows, at 31 December 2023 the sustainable portfolio totalled > EUR 5,000 million, which was allocated as follows:

ALLOCATION OF CAJA RURAL DE NAVARRA'S SUSTAINABLE ASSETS AND LIABILITIES*

Sustainable portfolio categories	ASSETS (EUR)	LIABILITIES AND EQUITY (EUR)	Allocation of sustainable finance
Sustainable farming	107,595,648	500,000,000	Mortgage covered bond CRUNAV 3.00 26/04/2027
Renewable energy	46,640,702	500,000,000	Mortgage covered bond CRUNAV 0.750 16/02/2029
Energy efficiency	1,445,092,626	600,000,000	Mortgage covered bond CRUNAV 0.875 08/05/2025
Sustainable forestry	1,156,841	40,000,000	EIB loan to SMEs (2018)
Waste management	10,256,226	10,000,000	EIB loan for SMEs and climate change (2018)
Social housing	372,127,577	40,000,000	EIB loan to SMEs (2019)
Social inclusion	54,202,110		
Education	27,478,203		
Economic inclusion	2,958,277,660		
		3,332,827,594	Unassigned sustainable portfolio
Total Sustainable Portfolio	5,022,827,594	5,022,827,594	Maximum potential Sustainable Finance

* Figures are for sustainable lending granted by Caja Rural de Navarra and outstanding at 31 December 2023

Caja Rural de Navarra is committed to growing its most sustainable credit lines and therefore seeks to improve the “additionality” of its sustainability framework. As a result of this policy the total of outstanding sustainable loans made by Caja Rural de Navarra since launch of the Framework has exceeded its issuance of sustainable bonds.



Loans made under the Framework have grown 64% since it was established in 2016, benefiting 62,852 people and companies in 2023.

The sustainable loans portfolio grew again in 2023, as the Bank pulled out all the stops to support companies in our region, helping sustain jobs and the business fabric on which social and economic development depend.

Other major contributors to the growth of the sustainable investment portfolio were renewable energy, social inclusion, educational projects and economic inclusion to reduce inequality.



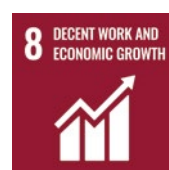
We present below a breakdown of sustainable financing for each of the UN SDGs supported by Caja Rural de Navarra and included in the Framework:



2023	27,478,203 €
2022	26,509,565 €
2021	25,041,131 €
2020	26,747,946 €
2019	24,028,003 €
2018	-



2023	1,491,733,328 €
2022	1,606,250,824 €
2021	930,394,552 €
2020	623,854,030 €
2019	504,305,152 €
2018	482,853,904 €



2023	2,958,277,660 €
2022	2,345,593,478 €
2021	2,748,036,910 €
2020	2,725,578,705 €
2019	1,777,932,762 €
2018	-



2023	54,202,110 €
2022	51,678,727 €
2021	50,905,439 €
2020	56,650,785 €
2019	50,888,474 €
2018	-



2023	372,127,577 €
2022	372,471,553 €
2021	519,940,487 €
2020	595,814,908 €
2019	628,560,131 €
2018	2,533,004,109 €



2023	117,851,875 €
2022	134,287,351 €
2021	146,381,150 €
2020	130,044,118 €
2019	157,603,620 €
2018	132,415,063 €



2023	1,156,841 €
2022	1,433,587 €
2021	1,681,489 €
2020	1,274,623 €
2019	1,298,688 €
2018	-

TOTAL	5,022,827,594 €
2022	4,538,225,086 €
2021	4,422,381,157 €
2020	4,159,965,114 €
2019	3,144,616,831 €
2018	3,148,273,076 €

1. SUSTAINABLE FARMING



12.2
“By 2030, achieve sustainable management and efficient use of natural resources”

¹⁴ Figures are derived from internal data following the generally accepted principles set out in Caja Rural de Navarra's Sustainability Framework for the loan book and sustainable bond issues and European regulations and guidance. That said, it is not always possible to obtain detailed information on each loan exposure, which means the sustainable portfolio (understood as loans meeting the Framework criteria) could be substantially larger than indicated here, as the above figures exclude loans where full information was unavailable.

This category includes loans intended to reduce greenhouse gas emissions by making farms more efficient, reusing waste products, maintaining the rural environment, etc.

It is important to stress that Caja Rural de Navarra retains a special commitment to farming, both because of its origins and because of the important role played by the rural world in sustainable development and the future of the regions and communities in which the Bank operates.

The Bank tested each loan included in this category for compliance with the above aims. Based on an analysis of information collected, we calculate that at 31 December 2023 the current sustainable farming line totals EUR 107.6 million, spread across 1,647 loans to 1,218 borrowers.

Lending history:

	2023	2022	2021	2020	2019	2018
Loans outstanding (millions of euros)	107.6	117.3	126.1	108.4	134.7	103.3
Number of loans	1,647	1,742	2,001	1,653	1,688	1,220
Number of borrowers	1,218	1,285	1,435	1,265	1,284	963

The Bank's is committed to supporting the new generation that will sustain a vigorous primary sector and rural environment in the future. So 25.72% of loans to individual customers went to young farmers under 40. Another 24.57% of loans went to cooperatives, Sociedades Agrarias de Transformación (SATs, agri-development partnerships) and other agricultural associations, maintaining the traditional support for collective initiatives and cooperatives.

Caja Rural de Navarra's customers in the agri-food sector are also committed to sustainability, a number of them having obtained European ecological certification for organic production.



The table below breaks down lending by purpose as a percentage of the category total:

Purpose of loans	
Plant purchase	0.9%
Consolidation and strengthening of farms	34.35%
Construction of buildings and greenhouses	13.09%
Financial support for adverse weather conditions	0.58%
Investments under European rural development plans	4.21%
Improved agricultural transportation (energy efficiency)	15.77%
Other	9.12%
Other resource efficiency improvements	2.66%
Other emission reductions	0.14%
New farmer and stock-raiser start-ups	11.97%
Irrigation and improved watering systems (energy efficiency and reduction of CO2 emissions) – irrigation associations	7.25%

2. RENEWABLE ENERGY

7 AFFORDABLE AND CLEAN ENERGY



7.2

“By 2030, achieve sustainable management and efficient use of natural resources”

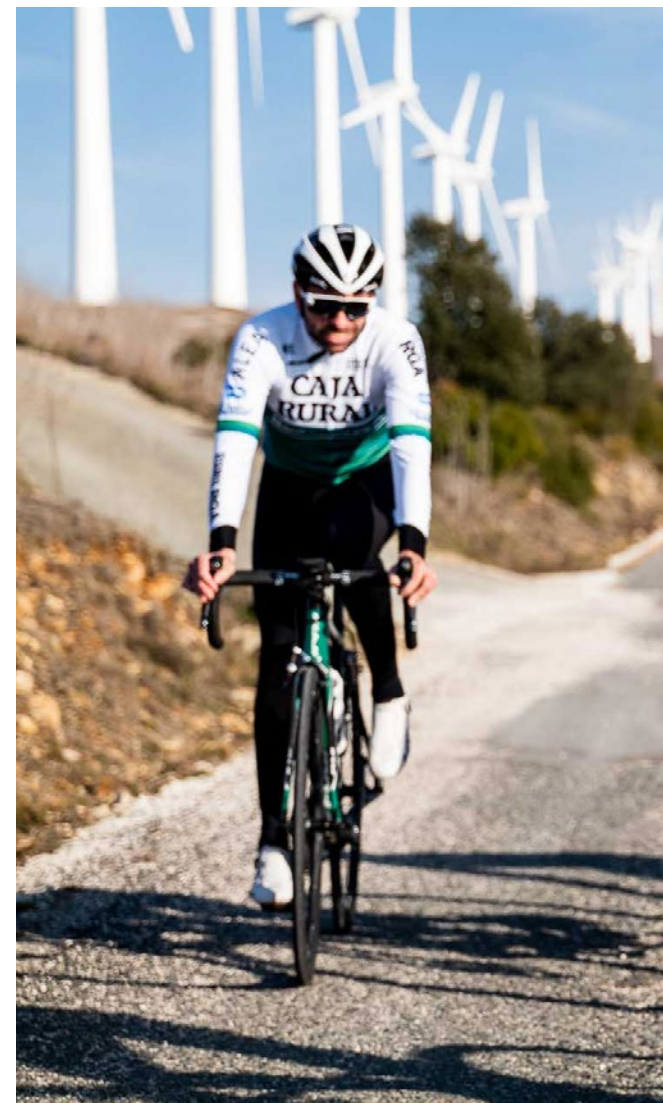
This category includes loans to fund the generation of electricity from renewable sources – solar, wind, geothermal, hydro-electric, etc. – and the use of bio-fuels, development of infrastructure or systems for renewable energy and the manufacture of components for these industries. Based on an analysis of information collected, we calculate that the total sustainable energy credit line amounted to EUR 46.6 million at 31 December 2023, spread across 52 loan transactions to 44 borrowers.

Lending history:

	2023	2022	2021	2020	2019	2018
Loans outstanding (millions of euros)	46.6	22.3	20.7	30.4	40.5	39.7
Number of loans	52	45	57	68	87	80
Number of borrowers	44	38	44	49	53	57

The Bank analysed loans in this category individually, classifying them into the following types based on their purpose:

- **Renewable energy generators:** solar-PV and wind operators being the most important in this sector:
Loans outstanding: EUR 26.4 million
Number of loans: 35
- **Builders of renewable energy equipment:**
Loans outstanding: EUR 20.3 million
Number of loans: 17



3. ENERGY EFFICIENCY

7 AFFORDABLE AND
CLEAN ENERGY



7.2

“By 2030, achieve sustainable management and efficient use of natural resources”

This category covers loans whose purpose is to develop products and technologies that reduce energy consumption or manufacture components that contribute to this aim.

Based on an analysis of information collected, we calculate that in 2023 the current loan book for these purposes totalled EUR 1,445 million, spread across 11,518 loans to 11,225 borrowers. ros, repartidos en 11.518 préstamos y 11.255 acreditados.

Lending history:

	2023	2022	2021	2020	2019	2018
Loans outstanding (millions of euros)	1,445.1	1,583.9	909.7	593.4	463.7	443.0
Number of loans	11,518	12,191	6,194	4,575	3,968	3,711
Number of borrowers	11,255	11,579	6,018	3,892	3,086	3,024

The Bank analysed loans in this category individually, classifying them into the following types based on their purpose:

- **Renewal of fleets with EVs:**

Loans outstanding: EUR 0.1 million

No. of transactions: 1

- **Modernization of industrial facilities to reduce their environmental footprint, improving insulation and reducing CO2 emissions:**

Loans outstanding: EUR 68.1 million

No. of transactions: 66

- **Modernization of production processes to reduce inputs and make more efficient use of raw materials and energy:**

Loans outstanding: EUR 49.0 million

No. of transactions: 184

- **Renewing equipment to use materials with a lower ecological impact and/or reduce consumption by the equipment produced:**

Loans outstanding: EUR 5.5 million

No. of transactions: 88

- **Cogeneration or combined-heat-and-power plants that improve overall energy efficiency:**

Loans outstanding: EUR 0.4 million

No. of transactions: 4

- **Engineering, consultancy and manufacture of energy efficiency equipment:**

Loans outstanding: EUR 0.2 million

No. of transactions: 2

- **Energy efficient homes:**

Loans outstanding: EUR 1,321.7 million

No. of transactions: 11,173

At 31 December 2023 there were a total of 11,173 loans outstanding to finance the acquisition or renovation of buildings.

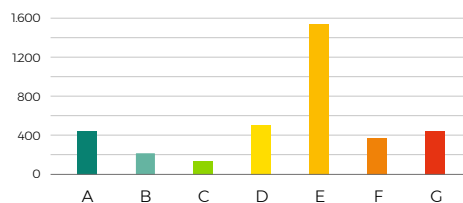
The buildings concerned have energy ratings compliant with the EU Taxonomy (Activities 7.1, 7.2 and 7.7):

- 15% more efficient for acquisition and ownership
- 30% energy efficiency improvement for renovation

The Bank has included energy efficiency data that applies these criteria in its system for all new mortgages since 2019. Also, Sociedad de Tasación conducted a general third-party review of the mortgage book in 2021 to 2022 which obtained additional data, such that 70% of the mortgage portfolio was labelled with energy efficiency data in 2022. In 2023 we continued working with Sociedad de Tasación to gather further energy efficiency data.

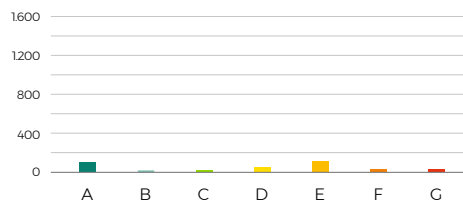
Energy Performance Certificate (EPC) ratings of the mortgage portfolio at 31 December 2023:

EPC - Residential portfolio



Millions of euros
No information on energy efficiency ratings is available for 16% of mortgages.

EPC - Commercial portfolio



Millions of euros
No information on energy efficiency ratings is available for 67% of mortgages.

In 2023, Caja Rural de Navarra commissioned METROECONÓMICA to compile an expert report on the impact of emissions from the buildings underlying the Bank's mortgage book. The key conclusions were as follows:

"The total number of homes with Energy Performance Certificates in Caja Rural de Navarra's mortgage book emit 176,440,532 kgCO₂e annually, 45% of which comes from homes with level E energy ratings.

Geographically, 97% of total emissions (171,145,085 kgCO₂e) are in the Navarre, Basque Country and La Rioja Autonomous Regions. The type of housing also affects emissions. Single-family homes contribute 48.4% of total emissions with the remaining 51.6% corresponding to "block" type housing. Regarding energy consumption, these homes consume a total of 786,703,882 kWh annually.

E-rated homes consume the largest percentage, 47%, followed by those rated even lower, G (21%) and F (19%). As with emissions, the energy consumption of Caja Rural de Navarra's portfolio is concentrated in the Navarre, Basque Country and La Rioja Autonomous Regions (763,515,312 kWh/year). Type of building also makes a difference to energy consumption. Single-family homes are less efficient, as they cover just 36.5% of the portfolio's total floor space but consume a disproportionately high 46% of all energy.

Throughout the report, category A, B, C and D homes are described as the most efficient and hence associated with green mortgages. In Caja Rural de Navarra's loan book, homes in these categories emit a total of 25,952,281 kgCO₂e and 108,651,290 kWh/year, equivalent to 14% and 13% of the totals, respectively.

Comparing the impacts of Caja Rural de Navarra's mortgage book with those of all Spanish property, we find annual energy and emission savings of 8.7 kWh/m² and 3.4 kgCO₂e/m², respectively. However, these savings are much greater if we compare only the green mortgages granted by the Bank: an energy saving of 127.4 kWh/m²/year and emissions savings of 28.6 kgCO₂/m²/year. These figures equate to a total saving of 149,791,287 kWh/year and 33,681,663 kgCO₂/year.

The results show the strong potential of green mortgages to improve energy efficiency and that increasing their share of Caja Rural de Navarra's portfolio could result in high levels of savings."

The data above on emissions from Caja Rural de Navarra's mortgage book refer to all emissions from all buildings underlying the portfolio. In other words, figures are not weighted for the outstanding LTV of the buildings.

4. SUSTAINABLE FORESTRY

15

LIFE
ON LAND



15.2

“By 2030, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.”



This category covers loans whose purpose is forestation, reforestation and the development of forestry plantations. Based on an analysis of information collected, we calculate that the loan book for these purposes totalled EUR 1.2 million in 2023, spread across 5 loan transactions to 3 borrowers.

Lending history:

	2023	2022	2021	2020	2019	2018
Loans outstanding (millions of euros)	1.2	1.4	1.7	1.2	1.2	3.2
Number of loans	5	6	5	4	4	8
Number of borrowers	3	3	2	3	3	5

All the loans in this category were for sustainably managed woodlands certified either by the PEFC (Programme for the Endorsement of Forest Certification) which verifies that forests around the world are being sustainably and responsibly managed and that their many functions are being safeguarded for current and future generations, or by the FSC (Forest Stewardship Council), which guarantees that products are sourced from well-managed woodland that provides environmental, social and economic benefits..

5. WASTE MANAGEMENT



12.2

“By 2030, achieve sustainable management and efficient use of natural resources”

This category includes loans to develop equipment and technology that make more efficient use of resources and/or reduce waste generation. Based on an analysis of information collected, we calculate that the current loan book for these purposes totalled EUR 10.3 million at 31 December 2023, spread across 36 loans to 28 borrowers

Lending history:

	2023	2022	2021	2020	2019	2018
Loans outstanding (millions of euros)	10.3	17.0	20.3	21.6	22.8	25.8
Number of loans	36	56	65	67	70	74
Number of borrowers	28	34	39	33	42	51

The Bank analysed loans in this category individually, classifying them into the following types based on their purpose:

- **Recycling of industrial waste (metal, tyres, etc.):**

Loans outstanding: EUR 7.3 million

Number of loans: 20

- **Manufacture of commercial products from recycled materials:**

Loans outstanding: EUR 1.2 million

Number of loans: 5

- **Clean-up of waste:**

Loans outstanding: EUR 1.7 million

Number of loans: 11



6. SOCIAL HOUSING

11 SUSTAINABLE CITIES AND COMMUNITIES



11.1

“By 2030, ensure universal access to adequate, safe and affordable housing and basic services and upgrade slums.”



Social housing falls into two types: VPO, officially protected housing, or VPT, regulated price housing. Both are price-capped homes intended as principal residence for their occupants. They are allocated by public tender on terms that include requirements such as income level, number of family members, etc. The objective of the VPO/VPT is to encourage citizens with lower incomes (among other criteria) to acquire or rent decent and adequate housing, at affordable prices within their budget. The aim of VPO/VPT projects is to allow citizens with lower incomes (or who meet other qualifying criteria) to buy or rent good quality and appropriate housing at accessible prices.

In our case, before lending to customers to buy such homes we must have prior authorization from the local authority which guarantees to us that the borrower meets all necessary requirements.

In general, loans included of this type are to:

- **People** taking out a mortgage to buy a VTO/VPT home.
- **Developers and other legal entities** who take out a mortgage to build a VTO/VTP building which will subsequently be sold on or let out at a social rent to people meeting the necessary requirements.

Key indicators report:

A. Basic figures:

- Total investment of EUR 372 million.
- To 4,893 borrowers, of whom 45 are legal entities and the rest are individuals.

Lending history:

	2023	2022	2021	2020	2019	2018
Loans outstanding (millions of euros)	372.1	372.5	519.9	595.8	628	644
Number of loans	4,893	4,769	6,410	7,047	7,165	7,127
Number of borrowers	4,752	4,615	6,224	6,827	6,930	6,882

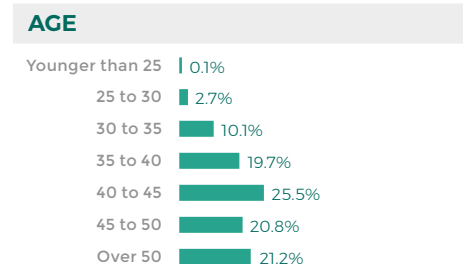
B. Current status of loans

Only 0.2% of these loans by value are > 90 days past due, very close to the ratio for the Bank's other mortgages. This indicates that although the customers are normally on lower incomes they are just as likely to meet their payments as the Bank's other home mortgage borrowers and that their household finances can generally bear the cost of buying a home under these schemes.

C. Distribution of these loans:

- 99.08% were to individuals (of which 39.93% had two or more signatories and 60,078 had a single signatory).
- 0.92% were to legal entities.

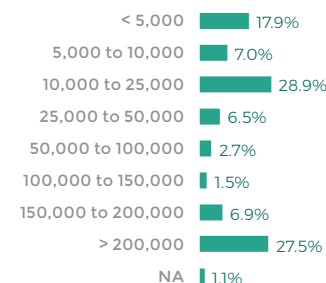
D. Age distribution of amounts lent (at the time the borrower takes out the mortgage):



> 12.9% of lending granted to individuals went to people aged under 35, suggesting that this type of financing is making it possible for young people to access their first home. Likewise, just over 21.2% of loans were to people over 50 who, due to various life circumstances, need a home later on in their lives.

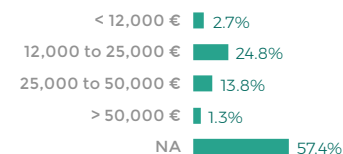
E. Also, data collected means we can show (see table below) that nearly 53.8% of loans granted were in **towns with a population of < 25,000** residents with just over 17.9% going to villages of < 5,000 inhabitants, helping sustain small populations and counter the risk of rural depopulation.

POP. PER TOWN/VILLAGE



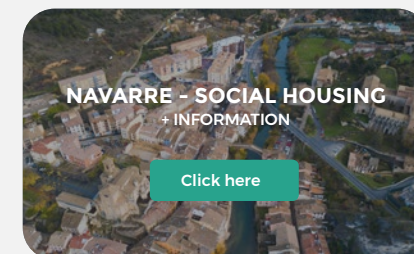
F. Average income per person in the family unit taking out the mortgage:

AVERAGE INCOME PER PERSON



ADDITIONAL INFORMATION ON OFFICIAL REQUIREMENTS

For further details of the criteria and requirements for accessing social housing see the websites of the Navarre, La Rioja and Basque regional governments.



7. SOCIAL INCLUSION



10.2

“By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.”

Caja Rural de Navarra has a special relationship with bodies working for social and economic integration and social and economic development in the areas where it is active. Caja Rural's involvement with these bodies takes a variety of forms, not limited to financing their social projects, and in some cases involving the Bank meeting part of the costs of the activities it is promoting. Specifically, we can break down promotion of social and economic development into several categories:

DISABILITY: training, rehabilitation and employment. Caja Rural de Navarra has for many years supported organisations that bring together people with a disability. These organisations run training and rehabilitation centres as well as special employment centres to support people into work. Caja Rural de Navarra devotes EUR 8.0 million to this financing line, which allows 55 organisations to do their work managing Special Employment Centres, residential facilities and day centres. Altogether they offer training and rehabilitation to over 7,000 people and employ > 6,000. In this way they support a substantial proportion of those with disabilities in Navarre, the Basque Country and La Rioja.

SPORT: Caja Rural de Navarra has an important commitment to sport and the personal development and inclusion of people through sport. We fund infrastructure and sports equipment for the different sports clubs and federations that focus on regulating and facilitating controlled and directed sports activities that meet the criteria of equality, health and preventative care. Actions focus on grass-roots sport, which is where our financing has most impact. This financing line has lent a total

of EUR 20.8 million to fund 49 bodies helping > 100,000 people of all ages.

CULTURE: Rural de Navarra also provides EUR 8.9 million of funding for investments designed to foster social integration through culture. The money goes to 114 cultural bodies active in fields such as music, language, food, customs, folk traditions, literature, theatre, cinema and many others. Together, they generate social cohesion irrespective of the circumstances of those who take part.

SOCIAL AND HEALTH CARE: We live in an ageing population and Caja Rural de Navarra supports the building of infrastructure and equipment to provide healthcare and social and health inclusion of the elderly and young people with some degree of dependence. We currently support 4 residential homes that look after > 160 elderly people. Total financing for this segment is EUR 1.8 million.

SOCIO-ECONOMIC: The social and economic background in which Caja Rural de Navarra operates is rich in charities, professional associations and research centres. Caja Rural de Navarra firmly supports this social fabric by financing the essential infrastructure such groups rely on. These associations help ensure that small businesses and the self-employed are kept permanently informed on tax, employment, legal and financial matters. They also have representative bodies speaking to the government and different private organisations. We have invested EUR 2.8 million to support a total of 28 professional associations whose membership includes > 3,000 professionals and organisations from various sectors of the economy.

INCLUSIVENESS: Caja Rural de Navarra

has a clear commitment to people of any age, origin and social class. For this reason we firmly support organisations working to include groups at risk of social exclusion: immigrants, the gypsy community, young people, drug users and the older unemployed. We provide EUR 11.8 million in financing to support 37 social organisations supporting the social inclusion of > 3,000 people.

Based on an analysis of information collected, we calculate that the current loan book for these purposes totals EUR 54.2 million to 288 borrowers.

8. EDUCATION



4.4

"By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship".



Caja Rural de Navarra is clearly committed to basic, intermediate and advanced training. It is in direct contact with public and private training providers. The Bank's involvement with these bodies takes a variety of forms, not limited to financing their education projects, and in some cases involving the Bank meeting part of the costs of their educational activities:

- **Financing investments:** new buildings, new equipment and other infrastructure (sports, cultural, etc.). Caja Rural de Navarra currently has EUR 27.5 million committed to financing investments by 70 training centres with > 35,000 students between them.

- **International scholarships:** for university students and professional training. This provides financial support for students wanting to study for some time in educational institutions or companies abroad so that none is prevented from doing so through lack of money. 787 students were supported: 551 UPNA, 71 Erasmus Plus Professional Training Navarre, 70 Erasmus Plus Professional Training Basque Country and 45 Global Scholarships by Caja Rural.

9. ECONOMIC INCLUSION

8 DECENT WORK AND ECONOMIC GROWTH



8.3

“Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro- small- and medium-sized enterprises, including through access to financial services”

Caja Rural de Navarra is especially active in loans to small and medium-sized enterprises, borrowers in remote districts and entrepreneurs.

The Bank's local roots and neighbourhood presence in the region's population centres, large and small, meant that companies, particularly small and mid-sized enterprises, were able to get agile access to the various lines of finance.

The Covid-19 pandemic and invasion of Ukraine took a heavy toll in recent years on the economic fabric of the regions where Caja Rural de Navarra operates. A key economic policy measure taken by regional governments and the Spanish national government was to work with lending institutions to offer companies, particularly SMEs, financing lines that would avoid a tightening of access to credit and consequent destruction of employment and the business fabric.

Overall, the category comprises 44,217 loans totalling EUR 2,958 million spread across 37,023 borrowers.

Lending history:

	2023	2022	2021	2020	2019	2018
Loans outstanding (millions of euros)	2,958.3	2,345.6	2,748.0	2,725.5	1,777.9	1,810.7
Number of loans	44,217	41,676	45,403	46,370	37,329	38,274
Number of borrowers	37,023	35,715	39,109	39,682	31,895	32,771

This category includes loans that meet the following requirements:

A / Small loans and remote areas

That support economic inclusion, whether because of their small amount or because they provide access to finance for remote areas (where the Bank has a special presence). To qualify, a loan must meet the following criteria:

- It must be for < EUR 25,000.
- Loans must be made through a Caja Rural branch in a village of < 3,000 population with below average income for the Autonomous Region.

B / Covid-19 and Ukraine

lines, under different government schemes to support and maintain economic activity and jobs in the face of the Covid-19 pandemic and the fallout from the invasion of Ukraine.

C / Loans to SMEs as defined by the European Union

Tal y como son definidas las mismas por parte de la Unión Europea¹⁷.

D / Loans to entrepreneurs

For details see section “8 – Caja Rural de Navarra and society”).

Based on available data, we calculate that the current loan book for these purposes totals EUR 669 million, consisting of 29,982 loans to 26,980 borrowers.

Lending history:

	2023	2022	2021	2020	2019	2018
Importe línea (millones de euros)	669,6	587,3	433,6	406,5	376,5	598,2
Número de préstamos	29,982	30,309	31,721	32,718	30,302	33,556
Número de acreditados	26,980	26,988	28,555	29,191	27,054	29,480

As a result this is a highly diversified line reaching a great many people, particularly in rural areas and small population clusters. Specifically, 23% of financing in the economic inclusion segment goes to populations at risk of financial exclusion.

¹⁷ Commission Regulation (EU) 651/2014



Covid-19 and Ukraine financing

Through its different financing lines, working in collaboration the central and regional governments, Caja Rural de Navarra has provided substantial funds, keeping many companies of all sizes in business and supporting self-employed workers, so helping maintain employment throughout the crises brought on by the Covid-19 pandemic and Russia's invasion of Ukraine.

Loans awarded totalled EUR751 million, supporting 4,920 companies with 6,659 transactions.

This finance had a massive positive impact in mitigating the impact of the two crises and sustaining jobs in our regions, particularly in small and medium-sized enterprises.





Financing SMEs

This section covers SMEs not covered in previous sections.

Based on available data, we calculate that the current loan book for these purposes totals EUR 1,498 million at 31 December 2023, consisting of 6,778 loans to 4,205 borrowers.

	2023	2022	2021	2020	2019	2018
Loans outstanding (millions of euros)	1,498.5	1,011.7	1,393.0	1,448.4	1,344.4	1,159.7
Number of loans	6,778	4,697	6,399	6,572	5,775	4,539
Number of borrowers	4,205	3,466	4,406	4,466	3,914	3,221

Breaking this data down we can identify a significant number of positive social impacts:

1. Regarding the current status of these loans, 0.4% of the total amount is > 90 days past due, an excellent figure given the average for the financial sector.

2. Secondly, we present below the number of transactions in micro-, small- and medium-sized enterprises. These categories are defined under Commission Regulation (EU) 651/2014, based on headcount and annual revenue or total assets:

	NUMBER OF EMPLOYEES	SALES	TOTAL ASSETS
Micro	< 10	< EUR 2 million	< EUR 2 million
Small	10 to 49	< EUR 10 million	< EUR 10 million
Medium-sized	50 to 249	< EUR 50 million	< EUR 43 million
Large	Over 250	> 50 million	> 43 million

The table below shows that more than 91% of financing in this category went to micro-enterprises (75.4%) and small companies (16.2%), underlining the Bank's penetration and its concern to maintain the local business fabric.

COMPANY SIZE	
Micro	75.4%
Small	16.2%
Medium	8.4%

3. Caja Rural de Navarra has always supported SMEs, building up the essential business fabric for the regions to develop and remain competitive in their production. This is evidenced by the fact that over 37% of companies have been loyal customers of the Bank for more than 10 years. In addition, the Bank continues to support new companies. More than 3% of companies initiated their relationship with the Bank in the last year.

LENGTH OF RELATIONSHIP WITH CRN	
< 1 year	3.0%
1-5 years	33.1%
5-10 years	26.5%
10-20 years	24.0%
> 20 years	13.4%

4. The Bank's involvement in rural development is an important strand of its work. Nearly 19% of sums lent went to companies based in populations of less than 10,000 people, which means the scheme is not only developing the local economy but also reinforcing the social fabric in rural zones.

POP. PER TOWN/VILLAGE	
less than 5,000	9.6%
5,000 to 10,000	9.1%
10,000 to 25,000	21.5%
25,000 to 50,000	7.6%
50,000 to 100,000	4.8%
100,000 to 150,000	1.7%
150,000 to 200,000	11.3%
More than 200,000	34.5%

5. Also, regarding type of customer, figures show that most are limited companies (consistent with the points made above) and more than 9% are cooperatives (mostly in the primary sector), figures in line with our origins as a cooperative credit institution and business philosophy.

TIPOLOGÍA EMPRESAS	
Public limited companies	13.8%
Limited companies	73.0%
Cooperatives	9.6%
Other	3.6%

6. For a deeper analysis of the real state of companies we have financed under this line, we attach two tables showing sales and number of employees in each:

SALES

Less than 1 million	67,9%	<div></div>
1 to 10 million	18,3%	<div></div>
10 to 20 million	6,2%	<div></div>
20 to 30 million	2,7%	<div></div>
30 to 45 million	2,0%	<div></div>
45 million or more	2,7%	<div></div>

NUMBER OF EMPLOYEES

Less than 10	73,8%	<div></div>
10 to 50	16,9%	<div></div>
50 to 100	4,9%	<div></div>
100 to 150	1,9%	<div></div>
150 to 200	1,5%	<div></div>
More than 200	1,1%	<div></div>

These two tables show the small scale of most companies financed by this line. 86.3% of funds went to firms with turnover of less than EUR 10 million and more than 90.6% to firms with less than 50 employees. Our financing, therefore, contributes to maintaining this important business fabric and the employment it generates.

7. It is also important to remember that despite the small size of these companies we are in one of Spain's most industrialised regions and this is reflected in the heavy exporting activity of these businesses.

EXPORT/IMPORT

Importing	3,1%	<div></div>
Exporting	3,9%	<div></div>
Both	8,8%	<div></div>
Neither	84,2%	<div></div>

8. Finally, to illustrate the diversification of financing granted, we include below a table of the different sectors to which the companies we have financed belong, by financing granted.

SECTORS OF ACTIVITY

Water supply, sanitation, waste management and depollution	0,3%	<div></div>
Agriculture, livestock, forestry and fisheries	1,5%	<div></div>
Manufacturing	12,2%	<div></div>
Construction	6,3%	<div></div>
Wholesale and retail commerce	5,3%	<div></div>
Transport and warehousing	4,5%	<div></div>
Hospitality	2,7%	<div></div>
Property	7,5%	<div></div>
Professionals, scientific and technical	6,0%	<div></div>
Administration and auxiliary services	1,1%	<div></div>
Other/NA	52,5%	<div></div>

